

LOTTOMatica

Lottomatica Group S.p.A.

€765,000,000 4.625% Senior Secured Notes due 2032

Lottomatica Group S.p.A., a joint stock company (*società per azioni*) established under the laws of Italy, with registered office in Via degli Aldobrandeschi, 300, 00163 Rome and registered with the Companies Register of Rome (*Registro delle Imprese di Roma*) under registration number and fiscal code 11008400969 (the “**Issuer**” or “**Lottomatica**”), is offering (the “**Offering**”) an aggregate principal amount of €765.0 million Senior Secured Notes due 2032 (the “**Notes**”). The proceeds from the Offering will be used: (i) to fund the full redemption of the May 2024 Floating Rate Notes and pay any accrued and unpaid interest thereon; (ii) for general corporate purposes and (iii) to pay certain fees, costs and expenses incurred in connection with the Transactions (as defined herein). See “*Use of Proceeds*.”

The Notes will bear interest at a rate of 4.625% per annum. Interest will be paid on the Notes semiannually on April 30 and October 31 commencing on October 31, 2026. The Notes will mature on April 30, 2032. At any time prior to April 30, 2028, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes upon not less than 10 nor more than 60 days’ notice by paying a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the relevant “make-whole” premium. At any time on or after April 30, 2028, the Issuer may redeem all or a portion of the Notes, upon not less than 10 nor more than 60 days’ notice at redemption prices set forth in this offering memorandum, plus accrued and unpaid interest. At any time prior to April 30, 2028, the Issuer may also redeem from time to time during each twelve-month period commencing on the Issue Date up to 10% of the original aggregate principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, if any; provided that the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision. See “*Description of the Notes—Optional Redemption*.”

Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to purchase the Notes. However, a change of control will not be deemed to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with such event. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes by paying a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

The Notes will be general senior secured obligations of the Issuer and will not benefit from any guarantees as of the Issue Date. The Notes will rank equal in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes (including the Existing Notes), and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes.

Subject to the Agreed Security Principles and certain limitations under applicable law, the Notes will be secured on or about the Issue Date by security interests over: (i) material bank accounts of the Issuer; (ii) receivables in respect of certain material intercompany loans owed to the Issuer; (iii) all of the issued share capital of Lottomatica Gaming held by the Issuer; and (iv) all of the issued share capital of GBO held by the Issuer (collectively, the “**Collateral**”). Subject to the Agreed Security Principles and to certain material limitations pursuant to applicable laws, the Collateral also secures the Existing Notes (as defined herein), the Revolving Credit Facility (as defined herein) and certain hedging obligations (if any) on a *pari passu* basis. See “*Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by Italian law.*” The Notes and the security interests over the Collateral will also be subject to restrictions on validity, enforcement and other limitations under applicable laws and may be released under certain circumstances. See “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations*” and “*Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral.*”

Subject to and as set forth in “*Description of the Notes—Additional Amounts*,” the Issuer will not be liable to pay any additional amounts to holders of the Notes in relation to any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of April 1, 1996 (as the same may be amended or supplemented from time to time), where the Notes are held by a person resident in a country that does not allow for satisfactory exchange of information with Italy as included (i) in the Ministerial Decree of the Minister of Economy and Finance of September 4, 1996, as amended and supplemented from time to time or (ii) once effective, in any other decree or regulation that will be issued in the future pursuant to Article 11(4)(c) of Decree No. 239 of April 1, 1996 or otherwise in the circumstances as described in “*Description of the Notes—Additional Amounts.*”

There is currently no public market for the Notes. This Offering Memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s Euro MTF Market and to be listed on the Official List of the Luxembourg Stock Exchange upon their issuance. In addition, application has been made to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”). There is no assurance that the Notes will be listed and admitted to trading on the Euronext Access Milan Market. References in this Offering Memorandum to Notes being “listed” (and all related references) shall mean that application has been made for the Notes to be admitted to trading on the Euro MTF Market and to be listed on the Official List of the Luxembourg Stock Exchange. We expect that the Notes will be delivered in book-entry form through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) on or about May 7, 2026.

INVESTING IN THE NOTES INVOLVES RISKS. BEFORE INVESTING IN ANY NOTES, YOU SHOULD CAREFULLY CONSIDER EACH OF THE RISK FACTORS AS SET FORTH UNDER “RISK FACTORS” BEGINNING ON PAGE 32 OF THIS OFFERING MEMORANDUM.

Issue Price for the Notes: 100.000%.

This Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”), “**U.S. persons**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable securities laws of any State or other jurisdiction of the United States. The Notes are being offered and sold (i) in the United States, only to qualified institutional buyers (“**QIBs**”) in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) and (ii) outside the United States, to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S, other than to retail investors in the EEA and in the United Kingdom. In the EEA, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). In the United Kingdom, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union Withdrawal Act 2018 (“**EUWA**”) (“**UK MiFIR**”) nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Prospective purchasers are hereby notified that the seller may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “*Transfer Restrictions*.”

Global Coordinators and Physical Bookrunners

Deutsche Bank

J.P. Morgan

Joint Bookrunners

Barclays

BNP PARIBAS

Goldman Sachs International

UniCredit

Co-Managers

Banca Akros S.p.A. Gruppo Banco BPM

Mediobanca

The date of this Offering Memorandum is May 7, 2026.

TABLE OF CONTENTS

IMPORTANT INFORMATION FOR INVESTORS	ii
CERTAIN DEFINITIONS	viii
INFORMATION REGARDING FORWARD-LOOKING STATEMENTS.....	xxii
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	xxv
SUMMARY	1
SUMMARY CORPORATE AND FINANCING STRUCTURE	14
THE OFFERING	16
SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA	21
RISK FACTORS	32
USE OF PROCEEDS	83
CAPITALIZATION	84
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	86
INDUSTRY OVERVIEW	125
THE GROUP’S BUSINESS.....	135
REGULATION	176
MANAGEMENT	196
SHAREHOLDERS.....	202
RELATED PARTY TRANSACTIONS.....	203
DESCRIPTION OF CERTAIN FINANCING AND GUARANTEE ARRANGEMENTS.....	204
DESCRIPTION OF THE NOTES.....	233
BOOK-ENTRY, DELIVERY AND FORM	317
CERTAIN TAX CONSIDERATIONS	322
CERTAIN CONSIDERATIONS FOR ERISA AND OTHER BENEFIT PLAN INVESTORS	336
PLAN OF DISTRIBUTION	337
TRANSFER RESTRICTIONS.....	341
LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF ANY FUTURE GUARANTEES AND THE SECURITY INTERESTS, AND CERTAIN INSOLVENCY LAW CONSIDERATIONS	345
SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS.....	383
LEGAL MATTERS	385
INDEPENDENT AUDITORS	386
WHERE YOU CAN FIND ADDITIONAL INFORMATION	387
LISTING AND GENERAL INFORMATION.....	388
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS.....	F-1

IMPORTANT INFORMATION FOR INVESTORS

We accept responsibility for the information contained in this Offering Memorandum and, to the best of our knowledge (having taken reasonable care to ensure that such is the case), the information is true and accurate in all material respects and contains no omission likely to affect the import of such information.

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. Neither we nor any of Deutsche Bank Aktiengesellschaft, J.P. Morgan SE, Barclays Bank Ireland PLC, BNP PARIBAS, Goldman Sachs International, UniCredit Bank GmbH, Banca Akros S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. (each an “**Initial Purchaser**” and collectively, the “**Initial Purchasers**”) are responsible for your compliance with these legal requirements.

The Notes are subject to restrictions on transferability and resale, which are described in the sections entitled “*Plan of Distribution*” and “*Transfer Restrictions*.” By possessing this Offering Memorandum or purchasing any Notes, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Neither we nor the Initial Purchasers nor any of our or their respective representatives are providing you with any legal, business, tax or other advice in this Offering Memorandum. You should consult with your own advisors, as needed, to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us.

The contents of our website do not form any part of this Offering Memorandum.

By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received, all additional information that you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. No person is authorized in connection with any offering made pursuant to this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained in this Offering Memorandum is accurate as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this Offering Memorandum or in our business since the date of this Offering Memorandum.

The Initial Purchasers, The Law Debenture Trust Corporation p.l.c. in its capacity as trustee (the “**Trustee**”), and UniCredit S.p.A. in its capacity as security agent (the “**Security Agent**”) and any other agents acting with respect to the Notes accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the Trustee, the Security Agent or any other agents acting with respect to the Notes, as to the past or the future.

Market data and certain industry forecasts and statistics in this Offering Memorandum have been obtained from both public and private sources, including internal surveys, industry sources and publicly available information

currently available to us. Although we accept responsibility for the accurate extraction and summarization of such information and data, we have not in any way independently verified the accuracy of such information and data and we accept no further responsibility in respect of such information and data.

In addition, the information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the sections entitled “*Description of the Notes*” and “*Book-Entry, Delivery and Form*,” is subject to any change in or re-interpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. Euroclear and Clearstream are not under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by any of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

We reserve the right to withdraw the Offering at any time, and it is subject to the terms described in this Offering Memorandum and the purchase agreement (the “**Purchase Agreement**”) relating to the Notes to be entered into between us and the Initial Purchasers. We and the Initial Purchasers each reserve the right to reject any offer to purchase the Notes in whole or in part and to allot to any prospective purchaser less than the amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

There can be no assurance that our application to the Italian Stock Exchange for the Notes to be admitted to listing on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of Borsa Italiana upon their issuance will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this admission to listing and trading.

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this Offering Memorandum will be issued in the form of one or more Global Notes (as defined herein). The Global Notes will be deposited with a common depositary for Euroclear and Clearstream and registered in the name of its nominee. Transfers of book-entry interests in the Global Notes will be effected through records maintained by Euroclear and Clearstream, respectively, and their respective participants. The Notes will not be issued in definitive registered form except under the circumstances described in the section “*Book-Entry; Delivery and Form*.” After the initial issuance of the Global Notes, the relevant Notes in certificated form will be issued in exchange for the Global Notes only as set forth in the Indenture. See “*Book-Entry, Delivery and Form*.”

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This Offering Memorandum may be used only for the purpose for which it was published.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AKTIENGESELLSCHAFT (THE “STABILIZING MANAGER”) (OR AFFILIATES ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR AFFILIATES ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZING ACTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE “*PLAN OF DISTRIBUTION*.”

NOTICE TO INVESTORS

Notice to investors in the United States

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and the Notes may not be offered, sold or purchased within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

In the United States, the Offering is being made only to QIBs as defined in, and in reliance on, Rule 144A. Outside the United States, the Offering is being made in offshore transactions to persons that are not U.S. persons (each as defined in Regulation S). Prospective purchasers are hereby notified that the seller may be relying on an exemption from the registration requirements of section 5 of the Securities Act provided by Rule 144A.

None of the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) under the U.S. Exchange Act of 1934, as amended (the “Exchange Act”) nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) of the Securities Act upon the written request of any such holder or beneficial owner.

Each purchaser of Notes will be deemed to have made the representations, warranties and acknowledgements that are described under the “*Transfer Restrictions*” section of this Offering Memorandum and the Notes are subject to the restrictions on transfer and resale as described therein.

Notice to Certain European Investors

EEA and United Kingdom

This Offering Memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the Notes. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended and superseded), and includes any relevant implementing measure in each Member State and in the United Kingdom, where the Prospectus Regulation forms part of domestic law by virtue of the EUWA. This Offering Memorandum is not a prospectus for the purpose of the Prospectus Regulation.

Accordingly, any person making or intending to make any offer within the EEA and the United Kingdom of the Notes should only do so in circumstances in which no obligation arises for us or the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum.

Notwithstanding the United Kingdom’s departure from the European Union, any references in this Offering Memorandum to European Union law should be treated as references to such law as applies in England and Wales from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11:00 pm on December 31, 2020.

Professional Investors and ECPs Only Target Market

Solely for the purposes of each manufacturers’ product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties (“ECPs”) and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending the

Notes (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment; however, and without prejudice to our obligations in accordance with MiFID II, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (for the purposes of this provision, a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels. For the purposes of this provision, the target market assessment is made by those of the Joint Bookrunners and Co-Managers who are manufacturers under the product governance rules set forth in COBS and UK MiFIR.

Prohibition of Offers to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “**qualified investor**” as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For the purposes of this section, the expression an “offer of Notes to the public” in relation to any Notes in the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of Sales to United Kingdom Retail Investors

In the United Kingdom, this Offering Memorandum is being distributed only to, and is directed only at persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) and persons falling within Article 49(2) of the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, this document must not be acted on or relied on by persons who are not relevant persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the “**Public Offers Regulation**”). Consequently no key information document required by FCA Product Disclosure Sourcebook (“**DISC**”) for offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024. This Offering Memorandum has been prepared on the basis that any offer of the Notes in the United Kingdom will be made pursuant to an exception under the Public Offers Regulation from the prohibition on offers to the public. This Offering Memorandum is not a prospectus for the purposes of the Public Offers Regulation or an approved prospectus for the purposes of Section 85 of the FSMA.

Italy

The Offering has not been cleared by *Commissione Nazionale per le Società e la Borsa*, the Italian Securities Exchange Commission (“**CONSOB**”) pursuant to Italian securities legislation and will not be subject to formal review or clearance by CONSOB. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly,

nor may copies of this Offering Memorandum or any other offering circular, prospectus, form of application, advertisement, other offering material or other information or document relating to the Issuer, or the Notes be issued, distributed or published in Italy, either on the primary or on the secondary market, except:

- (i) to qualified investors (*investitori qualificati*), as defined by Article 2, paragraph (e) of the Prospectus Regulation; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of Italian Legislative Decree No. 58 of February 24, 1998, as amended (the “**Italian Financial Act**”) and the implementing CONSOB regulations, including Article 34-ter, paragraph 1, letter b, of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (“**Issuers’ Regulation**”), and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy under (i) or (ii) above must be:

- (a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter r, of the Italian Financial Act), to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the provisions of Legislative Decree No. 58 of February 24, 1998, as amended (the “**Financial Services Act**”), CONSOB Regulation No. 20307 of February 15, 2018, as amended (“**Regulation No. 20307**”) and Legislative Decree No. 385 of September 1, 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations;
- (b) in compliance with all relevant Italian securities, tax, exchange control and any other applicable laws and regulations and any other applicable requirement or limitation that may be imposed from time to time by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian competent authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable laws and regulations. The Initial Purchasers have each represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or of any other document relating to the Notes in the Republic of Italy will be carried out in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Grand Duchy of Luxembourg

The Offering should not be considered a public offering of securities in the Grand Duchy of Luxembourg. This Offering Memorandum may not be reproduced or used for any other purpose than the Offering nor provided to any person other than the recipient thereof. The Notes are offered to a limited number of sophisticated investors in all cases under circumstances designed to preclude a distribution, which would be other than a private placement. All public solicitations are banned and the sale may not be publicly advertised.

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless: (a) the offer is made to “qualified investors” as described in points (1) to (4) of Section I of Annex II to MiFID II, and persons or entities who are, on request, treated as professional clients in accordance with Section II of that Annex, or recognized as eligible counterparties in accordance with Article 30 of MiFID II unless they have entered into an agreement to be treated as non-professional clients in accordance with the fourth paragraph of Section I of that Annex; or (b) the offer of the Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg law dated July 16, 2019 on prospectuses for securities, which has implemented into Luxembourg law the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd., and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

CERTAIN DEFINITIONS

Unless otherwise specified or the context requires otherwise, in this Offering Memorandum:

“2023 Refinancing”	refers to the redemption in full of the 2025 Notes, including the payment of all accrued and unpaid interest thereon, on June 1, 2023;
“2024 Refinancing”	refers to the redemption in full of the 2027 Notes and the June 2023 Floating Rate Notes, including the payment of all accrued and unpaid interest thereon, in May 2024;
“2025 Partial Demerger”	refers to the board of directors of each of Gamenet and LVR, on October 7 2025, approving the partial demerger (<i>scissione parziale</i>) pursuant to articles 2506-bis e 2501-ter of the Italian Civil Code of certain assets and liabilities of Gamenet and LVR into GGM S.p.A. (formerly known as GGM S.p.A. and subsequently renamed Lottomatica Gaming S.p.A.);
“2025 Refinancing”	refers to the redemption in full of the December 2023 Floating Rate Notes and the June 2023 Fixed Rate Notes, including the payment of all accrued and unpaid interest thereon, in May 2025;
“2025 Notes”	refers to the Original 2025 Notes and the Additional 2025 Notes;
“2027 Notes”	refers to the €350,000,000 aggregate principal amount of 9.750% senior secured notes due 2027 issued on September 27, 2022 by Lottomatica pursuant to the 2027 Notes Indenture, which have been fully redeemed in May 2024;
“2027 Notes Indenture”	refers to the indenture dated as of September 27, 2022 among, <i>inter alios</i> , Lottomatica, as issuer, The Law Debenture Trust Corporation p.l.c. as trustee and UniCredit S.p.A. as security agent, as amended, restated, supplemented or otherwise modified from time to time.
“Acquired Lottomatica Entities”	refers to LVR and Scommesse and Big Easy;
“Acquired Lottomatica Business”	refers to the Acquired Lottomatica Entities and their Italian online, sports betting and gaming machines business-to-customer businesses;
“Additional 2025 Notes”	refers to the €575,000,000 aggregate principal amount of 5.125% senior secured notes due 2025, issued by Gamma Bidco (which later merged into Lottomatica) on April 1, 2021, which have been fully redeemed in July 2023;
“ADI”	refers to <i>apparecchi da intrattenimento</i> , or entertainment devices, including AWP and VLTs;
“ADM”	refers to the <i>Agenzia delle Dogane e dei Monopoli</i> , formerly the <i>Amministrazione Autonoma dei Monopoli di Stato</i> , the Italian gaming regulatory authority;
“Agreed Security Principles”	refers to the agreed security principles as set out in Schedule 11 of the Revolving Credit Facility Agreement,

	as in effect on the Issue Date, as applied <i>mutatis mutandis</i> with respect to the Notes in good faith by the Issuer;
“Apollo”	refers to Apollo Global Management, Inc. collectively with its subsidiaries;
“ARPU”	Refers to average revenue per user;
“AWP”	refers to a slot machine or an amusement with prize machine;
“AWP-R”	refers to the new generation AWP introduced by the Italian Stability Law of 2016;
“Bets”	refers to the total amount of wagers collected from customers in the gaming industry;
“Betflag”	refers to Betflag S.p.A.;
“Betting Corners”	refers to venues primarily dedicated to activities other than gaming and betting, such as newsstands, bars and tobacco shops;
“Betflag Acquisition”	refers to the acquisition of 100% of the share capital of Betflag completed by GBO;
“Betting Shops”	refers to venues dedicated to gaming and betting;
“Big Easy”	refers to Big Easy S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“Billions Italia”	refers to Billions Italia S.r.l. a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“Bondco”	refers to Gamma Bondco S.à r.l., a limited liability company (<i>société à responsabilité limitée</i>) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg, Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg RCS—Registre de Commerce et des Sociétés under number B260204;
“Bondco Loan”	refers to the loan in the aggregate principal amount of €250,000,000 due by Lottomatica to Bondco, which was repaid and terminated on May 3, 2023;
“Borsa Italiana”	refers to the Italian stock exchange Borsa Italiana S.p.A., a company incorporated under the laws of Italy, with its registered office in Milan, at Piazza degli Affari, 6;
“Business Day”	refers to a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in Milan, Italy, London, United Kingdom, or New York City, New York;

“CAGR”	refers to compound annual growth rate;
“Clearstream”	refers to Clearstream Banking, SA (<i>société anonyme</i>) incorporated under the laws of Luxembourg;
“concession” or “concessions”	refer to the concession agreements and rights awarded by the ADM to operate our Sports Franchise, Online, and Gaming Franchise operating segments, as the case may be;
“CONSOB”	refers to the <i>Commissione Nazionale per la Società e la Borsa</i> , the Italian Securities Exchange Commission, with its registered office in Rome, at Via G.B. Martini, 3;
“Consolidated Financial Statements”	refers to the Lottomatica’s audited consolidated financial statements as of and for the years ended December 31, 2025, 2024 and 2023;
“Corporate Governance Code”	refers to the corporate governance code for listed companies adopted by the corporate governance committee of listed companies and promoted by Borsa Italiana, ABI (Italian banking association), Ania (Italian insurance companies association), Assogestioni (Italian asset management association), Assonime (Italian joint-stock companies association) and Confindustria (general confederation of Italian industry), in effect as of the date of this Offering Memorandum;
“COVID-19” or “COVID-19 pandemic”	refers to the coronavirus (SARS-Cov-2) and the disease it causes, the pandemic resulting therefrom and public health events related thereto;
“December 2023 Floating Rate Notes”	refers to the €500.0 million aggregate principal amount of floating rate senior secured notes due 2030, issued by Lottomatica on December 14, 2023 under the December 2023 Notes Indenture, which have been fully redeemed in May 2025;
“December 2023 Notes Indenture”	refers to the indenture dated as of December 14, 2023 among, <i>inter alios</i> , Lottomatica, as the issuer, The Law Debenture Trust Corporation p.l.c. as trustee and UniCredit S.p.A. as security agent, as amended, restated, supplemented or otherwise modified from time to time, governing the December 2023 Floating Rate Notes;
“EEA”	refers to the European Economic Area;
“Enjoy the Game”	refers to Enjoy the Game S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy, following the effectiveness of the merger by way of incorporation of La Chance S.r.l. and Easy Play S.r.l. into Gamenet Entertainment S.r.l. and the change of name of Gamenet Entertainment S.r.l. to Enjoy the Game S.r.l.;
“Euronext Milan”	refers to Euronext Milan, a regulated market organized and managed by Borsa Italiana;
“EU” or “European Union”	refers to the European Union;

“Euroclear”	refers to Euroclear Bank SA/NV (<i>société anonyme</i>) established under the laws of Luxembourg;
“Eurozone”	refers to the member states of the EU participating in the European Monetary Union;
“EUWA”	refers to the European Union (Withdrawal) Act 2018;
“Existing Notes”	refers to the May 2024 Fixed Rate Notes, the May 2024 Floating Rate Notes and the May 2025 Notes;
“Existing Notes Indentures”	refers to the May 2024 Notes Indenture and the May 2025 Notes Indenture, collectively;
“Framework Agreement”	refers to the framework agreement dated April 3, 2023, and as subsequently amended, entered into between Lottomatica and Faro Games S.r.l., governing the terms and conditions under which Faro Games, as previous owner of the Lottomatica Gaming Shares disposed of its investment in Lottomatica Gaming and as further described in <i>“The Group’s Business—Inorganic Growth—2023 Mergers and Acquisitions—Transfer to Lottomatica of a portion of the Lottomatica Gaming shares owned by Faro Games and contribution to Lottomatica of the remaining portion of the Lottomatica Gaming shares owned by Faro Games;”</i>
“Gamenet”	refers to Gamenet S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy;
“Gamenet Acquisition”	refers to the acquisition by Gamma Bidco (which later merged into Lottomatica) of all of the issued and outstanding capital of Gamenet Group (subsequently renamed Lottomatica S.p.A.) by way of the acquisition by Gamma Bidco (which later merged into Lottomatica) of 48.67% of the issued share capital of Gamenet Group on December 16, 2019, open market purchases and mandatory tender offer as further described under <i>“The Group’s Business—History;”</i>
“Gamenet Group”	refers to Gamenet Group S.p.A., subsequently renamed as Lottomatica S.p.A. (now merged into the Issuer);
“Gaming”	refers collectively to gaming and betting (and “gaming industry” refers collectively to the gaming and betting industry);
“Gaming Decree”	refers to Law Decree No. 50 of April 24, 2017 (converted into Law No. 96 of June 21, 2017) and the relevant decree of the Ministry of Economy and Finance of July 25, 2017;
“Gaming Franchise”	refers to the operating segment of the Group that includes the direct management of gaming halls and concessionary activities for VLTs and AWP, managed according to various types of business models depending on the level of integration in the value chain (i.e. ranging from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls);

“Gamma Bidco”	refers to Gamma Bidco S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy on October 15, 2019, which was merged into Lottomatica S.p.A. (now merged into the Issuer) effective as of February 1, 2022;
“Gamma Midco”	refers to Gamma Midco S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy, which was renamed as Lottomatica Group S.p.A. on February 27, 2023;
“Gamma Topco”	refers to Gamma Topco S.à r.l., a limited liability company (<i>société à responsabilité limitée</i>) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 2, avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg RCS— <i>Registre de Commerce et des Sociétés</i> under number B260204;
“GBO”	refers to GBO S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy on June 9, 2021, with a duration until December 31, 2060;
“GBO Italy”	refers to GBO Italy S.p.A., a joint stock company (<i>società per azioni</i>) resulting from June 1, 2022, from the change of name of GoldBet S.p.A. to GBO Italy S.p.A., following the effectiveness of the merger by way of incorporation of Scommesse into GoldBet;
“GBO Merger”	refers to the merger between SKS365 and GBO, with GBO as the surviving entity, which became effective on the GBO Merger Date, with tax and accounting effect from January 1, 2025;
“GBO Merger Date”	refers to March 1, 2025, <i>i.e.</i> the date on which the GBO Merger became effective, with tax and accounting effects from January 1, 2025;
“GDP”	refers to gross domestic product;
“GGR”	refers to gross gaming revenue;
“GNetwork”	refers to Gnetwork S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“GoldBet”	refers to (i) prior to October 9, 2018, GoldBet S.r.l., (ii) from October 9, 2018 to May 1, 2019, GoldBet S.p.A., (iii) from May 1, 2019 to June 1, 2022, GoldBet S.p.A. (previously Intralot Italia S.p.A.), following the effectiveness of the merger by way of incorporation of GoldBet S.p.A. into Intralot Italia S.p.A. and the change of name of Intralot Italia S.p.A. to GoldBet S.p.A., and (iv) after June 1, 2022, the same entity is referred to as GBO Italy;
“GoldBet Acquisition”	refers to the acquisition of 100% of the share capital of GoldBet completed by the Group on October 9, 2018;

“Government”	refers to the Italian Government;
“Group,” “we,” “us” or “our”	unless otherwise indicated including but not limited to, in the context of the historical financial information and other data, refers to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which for accounting purposes includes PWO Group from April 30, 2024);
“Group Company”	refers to a company controlled, directly or indirectly, by the Issuer;
“Guarantor”	refers to any Person that incurs a Guarantee; provided that, for the avoidance of doubt, there will be no Guarantors as of the Issue Date;
“Guarantee”	refers to a guarantee of the Notes pursuant to the Indenture; provided that, for the avoidance of doubt, there will be no Guarantees as of the Issue Date;
“IAS”	refers to International Accounting Standard;
“IFRS”	refers to International Financial Reporting Standards as adopted by the European Union;
“iGaming”	refers to the market segment in which the Group operates related to online casino;
“IGM”	refers to Intralot Gaming Machines S.p.A., a joint stock company (<i>società per azioni</i>) formerly incorporated under the laws of Italy, merged by incorporation into Gamenet with effect from July 1, 2017;
“IGT”	refers to International Game Technology PLC, a publicly limited company incorporated under the laws of England and Wales;
“imposta unica”	refers to a tax levied on sports and horse race betting as described more detail under “ <i>Regulation—Regulatory Framework Relating to the Betting Concessions Held by the Group (Other than Horse Betting)—Miscellaneous Provisions</i> ” and “ <i>Regulation—Regulatory Framework Relating to Concessions Held by the Group for the Exercise and Remote Collection of Bets and Games—Licensing Requirements for the Exercise of Remote Skill Games with Cash Prizes</i> ”;
“Incremental Facility”	refers to the incremental facility to the Revolving Credit Facility established pursuant to the Incremental Facility Notice and provided by the lenders party thereto in an amount of €50,000,000;
“Incremental Facility Notice”	refers to the incremental facility notice to the Revolving Credit Facility Agreement entered into on December 14, 2023 in respect of the Incremental Facility, as further amended, supplemented and/or restated from time to time (including, in connection with the Offering, pursuant to the Revolving Credit Facility Amendment);

“Incremental Guarantee Facility”	refers to the incremental guarantee facility under the Revolving Credit Facility Agreement provided by Deutsche Bank S.p.A. and established pursuant to the Incremental Guarantee Facility Notice, in an amount of €50,000,000 as a guarantee facility thereunder available for bank guarantees;
“Incremental Guarantee Facility Notice”	refers to the incremental guarantee facility notice to the Revolving Credit Facility Agreement entered into on May 3, 2023 in respect of the Incremental Guarantee Facility, as further amended, supplemented and/or restated from time to time (including, in connection with the Offering, pursuant to the Revolving Credit Facility Amendment);
“Indenture”	refers to the indenture governing the Notes, to be dated the Issue Date, and to be entered into by, among others, the Issuer, the Trustee and the Security Agent, and as supplemented or amended from time to time;
“Initial Purchasers”	refers to Deutsche Bank Aktiengesellschaft, J.P. Morgan SE, Barclays Bank Ireland PLC, BNP PARIBAS, Goldman Sachs International, UniCredit Bank GmbH, Banca Akros S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. and “Initial Purchaser” refers to each of them;
“Intercreditor Agreement”	refers to the intercreditor agreement dated July 23, 2020, between, among others, the Issuer, the administrative agent under the Revolving Credit Facility Agreement, the trustee for the Existing Notes and the Security Agent, as amended and/or supplemented from time to time (including by any accession undertaking delivered thereunder), and to which the Trustee will accede, on behalf of the holders of the Notes, on or around the Issue Date;
“Intralot”	refers, collectively, to Intralot Holding & Services S.p.A. and its subsidiaries as of the date of the Intralot Acquisition, the Italian activities of Intralot S.A., a global gaming company based in Greece;
“Intralot Acquisition”	refers to the series of corporate transactions resulting in our acquisition of Intralot on June 27, 2016;
“Intralot B.V.”	refers to Intralot Italian Investments B.V., a private limited liability company (<i>besloten vennootschap</i>) incorporated under the laws of the Netherlands;
“Intralot Italia”	refers to (i) prior to August 14, 2007, Intralot Italia S.r.l. (ii) from August 14, 2007 to May 1, 2019, Intralot Italia S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy, (iii) from May 1, 2019, GoldBet S.p.A., following the effectiveness of the merger by way of incorporation of GoldBet S.p.A. into Intralot Italia S.p.A. and the change of name of Intralot Italia S.p.A. to GoldBet S.p.A. and (iv) from June 1, 2022, GBO Italy S.p.A. following the effectiveness of the merger by way of incorporation of Scommesse into GoldBet and the change of name of GoldBet S.p.A. to GBO Italy S.p.A.;

“ IPO ”	refers to the initial public offering on Euronext Milan completed by Lottomatica on May 3, 2023;
“ IRAP ”	refers to the Italian regional income tax (<i>Imposta Regionale sulle Attività Produttive</i>);
“ iSports ”	refers to the segment in which the Group operates related to sports, virtual and horse race betting in the online channel;
“ Issue Date ”	refers to the date of issuance of the Notes, which is May 7, 2026;
“ Issuer ”	refers to Lottomatica;
“ Italian Civil Code ”	refers to the Italian civil code (<i>codice civile</i>), enacted by Italian Royal Decree No. 262 of March 16, 1942, as subsequently amended and supplemented;
“ Italian Crisis and Insolvency Code ”	means the Italian Legislative Decree No. 14 of 12 January 2019 (<i>Codice della crisi d’impresa e dell’insolvenza in attuazione della legge 19 ottobre 2017, n. 155</i>), as amended and supplemented from time to time (including by virtue of the Italian Legislative Decree No. 83 of 17 June 2022 implementing the EU Directive 2019/1023 of 20 June 2019, as supplemented from time to time);
“ Italian GAAP ”	refers to the Italian law governing the preparation of financial statements, as interpreted and integrated by the accounting principles established by the <i>Organismo Italiano di Contabilità—OIC</i> ;
“ Italian Golden Power Authority ”	means the Presidency of the Italian Council of Ministers (<i>Presidenza del Consiglio dei Ministri</i>);
“ Italian Golden Power Legislation ”	means the Italian Law Decree (<i>decreto legge</i>) No. 21 of March 15, 2012, as converted into law and amended by Italian Law No. 56 of May 11, 2012; the Italian Law Decree (<i>decreto legge</i>) No. 105 of September 21, 2019, as converted into law and amended by Italian Law No. 133 of November 18, 2019; the Italian Law Decree (<i>decreto legge</i>) No. 23 of April 8, 2020, as converted into law and amended by Italian Law No. 40 of June 5, 2020; the Italian Law Decree No. 21 of March 21, 2022, as converted into law and amended by Italian Law No. 51 of May 20, 2022; and the Italian Law Decree (<i>decreto legge</i>) No. 104 of August 10, 2023, as converted into law and amended by Italian Law No. 136 of October 9, 2023, each as subsequently amended and supplemented, and including the relevant implementing decrees adopted from time to time;
“ Italian Budget Law of 2017 ”	refers to Law No. 232 of December 11, 2016;
“ Italian Budget Law of 2018 ”	refers to Law No. 205 of December 27, 2017;
“ Italian Budget Law of 2019 ”	refers to Law No. 145 of December 30, 2018;

“Italian Budget Law of 2020”	refers to Law No. 160 of December 27, 2019;
“Italian Budget Law of 2023”	refers to Law No. 197 of December 29, 2022;
“Italian Budget Law of 2025”	refers to Law No. 207 of December 30, 2024;
“Italian Stability Laws”	refers to collectively the Italian Stability Law of 2015, Italian Stability Law of 2016, Italian Budget Law of 2017; the Italian Budget Law of 2018; the Italian Budget Law of 2019; the Italian Budget Law of 2020; the Italian Budget Law of 2023 and the Tax Decree;
“Italian Stability Law of 2015”	refers to Law No. 190 of December 20, 2014;
“Italian Stability Law of 2016”	refers to Law No. 208 of December 28, 2015;
“Italy”	refers to the Republic of Italy;
“Jolly”	refers to Jolly Videogiochi S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“June 2023 Floating Rate Notes”	refers to the €550,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2028, issued by Lottomatica on June 1, 2023 under the June 2023 Notes Indenture, which have been fully redeemed in May 2024;
“June 2023 Fixed Rate Notes”	refers to the €565,000,000 aggregate principal amount of 7.125% senior secured notes due 2028, issued by Lottomatica on June 1, 2023 under the June 2023 Notes Indenture, which have been fully redeemed in May 2025;
“June 2023 Notes”	refers to the June 2023 Floating Rate Notes and the June 2023 Fixed Rate Notes;
“June 2023 Notes Indenture”	refers the indenture dated as of June 1, 2023 among, <i>inter alios</i> , Lottomatica as issuer, The Law Debenture Trust Corporation p.l.c. as trustee and UniCredit S.p.A. as security agent, as amended, restated, supplemented or otherwise modified from time to time, governing the June 2023 Fixed Rate Notes;
“Law 111/2023”	refers to Law No. 111 of August 9, 2023;
“Legislative Decree No. 41/2024”	refers to Legislative Decree No. 41 of March 25, 2024;
“Logispin”	refers to Logispin Malta Limited, a limited liability company incorporated under the laws of Malta;
“Lottomatica”	refers to (i) prior to the Lottomatica Merger, Lottomatica S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy, with LEI code: 81560046335277E43118, and (ii) subsequent to the Lottomatica Merger, Lottomatica Group S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy with LEI code: 549300R72LKEGT4EX026;
“Lottomatica Business Acquisition”	refers to the acquisition by Gamenet Group of the Acquired Lottomatica Business as described in this Offering

	Memorandum, which acquisition completed on May 10, 2021;
“Lottomatica Gaming”	refers to Lottomatica Gaming S.p.A., formerly GGM S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy on June 9, 2021, with a duration until December 31, 2060;
“Lottomatica Merger”	refers to the merger between Lottomatica Group S.p.A. and Lottomatica S.p.A. with Lottomatica Group S.p.A. (i.e., the Issuer) as the surviving entity, which became effective on the Lottomatica Merger Date with tax and accounting effect from January 1, 2024. Following completion of the Lottomatica Merger, the Issuer assumed all of Lottomatica S.p.A.’s obligations, including all liabilities and obligations of Lottomatica S.p.A. under the Existing Notes and the Revolving Credit Facility;
“Lottomatica Merger Date”	refers to November 1, 2024, <i>i.e.</i> the date on which the Lottomatica Merger became effective, with tax and accounting effects from January 1, 2024;
“Luxembourg”	refers to the Grand Duchy of Luxembourg;
“LVR”	refers to Lottomatica Videolot Rete S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy;
“May 2024 Fixed Rate Notes”	refers to the €500,000,000 aggregate principal amount of 5.375% senior secured notes due 2030, issued by Lottomatica on May 29, 2024 under the May 2024 Notes Indenture;
“May 2024 Floating Rate Notes”	refers to the €400,000,000 aggregate principal amount of floating rate senior secured notes due 2031, issued by Lottomatica on May 29, 2024 under the May 2024 Notes Indenture, which will be redeemed in full with a portion of the proceeds from the Offering;
“May 2024 Notes Indenture”	refers to the indenture dated as of May 29, 2024 among, <i>inter alios</i> , Lottomatica as issuer, The Law Debenture Trust Corporation p.l.c. as trustee and UniCredit S.p.A. as security agent, as amended, restated, supplemented or otherwise modified from time to time, governing the May 2024 Fixed Rate Notes and the May 2024 Floating Rate Notes;
“May 2024 Notes”	refers to the May 2024 Fixed Rate Notes and the May 2024 Floating Rate Notes;
“May 2025 Notes”	refers to the €1,100.0 million aggregate principal amount of senior secured notes due 2031 issued on May 13, 2025 by the Issuer pursuant to the May 2025 Notes Indenture;
“May 2025 Notes Indenture”	refers to the indenture dated as of May 13, 2025 among, <i>inter alios</i> , the Issuer, The Law Debenture Trust Corporation p.l.c. as trustee and UniCredit S.p.A. as security agent, as amended, restated, supplemented or otherwise modified from time to time;

“Member State”	refers to each member state of the EEA;
“NewMatic”	refers to New Matic S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“NGR”	refers to net gaming revenues;
“Notes”	refers to the aggregate principal amount of €765.0 million 4.625% senior secured notes due 2032 offered hereby. See “Summary—The Offering;”
“Original 2025 Fixed Rate Notes”	refers to the €340,000,000 aggregate principal amount of 6.250% senior secured notes due 2025, issued by Gamma Bidco (which later merged into Lottomatica S.p.A.) on July 23, 2020 which have been fully redeemed in July 2023;
“Original 2025 Floating Rate Notes”	refers to the €300,000,000 principal amount of floating rate senior secured notes due 2025, issued by Gamma Bidco (which later merged into Lottomatica S.p.A.) on July 23, 2020, which have been fully redeemed in July 2023;
“Original 2025 Notes”	refers to the Original 2025 Fixed Rate Notes and the Original 2025 Floating Rate Notes, which have been fully redeemed in July 2023;
“Original Revolving Credit Facility”	refers to the €350,000,000 super senior revolving credit facility established under the Revolving Credit Facility Agreement on May 3, 2023;
“other online games”	refers to online games including online poker, online poker tournaments, online casino, online bingo and other online games;
“Payout”	refers to the amount of Bets paid out to players as winnings;
“Planet Entertainment”	refers to Planet Entertainment S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy and a wholly-owned subsidiary of PWO;
“POS”	refers to points of sale (and may also refer to betting and gaming shops and corners);
“PREU”	refers to gaming taxes imposed on VLTs and AWP;
“Principal Paying Agent”	refers to Deutsche Bank AG, London Branch in its capacity as principal paying agent under the Indenture;
“Prospectus Regulation”	refers to Regulation (EU) 2017/1129 (as amended and superseded), including any implementing measure in a Member State;
“PVC”	refers to a <i>processo verbale di constatazione</i> or a tax audit report issued by the Italian tax authorities;

“PWO”	refers to (i) prior to the PWO Conversion Date, PWO Limited (formerly, SKS365 Malta Limited), a limited liability company incorporated under the Laws of Malta, with registered office at Focus House, First Floor, Triq Sant’Andrija, San Giljan, STJ 3180, Malta, number of registration with the Companies’ Register of Malta no. C57502 and (ii) following the PWO Conversion Date, PWO S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy;
“PWO Acquisition”	refers to the acquisition by GBO of the entire issued and outstanding share capital of SKS365, completed on the PWO Acquisition Closing Date;
“PWO Acquisition Closing Date”	refers to April 24, 2024, the date on which the PWO Acquisition was consummated;
“PWO Conversion”	refers to the cross-border conversion of PWO Limited (formerly, SKS365 Malta Limited) into PWO S.p.A., which became effective on the PWO Conversion Date;
“PWO Conversion Date”	refers to March 1, 2025, <i>i.e.</i> the date on which the PWO Conversion became effective;
“PWO Group”	refers to (i) prior to the GBO Merger Date, SKS365 and its consolidated subsidiaries, collectively, and (ii) following GBO Merger Date, PWO and its consolidated subsidiaries, collectively. Following completion of the PWO Acquisition on the PWO Acquisition Closing Date, the PWO Group is indirectly owned by the Issuer;
“Restricted Subsidiaries”	refers to all of the Issuer’s subsidiaries that have not been designated as Unrestricted Subsidiaries;
“Rete Gioco Italia”	refers to Rete Gioco Italia S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) organized under the laws of Italy. On July 24, 2024, LVR, a subsidiary of the Issuer, completed its acquisition of 60% of the share capital of Rete Gioco Italia;
“Revolving Credit Facility”	refers collectively to the Original Revolving Credit Facility, the Incremental Facility and the Incremental Guarantee Facility, as amended by the Revolving Credit Facility Amendment, and any other incremental facility or commitment increase thereunder, described in more detail in “ <i>Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility Agreement</i> ;”
“Revolving Credit Facility Agreement”	refers to the super senior revolving credit facility agreement in respect of the Revolving Credit Facility dated May 3, 2023 between, among others, Lottomatica, the Agent (as defined therein), the Security Agent and Original Lenders (as defined therein), and as further amended, supplemented and/or restated from time to time (including pursuant to the Incremental Guarantee Facility Notice and the Incremental Facility Notice and the Revolving Credit Facility Amendment), which is described in more detail in “ <i>Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility Agreement</i> ;”

“ Ricreativo ”	refers to Ricreativo B S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy;
“ RosilSport ”	refers to RosilSport S.r.l., a limited liability company (<i>società a responsabilità limitata</i>) incorporated under the laws of Italy;
“ Scommesse ”	refers to Lottomatica Scommesse S.p.A., a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy, now merged into GBO Italy;
“ Securities Act ”	refers to the U.S. Securities Act of 1933, as amended;
“ Security Agent ”	refers to UniCredit S.p.A. in its capacity as security agent and legal representative (<i>mandatario con rappresentanza</i>) under the Indenture, the Intercreditor Agreement and the Revolving Credit Facility Agreement and as representative (<i>rappresentante</i>) of the holders of the Existing Notes and the Notes pursuant to and for the purposes set forth under article 2414-bis, paragraph 3, of the Italian Civil Code;
“ SKS365 ”	refers to SKS365 Malta Holding Limited, a limited liability company incorporated under the Laws of Malta, with registered office at Focus House, First Floor, Triq Sant’Andrija, San Giljan, STJ 3180, Malta, number of registration with the Companies’ Register of Malta C70543, which was merged by incorporation into GBO effective as of the GBO Merger Date;
“ SOGEI ”	refers to Società Generale d’Informatica S.p.A., an information and communication technology company owned by the Italian Ministry of Economy and Finance that is generally responsible for, among other things, the operation of the tax IT system;
“ Stabilizing Manager ”	refers to Deutsche Bank Aktiengesellschaft, in its capacity as stabilizing manager in connection with the Offering;
“ Stability Fee ”	refers to the €500 million annual fee provided for by the Italian Stability Law of 2015 to be paid for the year 2015 by VLT and AWP concessionaires and operators in proportion to the number of VLTs and AWP operated as of December 31, 2014;
“ Tax Decree ”	refers to Law No. 157 of December 19, 2019;
“ Totosi ”	refers to Totosi S.r.l.;
“ Transactions ”	refers to the Offering and the use of proceeds thereof (including the redemption of the May 2024 Floating Rate Notes). See also “ <i>Use of Proceeds</i> ,” “ <i>Capitalization</i> ” and “ <i>Description of the Notes</i> ,”
“ Transfer Agent ”	refers to Deutsche Bank AG, London Branch in its capacity as transfer agent under the Indenture;
“ Trustee ”	refers to The Law Debenture Trust Corporation p.l.c., in its capacity as trustee under the Indenture and common representative (<i>rappresentante comune</i>) of the holders of

	the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code;
“TUF”	refers to the Italian Legislative Decree No. 58 of February 24, 1998, as amended (also referred to as the “Italian Securities Act”);
“UIF”	refers to the Italian Financial Information Unit (<i>Unità di Informazione Finanziaria di Banca d’Italia</i>);
“UK” or “United Kingdom”	refers to the United Kingdom of Great Britain and Northern Ireland;
“Unique Active Users”	refers to the number of customers who have carried out, with one or more game accounts in their name, at least one bet on one or more online products (not only sports betting) during the relevant period;
“United States” or the “U.S.”	refers to the United States of America;
“Unrestricted Subsidiaries”	refers to any subsidiary of the Issuer that is designated as an unrestricted subsidiary in accordance with the terms of the Indenture;
“virtual betting”	refers to bets based on computer-simulated events, such as football matches, car races, horse races and dog races, with graphic animation or based on a real event previously recorded; and
“VLT”	refers to video lottery terminal.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise indicated or the context otherwise requires, references to the “Group,” “we,” “us” and “our” are to the Group including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which for accounting purposes includes PWO Group from April 30, 2024).

The information in this Offering Memorandum includes forward-looking statements, forecasts, estimates, projections and opinions (“**forward-looking statements**”), which include statements and figures related to our expectations regarding the performance of our business, strengths and strategies, markets, industry trends, acquisitions (including our plans, intentions and/or expectations), results of operations, financial condition, liquidity and capital resources, capital expenditures, financing needs, the economic, political and legal environment in which we operate, and other statements and figures that do not directly relate to historical fact or current fact.

When used in this Offering Memorandum, including in the sections entitled “*Summary*,” “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*The Group’s Business*” and “*Industry Overview*,” the words “anticipate,” “assume,” “believe,” “could,” “continue,” “estimate,” “expect,” “foresee,” “intend,” “may,” “might,” “project,” “should,” “will,” “would” and similar expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “*Risk Factors*” included in this Offering Memorandum. By their very nature, all forward-looking statements involve known and unknown risks, uncertainties and other factors, that are beyond our control and which may cause our actual results of operations, financial condition, liquidity position or prospects to be materially different from any future results of operations, financial condition, liquidity position or prospects expressed or implied by such statements. These risks and uncertainties and other factors include, among other things, those listed in the “*Risk Factors*” section, as well as those included elsewhere in this Offering Memorandum. These factors include, but are not limited to, the following:

- competition from other gaming operators and the liberalization or other changes in the regulatory framework, which may increase the number of competitors in the gaming industry, including competitors who are not required to comply with all the requirements of the Italian regulatory framework;
- ability to implement the Group’s business strategy or manage future growth effectively;
- performance and problems with the Group’s partners and retailers, as well as a number of third party suppliers;
- the Group’s strategy of selectively pursuing acquisitions of businesses;
- failure to keep up with technological developments in online gaming or to continually develop its technological expertise;
- inadequacy of the technological solutions the Group has in place to block access to its online services by players in certain jurisdictions;
- possibility of experiencing losses due to technical problems or fraudulent activities;
- dependence on certain key personnel and the loss of such individuals, or the Group’s inability to attract and maintain key personnel;
- integrity of the Group’s employees and agents, the security of its systems, and the good standing of the Group’s shareholder and its employees and agents;
- possibility of experiencing significant losses with respect to individual events or betting outcomes;

- changes in consumer preferences and behavior as well as new expectations from investors, customers or employees on environmental, social and governance matters;
- sports scheduling and other seasonal factors as well as extraordinary events;
- non-functionality of IT systems, and its products and services and any possible errors in the Group's software, hardware and processing systems or due to security breaches (including hacker intrusions, malicious viruses and other cybercrime attacks) or human error, and any disruption of its information and communication technology systems, whether widespread or localized;
- the highly regulated industry in which the Group operates, and changes in any applicable laws or regulations;
- any change in the ESG risk ratings of the Group or any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants;
- yearly updates of certain key items, such as PREU, taxes or fees owed, as well as other parameters that impact on the Group's financial results;
- uncertainty of certain financial forecasts which could be materially different from anticipated future results;
- adverse or negative perceptions and publicity surrounding the gaming industry, which could lead to increased or more onerous gaming regulation;
- unfavorable outcomes with respect to pending litigation;
- potential hurdles and challenges to the integration of the PWO Group with the Group, which could delay or prevent certain synergies from materializing;
- regulatory changes requiring an electronic system for age control;
- significant changes in gaming tax rates applicable to the Group's operations;
- the failure to comply with regulations regarding the use of personal customer data;
- intellectual properties infringements;
- tax audits and investigation;
- changes to taxation or the interpretation or application of tax laws and Italian tax legislation restricting the deductibility of all or a portion of the interest expense on the Group's indebtedness;
- the failure to detect illegal or fraudulent activities of the Group's customers;
- potential future impairments of goodwill and other intangible assets;
- deteriorating economic conditions in Italy and Europe;
- the requirement of post sizeable performance bonds and the possibility of being subject to substantial penalties if the Group fails to perform under its concessions;
- the failure to renew all or some of the Group's expired concessions;
- not having cash on hand or adequate access to additional capital to fund the concessions; and
- the potential for insurance on business activities to be inadequate.

The risks listed above and those further described in the “*Risk Factors*” section of this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition and results of operations. New risks emerge from time to time and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

We urge you to read carefully the sections of this Offering Memorandum entitled “*Summary*,” “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” and “*The Group’s Business*” for a more detailed discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not be accurate or occur at all. Accordingly, prospective investors should not place undue reliance on these forward-looking statements, which speak only as of the date on which the statements were made.

We undertake no obligation, and do not intend, to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Lottomatica Financial Information

Unless otherwise indicated or the context requires, references in this Offering Memorandum to “we,” “us,” “our” and the “Group” including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which for accounting purposes, is consolidated from April 30, 2024).

Background

On April 20, 2023, Borsa Italiana approved the admission to listing of the ordinary shares of Lottomatica (formerly known as Gamma Midco S.p.A.) on Euronext Milan, a regulated market organized and managed by Borsa Italiana. On the same day, the National Commission for Companies and the Stock Exchange approved the listing prospectus relating to the admission to listing of Lottomatica’s ordinary shares on Euronext Milan. On May 3, 2023, Lottomatica successfully completed its initial public offering and its shares started trading on Euronext Milan.

On the PWO Acquisition Closing Date, GBO completed the acquisition of 100% of the share capital of SKS365. As of the PWO Acquisition Closing Date, SKS365 was the parent company of the operating company PWO (formerly, SKS365 Malta Limited, a limited liability company incorporated under the Laws of Malta). Following the PWO Acquisition Closing Date, PWO (formerly, SKS Malta Limited) was renamed to PWO Limited and, as a result of the PWO Conversion, converted to PWO S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy on the PWO Conversion Date. See “*The Group’s Business—Inorganic Growth—2024 Mergers and Acquisitions—Acquisition of SKS365 Malta Holding Limited*.” The PWO Group was consolidated into the Group from April 30, 2024. Therefore, unless the context indicates otherwise, any historical consolidated financial information as of and for the year ended December 31, 2024, which is presented in this Offering Memorandum, includes the historical financial information of the PWO Group from April 30, 2024.

Historical financial information

Unless otherwise indicated, the financial information included in this Offering Memorandum has been extracted or derived from the audited consolidated financial statements of the Group as of and for the years ended December 31, 2025, 2024 and 2023, which have been prepared for the purpose of this Offering, approved by the Board of Directors on March 2, 2026 and audited by PricewaterhouseCoopers S.p.A. (the “**Consolidated Financial Statements**”), including the audit report thereon. For a description of the basis of preparation of see note 2.1 to the Consolidated Financial Statements.

The Consolidated Financial Statements together with the audit reports thereon are contained in the F-pages to this Offering Memorandum and should be read in conjunction with the relevant notes thereto.

Historical audited consolidated financial information is not necessarily indicative of future expected results. In addition, historical financial information for the Group that is presented in this Offering Memorandum for the periods prior to the PWO Acquisition cannot be considered comparable to financial information presented for the periods following the PWO Acquisition.

Run-Rate Non-IFRS Measures and As Adjusted Financial Information

In this Offering Memorandum, we have prepared certain unaudited Non-IFRS Financial Measures (as defined below) to give run-rate effect to: (i) the Adjusted EBITDA of certain distribution insourcing operations acquired in 2025 for the period from January 1, 2025 to the relevant date of completion of their respective acquisition by the Group, based on accounting records and management information and (ii) the run-rate effect from the full realization of the synergies that management expects to generate from the PWO Acquisition by the end of 2026, to the extent not already reflected in the Group’s Adjusted EBITDA for the years ended December 31, 2025 and 2024, based on accounting records and management information.

Such pro forma Non-IFRS Financial Measures may include various other adjustments, as described below (any such pro forma financial information, collectively the “**Pro Forma Non-IFRS Financial Measures**”). The Pro Forma Non-IFRS Financial Measures have been prepared on the basis of historical financial information included

in the Consolidated Financial Statements and/or elsewhere in this Offering Memorandum, as well as accounting records and management accounts and information of the Group, certain distribution insourcing operations acquired in 2025, the PWO Group and management estimates and expectations. See “—Key Performance Indicators and Non-IFRS Financial Measures” below for further information.

Additionally we present certain As Adjusted Financial Information to illustrate the effects of the Transactions on our Net Financial Debt and Cash Interest Expense.

Non-IFRS Financial Measures

In this Offering Memorandum, we present Non-IFRS Financial Measures. We present these Non-IFRS Financial Measures to help evaluate our performance and allow for greater visibility as to key metrics used by our management in the evaluation of our results and financial condition, and in their financial and operational decision-making. As an indicator of our performance, these measures have limitations and should not be considered in isolation or as an alternative to, or more meaningful than, measures of performance as determined in accordance with IFRS. Such measures should be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS included in the Consolidated Financial Statements.

Set forth below are the Non-IFRS financial measures used in this Offering Memorandum:

- **Segment Revenues:** calculated as consolidated revenues adjusted to include the revenues of equity accounted investments in which the Group holds an interest of more than 50%;
- **Adjusted EBITDA:** calculated as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% and/or of businesses disposed of or in the process of disposal; (vii) costs related to M&A and international activities; (viii) integration costs (including expenses related to corporate restructuring and, redundancy and higher costs incurred in relation to the renegotiation of operating contracts); (ix) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods;
- **Adjusted EBITDA Margin:** calculated as the ratio of Adjusted EBITDA divided by Segment Revenues for the period;
- **Adjusted EBIT:** calculated as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) amortization of assets resulting from business combinations following the relevant purchase price allocation process; and (vi) other non-recurring costs and income which are excluded from Adjusted EBITDA;
- **Adjusted EBIT Margin:** calculated as the ratio of Adjusted EBIT divided by consolidated revenues for the period;
- **Adjusted Net Profit:** calculated as net profit for the year adjusted for: (i) amortization of assets resulting from business combinations; (ii) other non-recurring costs and income excluded from Adjusted EBITDA, (iii) finance income and expenses that, due to their nature, are not reasonably expected to recur in future periods, (iv) other non-monetary items included in financial expenses and (v) tax effects on such adjustments;
- **Capital Expenditures:** calculated as the sum of investments for the period in property, plant and equipment and intangible assets;
- **Cash Capital Expenditures:** refers to cash outflows for (i) recurring capital expenditure; (ii) concession capital expenditure; and (iii) extraordinary capital expenditure related to investments for extraordinary projects and deferred consideration for the acquisition of subsidiaries and business units;
- **Cash Conversion Rate:** calculated as the ratio of Operating Cash Flow divided by Adjusted EBITDA;

- **Net Financial Debt:** calculated as the sum of (i) the aggregate principal amount of the Existing Notes, plus (ii) payables related to IFRS 16, plus (iii) shares buyback liabilities, *net of* (iv) cash and cash equivalent; and
- **Operating Cash Flow:** calculated as the sum of Adjusted EBITDA less recurring capital expenditure and concession capital expenditure.

In addition, in this Offering Memorandum, we present the following Pro Forma Non-IFRS Financial Measures:

- **“Run-Rate Adjusted EBITDA”** which reflects Adjusted EBITDA for the Group for the year ended December 31, 2025, as further adjusted to include (i) the Adjusted EBITDA of certain distribution insourcing operations acquired in 2025 for the period from January 1, 2025 to the relevant date of completion of their respective acquisition by the Group, based on accounting records and management information and (ii) the run-rate effect from the full realization of the synergies that management expects to generate from the PWO Acquisition by the end of 2026, to the extent not already reflected in the Group’s Adjusted EBITDA for the years ended December 31, 2025 and 2024, based on accounting records and management information. We believe that Run-Rate Adjusted EBITDA is a useful metric for investors to understand the Group’s results of operations and profitability because it permits investors to evaluate the Group’s recurring profitability from underlying operating activities. We also use this measure internally to establish forecasts, budgets and operations goals to manage and monitor our business, as well as evaluating our underlying financial performance. The Group’s presentation of Run-Rate Adjusted EBITDA may be different from the presentation used by other companies and therefore comparability may be limited. Run-Rate Adjusted EBITDA is a Non-IFRS Measure and the term Run-Rate Adjusted EBITDA is not defined under IFRS or any other generally accepted accounting principles. Consequently, the use of Run-Rate Adjusted EBITDA has certain limitations. Run-Rate Adjusted EBITDA is not a measure of net income, operating income, operating performance or liquidity presented in accordance with IFRS. When assessing our operating performance, you should not consider this data in isolation or as a substitute for our net income, operating income or any other operating performance or liquidity measure that is calculated in accordance with IFRS. Neither our independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the presentation of, Run-Rate Adjusted EBITDA contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such presentation. See also *“Risk Factors—Risks Related to the Group’s Presentation of Financial Information—We may not realize any or all of the adjustments to Run-Rate Adjusted EBITDA included in the Offering Memorandum.”*
- **“As Adjusted Net Financial Debt”** reflects Net Financial Debt as of December 31, 2025, on an as adjusted basis to give effect to the Transactions, including the Offering and the application of the proceeds therefrom (as described under *“Use of Proceeds”*) as if such events had occurred on December 31, 2025;
- **“Pro Forma Adjusted Cash Interest Expense”** reflects Pro Forma Adjusted Cash Interest Expense as the annual cash interest expenses for the year ended December 31, 2025, on the outstanding amount of (i) the May 2024 Fixed Rate Notes, (ii) the May 2025 Notes and (iii) the Notes offered hereby, as if the Notes had been issued on January 1, 2025 and the proceeds therefrom had been used as set forth under *“Use of Proceeds;”* and
- **“Pro Forma Leverage Ratio”** reflects As Adjusted Net Financial Debt divided by Run-Rate Adjusted EBITDA.

These and other Non-IFRS Financial Measures and Pro Forma Non-IFRS Financial Measures presented in this Offering Memorandum may be used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing the Non-IFRS Financial Measures and Pro Forma Non-IFRS Financial Measures to similar measures used by other companies. The information presented by each of the Non-IFRS Financial Measures and Pro Forma Non-IFRS Financial Measures is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC and will not be subject to review by the SEC; compliance with the SEC’s requirements would require us to make changes to the presentation of this information.

The Non-IFRS Financial Measures and the Pro Forma Non-IFRS Financial Measures are not measurements of performance under IFRS and you should not consider them as an alternative to profit/(loss) before taxes or

profit/(loss) from continuing operations determined in accordance with IFRS, or, as the case may be, or to cash flows from/(used in) operating activities, cash requirements used in investing activities or cash flow from/(used in) financing activities.

In particular, Adjusted EBIT, Adjusted EBITDA, Adjusted Net Profit and Run-Rate Adjusted EBITDA, have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

- they do not reflect our capital expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant financial expense, or the cash requirements necessary, to service interest or principal payments on our indebtedness;
- although depreciation, amortization and impairments are non-monetary items, the assets being depreciated, amortized and/or impaired will often need to be replaced in the future and Adjusted EBIT, Adjusted EBITDA, Adjusted Net Profit and Run-Rate Adjusted EBITDA do not reflect any cash requirements that would be required for such replacements; and
- the fact that other companies in our industry may calculate Adjusted EBIT, Adjusted EBITDA, Adjusted Net Profit and Run-Rate Adjusted EBITDA differently than we do, which limits their usefulness as comparative measures.

In addition, Run-Rate Adjusted EBITDA is presented herein to show the effects on Adjusted EBITDA from the acquisition of certain distribution insourcing operations and certain synergies that management expects to generate from the PWO Acquisition. Run-rate adjustments regarding synergies and cost savings estimates are based on a number of assumptions made in reliance on the information available to the Group. They are based on management's judgment, are inherently uncertain and subject to a wide variety of significant business, economic, and competitive risks and uncertainties.

We cannot therefore assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the as-yet unrealized cost savings synergies or other benefits we believe are possible from the PWO Acquisition, nor that the effects of PREU and Payout regulatory changes, football tournaments or retail and online sports betting Payout will not change.

Key Performance Indicators

We use, among other things, certain common key performance indicators (the “**key performance indicators**” or “**KPIs**”) such as “Bets,” “Payout,” and “Segment Revenues,” to assess our underlying performance. We define these indicators as follows:

- **Bets:** refers to the total amount of wagers collected from customers in the gaming industry;
- **Payout:** refers to the portion of wagers which is paid out to players as winnings;
- **Segment Revenues:** include the following:
 - (i) Online revenues include the revenues generated by the Group's online gaming activities, including iSports (sports betting, virtual and horse racing), iGaming (casino games) and other online games. These revenues are recorded net of tax and winnings;
 - (ii) Sports Franchise includes the revenues generated by the Group's physical network, including sports betting, virtual betting and horse betting offerings. These revenues are recorded net of tax and winnings;
 - (iii) AWP revenues include the revenues generated by the Group's AWP's. Direct AWP revenues are recorded net of PREU tax and winnings but gross of amounts to be paid to operators and managers as well as the ADM concession fee, while revenues of indirect AWP are recorded on a net basis and represent concessionaire's remuneration for connection services;

- (iv) VLT revenues include the revenues generated by the Group's VLTs. VLT revenues are recorded net of PREU tax and winnings, but gross of amounts to be paid to operators as well as the ADM concession fee; and
- (v) Retail & Street Operations revenues from third-party concessionaires.

Bets and Payout are Non-IFRS Financial Measures and should not be considered as an alternative to operating income or operating margin as a measure of operating performance. These Non-IFRS Financial Measures should not be considered in isolation or construed as a substitute for measures in accordance with IFRS 8—Operating Segments.

For a description of certain of our key performance indicators, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Key Performance Indicators and non-IFRS Financial Measures.*”

Group Segment Information

The Group is the Italian national gaming champion based on Segment Revenues, with leading positions in its market segments of operations. The Group's operating segments are:

- Online, including iSports (including sports, virtual and horse-race betting in the online channel), iGaming (including online casino) and other online products (e.g. bingo, poker, skill games, betting exchange, etc.);
- Sports Franchise, which consists in the collection of sports betting, virtual betting and horserace betting; and
- Gaming Franchise, which is comprised of three product divisions: video lottery terminal (“VLT”), amusement with prize machine (“AWP”) and Retail & Street Operations, which refers to the management of owned gaming halls and AWP.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial data presented in millions or in thousands and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information and from the related figures presented in the Consolidated Financial Statements.

The percentage (as a percentage of revenues or period-on-period changes) presented in the textual financial disclosure in this Offering Memorandum are derived directly from the financial information contained in the Consolidated Financial Statement. Such percentages may be computed using the numerical figures expressed in thousands of Euros in the Consolidated Financial Statements. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Offering Memorandum.

Market and Industry Data

All references to market share, market data, industry statistics and industry forecasts in this Offering Memorandum consist of estimates compiled by analysts, competitors, industry associations and consultants, other non-public external data obtained by the Issuer from research companies and governmental entities or of the Group's own assessment of its markets and sales. Certain statements made in this Offering Memorandum are based on the Group's own proprietary information, insights, opinions or estimates, and not on third-party or independent sources; these statements contain words such as “the Group believes” and “the Group expects,” and as such do not purport to cite, refer to or summarise any third party or independent source and should not be so read.

The information and ancillary data included in the sections “*Summary*,” “*Industry Overview*” and “*The Group Business*” of this Offering Memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources, including ADM

and Italian market data and a report (not publicly available) and information otherwise obtained from Prisma S.p.A (MAG) and H2 Gambling Capital.

This Offering Memorandum may also contain information that is derived or reproduced from the publicly available information of the Group's competitors. The Group does not represent or warrant as to the accuracy of such information.

Such information has been accurately reproduced and, as far as the Group is aware and able to ascertain, no facts have been omitted that would render the reproduced information provided in this Offering Memorandum inaccurate or misleading.

The Group has not independently verified the information. The Group cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner that makes such figures non-comparable with the Group's figures.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections that they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Offering Memorandum, the source of such information has been identified. Although the Group believes that these sources are reliable, the Group does not have access to the information, methodology and other bases for such information and has not independently verified the information. The information in this Offering Memorandum that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Group is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

SUMMARY

This summary highlights certain information about us and the Offering contained elsewhere in this Offering Memorandum. This summary is not complete and does not contain all the information that you should consider before investing in the Notes. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum. Before making an investment decision, you should read the entire Offering Memorandum, including the more detailed information in the Consolidated Financial Statements and the related notes included elsewhere in this Offering Memorandum, as well as the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Presentation of Financial and Other Information.” You should also carefully consider the information set out in this Offering Memorandum under the heading “Risk Factors” for factors that you should consider before investing in the Notes and “Information Regarding Forward-Looking Statements” for information relating to the statements contained in this Offering Memorandum that are not historical facts before making any decision as to whether to invest in the Notes.

Unless otherwise indicated or the context otherwise requires, references to the “Group,” “we,” “us” and “our” are to the Group including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which, for accounting purposes, is consolidated from April 30, 2024).

Overview

The Group is the Italian national gaming champion based on revenues, with leading positions in its market segments of operations.

The Group operates exclusively in the regulated Italian market, which is the largest gaming market in Europe. The Italian gaming market has the following key characteristics: (i) consistent growth through macroeconomic cycles, the COVID-19 pandemic and regulatory changes, (ii) attractive growth prospects across all segments, (iii) a regulated market across segments and products, with a constructive regulatory framework and (iv) significant barriers to entry.

Since 2015, under the leadership of its current CEO Guglielmo Angelozzi and its management team, the Group has delivered a track-record of steady growth through a combination of organic and inorganic growth, transforming the business from a retail-only operator to the leading national omnichannel operator with Segment Revenues of €2,255.3 million and Adjusted EBITDA of €856.2 million, in each case, for the year ended December 31, 2025, and a well-diversified business mix.

The Group’s operating segments are:

- Online, including iSports (including sports, virtual and horse-race betting in the online channel), iGaming (including online casino) and other online products (e.g., bingo, poker, skill games, betting exchange, etc.);
- Sports Franchise; and
- Gaming Franchise.

Online: The Group offers a wide range of online games such as sport betting, virtual betting, casino games, bingo, poker, lotteries, betting exchange and skill games through the GoldBet.it, Lottomatica.it, Planetwin365.it, Totosi.it and Betflag.it websites. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in total Online (including iSports, iGaming and other online and lotteries) with a 31.3% market share (calculated including 100% of Sportbet’s market share, in which the Group holds a 20.0% minority stake) based on GGR, showing a consistent growth compared to the year ended December 31, 2024, where the Group had a market share of 30.1% for the Online offering (after giving effect to the PWO Acquisition as if it occurred on January 1, 2024 and including 100% of Sportbet’s market share, in which the Group holds a 20.0% minority stake). The Group’s competitors that ranked second and third, had, respectively for those same periods, online market shares of 30.3% and 8.3% for the year ended December 31, 2025. (Source: Management’s calculations based on ADM data).

The Group's Online segment generated Segment Revenues of €954.5 million, Adjusted EBITDA of €529.0 million and Adjusted EBITDA Margin of 55.4% for the year ended December 31, 2025.

Sports Franchise: The Group is active in the sports retail segment which consists in the collection of sports betting, virtual betting and horserace betting through a franchise network of 3,790 operating points of sale ("POS") (2,644 shops and 1,146 corners) as of December 31, 2025. Through the GoldBet, Intralot, Planetwin365, Better and Macao brands, the Group offers a wide range of retail offerings. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in Sports Retail (including sports, virtual and horses), with a market share of 42.0%, based on GGR (while its competitors that ranked second and third had market shares in Italy of 33.6% and 15.0%, respectively, based on GGR for the same period) (*Source: Management's calculations as of December 31, 2025 based on ADM market data*). The Group's Sports Franchise segment generated Segment Revenues of €527.2 million, Adjusted EBITDA of €141.8 million and Adjusted EBITDA Margin of 26.9% for the year ended December 31, 2025.

Gaming Franchise: The Group's Gaming Franchise business comprises the management and the provision of concessionary services (e.g., telematic interconnection of the machines). The Group's Gaming Franchise is comprised of three product divisions: video lottery terminal ("VLT"), amusement with prize machine ("AWP") and Retail & Street Operations, which refers to the management of owned gaming halls and AWP. As of December 31, 2025, the Group's Gaming Franchise business included 18,284 operative VLTs and 64,107 operative AWP. The gaming machines are managed under various types of business models depending on the level of integration in the value chain. These business models range from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls. As of December 31, 2025, there were 123 gaming halls under direct management of the Group, which leveraged the Group's proprietary distribution formats and brands. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in the Gaming Retail segment (including both AWP and VLTs) with a market share of 30.4% based on GGR (while its competitors that ranked second and third, had market shares in Italy of 23.7% and 16.9%, respectively, based on GGR for the same period) (*Source: Prisma (MAG) estimates based on ADM data for the year ended December 31, 2025*). The Group's Gaming Franchise segment generated Segment Revenues of €773.6 million, Adjusted EBITDA of €185.4 million and Adjusted EBITDA Margin of 24.0% for the year ended December 31, 2025.

The following tables illustrate the Group's Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin for the years ended December 31, 2025, 2024 and 2023. For additional information, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations."

Year ended December 31, 2025

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	29,818.2	3,907.3	10,944.6	44,670.1
GGR ⁽¹⁾	1,687.7	673.4	2,374.4	4,735.5
Segment Revenues ⁽¹⁾	954.5	527.2	773.6	2,255.3
Adjusted EBITDA ⁽¹⁾	529.0	141.8	185.4	856.2
Adjusted EBITDA Margin ⁽¹⁾	55.4%	26.9%	24.0%	38.0%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see "Presentation of Financial and Other Information."

Year ended December 31, 2024

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	24,492.7	3,578.3	11,089.8	39,160.8
GGR ⁽¹⁾	1,355.0	581.3	2,456.6	4,392.9
Segment Revenues ⁽¹⁾	780.2	460.8	763.7	2,004.7
Adjusted EBITDA ⁽¹⁾	418.6	108.6	179.7	706.9
Adjusted EBITDA Margin ⁽¹⁾	53.6%	23.6%	23.5%	35.3%

(1) For a definition of Bets, GGR, Segment Revenues Adjusted EBITDA and Adjusted EBITDA Margin, see “Presentation of Financial and Other Information.”

Year ended December 31, 2023

	Online	Sports Franchise	Gaming Franchise	Total
	<i>(in € millions, except percentage)</i>			
Bets ⁽¹⁾	16,203.6	2,824.5	11,103.4	30,131.5
GGR ⁽¹⁾	869.6	465.7	2,529.0	3,864.3
Segment Revenues ⁽¹⁾	520.8	368.2	743.5	1,632.5
Adjusted EBITDA ⁽¹⁾	300.6	97.2	182.5	580.3
Adjusted EBITDA Margin ⁽¹⁾	57.7%	26.4%	24.5%	35.6%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see “Presentation of Financial and Other Information.”

The growth in the Group’s business from 2023 to 2025 has been driven by a combination of the acquisitions completed during these periods, including the realization of the related synergies, as well as organic growth. For further information see “Management’s Discussion and Analysis of Financial Conditions and Results of Operations.”

Strengths

The Group operates in Italy, the largest and most attractive gaming market in Europe with high barriers to entry

Italy is the largest gaming market in Europe with €21.7 billion of GGR, followed by the United Kingdom, Germany, France, Spain and the Nordic countries, each accounting for €20.9 billion, €15.9 billion, €15.9 billion, €12.8 billion and €9.2 billion of GGR in 2025, respectively. Italy also represents the largest market in Europe for the segments in which the Group operates, accounting for €14.6 billion in GGR in 2025 (followed by the United Kingdom with GGR of €14.4 billion and Germany with GGR of €9.2 billion) (*Source: Prisma (MAG) and H2 Gambling Capital*).

The Italian gaming market has the following key characteristics: (i) consistent growth through macroeconomic cycles, the COVID-19 pandemic and regulatory changes, (ii) attractive growth prospects across all segments, (iii) a fully regulated market across segments and products, with a constructive regulatory framework and (iv) high barriers to entry. The size of the Italian gaming market has almost doubled since 2005, particularly driven by the growth of Gaming Retail (with VLTs introduced in 2011), Online and Sports Retail.

The Italian gaming market was impacted by the COVID-19 pandemic due to lockdowns and other restrictions but has recovered and GGR in 2025 exceeded the pre-pandemic levels of 2019. The COVID-19 pandemic also accelerated the structural shift towards online as digital adoption increased significantly during the periods of lockdown when physical stores were closed. As a result, the Online segment in Italy has grown from 14% in 2019 to 35% in 2025 of total GGR of the Addressable Market (including iSports, iGaming, Sports Retail and Gaming Retail). Online penetration in Italy is also expected to continue to grow as it has not reached yet the level of other more mature European gaming markets, such as the United Kingdom (67% in 2025), Sweden (90% in 2025) and Norway (98% in 2025) (*Source: Prisma (MAG), H2 Gambling Capital elaborations on Lottomatica information*).

The highly regulated Italian gaming market has a legal and regulatory framework and a centralized governance model for concessionaires in each operating segment. In particular, any company entering the gaming market must be authorized by the ADM, which grants the relevant concessions in accordance with the applicable law. The Group considers itself well-positioned to (i) benefit from this framework, both in the short term and the long term, in light of its diversified business model and broad range of product offerings, (ii) manage the regulatory requirements inherent in the Italian gaming market and (iii) continue to successfully adapt to new regulations.

Other key barriers to entry in the Italian gaming market include (i) significant economic and financial resources required to operate (including to meet licensor’s requirements through performance bonds, often for significant

amounts), (ii) multi-license nature of concessions and (iii) technical competencies and distribution networks required to operate. Such barriers to entry apply whether potential new operators are based domestically or internationally. Additionally, in light of stringent regulatory restrictions on advertising, namely call-to-action marketing activities, incumbent operators with a retail footprint, like the Group, can leverage their physical presence to (i) create brand awareness, (ii) acquire new customers, (iii) retain existing customers and (iv) cross-sell customers between retail and online products.

Although barriers to entry to the Group's Online segment are less significant than those in the other segments in which the Group operates, management believes that the Group's Online segment benefits from brand recognition and from integration with its leading retail network, which is a key factor not available to pure online operators. In addition, management believes that the Group's experience in IT, telecommunications, risk management and compliance processes in the gaming sector provides it with a competitive advantage compared to potential new operators who may encounter challenges and significant costs in replicating such processes and to other omnichannel competitors with a lower retail footprint.

The Group is an Italian gaming national champion with leadership positions across all gaming verticals

The Group believes it is the largest operator in the Addressable Market (consisting of Online, Sports Retail and Gaming Retail) in Italy based on revenues in the year ended December 31, 2025, with Segment Revenues of €2,255.3 million and Adjusted EBITDA of €856.2 million for the year ended December 31, 2025. In recent years, the Group has successfully evolved from a retail-only gaming operator to an omnichannel operator that is integrated across the value chain. The Group has a portfolio of trusted brands across its Online, Sports Franchise and Gaming Franchise segments, including Lottomatica, GoldBet, Better, Betflag, Intralot, Planetwin365 and Totosì.

The Group believes it had the largest market share (calculated based on GGR) in Italy in iSports, Sports Retail and Gaming Retail, and in iGaming, for the year ended December 31, 2025. Particularly, for the year ended December 31, 2025, the Group had a leading position across all of its product segments with a market share in Italy of 32.4% in iSports (including online sports betting, virtual betting and horses and 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake), 31.5% in iGaming (including online casino and 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake), 42.0% in Sports Retail (including retail sports betting, virtual betting and horses) and 30.4% in Gaming Retail (including AWP and VLT), in each case, based on GGR (Source: Management's calculations on ADM and Italian market data for the year ended December 31, 2025 and Prisma (MAG) estimates based on ADM data for the year ended December 31, 2025).

The Group also benefits from significant economies of scale that have enabled it to achieve more favorable terms with its suppliers, respond more effectively to regulatory changes and create a large distribution network that supports effective monetization of new and existing products. Additionally, such economies of scale have enabled the Group to assemble the required professional expertise to facilitate effective business management.

The Group is well positioned with leading brands and an omnichannel strategy to capture attractive organic growth opportunities

The Group has a clear and focused strategy to pursue further organic growth, which is supported by (i) an expected market growth in the online and sports retail sectors; and (ii) leading, well-established gaming assets that can further drive the Group's increase in market share, which, include, among other things, (a) the Group's omnichannel capabilities (which can be used on its retail network), (b) its brands and their respective positioning in the market, which allow the Group to cover a broader customer base, (c) on-going optimization of the franchise network; (d) innovation and broad product offering; (e) a cutting-edge and efficient technology platform; and (f) a continued focus on ESG, anti-money laundering ("AML"), compliance and responsible gambling strategy.

Management believes the omnichannel multi-brand proposition creates a distinctive competitive advantage in the Italian gaming market since it allows operators with strong brands and a significant retail presence to better serve a wide range of customers (ranging from casual to experienced), provide them with a more convenient service and better value, and, therefore, gaining a competitive advantage against pure online operators. As an omnichannel and multi-brand operator, the Group is able to (i) optimize the brand positioning of the Group by reaching a diversified customer base composed of both casual players and experienced players through the Group's portfolio of brands; (ii) allocate promotion resources more efficiently among various brands; (iii) drive higher ARPU; (iv) leverage the retail channel effectively to acquire online users; and (v) reach customers and capture a higher portion of the total share of Online bets in Italy. The omnichannel, multi-brand and multi-product approach allows the

Group to have a greater number of touchpoints, a wider portfolio of products and lower acquisition costs, potentially resulting in (x) an increase in the loyalty and lifetime value of the customers, (y) an increase in ARPU, and (z) a decrease in customer churn rate compared to pure online operators.

The positioning of the Group's main brands is illustrated in the chart below:



Also, management believes that the Group's omnichannel approach creates an attractive proposition for customers. Through the Group's omnichannel approach, players enjoy seamless and innovative gaming experiences across multiple channels, can have tailored gaming experiences based on their preferences and can experience a fully digitalized customer journey using digital touchpoints. Customers can benefit from the physical proximity of the POSs and enjoy an in-shop experience during opening hours across multiple products and interfaces (such as over-the-counter, self-service betting terminals ("SSBTs"), virtual gaming, and gaming machines) and can then transfer the gaming experience online, access a broad offering across products and leverage the ubiquity of the online channel.

In addition, growth in the Group's online customer base is driven by pure online acquisition channels including direct registration and web affiliated partners. Direct registration is an acquisition channel that leverages the Group's SEO capabilities through content, keyword and back-link strategies. Further, the direct registration uses also dedicated news apps such as Goldbetlive and Lottomatica.sport, through which customers can receive real time and ad-hoc sports news, which leads to FTD conversion into the GoldBet and Better brands. Programmatic advertising of the Group's brands is also conducted through publishers with the Group's target audience (e.g., sports newspapers). The web affiliation channel includes partners who sponsor products on their channels (such as websites and social media), with revenue share fee on acquired customer GGR and/or a fixed fee per customer acquired.

Moreover, the Group owns and develops a proprietary and scalable technology platform that management believes is a key asset to capture growth opportunities and more integrated than most other Italian gaming companies. The Group has invested significant resources in developing an in-house integrated technology system and has distinctive and proprietary end-to-end technology capabilities. The Group believes its end-to-end proprietary technology stack has created a competitive advantage as it provides: (i) full product control across the front-end user interface as well as back-end functionality, pricing and data analytics; (ii) a platform for future product development with fast time-to-market; (iii) limited value leakage to third party technology providers; (iv) high scalability to support further acquisitions; and (v) attracting and retaining technology talent.

The Group's front-end systems, the core platforms as well as the key infrastructure are entirely developed in-house and are proprietary, only relying on third party providers for games, KYC, payments and selected security

systems. As a result of the proprietary nature of its key infrastructure and front-end systems, the Group has also been able to successfully complete two complex data migrations in less than two months: migrating approximately 450,000 online customers and approximately 1,000 POS as part of the GoldBet Acquisition, and migrating about 880,000 online customers and more than 1,100 POS as part of the Better Acquisition. Planetwin migration was also completed in July 2025, with approximately 980 POS and 670,000 online customers being migrated to Lottomatica's proprietary infrastructure and front-end systems.

In addition, management believes that the Online and the Sports Retail markets represent an opportunity for the Group to capture a higher market share through organic growth and acquisitions, while the AWP market segment also represents a growth opportunity for the Group to capture a higher share of the profit pool through the downstream integration of the value chain.

The Group has a sustainable business model focused on ESG commitments, compliance, strong corporate culture and dedicated programs aimed at generating sustainable value and positive impacts for the community and its stakeholders.

ESG is a strategic priority for the Group. The Group adopted a three-pillar sustainability plan focusing on:

- Responsibility: striving to promote a legal and responsible gaming model underpinned by the highest standards of ethics and integrity;
- People: prioritizing the safety and well-being of its employees; and
- Community & Environment: contributing to the achievement of positive and tangible results by implementing social initiatives and policies aimed at reducing its direct and indirect environmental impacts.

The Group is complying with various international standards. It has become a signatory to UNGC (United Nations Global Compact), reports under ESRS (European Sustainability Reporting Standards), has adhered to the 2030 Agenda for Sustainable Development adopted by the United Nations and, through its three pillar sustainability plan, intends to actively contribute to the achievement of eight of the 17 Sustainable Development Goals (SDG) and has aligned on such base its ESG strategy in its annual sustainability report and has integrated a robust and comprehensive set of initiatives and targets. The Group has also set up a dedicated ESG board committee, which in cooperation with an ESG officer and specific management committees, is responsible for the ESG strategy and its implementation across the Group. ESG KPIs are also included as a metric in the management's short-term incentive plan and will also be included in the long-term incentive plan (see "*Management—Senior Management—Compensation*").

As of the date of this Offering Memorandum, the Issuer held two ESG ratings, issued by MSCI ESG Ratings and by Morningstar Sustainability (the "**Rating Providers**"): MSCI awarded the Issuer their maximum score ("AAA") and Morningstar Sustainability provided a rating of 12.5 out of 100, which represents the Issuer having a "low risk" of sustaining significant financial detriment from ESG factors. In addition, in February 2026, the Issuer was also recognized as a "2026 ESG Industry Leader" by Morningstar Sustainability.

In January 2026, the Group achieved a B score from the Carbon Disclosure Project. In 2022, the Group also obtained ISO 37001 and ISO 14001 certifications respectively on anti-bribery and environmental management systems, in January 2023, the ISO 27701 certification for data privacy and security management system, and, in September 2025, the ISO 14064-1:2018 certification for the quantification and reporting of organizational greenhouse gas emissions and removals (which is aimed at measuring the Group's carbon footprint). Since December 2023, the Group has completed certain online licenses for the International Certificate of Accreditation in accordance with the responsible gaming policy, procedures and standards set by the Global Gambling Guidance Group (G4). In July 2024, our subsidiary GBO Italy was the first Italian company to obtain the "Responsible Gaming" certification in the betting sector (online and retail), which was issued by the World Lottery Association. Moreover, in December 2024, the Group completed the "Global Gambling Guidance Group" ("G4") on retail gaming hall, a certification in relation to best practices in retail gaming halls issued by an industry group. In addition, the Group was awarded the "Best Team HR" award in May 2024 and September 2025, the "Top Employer Italia" award in January 2025 and 2026, the "QAR" certification in Internal Audit in June 2023 and received the UNI/PDR 125:2022 certification in 2023 for its HR functions.

The Group has strong M&A expertise with opportunity to unlock further significant growth avenues

The Group has a strong historical M&A track-record. The Group believes it has developed a well-tested and clear approach to M&A activity, by deploying a proven playbook focusing on integration and synergies extraction. The Group believes that it is successful at identifying and integrating acquired companies through value-accretive acquisitions, while maintaining balance sheet discipline. The Group has completed five major acquisitions since 2016: the Intralot Acquisition, GoldBet Acquisition, Lottomatica Business Acquisition, the Betflag Acquisition and the PWO Acquisition.

Synergies are primarily derived from (i) the reduction in procurement costs resulting from the renegotiation with suppliers; (ii) synergies of scope, such as moving head offices to one single location or leveraging the capacity of existing data centers; (iii) the roll-out of proprietary technology (e.g. SSBTs) and products (e.g. virtual gaming); (iv) the implementation of the distribution insourcing strategy on the acquired AWP portfolio.

In addition, the Group believes that the PWO Acquisition will also continue delivering value generation. The Group estimates that it has implemented approximately €87 million of synergies in connection with the integration of the PWO Group into its business, representing a 34% increase compared to the synergies initially announced. The Group expects to realize €24.4 million of such synergies by the end of 2026, representing the run-rate impact of initiatives that have already been implemented but not fully reflected in the Group's results for the year ended December 31, 2025. The remaining synergies have already been reflected in the Group's results up to December 31, 2025.

The Group methodically approaches acquisitions, regardless of deal size, with discipline around valuation, potential for value creation, potential risks of integration and adhering to its capital structure policy. Also, the Group continues to monitor opportunities internationally in markets with constructive gaming regulations.

The Group has a resilient and outstanding financial track-record underpinned by high cash generation

The Group has a track record of consistent strong growth and cash flow generation. During the period from 2015 to the year ended December 31, 2025, the Group increased its Adjusted EBITDA by about 13.8 times from €62 million for the year ended December 31, 2015 (calculated based on a pre-IFRS 16 basis) (with Adjusted EBITDA of €82 million for the year ended December 31, 2017 (calculated based on a pre-IFRS 16 basis) and €165 million for the year ended December 31, 2019) to €856.2 million Adjusted EBITDA for the year ended December 31, 2025, through a combination of organic and inorganic growth.

In addition, the Group has demonstrated the ability to deliver a quick recovery following periods of economic downturn. The Group's Online segment was the largest contributor to the Group's growth between 2020 and December 31, 2025, with Revenues for the Online segment for the year ended December 31, 2025 increasing by 8.3x compared to the revenues for the year ended December 31, 2020, and Adjusted EBITDA for the Online segment increasing by 10.8x for the year ended December 31, 2025 compared to the Adjusted EBITDA for the Online segment for the year ended December 31, 2020. In addition, since the completion of the IPO, the Group has demonstrated a proven ability to deleverage.

In particular, the Group has increased its margins and cash conversion since 2020, primarily as a result of the development of its Online business and the delivery of synergies. The Group's Adjusted EBITDA Margin increased from a 2020 Adjusted EBITDA Margin of 29% to an Adjusted EBITDA Margin of 38.0% for the year ended December 31, 2025, driven by the business mix more skewed towards Online and due to realized synergies. The Group's Cash Conversion Rate increased from a 2020 Cash Conversion Rate of 63% to a 76.8% Cash Conversion Rate for the year ended December 31, 2025.

Moreover, management believes that the Group has a solid liquidity profile based on strong cash flow generation, its access to various sources of financing and a largely variable cost base. The Group's intra-year working capital variations mostly relate to the timing of gaming tax payments, bet seasonality and collection of the 0.5% ADM deposit. The Group manages the seasonality of working capital by utilizing cash on balance sheet when necessary.

Strategies

Further expand the Group's market leading omnichannel strategy

In an effort to drive cross-selling across its franchise network and online channels and offer a seamless customer experience, the Group plans on extending its omnichannel model, which has proven to be successful, and strengthen its profitability. Customers come to physical locations to play but also download the GoldBet app and play online. The omnichannel strategy expands opportunities for retail players in GoldBet's network to remain engaged, extending loyalty to the brand and unlocking cross-selling opportunities with products not available in the franchise network.

Following GoldBet's success, the Group is in the process of rolling out these omnichannel capabilities across its Planetwin brand and is continuing to develop a dedicated initiative to expand the new omnichannel model in selected gaming halls. This initiative includes, among others, revenue-sharing schemes for revenues generated from customers who are affiliated to gaming halls, dedicated promotional events for potential customers and the set-up of experiential showrooms.

By leveraging its retail know-how, strong retail network and omnichannel experience, the Group strives to deliver the best customer experience through a seamless use of its retail and online channels for customer engagement, a unified product offering across both channels, the development of POS with full omnichannel capabilities and a fully digitalized customer journey.

The omnichannel strategy is pivotal for enabling the Group to deliver its full online potential and drive cross-selling across products and brands. The combination of the Group's retail locations and online presence is designed to enable customers to engage with different products and enhance the gaming experience. The Group is also able to leverage customer data to personalize product offerings based on customer preferences, which further supports cross-selling efforts.

Continue to leverage the Group's portfolio of brands and their positioning to cover a wide array of customer cohorts

The Group employs a multi-brand strategy, which management believes is a key component in the Group's overall performance. Management believes that the Group is able to capture a broad demographic and meet the everchanging landscape of consumer demand and preferences through its portfolio of brands that covers a wide array of customer segments with distinct positioning and limited customer overlap between them. In the Group's retail operations, the Group's multi-brand strategy gives it flexibility to optimize its geographical footprint by targeting different demographics using different brands, while minimizing the risk of cannibalization due to a distinct positioning of each brand and cross-selling opportunities across products. Moreover, the multi-brand strategy of the Group allows for heterogeneous ARPU which varies for each brand of the Group. In order to support the Online customer base through CRM initiatives, the Group (i) has developed advanced analytics models to enable micro-targeted campaigns, (ii) has a dedicated premium customer team to manage and enhance overall customer service experience and (iii) sends customized and tailored content to each customer.

Continue to optimize the Group's asset light franchising network

The Group believes there are opportunities to improve the productivity of its franchise network and has deployed a strategy to capture this upside with the objective of achieving above-market growth. Under the franchise model, concessionaires are typically single location owners or small businesses that are entrepreneurial in nature and have long term relationships with the Group. The Group also intends to improve customer experience and floor management at the premises of its franchisees, by offering value added services (including best-practice store management, training, marketing and advertising assistance as well as floor layout optimization), with the aim of fostering further growth.

From time to time, the Group also considers the consummation of selective, small accretive acquisitions of gaming halls and retail betting shops that are not yet owned by major operators, with the aim of expanding its footprint and reinforcing its market position.

Continue to innovate and broaden the Group's product offering

An important part of the Group's competitive advantage is the continued development of new products. The Group aims to address changing customer demands by offering a dynamic and exciting user experience while maintaining a rapid time-to-market schedule for the launch of new products and games. To this end, the Group aims to expand its product offering both by partnering with top gaming providers and by developing in-house solutions (such as game cards). For example, over the financial year ended December 31, 2025, the Group launched near 5,000 new casino games and has included around twenty new providers to its portfolio, thereby strengthening its platform with a broader array of entertainment options. The Group is also expecting to continue increasing the number of new games, especially for online casino games and branded games, and maintains a focus on strengthening its mobile offering. The Group's games are directly integrated on the Group's platform, with the aim to continue to directly integrate new providers.

Part of what sets the Group apart from its competitors is also its ability to develop new products in-house. For example, the Group develops casino games by leveraging the exclusive expertise of its own game production studio. In addition, the Group aims to expand its product offering linked to sporting events, such as cash-out features providing users with the ability to trade-out of a sports bet before the end of the event on which the bet was placed.

Moreover, driving the development of a native mobile offering is also a strategic focus for the Group. The Group's proprietary technology ensures the delivery of faster time-to-market schedules for mobile solutions (such as apps). In addition, the Group in-house technological capabilities allow to seamlessly link each of the Group's branded apps through a unified UX/UI interface, thereby delivering a distinctive gaming experience to customers, featuring faster browsing and unlocking higher levels of customer satisfaction. The Group believes that a strong focus on product innovation contributes to solidifying the Group's position in the gaming industry, while driving stronger business performance.

Maintain and grow a cutting-edge and efficient technology platform

The Group is able to structure its product offering and offer a seamless and customized user experience, while adapting to evolving changing customer preferences and demand, through its proprietary technology platform that leverages data analytics, in-house product development and enhanced security protection. Developing solutions in both digital applications and physical infrastructure are a continued focus of the Group through the ongoing development of its technological capabilities. The Group is undertaking several strategic initiatives, including the strengthening of its advanced analytics capabilities through its data platform and the introduction of machine learning and artificial intelligence systems. For example, its omnichannel operations and data analytics allow the Group to tailor its offering to customers, especially on its online products. The Group employs teams that review data to gain insights on consumer behavior in order to improve its platforms (including speed and stability) and products, enhancing the user experience and reducing the timeframe within new products and services are introduced in the market. Further, a broad set of tools, such as market view, internal view and business intelligence, are available to support odds makers during the different phases of odds management, allowing them to have the right odds during all odd lifecycles. As a result, the Group can adopt smart pricing initiatives to reduce the Payout and be competitive in the odds offering.

The Group also constantly evolves its cybersecurity abilities, systems and tools (including a NOC and SOC) to protect key customer data and its infrastructure and comply with regulatory requirements. Finally, a ground-up control of its tech stack allows the Group to better manage costs.

Further horizontal and vertical consolidation

Scale matters in the gaming industry, as it creates advantages such as (i) diversification across products, locations and brands, (ii) economies of scale, (iii) risk management and (iv) leadership positions in the market. Management believes that there are bolt-on opportunities that the Group can pursue to further carry out horizontal as well as vertical integration thereby capturing a higher proportion of the gaming value chain and internalize margins. The Group has a well-tested, disciplined M&A playbook that has allowed the Group to historically realize synergies that can be leveraged in each of its segments.

The Group's strategic focus remains on opportunities in Italy, but it may selectively pursue international opportunities in Europe if management believes that (i) the target operates in business to consumers or similar segments as the Group's current business, (ii) such target would be accretive to the Group's growth, (iii) the Group

can deliver synergies from such an acquisition, (iv) such target is in jurisdictions with constructive regulations and (v) such opportunities are large enough that they allow the Group to remain competitive in that regulatory environment.

Remain at the forefront of ESG, AML, compliance and responsible gaming

The ESG commitment has long been a core component of the Group's business and the Group aims to further its goals of responsible gaming, sustainable innovation and safeguarding the well-being of its employees, community and stakeholders by continuing to adapt its ESG model according to new directives focused on the pillars of (i) responsibility, (ii) people and (iii) community and environment.

The Group has set clear targets under each of its three Sustainability Plan's strategic pillars. As part of the "responsibility" pillar, the Group deployed strategic initiatives that concern its full awareness of its role in (i) the industrial sector of legal gaming, through proactive collaboration with the institutions and compliance with the regulatory framework (including the primary rules, the gaming ban for minors under the age of 18, the Balduzzi Decree, the "Dignity" Decree, the local regulations and the license contracts); and (ii) promoting a legal and responsible gaming model, respecting and protecting customers and providing customers with safe, high-quality, innovative and engaging gaming experiences. Goals under this pillar include, but are not limited to, providing 100% of employees with training on responsible gaming. As of December 31, 2025, 100% of each of the customer support team, gaming hall staff and those involved in the Group's online channels had received responsible gaming content and awareness training. Moreover, in 2024, the Group developed a proprietary software for analyzing gaming behavior in online concessions in order to prevent compulsive gambling behavior.

As part of the "people" pillar, the Group deployed initiatives that focus on diversity, inclusion and equal opportunity, professional development and health, safety, welfare and wellness. Goals under this pillar include, but are not limited to, (i) reducing the gender pay gap to zero by 2030, (ii) maintaining over 32,000 hours of training provided in 2024, (iii) supporting work-life balance through smart-working (by maintaining more than 65% employees in 2024 with more than 1/3 of smart-working days out of total working days) and (iv) maintaining the "Best Team HR" certification, the "Top Employer Italia" certification, and the UNI/PDR 125:2022 certification.

As part of the "community and environment" pillar, the Group has employed strategic initiatives to reduce its environmental impact and to monitor compliance with applicable environmental protection laws and regulations. Relevant programs under this pillar include, but are not limited to, (i) "Become Green," which is a large internal project aimed at achieving zero waste, maximizing separate collection and increasing the use of renewable energy; (ii) agreeing with suppliers for energy supplies to come 100% from renewable sources with the aim of maximizing the use of renewable sources for the Group's proprietary gaming halls; and (iii) through its foundation, promoting initiatives that have a socially relevant goal.

In addition, the Group aims to maintain a strong focus on compliance, by leveraging top-tier technology as part of its AML digitization path, which started in 2017. The Group has a fully digitized KYC process, real time sanction & politically exposed persons lists screening, and more recently has developed an artificial intelligence software to detect anomalies in betting patterns, which are evaluated by its AML committee and, where appropriate, reported to the Italian financial intelligence units.

Performance Update

Based on preliminary results derived from the Group's unaudited management accounts and other information currently available for the two months ended February 28, 2026, and the evolution of the Group's performance in the month ended March 31, 2026, management confirms the expectation that revenues for the year ending December 31, 2026 will be between approximately €2,390 million and approximately €2,460 million and Adjusted EBITDA for the year ending December 31, 2026 will be between approximately €940 million and €980 million (based on a normalized sports betting payout of 80.5% for retail and 85.5% for online). In addition, management expects that, for the year ending December 31, 2026, recurring capital expenditure will be between approximately €85 million and €90 million and concession capital expenditure will be approximately €78 million.

The above forward-looking statements have been prepared by management based on preliminary internal management accounts and operational records and is based on, among other things, certain assumptions concerning future events that management expects to occur and the actions management intends to take. Such events and actions may not actually be realized, as they depend substantially on variables that management cannot

control and may involve situations that management cannot predict, which could cause our actual results to differ materially from our expectation and from past results, performance or achievements. Therefore, the guidance information presented above is subject to significant uncertainties, including, changes in the macroeconomic conditions, market conditions and regulatory framework, and the Group's actual results or performance may differ materially from those projected or implied in the guidance. Accordingly, the guidance information presented above should not be taken as an indication of future performance, and should not be viewed as a substitute for the full results for the year ending December 31, 2026, which will be prepared in accordance with IFRS and audited by our independent auditors. In addition, the above forward-looking statements have not been audited, reviewed, verified or subject to any procedures by our independent auditors nor any other party for the purposes of its inclusion herein, and accordingly, our independent auditors do not express an opinion or provide any form of assurance with respect thereto for the purpose of this Offering Memorandum. See "Forward-Looking Statements," "Risk Factors—Risks Related to the Group's Presentation of Financial Information—This Offering Memorandum includes prospective financial information and actual results may differ from such information" and other risks discussed under "Risk Factors," for a more complete discussion of certain of the factors that could affect the Group's future performance and results of operations."

History

In 2003, CRIGA, a consortium of slot machine operators (CRIGA was renamed CRIGA S.c.a.r.l. on December 18, 2004), was formed to compete for one of ten state concessions for the management of the public network of AWP's in Italy to be awarded by the ADM (previously the AAMS). Upon being awarded one of the ten concessions for the management of AWP's, CRIGA and other shareholders incorporated Gamenet S.r.l. in 2006 to operate the concession. The Group continued to grow in the following years: it expanded into the VLT market and acquired the Italian gaming business and assets of Intralot S.A.

In November 2010, the private equity firm Trilantic acquired 64.3% of Gamenet's ordinary share capital and then in 2012 and 2013 further increased its interest in the ordinary share capital of Gamenet to 87% (10% of the share capital was held by Gamenet itself as treasury shares). In August 2014, the current CEO, Guglielmo Angelozzi joined the Group and starting from 2015, together with a new management team, defined a new strategy based on (i) value chain integration in gaming machines in order to increase margins and control over the value chain; and (ii) entering the higher growth business of sports retail and online. On June 27, 2016, the Group completed the acquisition of the Italian gaming business and assets of Intralot S.A., which primarily consisted of a betting franchise. In exchange for the contribution of its business and assets, Intralot B.V. received 20% of Gamenet's share capital.

On December 6, 2017, Gamenet Group S.p.A. (subsequently renamed Lottomatica) made its debut on the STAR segment of the Mercato Telematico Azionario, organized and managed by Borsa Italiana. On October 9, 2018, the Group announced the acquisition of 100% of the share capital of GoldBet, an authorized betting and online company in Italy. The Intralot Acquisition and the GoldBet Acquisition significantly expanded the Group's presence in the Sports Franchise and Online segments and diversified the Group's product offering, providing enhanced revenue stability and positioning it as a leading operator in Online and Sports Retail and a relevant one in Gaming Retail.

On February 26, 2020, Gamenet Group S.p.A. was taken private in a transaction funded partially through an equity contribution by funds affiliated with Apollo (the "**Gamenet Acquisition**"). The Gamenet Acquisition was completed under two separate private share purchase agreements, followed by a mandatory tender offer and a squeeze-out.

On December 6, 2020, Lottomatica entered into a share sale and purchase agreement with a subsidiary of IGT, to acquire the entire share capital of the Acquired Lottomatica Entities. The Lottomatica Business Acquisition completed on May 10, 2021, and the Acquired Lottomatica Entities became wholly owned subsidiaries of Gamenet Group S.p.A. (subsequently renamed Lottomatica).

In November and December 2021, the Group implemented an internal reorganization aimed at aligning the Group's structure with operating segments reporting and at rationalizing the split of concession holders within the Group (the "**Reorganization**"). Following finalization of the Reorganization, gaming and betting activities have been organized into two sub-holdings, Lottomatica Gaming and GBO.

On November 22, 2022 (the "**Betflag Closing Date**"), GBO completed the acquisition of 100% of the share capital of Betflag S.p.A. (the "**Betflag Acquisition**"), a leading online operator in Italy.

On April 20, 2023, Borsa Italiana approved the admission to listing of the ordinary shares of Lottomatica (formerly known as Gamma Midco S.p.A.) on Euronext Milan, a regulated market organized and managed by Borsa Italiana (“**Euronext Milan**”). On the same day, the National Commission for Companies and the Stock Exchange approved the listing prospectus relating to the admission to listing of Lottomatica’s ordinary shares on Euronext Milan. On May 3, 2023, Lottomatica successfully completed its initial public offering (the “**IPO**”) and its shares started trading on Euronext Milan.

On the PWO Acquisition Closing Date, our wholly owned subsidiary GBO completed the PWO Acquisition, whereby it acquired 100% of the entire issued and outstanding share capital of SKS365.

Effective as of the Lottomatica Merger Date, Lottomatica S.p.A., a wholly owned subsidiary of Lottomatica, was merged by incorporation into Lottomatica.

Effective as of the GBO Merger Date, SKS365, a wholly-owned subsidiary of GBO, merged by incorporation into GBO with GBO as the surviving entity. In addition, as of the PWO Conversion Date, we completed the cross-border conversion of PWO Limited (formerly, SKS365 Malta Limited) into PWO S.p.A.

On October 7, 2025, the boards of directors of Gamenet and LVR approved the 2025 Partial Demerger of certain assets and liabilities into Lottomatica Gaming S.p.A. (formerly GGM S.p.A.), with a view to further rationalizing the Group's corporate structure within its Gaming Franchise segment.

The table below summarizes the Group’s major acquisitions since 2015:

Target	Related Party	Any amounts still to be paid as purchase price and their due dates
Intralot S.A	No	No
GoldBet S.p.A	No	Deferred consideration of €30 million; €2.4 million and €20.6 million were paid in 2024 and 2025, respectively, and the remaining amount is expected to be paid for €5 million in 2026 and for €2 million upon expiry of the statute of limitations for potential tax liabilities or delivery of written documentation showing that the potential risk is extinguished.
Acquired Lottomatica Entities	No	No
Betflag S.p.A.	No	No
SKS365 Malta Holding Limited	No	No

Issuer

Lottomatica is a joint stock company (*società per azioni*) established under the laws of Italy and was formed on October 15, 2019. Lottomatica has an issued and outstanding share capital of €10,000,000.00 comprised of 251,630,412 shares without par value. All shares have been issued and are fully paid up. Lottomatica is registered with the Companies Register of Rome (*Registro delle Imprese di Roma*) under registration number and fiscal code 11008400969 and its corporate existence is scheduled to expire on December 31, 2100. Lottomatica’s financial year ends on December 31. The registered office of Lottomatica is located at in Via degli Aldobrandeschi, 300, 00163 Rome, Italy and its telephone number at that address is +39 06 89 86 51.

Effective as of the Lottomatica Merger Date, Lottomatica Group S.p.A. merged with Lottomatica S.p.A., with Lottomatica Group S.p.A. (i.e., the Issuer) as surviving entity. The Lottomatica Merger was effective from a tax and accounting perspective from January 1, 2024. Following completion of the Lottomatica Merger, the Issuer assumed all of Lottomatica S.p.A.’s obligations, including all liabilities and obligations of Lottomatica S.p.A. under the Existing Notes and the Revolving Credit Facility.

Shareholders

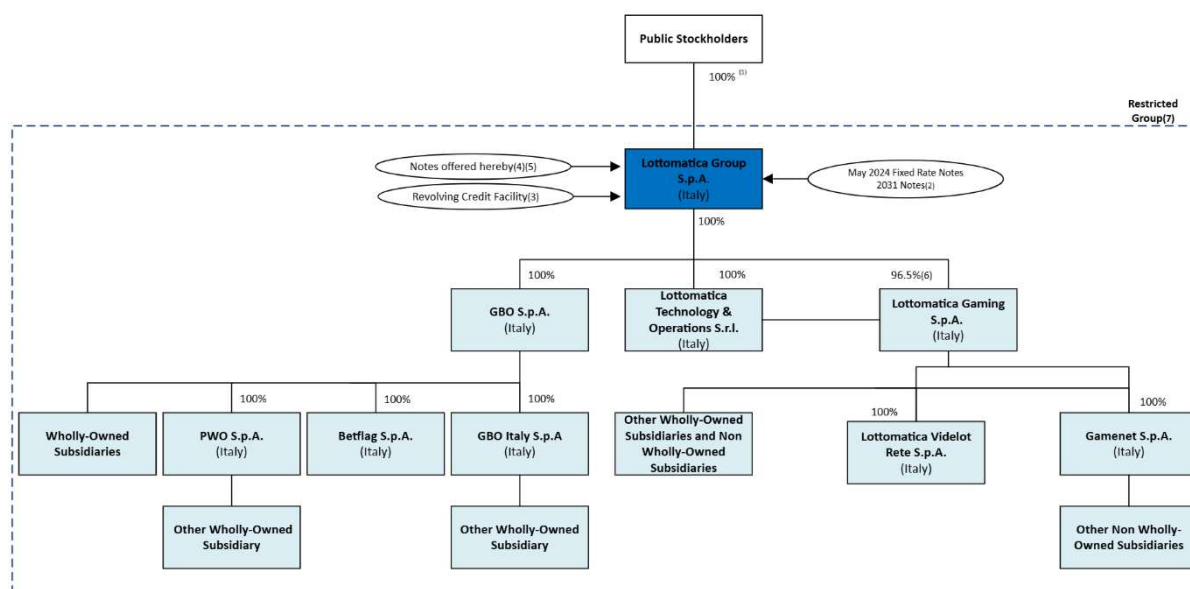
As of April 15, 2026, FMR LLC holds, directly or indirectly, approximately 9.2% of the Issuer's shares, Capital Research and Management Company holds, directly or indirectly, approximately 5.0% of the Issuer's shares and approximately 79.3% of the Issuer's shares are held by other public stockholders. As of April 10, 2026, we owned approximately 16.4 million shares, equal to approximately 6.5% of the Issuer's shares. The shares of the Issuer are listed on Euronext Milan.

On June 18, 2025, as authorized by the Shareholders' Meeting of the Company held on April 30, 2025 (the "**Granting Date**") and the resolution adopted by the Board of Directors on May 6, 2025, we announced the launch of a share buyback program to acquire a maximum of 25 million shares, representing 10% of our outstanding share capital. The shares so acquired will contribute to our obligations under our share incentive plans in place from time to time and remunerate shareholders through the cancellation of treasury shares. The buyback program has a duration set for 18 months starting from the Granting Date. See "*Summary—Shareholders.*"

At our Annual General Meeting held on April 20, 2026, we revoked the authorization to implement the share buyback program granted on April 30, 2025, and obtained shareholder authorization to implement a new buyback program that would permit the repurchase of up to 12.5% of our outstanding share capital over the ensuing 18-month period.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram summarizes our corporate structure (excluding equity accounted investments in associated entities) and principal financing arrangements as of the date of this Offering Memorandum adjusted to give effect to the Transactions. The diagram is intended for illustrative purposes only and does not represent all debt obligations of the legal entities actually presented. For a summary of the debt obligations referenced in this diagram and our other obligations, see “Description of the Notes,” “Description of Certain Financing and Guarantee Arrangements” and “Capitalization.”



- (1) As of April 15, 2026, FMR LLC holds, directly or indirectly, approximately 9.2% of the Issuer’s shares, Capital Research and Management Company holds, directly or indirectly, approximately 5.0% of the Issuer’s shares and approximately 79.3% of the Issuer’s shares are held by other public stockholders. As of April 10, 2026, we owned approximately 16.4 million shares, equal to approximately 6.5% of the Issuer’s shares. The shares of the Issuer are listed on Euronext Milan.
- (2) On May 29, 2024, Lottomatica issued the May 2024 Floating Rate Notes and the May 2024 Fixed Rate Notes. On May 13, 2025, Lottomatica issued the May 2025 Notes. See “Description of Certain Financing and Guarantee Arrangements—May 2024 Fixed Rate Notes and May 2025 Notes.”
- (3) Lottomatica is the original borrower and original guarantor under the Revolving Credit Facility Agreement. The Revolving Credit Facility Agreement provides for revolving borrowings up to an aggregate principal amount of €447.25 million on a committed basis (including the Incremental Facility and excluding the Incremental Guarantee Facility). See “Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility Agreement.”
- (4) Represents €765,000,000 in aggregate principal amount of Notes offered hereby. The proceeds from the Offering will be used (i) to fund the full redemption of the May 2024 Floating Rate Notes and pay any accrued and unpaid interest thereon; (ii) for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions and (iii) to pay certain fees, costs and expenses incurred in connection with the Transactions (as defined herein). The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes and will rank senior in right of repayment to any future indebtedness that is expressly subordinated to the Notes. The Notes will not benefit from any guarantees as of the Issue Date. See “Description of the Notes—Future Guarantees.”
- (5) Subject to the Agreed Security Principles and certain limitations under applicable law, the Notes will be secured on or about the Issue Date by security interests over (i) material bank accounts of the Issuer, (ii) receivables in respect of certain material intercompany loans, owed to the Issuer, (iii) all of the issued share capital of Lottomatica Gaming held by the Issuer and (iv) all of the issued share capital of GBO held by the Issuer (collectively, the “Collateral”). Subject to the Agreed Security Principles and to certain material limitations pursuant to applicable laws, the Collateral also secures the Existing Notes, the Revolving Credit Facility and certain hedging obligations (if any) on a *pari passu* basis. See “Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by Italian law.” The Notes and the security interests over the Collateral will also be subject to restrictions on validity, enforcement and other limitations under applicable laws and may be released under certain circumstances. See “Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations” and “Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral.”
- (6) Lottomatica directly owns 96.50% of the share capital of Lottomatica Gaming, while the remaining 3.50% is owned by other minority investors.

- (7) The Restricted Group in respect of the Notes is indicated in the structure chart and comprises the Issuer and its Restricted Subsidiaries, which is the same as the restricted group for purposes of the Existing Notes and the Revolving Credit Facility. See “*Description of the Notes—Certain Definitions—Unrestricted Subsidiary.*”

THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “*Description of the Notes*” section of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer	Lottomatica Group S.p.A.
Notes Offered	€765,000,000 aggregate principal amount of Fixed Rate Senior Secured Notes due 2032.
Issue Date	May 7, 2026.
Coupon	4.625% per annum.
Issue Price	100.000%.
Maturity Date	April 30, 2032.
Interest Payment Dates	Semiannually in arrears on each April 30 and October 31, commencing on October 31, 2026.
Denomination	The Notes will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Guarantee	The Notes will not be guaranteed on the Issue Date.

Subject to the Agreed Security Principles and certain limitations pursuant to applicable laws, the Notes may be guaranteed after the Issue Date on a senior basis by any Restricted Subsidiary that is or becomes a borrower or guarantor under the Revolving Credit Facility Agreement. See “*Description of the Notes—Future Guarantees.*” See also “*Risk Factors—Risks related to the Notes, Any Future Guarantee and the Collateral—On the Issue Date, the Issuer will be the sole obligor of the Notes, and its subsidiaries will not guarantee its obligations under the Notes and the Notes will be structurally subordinated to the liabilities of the Issuer’s subsidiaries.*”

Security	Subject to the Agreed Security Principles and certain limitations under applicable law, the Notes will be secured on or about the Issue Date by security interests over (i) material bank accounts of the Issuer; (ii) receivables in respect of certain material intercompany loans, owed to the Issuer; (iii) all of the issued share capital of Lottomatica Gaming held by the Issuer and (iv) all of the issued share capital of GBO held by the Issuer (collectively, the “ Collateral ”).
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Subject to the Agreed Security Principles and to certain material limitations pursuant to applicable laws, the Collateral also secures the Existing Notes, the Revolving Credit Facility and certain hedging obligations (if any) on a *pari passu* basis. See “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral—The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the*

Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by Italian law.”

The Notes and the security interests over the Collateral will also be subject to restrictions on validity, enforcement and other limitations under applicable laws and may be released under certain circumstances. See “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations*” and “*Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral.*”

The Collateral may be released under certain circumstances. See “*Description of the Notes—Security; the Collateral.*”

Ranking of the Notes

The Notes will be:

- general senior secured obligations of the Issuer;
- secured as set forth under “*Description of the Notes—Security; the Collateral;*”
- equal in right of payment to all of the Issuer’s existing and future indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the Notes, including the Existing Notes;
- effectively junior to any existing and future Indebtedness of the Issuer that will receive proceeds from any enforcement action over the Collateral on a priority basis, including the obligations under the Revolving Credit Facility Agreement;
- effectively subordinated to all existing and future secured indebtedness of the Issuer that is secured by assets that do not secure the Notes, to the extent of the value of such assets securing such Indebtedness;
- structurally subordinated to all indebtedness and other liabilities of the Issuer’s existing and future subsidiaries that do not guarantee the Notes; and
- senior in right of payment to any of the Issuer’s future indebtedness and other obligations that are, by their terms, subordinated in right of payment to the Notes.

Use of Proceeds

The proceeds from the Offering will be used (i) to fund the full redemption of the May 2024 Floating Rate Notes and pay any accrued and unpaid interest thereon; (ii) for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions and (iii) to pay certain fees, costs and expenses incurred in connection with the Transactions (as defined herein). See “*Use of Proceeds.*”

Optional Redemption

Prior to April 30, 2028, the Issuer may redeem all or part of the Notes at any time at a price equal to 100% of the principal amount of the Notes redeemed plus accrued and

unpaid interest and additional amounts, if any, to the redemption date and a “make-whole” premium, as described in this Offering Memorandum under the caption “*Description of the Notes—Optional Redemption.*”

At any time on or after April 30, 2028, the Issuer may redeem all or a portion of the Notes at redemption prices described in this Offering Memorandum under the caption “*Description of the Notes—Optional Redemption*” plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

At any time prior to April 30, 2028, the Issuer may also redeem from time to time during each twelve-month period commencing on the Issue Date up to 10% of the original aggregate principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, if any; *provided that* the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision. See “*Description of the Notes—Optional Redemption.*”

Additional Amounts; Tax

Redemption

All payments in respect of the Notes will be made by the Issuer or any Guarantor (if any) without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction for such taxes is required by law in any “relevant taxing jurisdiction” to be made from any payment with respect to the Notes, subject to certain exceptions, the Issuer or the relevant Guarantor (if any), as applicable, will pay additional amounts so that the net amounts received by the holders of Notes after such withholding or deduction is not less than the amounts which would have been received in the absence of such withholding or deduction. See “*Description of the Notes—Additional Amounts.*”

The Issuer may redeem the Notes of any series in whole, but not in part, at any time if certain changes in or amendments to law or other legal developments affect taxation. If the Issuer decides to exercise such redemption right, it must pay holders of such Notes a redemption price equal to 100% of the principal amount of the Notes being redeemed, together with accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date. See “*Description of the Notes—Optional Redemption for Tax Reasons.*”

Subject to and as set out in “*Description of the Notes—Additional Amounts,*” the Issuer, under certain circumstances, will not be liable to pay any additional amounts to holders of the Notes in relation to, among other things, any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of April 1, 1996 (as the same may be amended, or supplemented from time to time) and otherwise in the circumstances as described in “*Description of the Notes—Additional Amounts.*”

Change of Control

Upon the occurrence of certain events constituting a change of control, the Issuer is required to offer to repurchase all

outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. A change of control will not be deemed to have occurred if a certain consolidated net leverage ratio is not exceeded as a result of such event. See “*Description of the Notes—Change of Control*” and “*Description of the Notes—Certain Definitions—Specified Change of Control Event*.”

Certain Covenants..... The Indenture governing the Notes will limit, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and enter into certain other transactions and activities.

Each of the covenants is subject to a number of significant exceptions and qualifications. For a more detailed description of these covenants, see “*Description of the Notes—Certain Covenants*.”

Transfer Restrictions..... The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and are being offered and sold (i) in the United States, to QIBs under Rule 144A under the Securities Act and (ii) outside the United States, in offshore transactions to persons that are not U.S. persons, in reliance on Regulation S. See “*Transfer Restrictions*” and “*Plan of Distribution*.”

Certain Considerations for ERISA and Other Benefit Plan Investors..... The Notes may generally be acquired by an investor using the assets of employee benefit plans subject to the provisions of Part 4 of Subtitle B of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), plans subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or governmental, church or non-U.S. plans or arrangements not subject to ERISA or Section 4975 of the Code but that are subject to any laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (“**Similar Laws**”), subject to being deemed to make certain representations regarding its acquisition, holding and disposition of the Notes. See “*Transfer Restrictions*” and “*Certain Considerations for ERISA and Other Benefit Plan Investors*.”

Absence of a Public Market for the Notes	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and to be listed on the Official List of the Luxembourg Stock Exchange upon their issuance. In addition, application has been made to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana S.p.A. (" Borsa Italiana "). There is no assurance that the Notes will remain listed on the Euro MTF market and/or will be, or will remain, listed and admitted to trade on the Euronext Access Milan Market.
Trustee and Rappresentante Comune of the Holders of the Notes	The Law Debenture Trust Corporation p.l.c., in its capacity as trustee under the Indenture and common representative (<i>rappresentante comune</i>) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code.
Security Agent	UniCredit S.p.A., in its capacity as security agent and legal representative (<i>mandatario con rappresentanza</i>) under the Indenture, the Existing Notes Indentures, the Intercreditor Agreement and the Revolving Credit Facility Agreement and as representative (<i>rappresentante</i>) of the holders of the Notes pursuant to and for the purposes set forth under article 2414-bis, paragraph 3, of the Italian Civil Code.
Principal Paying Agent and Transfer Agent ...	Deutsche Bank AG, London Branch.
Registrar	Deutsche Bank Luxembourg S.A.
Governing Law for the Notes and the Indenture	The Notes and the Indenture will be governed by the laws of the State of New York.
Governing Law for the Intercreditor Agreement	The Intercreditor Agreement is governed by the laws of England and Wales.
Security Documents	The Security Documents will be governed by the laws of the Republic of Italy.
Risk Factors	See " <i>Risk Factors</i> " for a description of certain of the risks you should carefully consider before investing in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables set forth the summary historical consolidated financial information and other data of the Group as at the dates and for the periods indicated and have been derived from the Consolidated Financial Statements. The historical financial information presented in this section does not reflect changes as a result of the Transactions unless otherwise stated. This section also includes certain key performance indicators and Non-IFRS Financial Measures and Run-Rate Non-IFRS Financial Measures and As Adjusted Financial Information.

We present the Run-Rate Non-IFRS Financial Measures to illustrate the consolidation of certain distribution insourcing operations as a result of bolt-on acquisitions and the run-rate effect of synergies related to the PWO Acquisition. We present the As Adjusted Financial Information to illustrate the effects of the Transactions on our finance expense and Net Financial Debt. The Run-Rate Non-IFRS Measures and As Adjusted Financial Information have been prepared as if all the transactions referred to therein occurred on January 1, 2025 for purposes of the relevant financial information for the year ended December 31, 2025, and December 31, 2025 for purposes of the statement of financial position. See “Presentation of Financial and Other Information” for further information.

For a detailed discussion of the presentation of financial information, see “Presentation of Financial and Other Information.”

The data below is not necessarily indicative of our results of operations and should be read in conjunction with the Financial Statements and “Use of Proceeds,” “Capitalization,” “Presentation of Financial and Other Information,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Basis of Presentation

Lottomatica

Unless otherwise indicated or the context requires, references in this Offering Memorandum to “we,” “us,” “our” and the “Group” including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which, for accounting purposes, is consolidated from April 30, 2024).

Lottomatica

Summary Consolidated Income Statement Information

	For the year ended December 31,		
	2023	2024	2025
		(in € thousands)	
Revenues	1,632,488	2,004,725	2,247,116
Other income	18,529	14,951	14,888
Total revenues and income	1,651,017	2,019,676	2,262,004
Cost of services	(972,759)	(1,213,725)	(1,314,558)
Personnel expenses	(98,378)	(135,503)	(154,750)
Other operating costs	(40,952)	(39,477)	(40,090)
Depreciation, amortization and impairments	(194,678)	(244,353)	(261,269)
Impairment of receivables and financial assets	(7,975)	(243)	(25,562)
Other (accruals)/releases	1,977	(785)	258
Finance income	28,139	9,038	3,275
Finance expenses	(220,287)	(215,400)	(193,422)
Share of profit/(loss) of equity accounted investments	(8,965)	1,663	(110)
Profit before tax	137,139	180,891	275,776
Income tax expense	(63,277)	(77,052)	(95,940)
Net profit for the year	73,862	103,839	179,836
Net profit for the year attributable to non-controlling interests	5,919	5,242	5,541
Net profit for the year attributable to owners of the parent	67,943	98,597	174,295

Summary Consolidated Balance Sheet

	As of December 31,		
	2023	2024	2025
		(in € thousands)	
Total non-current assets	2,242,566	2,998,862	3,094,254
Total current assets	1,043,504	437,616	408,615
Total assets	3,286,070	3,436,478	3,502,869
Total shareholders' equity	541,230	565,503	377,488
Total non-current liabilities	2,170,261	2,286,660	2,299,395
Total current liabilities	574,579	584,315	825,986
Total liabilities	2,744,840	2,870,975	3,125,381
Total equity and liabilities	3,286,070	3,436,478	3,502,869

Summary Consolidated Financial Statement of Cash Flows Information

	For the year ended December 31,		
	2023	2024	2025
		(in € thousands)	
Net cash flow from operating activities (A)	407,532	524,338	635,017
Net cash flow used in investment activities (B)	(640,882)	(341,348)	(295,801)
Net cash (used in)/from financing activities (C)	293,194	(313,516)	(359,474)
Net increase / (decrease) in Cash and Cash Equivalents (A ± B ± C)	59,844	(130,526)	(20,258)

Operating Segment Information

Bets

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € millions)</i>		
Online	16,203.6	24,492.7	29,818.2
Sports Franchise	2,824.5	3,578.3	3,907.3
Gaming Franchise	11,103.4	11,089.8	10,944.6
Bets	30,131.5	39,160.8	44,670.1

GGR

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € millions)</i>		
Online	869.6	1,355.0	1,687.7
Sports Franchise	465.7	581.3	673.4
Gaming Franchise	2,529.0	2,456.6	2,374.4
GGR	3,864.3	4,392.9	4,735.5

Segment Revenues

	For the year ended December 31,					
	2023	% of Segment Revenues	2024	% of Segment Revenues	2025	% of Segment Revenues
	<i>(in € thousands, unless otherwise indicated)</i>					
Online	520,787	31.9%	780,230	38.9%	954,506	42.3%
Sports Franchise	368,217	22.6%	460,755	23.0%	527,163	23.4%
Gaming Franchise	743,484	45.5%	763,740	38.1%	773,623	34.3%
Segment Revenues	1,632,488	100.0%	2,004,725	100.0%	2,255,292	100.0%
Elimination of revenues from equity accounted investments	—	n.a.	—	n.a.	(8,176)	n.a.
Revenues	1,632,488	n.a.	2,004,725	n.a.	2,247,116	n.a.

Adjusted EBITDA

	For the year ended December 31,								
	2023	% of total Segment Revenues	% of total	2024	% of total Segment Revenues	% of total	2025	% of total Segment Revenues	% of total
	(in € thousands, unless otherwise indicated)								
Online	300,612	18.4%	51.8%	418,566	20.9%	59.2%	528,963	23.5%	61.8%
Sports Franchise	97,230	6.0%	16.8%	108,642	5.4%	15.4%	141,798	6.3%	16.6%
Gaming Franchise	182,509	11.2%	31.4%	179,714	9.0%	25.4%	185,398	8.2%	21.7%
Adjusted EBITDA	580,351	35.6%	100.0%	706,922	35.3%	100.0%	856,159	38.0%	100.0%

Key Performance Indicators

The following table sets forth the main key performance indicators used by management of the Group.

	As of and for the year ended December 31,		
	2023	2024	2025
	(in € thousands)		
Segment Revenues ⁽¹⁾	1,632,488	2,004,725	2,255,292
Adjusted EBITDA ⁽²⁾	580,351	706,922	856,159
Adjusted EBITDA Margin ⁽³⁾	35.6%	35.3%	38.0%
Adjusted EBIT ⁽⁴⁾	456,914	535,648	662,245
Adjusted EBIT Margin ⁽⁵⁾	28.0%	26.7%	29.5%
Adjusted Net Profit ⁽⁶⁾	215,884	254,260	369,388
Net Financial Debt ⁽⁷⁾	1,248,726	1,872,825	2,105,202
Net Financial Debt/Adjusted EBITDA ⁽⁸⁾	2.2	2.6	2.5
Capital Expenditure ⁽⁹⁾	(140,486)	(143,014)	(300,892)
Cash Capital Expenditures ⁽¹⁰⁾	(144,767)	(261,501)	(281,884)
Operating Cash Flow ⁽¹¹⁾	469,626	556,831	657,134
Cash Conversion Rate ⁽¹²⁾	80.9%	78.8%	76.8%
Cash Interest Expense ⁽¹³⁾	(138,035)	(160,122)	(125,226)

- (1) We define Segment Revenues as consolidated revenues adjusted to include the revenues of equity accounted investments in which the Group holds an interest of more than 50%. Segment Revenues for the year ended December 31, 2025 include €8.2 million of revenues attributable to Cristaltec S.p.A. ("Cristaltec") and its subsidiaries. The Group acquired a 60% interest in Cristaltec in 2025, which is accounted for using the equity method. See *"The Group's business—2025 Mergers and Acquisitions—Acquisition of an equity-accounted interest in Cristaltec S.p.A."*
- (2) We define Adjusted EBITDA as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% and/or of businesses disposed of or in the process of disposal; (vii) costs related to M&A and international activities; (viii) integration costs (including expenses on corporate restructuring, redundancy and higher costs incurred in relation to renegotiated operating contracts); (ix) other income and expenses that, due to their nature, are not reasonably expected to recur in future periods. Adjusted EBITDA is not a measurement of performance under IFRS and should not be considered as an alternative to operating income or consolidated profit or as a measure of the Group's operating performance, cash flows from operating, investing and financing activities, its ability to meet its cash needs or any other measures of performance under generally accepted accounting principles. The Group believes that Adjusted EBITDA is a useful indicator of the Group's ability to service the Group's indebtedness and it provides a supplementary measure of performance to securities analysts, investors and other interested party to evaluate the Group's results. As its composition is not regulated by the reference accounting standards, the determination criterion applied by the Group may not be homogeneous with that adopted by others and therefore not comparable. Adjusted EBITDA may not be indicative of its historical operating results, nor is it meant to be predictive of potential future results. Adjusted EBITDA as presented in this Offering Memorandum differs from the definition of *"Consolidated EBITDA"* to be contained in the Indenture and as described under the caption *"Description of Notes,"* or for the purposes of any of our other indebtedness.

The following table presents a reconciliation of Adjusted EBITDA to net profit for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
	(in € thousands)		
Net profit for the year	73,862	103,839	179,836
Income tax expense	63,277	77,052	95,940
Finance income	(28,139)	(9,038)	(3,275)
Finance expenses	220,287	215,400	193,422
Share of loss / (profit) of equity accounted investments	8,965	(1,663)	110
Depreciation, amortization and impairments	194,678	244,353	261,269
Adjusted EBITDA from equity accounted investments and/or of businesses disposed of or in the process of disposal ^(a)	—	—	2,948
Cost related to M&A and international activities ^(b)	19,762	8,298	8,266
Integration costs ^(c)	12,534	33,713	40,543
Other non-recurring (income)/expense ^(d)	15,125	34,968	77,100
Adjusted EBITDA	580,351	706,922	856,159

- (a) For the year ended December 31, 2025, mainly reflects the contribution to the Group's Adjusted EBITDA of the adjusted EBITDA generated by Cristaltec and its subsidiaries. The Group acquired a 60% interest in Cristaltec in 2025, which is accounted for using

the equity method. See “The Group’s business—2025 Mergers and Acquisitions—Acquisition of an equity-accounted interest in Cristalltec S.p.A.”

- (b) For the year ended December 31, 2023, the item mainly refers to: (i) strategic consultancy costs amounting to €17.7 million in relation to potential business acquisitions, including €8.3 million related to the PWO Acquisition; (ii) monetary costs related to the IPO, amounting to €2.1 million. For year ended December 31, 2024, this item mainly refers to advisory costs amounting to €8.0 million including costs related to the PWO Acquisition and other acquisitions. For the year ended December 31, 2025, the item mainly refers to advisory costs amounting to €5.5 million.
 - (c) This item primarily represents costs incurred for the integration of acquired companies and associated expenses on corporate restructuring and redundancy.
 - (d) For the year ended December 31, 2023, the item mainly relates to: (i) monetary costs related to non-recurring employees benefits of €1.0 million and to other non-recurring monetary costs of €2.0 million, (ii) non-monetary costs mainly related to the impairment of the “Ancona Time” partnership, held by LVR, amounting to €3.3 million, the write-down of convertible bonds issued by the associate iPro Inc. of €1.8 million, the write-off of software license and NOE no longer used amounting to €7.0 million. For the year ended December 31, 2024 the item mainly relates to platform migration costs, costs relating to non-recurring employee benefits, an adjustment to our provisions driven by the “Relaunch” decree (a measure introduced by the Italian Government following the COVID-19 emergency, with the goal, among other things, of raising funds to support the Italian sport sector), advertising costs and the write-off of assets. For the year ended December 31, 2025, the item mainly includes one-off costs for specific activities in relation to the New GAD Concessions, costs incurred in connection with employee termination arrangements, the impairment of receivables from gambling operators related to 2015 Italian Stability Law and the write-off of a gaming platform previously used by PWO.
- (3) We define Adjusted EBITDA Margin as the ratio of Adjusted EBITDA divided by Segment Revenues for the same period.
- (4) We define Adjusted EBIT as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments, (v) amortization of assets resulting from business combinations following the relevant purchase price allocation process; and (vi) other non-recurring costs and income which are excluded from Adjusted EBITDA.

The following table sets forth a reconciliation of Adjusted EBIT for the relevant periods.

	For the year ended December 31,		
	2023	2024	2025
	(in € thousands)		
Net profit for the year	73,862	103,839	179,836
Income tax expense	63,277	77,052	95,940
Finance income	(28,139)	(9,038)	(3,275)
Finance expenses	220,287	215,400	193,422
Share of (income) / loss of equity accounted investments	8,965	(1,663)	110
Amortization of assets resulting from business combinations	71,241	73,079	70,303
Other non-recurring costs and income excluded from Adjusted EBITDA ^(a)	47,421	76,979	125,909
Adjusted EBIT	456,914	535,648	662,245

(a) See note (2) above.

- (5) We define Adjusted EBIT Margin as the ratio of Adjusted EBIT for the period divided by consolidated revenues for the same period.
- (6) We define Adjusted Net Profit as net profit for the year 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) finance income and expenses that, due to their nature, are not reasonably expected to recur in future periods, (iv) other non-monetary items included in financial expenses and (v) tax effects on such adjustments.

The following table sets forth a reconciliation of Adjusted Net Profit for the relevant periods:

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € thousands)</i>		
Net profit for the year	73,862	103,839	179,836
Amortization of assets resulting from business combinations	71,241	73,079	70,303
Other non-recurring costs and income excluded from Adjusted EBITDA ^(a)	56,386	75,316	125,909
Adjustments related to IPO, 2025 Refinancing, 2024 Refinancing, 2023 Refinancing and PWO Acquisition	48,650	52,360	47,342
<i>Of which:</i>			
-Income from interest rate swaps ^(b)	(19,845)	—	—
-Prepayment penalty on Bondco Loan ^(c)	16,473	—	—
-Bridge Facilities ^(d)	20,735	—	—
-Make-whole redemption premiums ^(e)	12,680	26,443	21,018
-Effect of acceleration of the unamortized costs and net charge IRS (interest rate swaps) and previous revolving credit facility ^(f)	15,264	21,663	26,324
-Negative carry (net of accrued interest received from Escrow account) ^(g)	3,343	4,254	—
Other non-recurring finance expenses ^(h)	—	—	5,682
Other non-monetary items included in finance expenses ⁽ⁱ⁾	13,788	8,375	11,787
Tax effect (IRES + IRAP) *	(48,043)	(58,709)	(71,471)
Adjusted Net Profit for the year	215,884	254,260	369,388

* Tax effect is calculated based on the applicable tax regulations as of the periods illustrated.

- (a) See note (2) above. For the year ended December 31, 2024, the item includes non-recurring income from equity accounted investments amounting to €1.7 million (€9.0 million of non-recurring impairment of equity accounted investments for the year ended December 31, 2023).
- (b) The item includes the income related to the closing of the hedging derivative entered into by the Group, following the early repayment of a portion of the Original 2025 Floating Rate Notes.
- (c) The item includes the prepayment penalty due to the early repayment and cancellation of the Bondco Loan.
- (d) Refers to the payment of commitment fees in relation to a bridge facility commitment that was entered into by the Group in April 2023 and subsequently terminated in connection with the release from escrow of the proceeds of the June 2023 Notes, and the commissions on the senior secured bridge facility provided to the Group as an alternative line of credit for the PWO Acquisition. Such senior bridge facility was not utilized.
- (e) For the year ended December 31, 2023, the item includes the make-whole redemption premium paid in relation to the early redemption of the 2025 Notes. For the year ended December 31, 2024, the item includes the make-whole redemption premium paid in relation to the early redemption of the 2027 Notes. For the year ended December 31, 2025, the item includes the make-whole redemption premium paid in relation to the early redemption of the June 2023 Fixed Rate Notes.
- (f) For the year ended December 31, 2023, the item includes: (i) the arrangement fees on the previous revolving credit facility amounting to €4.5 million, which have been recognized in the income statement upon entering into the Original Revolving Credit Facility agreement and (ii) the acceleration of the amortized cost of residual transaction costs related to the early repayment of the 2025 Notes for a total amount of €10.8 million. For the year ended December 31, 2024, the item includes the acceleration of the amortized cost on the ancillary costs related to the repayment of the 2027 Notes and the June 2023 Floating Rate Notes, fully recognized during the year following the related early repayment. For the year ended December 31, 2025, the item mainly includes (i) the accelerated amortization of €19.6 million in residual transaction costs related to the early redemption of the June 2023 Fixed Rate Notes and the December 2023 Floating Rate Notes, and (ii) financial charges incurred in connection with the termination of hedging derivative instruments entered into in respect of the December 2023 Floating Rate Notes.
- (g) For the year ended December 31, 2023, the item includes: (i) the negative carry arising from the negative difference between the interest income accrued on the gross proceeds of the June 2023 Floating Rate Notes and June 2023 Fixed Rate Notes while held in escrow and the interest expense accrued on the 2025 Notes, in relation to the period from June 1, 2023 to the redemption date of the 2025 Notes (i.e. July 17, 2023); (ii) the negative carry arising from the negative difference between the interest income accrued on the gross proceeds of the December 2023 Floating Rate Notes while held in escrow and the interest expense accrued on the December 2023 Floating Rate Notes, in relation to the period from December 14, 2023 to March 31, 2024; (iii) the income from the interest rate swap on the December 2023 Floating Rate Notes. For the year ended December 31, 2024, the item includes the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the December 2023 Floating Rate Notes for the period from January 1, 2024 to the PWO Acquisition Closing Date (including the related interest rate swap net income).
- (h) The item includes other miscellaneous monetary costs which are non-recurring in nature and included in "Finance Expenses."
- (i) The item includes non-monetary costs included in "Finance expenses."

(7) The following table shows the calculation of Net Financial Debt for the periods indicated:

	As of December 31,		
	2023	2024	2025
		<i>(in € thousands)</i>	
2027 Notes ^(a)	350,000	—	—
June 2023 Floating Rate Notes ^(a)	550,000	—	—
June 2023 Fixed Rate Notes ^(a)	565,000	565,000	—
December 2023 Floating Rate Notes ^(a)	500,000	500,000	—
May 2024 Fixed Rate Notes ^(a)	—	500,000	500,000
May 2024 Floating Rate Notes ^(a)	—	400,000	400,000
May 2025 Notes ^(a)	—	—	1,100,000
Shares Buyback liabilities	—	—	173,421
IFRS 16 lease liabilities	75,908	81,169	75,679
Cash and cash equivalents ^(b)	(792,182)	(173,344)	(143,898)
Net Financial Debt	1,248,726	1,872,825	2,105,202

(a) Represents the nominal value of the relevant indebtedness.

(b) For the year ended December 31, 2023 the item includes €497.5 million related to the proceeds from the December 2023 Floating Rate Notes deposited into an escrow account pending the completion of the PWO Acquisition. For the year ended December 31, 2024 the item includes €9.2 million relating to PWO Group guarantee deposits, collected in January 2025.

(8) We define Net Financial Debt/Adjusted EBITDA as the ratio between Net Financial Debt and Adjusted EBITDA.

(9) Capital Expenditures is defined as investments for the period in property, plant and equipment and intangible assets.

The following table presents a breakdown of the Group's Capital Expenditures for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
		<i>(in € thousands)</i>	
Property, plant and equipment	(40,890)	(70,384)	(60,667)
Intangible assets	(99,596)	(72,630)	(240,225)
Capital Expenditures	(140,486)	(143,014)	(300,892)

(10) Cash Capital Expenditures refers to cash outflows for (i) recurring capital expenditure; (ii) concession capital expenditure; and (iii) extraordinary capital expenditure related to investments for extraordinary projects and deferred consideration for the acquisition of subsidiaries and business units.

The following table presents a breakdown of the Group's Cash Capital Expenditures for the periods indicated and a reconciliation between cash flows from investing activities as reported in the Group's consolidated cash flow statement and Cash Capital Expenditures:

	For the year ended December 31,		
	2023	2024	2025
		(in € thousands)	
Recurring capital expenditure	(65,575)	(86,881)	(86,328)
Concession capital expenditure	(45,150)	(63,210)	(112,697)
Extraordinary capital expenditure	(34,042)	(61,410)	(62,283)
Of which:			
Integration	—	(10,265)	(24,017)
Bolt-ons (including deferred consideration) and other	(34,042)	(51,145)	(38,266)
Deferred purchase price relating to the Betflag Acquisition	—	(50,000)	—
Deferred purchase price relating to the Goldbet Acquisition	—	—	(20,576)
Cash Capital expenditures	(144,767)	(261,501)	(281,884)
Adjustments for:			
Investments in equity accounted entities	(217)	—	(13,917)
Net disposal in financial assets	1,602	1,764	—
PWO Acquisition (net of escrow account) ^(a)	(497,500)	(87,443)	—
Acquisition of Billions Italia and New Matic	—	5,832	—
Cash Flow from investing activities	(640,882)	(341,348)	(295,801)

(a) For the year ended December 31, 2023, this item reflects the proceeds from the December 2023 Floating Rate Notes (net of issue discount), which were held in escrow until released in connection with the completion of the PWO Acquisition.

(11) Operating Cash Flow is defined as the sum of Adjusted EBITDA less (i) Recurring Capital Expenditures and (ii) Concession Capital Expenditures.

The following table shows a calculation of Operating Cash Flow for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
		(in € thousands)	
Adjusted EBITDA ^(a)	580,351	706,922	856,159
Recurring capex ^(b)	(65,575)	(86,881)	(86,328)
Concession capex ^(b)	(45,150)	(63,210)	(112,697)
Operating Cash Flow	469,626	556,831	657,134

(a) See Footnote (2) above for the calculation of Adjusted EBITDA.

(b) See Footnote (10) above.

(12) Cash Conversion Rate is defined as the ratio between Operating Cash Flow and Adjusted EBITDA.

(13) Cash interest expense represents cash paid for interest expenses for the period and corresponds to the "Net financial expenses" line item in the Group's statement of cash flows.

Certain Key Performance Indicators and Non-IFRS Financial Measures

The following tables set forth other key performance indicators and Non-IFRS Financial Measures for the relevant operating segments of the Group.

Online

	As of and for the year ended December 31,		
	2023	2024	2025
Unique Active Users	1,310,675	2,003,458	2,214,144
Total online Bets (in € millions)	16,204	24,493	29,818

Sports Franchise

	As of and for the year ended December 31,		
	2023	2024	2025
Number of licenses/concessions ⁽¹⁾	3,022	4,024	4,024
Number of active POS (i.e. POS in operation) at the end of the period (shops and corner)	2,803	3,740	3,790
Average number of POS (i.e. POS in operation) at the end of the period (shops and corner)	2,747	3,441	3,762
Sports Franchise Bets (in € millions)	2,825	3,578	3,907

(1) Does not include 26 licenses related to horse racing Bets as of December 31, 2023, 2024 and 2025. Includes 8 betting rights of Ricreativo B S.p.A. as of December 31, 2023, 2024 and 2025.

Gaming Franchise

AWP

	As of and for the year ended December 31,		
	2023	2024	2025
Total AWP Bets ⁽¹⁾ (in € millions)	4,471.4	4,286.7	4,093.2
Number of AWP in operations at the period end	63,138	63,941	64,107
Average number of AWP for the period	62,757	63,471	63,777
Average AWP PREU (as percentage of Bets)	24.0%	24.0%	24.0%

(1) The figure does not include Bets generated by gaming halls connected to other concessionaires, amounting to €293.4 million, €521.2 million, and €673.8 million for the years ended December 31, 2023, 2024 and 2025 respectively, which are included in the Retail and Street Operations business line.

VLT

	As of and for the year ended December 31,		
	2023	2024	2025
VLT Bets ⁽¹⁾ (in € millions)	6,216.7	6,129.2	6,033.9
Number of VLTs licenses	19,831	19,831	19,831
Average number of VLTs in operation for the period	18,287	18,279	18,360
VLT in operation as percentage of VLT rights	92.5%	92.8%	92.2%
Average VLT PREU (as percentage of Bets)	8.6%	8.6%	8.6%

(1) The figure does not include Bets generated by halls connected to other concessionaires amounting to €121.9 million, €152.6 million and €143.8 million for the years ended December 31, 2023, 2024 and 2025 respectively, which are included in the Retail and Street Operations business line.

Retail and Street Operations

	As of and for the year ended December 31,		
	2023	2024	2025
Number of gaming halls	145	138	123
VLT Bets (in € millions)	1,971.8	2,013.2	1,983.8
Average number of VLTs	4,465	4,779	4,785
AWP Bets (in € millions)	1,212.6	1,646.2	2,027.7
Average number of AWP	15,120	21,837	29,409

Run-Rate Non-IFRS Financial Measures and As Adjusted Financial Information

	For the year ended December 31,
	2025
	(Unaudited)
	(in € thousands, except percentages and Pro Forma Adjusted Cash Interest Expense)
Run-Rate Adjusted EBITDA ^{(1) (2)}	883,795
As Adjusted Net Financial Debt ^{(1) (3)}	2,115,202
Pro Forma Adjusted Cash Interest Expense (in € millions) ^{(1) (4)}	115.9
Pro Forma Leverage Ratio (based on Run-Rate Adjusted EBITDA) ^{(1) (5)}	2.4x

(1) For a definition, see “Presentation of Financial and Other Information—Key Performance Indicators and Non-IFRS Financial Measures.”

(2) Run-Rate Adjusted EBITDA is calculated as Adjusted EBITDA for the Group for the year ended December 31, 2025, as further adjusted to include: (i) the Adjusted EBITDA of certain distribution insourcing operations acquired in 2025 for the period from January 1, 2025 to the relevant date of acquisition by the Group, based on accounting records and management information, and (ii) the run-rate effect from the full realization of the synergies that management expects to realize from the PWO Acquisition by the end of 2026 to the extent not already reflected in the Group’s Adjusted EBITDA for the years ended December 31, 2025 and 2024, based on accounting records and management information. We believe that Run-Rate Adjusted EBITDA is a useful metric for investors to understand the Group’s results of operations and profitability because it permits investors to evaluate the Group’s recurring profitability from underlying operating activities. We also use this measure internally to establish forecasts, budgets and operations goals to manage and monitor our business, as well as evaluating our underlying financial performance. The Group’s presentation of Run-Rate Adjusted EBITDA may be different from the presentation used by other companies and therefore comparability may be limited. Run-Rate Adjusted EBITDA is a Non-IFRS Measure and the term Run-Rate Adjusted EBITDA is not defined under IFRS or any other generally accepted accounting principles. Consequently, the use of Run-Rate Adjusted EBITDA has certain limitations. Run-Rate Adjusted EBITDA is not a measure of net income, operating income, operating performance or liquidity presented in accordance with IFRS. When assessing our operating performance, you should not consider this data in isolation or as a substitute for our net income, operating income or any other operating performance or liquidity measure that is calculated in accordance with IFRS. Neither our independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the presentation of, Run-Rate Adjusted EBITDA contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such presentation. See also “Risk Factors—Risks Related to the Group’s Presentation of Financial Information—We may not realize any or all of the adjustments to Run-Rate Adjusted EBITDA included in the Offering Memorandum.” Run-Rate Adjusted EBITDA as presented in this Offering Memorandum differs from the definition of “Consolidated EBITDA” to be contained in the Indenture and as described under the caption “Description of Notes,” or for the purposes of any of our other indebtedness.

The following table sets forth a reconciliation of Run-Rate Adjusted EBITDA to Adjusted EBITDA for the period indicated:

	For the year ended December 31,
	2025
	(Unaudited)
	(in € thousands)
Adjusted EBITDA	856,159
Run Rate Adjusted EBITDA – Bolt-on acquisitions ^(a)	3,197
Synergies – PWO Group ^(b)	24,439
Run-Rate Adjusted EBITDA	883,795

(a) Reflects the effect on Adjusted EBITDA of certain bolt-on acquisitions of distribution insourcing operations, as if these had taken place on January 1, 2025. The adjustment represents the Adjusted EBITDA of the acquired operations for the relevant period, to the extent not already reflected in the Group’s Adjusted EBITDA, as these operations had been consolidated by the Group for the

period presented. The adjustments have been derived from the relevant acquired business' accounting records and management information. See also "*Risk Factors—Risks Related to the Group's Presentation of Financial Information—We may not realize any or all of the adjustments to Run-Rate Adjusted EBITDA included in the Offering Memorandum.*"

- (b) Reflects the estimated run-rate impact on the Group's Adjusted EBITDA of certain synergies in relation to the PWO Acquisition, for which in 2025 the Group implemented necessary actions to achieve such synergies. See also "*Risk Factors—Risks Related to the Group's Presentation of Financial Information—We may not realize any or all of the adjustments to Run-Rate Adjusted EBITDA included in the Offering Memorandum.*"
- (3) As Adjusted Net Financial Debt is calculated as the sum of (i) the principal amount of the Notes offered hereby, the May 2025 Notes and the May 2024 Fixed Rate Notes; (ii) payables related to IFRS 16, and (iii) shares buyback liabilities, *net of* (iv) cash and cash equivalents, on an as adjusted basis to give effect to the Transactions, including the Offering hereby and the application of the proceeds therefrom (as described under "*Use of Proceeds*") as if such events had occurred on December 31, 2025. See also "*Capitalization.*"
- (4) We define Pro Forma Adjusted Cash Interest Expense as the annual cash interest expenses for the year ended December 31, 2025, on (i) the May 2024 Fixed Rate Notes; (ii) the May 2025 Notes; and (iii) the Notes offered hereby, as if the Notes had been issued on January 1, 2025 and the proceeds therefrom had been used as set forth under "*Use of Proceeds.*" Pro Forma Adjusted Cash Interest Expense is being presented for illustrative purposes only and does not purport to represent what our cash interest expenses would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our cash interest expenses for any future period or our financial condition at any future date.
- (5) We define Pro Forma Leverage Ratio as Adjusted Net Financial Debt for the period divided by Run-Rate Adjusted EBITDA.

RISK FACTORS

This Offering involves a high degree of risk. Prospective investors should carefully consider the risks described below as well as other information and data contained in this Offering Memorandum before making an investment decision. If any of the events described in the risk factors below occur, the Group's business, financial condition and results of operations could be materially adversely affected, which in turn could materially adversely affect its ability to repay principal or interest on the Notes. The risks described below are not the only risks the Group faces. Additional risks and uncertainties not currently known to the Group or that the Group currently deem to be immaterial may also materially adversely affect its business, financial condition, operating results or prospects. In any such case, you may lose all or part of your investment in the Notes.

This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. These disclosures reflect the Group's beliefs and opinions as to factors that could materially and adversely affect the Group and the Notes in the future. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to whether or not such factors have occurred in the past or their likelihood of occurring in the future. Furthermore, the Group's actual results may differ materially from those anticipated in these forward looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.

Unless otherwise indicated or the context otherwise requires, references to the "Group," "we," "us" and "our" are to the Group including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which, for accounting purposes, is consolidated from April 30, 2024).

Notwithstanding the foregoing, for purposes of the subsections "Risks Related to the Group's Structure," "Risks Related to the Group's Indebtedness" and "Risks Related to the Notes, Any Future Guarantees and the Collateral," unless the context otherwise requires, references to "we," "us" and "our" are to the Issuer and its subsidiaries, as applicable.

Risks Related to the Group's Business and Industry

The Group's business and profitability may be adversely affected by competition from other gaming operators and the liberalization or other changes in the regulatory framework may increase the number of competitors in the gaming industry, including competitors who are not required to comply with all the requirements of the Italian regulatory framework.

The Group faces competition from a number of companies. See "*The Group's Business—Competition.*" The Group faces competition from both physical gaming facilities as well as online operators offering similar products and services and other gaming operators, both domestic and foreign. Competition could continue to intensify as new operators enter the market and existing operators improve and expand their product offering.

Gaming products are affected by consumer trends and the improvement and expansion of product offerings by the Group's competitors may attract customers away from the products and services offered by the Group and reduce its market share. The greater the number of competitors, the more product choices available to customers that may be better or different to the ones offered by the Group. If the Group is unable to find effective ways to improve, expand upon and promote its products effectively, particularly in light of the restrictions on advertising imposed pursuant to Italian law, the Group may lose market share, which could have a material adverse effect on its business, financial condition and results of operations.

Competition may further intensify as new operators enter the market and take advantage of the liberalization of the regulatory framework, utilizing their expertise, market data and/or unique products even from abroad, and potentially negatively impacting the success of the Group's products, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

Since 1999, certain aspects of the Italian gaming legislation and, in particular, the existence of a system based on a limited number of concessions, has been subject to the review of the European Court of Justice from time to time. According to the case law of the European Court of Justice, national laws prohibiting collecting, taking, booking and forwarding offers of bets without a concession are permissible only in certain cases, where and to the extent that such laws genuinely contribute to the objective of preventing criminal or fraudulent activities.

Accordingly, Italian courts have ruled that in certain cases, EU gaming operators authorized to operate in their home Member State may begin operating in Italy without a concession (although a police license is still required). For example, Italian courts have permitted such EU gaming operators to commence operations in Italy without a concession where it is determined that the operator was unable to participate in the public tender for such concession due to restrictions put in place at the time of such tender that are found to be discriminatory against foreign operators. As a result, some EU operators are active in the Italian gaming market without an ADM concession and may therefore be able to obtain a competitive advantage over Italian operators that hold an ADM concession, as such operators are subject to the restrictions and the conditions imposed by the respective concession. See “*Regulation—Regulatory Framework Relating to the Betting Concessions Held by the Group (Other than Horse Betting)*.”

Since Law Decree No. 223 of July 4, 2006, converted into Law No. 248/2006 (the “**Bersani Decree**”), the ADM and the Italian legislator undertook to align the Italian gaming regulatory framework to the European Union law. In the invitation to the tender for the betting concession of July 2012, the ADM amended the concession regime so as to further facilitate access to the gaming market. In addition, the Italian Stability Laws of 2015 and 2016 and the associated ADM regulations set forth a procedure allowing unlicensed operators operating in Italy as of October 30, 2014 to legitimize their operations; provided that they satisfy certain conditions, including, among others, that such unlicensed operators cure their tax exposure and connect their operations to the ADM servers. Moreover, future tenders for the award of new concessions to be launched pursuant to Law No. 111/2023 and its implementing decrees will in any event need to comply with the principles of EU law, including the principle of free competition, the principle of non-discrimination, and the fundamental freedom of establishment, as expressly stated, among others, by Legislative Decree 41/2024 governing the tender for the New GAD Concessions. See “*Regulation*.”

The gaming market is also affected by laws and regulations adopted at a regional and local level, such as the measures introduced by certain regional and/or local regulatory authorities to prevent pathological gambling, including various types of financial incentives (such as tax benefits) in favor of POS owners that decide not to install AWP. Moreover, local public authorities assess whether newly installed gaming halls are sufficiently far from “sensitive locations,” such as schools, places of worship, or other meeting places.

The current liberalization trend of the Italian gaming market and/or increase in the number of foreign operators could have a material adverse effect on the Group’s business, financial condition and results of operations. In addition, should the European Court of Justice determine that the abovementioned initiatives of the ADM and the Italian legislator are insufficient to comply with European Union law, the operators acting without an ADM concession may continue to act outside the Italian regulatory framework and ultimately increase their business, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

Furthermore, the Italian regulated gaming market is undergoing a phase of consolidation whereby some of the Group’s competitors could merge, therefore availing themselves of synergies and resources not available to the Group. For instance, in April 2025 Flutter Entertainment PLC completed the acquisition of the entire share capital of Snaitech S.p.A., a leading Italian omni-channel operators. This consolidation could result in certain of the Group’s competitors merging to create combined entities with increased market shares and greater resources than the Group, and against whom it could become more difficult to compete.

As a result of developments in digital and internet gaming, the cost of entry to the gaming market has decreased significantly in the past few years, contributing to a more competitive environment. Digital and internet gaming have emerged as substantial methods of competition from existing competitors and, increasingly, new competitors as a result of the lower cost of entry.

Increased competition from other gaming operators, bookmakers and online operators, as well as from suppliers of other gaming products, and from new competitors as a result of the lower cost of entry, in any segment of the Group’s industry, including the online market, and whether Italian or foreign, and particularly if consolidation of the market continues, may result in increased pricing pressures on a number of its products and services, which could have a material adverse effect on its business, financial condition and results of operations.

The Group may not be able to implement its business strategy or manage future growth effectively.

The Group is one of the main operators in the regulated gaming industry in Italy based on revenues, with Segment Revenues of €2,255.3 million and €2,004.7 million in the years ended December 31, 2025 and December 31, 2024, respectively. The Group’s ability to increase revenues, pursue growth and development goals and maintain

adequate levels of profitability also depends on the implementation of the Group's business strategy, which is based on the following key goals: (i) further expand the Group's market leading omnichannel strategy; (ii) continue to leverage the Group's portfolio of brands and their positioning to cover a wide array of customer cohorts; (iii) continue to optimize the Group's asset light franchising network; (iv) continue to innovate and broaden the Group's product offering; (v) maintain and grow a cutting-edge and efficient technology platform; (vi) further horizontal and vertical consolidation; and (vii) remain at the forefront of ESG, AML, compliance and responsible gaming. See *"The Group's Business—Strategies"* for more information on the Group's business strategy.

If the Group is unable to reach its strategic and financial targets, its growth strategy may not be implemented and the Group's business could be adversely affected. See *"—The Group's strategy of selectively pursuing acquisitions of businesses or enter into asset dispositions may present unforeseen risks, and the Group may not realize the financial and strategic goals that were contemplated at the time of any transaction, and, additionally there are risks associated with unforeseen integration obstacles or costs in realizing synergies which may cause the Group to increase its indebtedness."* In addition, if the Group is unable to implement its growth strategy in a timely manner and/or the assumptions underlying its strategy prove to be incorrect or if the Group's strategy fails to produce the planned results, its business could be negatively affected and its past growth rates may not be maintained, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group depends on partners and retailers, as well as a number of third-party suppliers, for the operation of its business, and problems with such partners, retailers or suppliers could adversely affect the Group.

The Group relies on its retail partners and suppliers to operate the majority of the POS in its distribution network. The Group also relies on a number of third-party suppliers who provide the Group with products, including AWP and VLTs, and services. The Group does not control these retail partners and third-party suppliers but relies on them to perform their services in accordance with the terms of their contracts. In addition to the deteriorating economic conditions that have had a negative impact on the Group, this has also adversely affected the Group's retail partners and third-party suppliers, and any renewed worsening of economic conditions in the future might have the same negative impact on them. Their failure to perform or pay the Group could have material adverse effect on its business, financial condition and results of operations.

The Group may not be successful in recovering any losses that result from the failure of any of its retail partners or third-party suppliers. Where a retail partner is operating under the Group's brand, any such failure may also negatively impact its reputation and level of consumer loyalty. Additionally, in the event of losses incurred by the Group's retail partners and third-party suppliers, such retail partners and third-party suppliers may seek to recover their losses by enforcing indemnities or other contractual instruments available to them with respect to breaches of obligations or warranties under their agreements with the Group. The Group depends on five main suppliers for the operation of its product line. Interruptions to the Group's supply chain could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on its retail partners to operate the POS in its distribution network. See *"The Group's Business—Suppliers."* These parties are responsible for, among other things, collecting the cash at their POS and transferring the collections to the Group, net of their commission. The obligations of retail partners to pay to the Group are, at times, secured by performance bonds or security deposits. To the extent part of the obligations of the Group's retail partners are not secured or if the Group is unable to offset the breach of its retail partners through the security such retail partner has provided, the Group bears the risk that its retail partners will be unable to pay amounts due to the Group on a timely basis. Moreover, in the event that it does not receive payment, the Group remains liable to the ADM for the payment of related gaming taxes. Despite the credit risk management procedures in place, the Group may not be able to limit its potential loss if a significant number of retail partners are unable to pay amounts due to the Group on a timely basis, which could have a material adverse effect on its business, financial condition and results of operations. Overdue current and noncurrent trade receivables net of the provision for doubtful accounts as of December 31, 2025 amounted to €7.9 million for the Group. Such events could have a material adverse effect on the Group's business, financial condition and results of operations. See *"The Group's Business—Risk Management."*

The Group's strategy of selectively pursuing acquisitions of businesses may present unforeseen integration obstacles or costs in realizing synergies which may cause the Group to increase its indebtedness.

The Group seeks to expand its operations and businesses in the gaming market through vertical integration and, as the case may be, by horizontal acquisitions to integrate companies operating in the same segment as the Group or in other segments of the wider gaming industry to the extent such acquisition is consistent with the Group's financial performance and return on investment criteria. See "*The Group's Business—Recent Acquisitions.*" While the Group expects, as in the past, that many of these acquisitions will not be material in the context of its business, the Group may also consider and pursue material acquisitions, such as the Lottomatica Business Acquisition, the Betflag Acquisition and the PWO Acquisition, depending on the opportunities presented to the Group by the market at any given time, which may require an increase of the Group's indebtedness. The Group may also acquire non-controlling stakes or enter into joint ventures with other players if the Group believes such transactions to be conducive to the achievement of its strategy. Moreover, within its acquisition strategy, the Group continuously seeks opportunities for investments that it believes meet its investment criteria. The geographical composition of its gaming business portfolio may change in the future as a result of new acquisitions. Such change may introduce dependencies on new market conditions in new geographical locations, which may have different fundamentals, trends or legal, regulatory and tax regimes than the Group's current market in which the Group operates. A broader geographical distribution of its gaming business portfolio may also result in additional costs in connection with the management of its businesses and reduce the benefits of economies of scale. The occurrence of any of the foregoing factors may have a material adverse effect on the Group's business, financial condition and results of operations.

As part of its activities the Group constantly monitors possible opportunities in all of the above scenarios. The success of any future acquisition will depend upon the Group's ability to identify suitable targets, conduct appropriate due diligence, negotiate transactions on fair and favorable terms, obtain required authorizations and ultimately complete such acquisitions and successfully integrate them into the Group. The Group's assessments of acquisition targets may prove to be incorrect and in particular its expectations with respect to growth, financial margins, cash flows and cost and revenue synergies. The Group's acquisitions may subject it to more expansive or new regulatory frameworks, new customer segments with different gaming and spending habits than the Group has catered to or new competitive dynamics that could hinder its growth and frustrate the realization of its acquisition objectives. Furthermore, the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties. Debt incurrence to consummate acquisitions may also increase its leverage, and if the acquisition is of a considerable size, such increase in leverage may be material and the Group may not be able to obtain additional debt on favorable terms. Any due diligence with respect to identifying targets may require more investment than the Group expected, including management time.

Additionally, the Group may face difficulties in the integration of an acquired company or business unit into its Group. The process of integrating acquisitions may be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual (including, for instance, representations and warranties, indemnities, put and call options) and other issues, difficulties in realizing operating synergies, difficulties in integrating diverse business cultures that may be incompatible, problems in integrating IT or other systems between the businesses, disagreements with joint venture partners or minority shareholders or a failure to maintain the quality of services that the Group has historically provided. Moreover, the integration of acquired businesses may be more difficult or take longer than anticipated resulting in higher administrative and management costs than anticipated. As the Group continues to grow, any further acquisitions could cause a significant increase in its costs. Any of the above-mentioned problems could lead to a diversion of management focus and resources from other strategic opportunities or material operational matters, or lead to difficulties in managing a larger company.

Therefore, considering that a broader geographical distribution of the Group's gaming business portfolio may result in additional costs in connection with the management of its businesses and may reduce the benefits of economies of scale, and that integration of acquired businesses may be more difficult or take longer than anticipated, resulting in higher administrative and management costs than expected, the Group may need to pay higher prices for acquisitions in order to continue carrying out its strategy of consolidating the market and of realizing operating synergies. Should any of the above concerns arise in connection with any future acquisition, it could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's failure to keep up with technological developments in online gaming or to continually develop its technological expertise, could adversely affect its business, financial condition and results of operations.

The market for online gaming products is characterized by rapid technological developments, frequent new product and service offerings and evolving industry standards. The emerging character of these products and services and their evolution requires the Group to enhance its current products and services and continue to improve the performance, features and reliability of its technology and information systems.

In addition, the widespread adoption of new internet technology, the development of artificial intelligence and higher standards in relation to online gaming could require the Group to commit significant funding to replace, modify or adapt its existing technology and systems. The technology the Group is using may be rendered obsolete, even within a limited timeframe, following the introduction of new technology and more advanced systems. The new technology may in the future reveal design flaws or other defects and require modifications, which could result in a loss of efficiency, temporary suspension of the games and, in particular, loss of confidence by the Group's customers in its products and services. All these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

For example, we utilize artificial intelligence, machine learning, data science and analogous technologies (collectively, "AI") to personalize our digital offerings, support responsible gambling initiatives, optimize internal processes and enhance overall operational efficiency. The AI landscape is marked by rapid technological advancement, the frequent introduction of new platforms and applications, and shifting industry standards, all of which may require substantial investment. New platforms and applications incorporating emerging technologies can render existing solutions obsolete in a short period of time. Data management, machine learning and analytics platforms are inherently complex, and the development and testing of new or enhanced applications can be time-consuming and require significant research and development expenditures. If we are unable to respond to these developments in a timely and cost-effective manner, we may become less competitive, and our operating results could be adversely affected. Our competitors or other market participants may integrate AI into their operations in similar or different ways and may do so more rapidly or effectively than we do, which could impair our competitive position.

The development of new gaming technology for evolving mobile device platforms, hardware, and software, as well as the integration of new AI capabilities, could result in errors that only become apparent after the technology has been deployed and accessed by customers. AI technologies may produce content that is factually incorrect, flawed, or inconsistent with applicable policies. Such errors could damage our reputation, compromise our ability to protect proprietary information, and have a material adverse effect on our business, results of operations and financial condition. Moreover, the development and deployment of new technologies, particularly in online environments, may expose us to additional regulatory scrutiny and compliance risks.

Moreover, the Group depends on third-party technology providers for the development and maintenance of certain of its systems, and any failure to maintain relationships with such providers could have a material adverse effect on its business, financial condition and results of operations.

The technological solutions the Group has in place to block access to its online services by players in certain jurisdictions may prove inadequate, which may harm its business and expose the Group to liability.

Historically, the gaming industry has been regulated at a national level, and currently there is no international gaming regulatory regime. Although the regulatory regime for land-based gaming operations is well established in many countries, the gaming laws in such countries may not necessarily have been amended to take account of the Internet and the ability to offer gaming services online. As a result, there is uncertainty as to the legality of online gaming in a number of countries.

The Group has systems and controls in place in an effort to ensure that gaming products are offered via the Internet to Italian residents only and that access to its system from certain jurisdictions where specific restrictions and prohibitions apply, such as the United States, is excluded. The systems and controls include monitoring and analyzing information provided by potential customers, including registered addresses, methods of customers' payment and specific registration procedures (for example, access to the Group's online betting system is permitted only to customers who have completed a registration process and can provide an Italian residence address and an Italian Fiscal Code) against a registry maintained by *Società Generale d'Informatica* ("SOGEI") and the ADM, as well as a geo-locator filtering technology that identifies the location of users logging onto the Group's websites.

Despite the adoption of these measures, the Group's procedures may not be effective. A court or other governmental authority in any jurisdiction could take the position that the Group's systems and controls are inadequate, either currently or as a result of technological developments affecting the Internet, or that its current or past business practices in relation to such jurisdiction violated applicable law.

If any such actions were brought against the Group or its management, whether successful or not, the Group could incur considerable legal and other costs and management's time and resources may be diverted from ordinary business operations. Furthermore, any resulting dispute could damage the Group's reputation and have a material adverse effect on its business, financial condition and results of operations.

Although the Group seeks to comply with and monitor the relevant laws and regulations, the Group is also exposed to the risk that jurisdictions from which its websites may be accessed via the Internet may have conflicting laws and regulations (or interpretations of such laws and regulations) with regard to the legality or regulatory compliance of its activities. Accordingly, the Group may be subject to the application of existing or potential laws and regulations, fees or levies in jurisdictions in which its websites can be accessed via the Internet. Any such laws, regulations, fees or levies may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's gaming franchise, sports franchise and online operations may experience losses due to technical problems or fraudulent activities.

The Group's success depends in part on its ability to avoid, detect, replicate and correct software and hardware anomalies and fraudulent manipulation of its gaming machines, systems, and online offerings. The Group ensures that security features are correctly installed and functioning in its gaming machines and other systems, including those features responsible for its online operations, which are designed to prevent the Group and its customers from being defrauded. The Group also monitors its software and hardware to avoid, detect and correct any technical errors. However, there can be no guarantee that the Group's security features or technical efforts will continue to be effective in the future. If the Group's security systems fail to prevent fraud or if the Group experiences any significant technical difficulties, its operating results could be adversely affected.

Additionally, if third parties breach our security systems and defraud our customers, or if our hardware or software experiences any technical anomalies, the public may lose its confidence in our gaming products and online operations or the Group could become subject to legal claims by its customers or to investigation by gaming authorities.

Games and gaming machines may be replaced if they do not perform according to expectations or may be shut down by regulators. The occurrence of anomalies in, or fraudulent manipulation of, its games, gaming machines, systems, or online games and systems may give rise to claims for lost revenues and related litigation by its customers and may subject the Group to investigation or other action by gaming regulatory authorities, including suspension or revocation of its gaming licenses, or other disciplinary action that could have a material adverse effect on its business, financial condition and results of operations.

The Group's business depends on certain key personnel and the loss of such individuals, or its inability to attract and maintain key personnel, may have a material adverse effect on its business, financial condition and results of operations.

The Group's success depends on certain key individuals. See "*The Group's Business—Strengths—The Group has a sustainable business model focused on ESG, compliance, strong culture and team*" and "*Management*." If any of these senior managers terminate their relationships with the Group, the latter may not be able to replace them on a timely basis with other professionals capable of making comparable contributions to its business. The loss of any of such managers could have a material adverse effect on the Group's business, financial condition and results of operations.

Illegal gaming may drain significant portions of gaming bets away from the regulated industry and materially and adversely affect the Group's business, financial condition and results of operations.

A significant threat for the gaming industry stems from illegal activities, such as illegal AWP's and, more generally, all forms of gaming that circumvent public regulation, including offshore gaming. Such illegal activities drain gaming volumes away from the regulated industry. For example, illegal online poker and casino games take

away a portion of those players that are the focus of the Group's online gaming business. The loss of such players could have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group's business prospects and future success rely upon the integrity of its employees and agents, the security of its systems, and the good standing of its shareholders and its employees and agents.

The involvement or association of the Group's employees (including directors and executives) or agents (or those of its shareholders) in fraud, bribery or corruption and other crimes committed in relation to its activities or otherwise, or allegations or rumors relating thereto, could have a material adverse effect on its business, financial condition and results of operations or negatively affect its reputation. In addition, in reaction to such matters, the ADM could seek to exercise its discretionary powers to limit, revoke or fail to renew the Group's concessions or take other measures against its business if the Group fails to maintain a relationship of trust with the ADM, which could have a material adverse effect on its business, financial condition and results of operations.

The real and perceived integrity of the Group's employees and agents (and those of its shareholders), and the security of its systems is critical to its ability to attract customers and comply with applicable regulations. The Group strives to set high standards of personal integrity for its employees and maintain high security system for the games that the Group provides to its customers.

The Group's reputation in this regard is an important factor in its business dealings with governmental agencies, its business partners and its customers. Accordingly, a finding of improper conduct on its part, or on the part of one or more of its (or its shareholder's) current or former directors, employees, agents, or other related parties, or a system security defect or failure, or an allegation of such conduct that impairs its reputation, could result in civil or criminal liability and could have a material adverse effect on the Group's business, financial condition and results of operations including its ability to retain or renew existing concessions and licenses or obtain new concessions and licenses.

The tender process and the award of concessions by public authorities involve risks associated with fraud, bribery of officials involved in the tender process and corruption or allegations thereof. Although the Group maintains internal monitoring systems (including under Italian Legislative Decree No. 231 of June 8, 2001 – "LD 231/2001" – ("**231 Model**")), and obtained the UNI ISO 37001:2016 certification for its anti-bribery and corruption system, we may be unable to detect or prevent every instance of fraud, bribery and corruption involving its employees or agents. For example, in the course of our business activities, from time to time, we may become exposed to significant litigation, criminal and/or regulatory proceedings. Significant litigation, criminal and/or regulatory proceedings may have a material adverse effect on our business, financial condition, results of operations and prospects or cause us significant reputational harm due to, amongst other things, monetary costs, imposition of fines, penalties or more stringent regulatory requirements, or reputational damage.

In the event an offense is committed, the Italian courts could determine that the internal control models adopted by the Group was not suitable to prevent the relevant criminal offense and therefore cannot work as a "safe harbor" from the corporate criminal liability regime provided by the 231 Model, as a result of which we would be subject to administrative, monetary and/or non-monetary sanctions. The Group may therefore be subject to civil and criminal penalties and suffer reputational damage as a result of such occurrences. The risk is higher for those companies not yet included in the perimeter of the Group's internal monitoring system as per LD 231/2001. With respect to Planet Entertainment S.r.l., an entity that we acquired ("**Planet Entertainment**") following completion of the PWO Acquisition, if one of the above-mentioned violations was committed on behalf or in the interest of said company by one or more of its directors, employees or representatives, Planet Entertainment would not benefit from the potential "safe harbor" provided under LD 231/2001 (despite Parent Entertainment's immediate Parent (PWO) maintaining a 231 Model), as Planet Entertainment does not have its own 231 Model in place, and could therefore be exposed to the sanctions set out under LD 231/2001. The rest of the Group entities could also be liable for any such violations that took place prior to that entity establishing a 231 Model. Proceedings and convictions, even if not definitive (i.e., subject to further appeal), with regard to certain crimes including, among others, bribery and corruption may render the Group ineligible to maintain its concessions or to participate in future public tenders to acquire or renew them.

The Group may experience significant losses with respect to individual events or betting outcomes.

Fixed-odds betting products involve betting where winnings are paid on the basis of the stake placed and the odds quoted (single or multiple), regardless of the pool of stake money received from all customers. The inherent volatility of fixed-odds betting products may give rise to negative results for the Group. For the years ended

December 31, 2025, 2024 and 2023 the Group's fixed-odds products (offline and online) generated gross Revenues of €970.0 million, 837.9 million and €605.0 million, respectively, representing 65.2%, 67.2% and 67.7%, respectively, of its Sports Franchise and Online segments' gross revenues for these periods.

However, for such products, not only is there no certainty of generating revenues, but there is an inherent volatility of performance deriving from the volatility of average Payout, in relation to individual days or events. Such volatility may even determine negative results for the Group: for example, 2021 was a particularly unfavorable year for bookmakers, with sports fixed-odds betting reaching an average Payout ratio for Sports Franchise and Online of 84.6% for the Group (as compared, for example, to 82.2% average Payout ratio in 2020 and 82.5% in 2018).

In addition, the Group is exposed to the high volatility of Payout in the short term. Odds in fixed odds betting are determined so as to ensure consistent revenues to the bookmaker over a large number of events and, therefore, over the long term. Notwithstanding the above, Payout is inherently highly volatile from event to event and from day to day. Although the Group's risk control team regularly monitors events in order to minimize risk, there is no certainty that positive results will be obtained and from time to time the Group may record significant winnings or losses concerning individual events or betting results.

The Group's performance remains exposed to strong uncertainties derived from the market dynamics of the "Payout rate" for fixed-odds betting (the "Payout rate" being the total amount that goes to winning customers based on the total amount of Bets placed on a particular event). In fact, the legal minimum Payout for fixed-odds betting is uncertain because the winnings paid are based on the stake and the odds. The average Payout rate of the Group for retail sports betting during the period from 2023 to 2025 was 81.0%.

A higher average Payout ratio inevitably creates a decline in fixed-odds betting revenues. As a result, in the short term, there is less certainty of generating a positive result, and the Group may experience, and have from time to time experienced, significant losses with respect to individual events or betting outcomes. Any significant losses due to a high Payout or the failure to determine accurately the odds at which the Group will accept bets in relation to any particular event or any failure of its risk management processes could have a material adverse effect on its cash flow and therefore a material adverse effect on its business, financial condition and results of operations.

The Group's team of bookmakers are determined to provide an average return to the Group over a large number of events and therefore, over the long term, to maintain Payout percentage fairly constant. Notwithstanding this, there is an inherently high level of variation in Payout percentage event by event and day by day. Although the Group has systems and controls in place that seek to reduce the risk of daily losses occurring due to high Payout, there can be no assurance that these will be effective in reducing its exposure to this risk. The Group employs a team of bookmakers who determine the odds at which the Group will accept bets in relation to any particular event. There can be no assurance that errors of judgment or other mistakes will not be made in relation to the compilation of odds or that the systems the Group has in place to limit risk will be consistently successful.

Any significant misjudgments or mistakes made by the Group in relation to odds compilation or the failure of its risk management systems could result in the Group incurring significant losses, which could have a material adverse effect on its business, financial condition and results of operations. See "*The Group's Business—Risk Management.*"

Changes in consumer preferences and behavior as well as new expectations from investors, customers or employees on environmental, social and governance matters, could harm the Group's business.

The Group's success in the gaming business is dependent on its ability to offer attractive and accessible games to its customers. The Group's gaming offerings compete with other forms of gaming and entertainment such as television, internet, social media and live events, and may lose popularity as new leisure activities arise or as other leisure activities become more popular.

In particular, the Group must be able to take into account both the strategies of its competitors and the preferences of its customer base, which is crucial in determining customer demand. The popularity and acceptance of gaming is also influenced by the prevailing social mores, and changes in social mores could result in reduced acceptance of gaming as a leisure activity. Furthermore, the rapid expansion of internet gaming (both from desktop, laptop computers and mobile devices) may render the Group's products less desirable or require the Group to incur significant expenditures to meet customer demand. Even if the Group is able to satisfy changing consumer preferences, it may experience cannibalization in relation to other product offerings. In particular, new gaming

products offering higher Payouts than VLTs may be introduced in the future and this may attract customers that previously played games with a lower Payout and therefore generated more revenues and income.

If in the future the Group's offering is unable to satisfy customers' preferences or expectations or the Group's games become less attractive or less accessible for its customers, in particular in Italy, where the Group is highly concentrated, the demand for its game offerings may decrease, which could have a material adverse effect on its business, financial condition and results of operations.

Moreover, increasing scrutiny and changing expectations from investors, customers and the Group's employees with respect to environmental, social and governance practices, particularly in Italy where the Group is highly concentrated, may result in additional costs on the Group which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business is subject to sports scheduling and other seasonal factors as well as extraordinary events, which may adversely affect its results of operations.

The gaming industry is influenced by the seasonal nature of the sporting events associated with betting. Consequently, revenues in the gaming sector may vary substantially during the year and from year to year. Furthermore, the gaming industry is also impacted by the scheduling of other major international sporting events that are held at regular but infrequent (i.e., multi-year) intervals, such as various world championships in several sports and the Olympics. Excluding the effect of such events, gaming activity and betting volumes usually decrease during the summer months because of the interruption of the professional football season in Italy and abroad, and due to some customers being on vacation, which typically results in lower revenues in such period.

In particular, in the Group's offline and online betting offerings, the volumes of bets collected over the course of the year are seasonally affected by the schedule of sporting events on which the Group accepts bets. The professional Italian football season usually begins in the second half of August and ends in the first half of May, making this the period when the Group generates the highest revenues. Similarly, sports bets reach peak levels during major events such as the international UEFA tournaments (i.e., Champions League, Europa League, Conference League). The volumes of bets the Group collects is also affected by the schedules of other significant sporting events that occur at regular but infrequent intervals, such as the FIFA Football World Cup and the UEFA European Championship, each of which takes place once every four years.

From a financial perspective, seasonality impacts specific months, mainly in periods during which the Group must pay PREU taxes and fees and when the Group receives reimbursement from the ADM for its 0.5% bet deposit. Specifically, the ADM deposit is paid bi-monthly by the Group and then reimbursed to it usually in the second quarter of the following year.

Additionally, the cancellation or curtailment of significant sporting events, for example, due to adverse weather conditions, terrorist attacks, other acts of war or hostility, outbreak of infectious diseases, betting scandals or the failure of certain sporting teams to qualify for sporting events, or the boycott of some countries or blocks of countries at the participation of these events could have a material adverse effect on the Group's business, financial condition and results of operations. Any restrictions, cancellations or postponements of sporting events, due to a pandemic, military conflicts or other reasons, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business is reliant on IT systems, and its products and services may not function as intended due to errors in its software, hardware and processing systems or due to security breaches (including hacker intrusions, malicious viruses and other cybercrime attacks) or human error, and any disruption of its information and communication technology systems, whether widespread or localized, may adversely affect its business and expose the Group to significant liability.

The games and betting products offered at the Group's POS depend, to a great extent, on the reliability and security of its IT systems, networks and software, which are potentially subject to damage and interruption caused by human error, problems relating to the telecommunications network, software failure, natural disasters, sabotage, viruses and similar events. Any interruption in the effective functioning of the Group's IT systems could have a negative effect on the quality of products and services offered and, as a result, on consumer demand and therefore volume of sales. Any such system interruption may also entitle the ADM to revoke a concession or require the Group to pay damages or compensation under the concession. The Group also relies on third-party providers for its IT infrastructure. Currently, the Group's IT infrastructure resides in seven data centers, which may be

vulnerable to natural disasters, including floods and fires, power loss and telecommunications failures, as well as the risk of terrorist attacks or other accidents. In addition, the third-party providers of the data centers could also be sources of operational risk to it, including as a result of breakdowns or failures of such parties' own systems or products or actions by the parties' employees, as well as data system risks that encompass data management and architecture. The Group has set up a series of precautions, including the full redundancy of the infrastructure. For example, business continuity sites on the betting side have an active-active configuration. Additionally, all the sites are linked by two dark fibers (i.e. unused optical fibre infrastructure that is not currently active) in order to ensure high availability. However, should any of the Group's redundancy and backup plans for its key technology infrastructure not function as planned in the event of an emergency, or should an incident occur to a system for which there is no duplication, this could have a material adverse effect on its business, financial condition and results of operations.

Additionally, the Group is from time to time subject to, and its business may be vulnerable to cybercrime attacks, distributed denial of service attacks and other forms of cybercrime, such as attempts by computer hackers to gain unauthorized access to its systems and databases for the purposes of manipulating results, misappropriation of funds or theft of data. Such attacks are by their nature technologically sophisticated and may be difficult or impossible to detect and defend against. If the Group fails to implement adequate prevention measures or should any such prevention measures fail or be circumvented, its reputation may be harmed, which in turn could have a material adverse effect on its business, financial condition and results of operations.

Risks Related to Legal and Regulatory Matters

The industry in which the Group operates is highly regulated, and any applicable laws or regulations may restrict its ability to operate its business freely or may change and require the Issuer change its operations in order to stay in compliance with such laws or regulations.

The Italian gaming industry is highly regulated by national legislation, by the Italian gaming regulatory authority, *Agenzia delle Dogane e dei Monopoli* (formerly the *Amministrazione Autonoma dei Monopoli di Stato*) (the “**ADM**”), by local regulation, and by the Italian Regulatory Authority for Communications (“**AGCOM**”), which in April 2019 issued a resolution implementing the advertising restrictions introduced by Law No. 96 of August 9, 2018 (the “**Dignity Decree**”). The Group's business is highly concentrated in Italy, therefore any changes in the Italian legal or regulatory framework or other changes, such as an increase in the gaming or betting taxes, changes in the compensation paid to concessionaires or increases in the number of licenses, concessions or authorizations awarded to the Group's competitors could have a material adverse effect on its business, financial condition and results of operations. See “*Regulation*” and “*Changes to taxation or the interpretation or application of tax laws and Italian tax legislation restricting the deductibility of all or a portion of the interest expense on the Group's indebtedness could have an adverse effect on the Group's business, financial condition and results of operations.*”

For example, Law Decree No. 34 of May 19, 2020 (the “**Rilancio Law Decree**”) introduced a number of measures for the recovery of the Italian economy following the COVID-19 emergency, also with the goal of raising funds to support the Italian sport sector. The Rilancio Law Decree introduced a tax on sports bets to be collected from the physical and remote distribution networks for both real and virtual sporting events. This tax was equal to 0.5% (the “**0.5 Tax**”) of the amounts collected, and it was determined on a four-month basis net of the portion relating to the tax withdrawal (*imposta unica*). According to the Rilancio Law Decree, only a portion of the amounts collected through the 0.5 Tax was devoted to the goal of raising funds to support the Italian sport sector (in particular, up to €40 million for the year 2020 and up to €50 million for the year 2021). Starting from May 19, 2020 until December 31, 2021, the Italian governmental authorities applied the 0.5 Tax. In addition, the ADM Decree No. 307276 dated September 8, 2020, as integrated by ADM Decree No. 77845 dated March 12, 2021 and ADM Decree No. 5721 dated January 8, 2022 (the “**ADM 5721/2022 Decree**”), detailed (i) the method to calculate the 0.5 Tax and (ii) the deadlines in relation to the quarterly payments of the 0.5 Tax. In particular, according to Article 6 of the ADM 5721/2022 Decree, once the yearly thresholds of €40 million for year 2020 and €50 million for year 2021 were reached, the concessionaires did not owe any additional amounts pursuant to the 0.5 Tax. On January 5, 2023 ADM annulled its own 5721/2022 Decree, as well as any payment orders calculated in application of the criteria set out in the ADM 307276/2020 Decree previously sent to the concessionaires, and established (i) a new method to calculate the 0.5 Tax and (ii) new deadlines in relation to the relative payments on a four month basis, through its Decree No. 10337 (the “**ADM 10337/2023 Decree**”). In particular, such ADM 10337/2023 Decree removed the limitation set forth in Article 6 of the ADM 5721/2022 Decree, also in light of the guidance provided by the Italian Court of Auditors (*Corte dei Conti*) and by the General Accounting Office (*Ragioneria Generale dello Stato*). On the basis of the new criteria set out in the ADM

10337/2023 Decree, the ADM shall communicate each concessionaire the potential additional amounts due for the 0.5 Tax. With regard to GBO, such additional amounts were determined by the ADM in February 2023 to equal approximately €9.5 million. With regard to PWO, the additional amounts were determined to equal approximately €3.6 million. Finally, with regard to Betflag, the additional amounts were determined to equal approximately €0.4 million and were offset against certain outstanding credits of Betflag towards ADM.

Starting from July 2020, GBO and Betflag, along with other concessionaires, claimed before the Lazio Region Administrative Court (“**TAR Lazio**”) the annulment of both provisions of the Rilancio Law Decree, which introduced the 0.5 Tax and ADM Decree No. 307276. The Group has, however, paid all the amounts due in relation to such 0.5 Tax, as calculated on the basis of the criteria set out in the ADM 307276/2020 Decree. In March 2023, GBO, PWO and Betflag, deeming the above-mentioned ADM 10337/2023 Decree detrimental to their interests, requested the TAR Lazio to annul the decree and any implementing acts, based on various legal grounds. On August 2, 2023, the TAR Lazio rejected GBO and Betflag’s claims. On August 3, 2023, GBO appealed the first-instance decision before the Council of State. As to Betflag, it appealed the first-instance decision on October 4, 2023. Finally, the TAR Lazio rejected PWO claims on August 3, 2023. Subsequently, PWO has timely paid the required amounts while appealing this decision before the Council of State. On January 26, 2024, March 1, 2024 and May 31 2024, in connection with the appeals proceedings of GBO Italy, PWO and Betflag, respectively, the Council of State annulled the TAR Lazio’s first-instance decisions as well as the ADM 10337/2023 Decree and the relevant implementing decrees. As of the date of this Offering Memorandum, the above-mentioned Council of State’s decisions have become final and GBO Italy paid the ADM additional amounts as a result of a recalculation of the amounts due carried out following such rulings, while Betflag and PWO have obtained the refunds due from ADM following recalculation.

The Group’s ADI concessions set out a “concentration cap” applicable to each concessionaire aimed at preventing the formation of dominant positions in the market. Pursuant to such provision, each ADI concessionaire cannot hold more than (i) 25% of the total number of AWP’s connected to the telematics network and (ii) 25% of the total number of the authorized VLTs. In addition, in order to comply with the terms of the tender process for the renewal of the ADI Concessions that the ADM is required to launch in the future (which may provide for the same or a different “concentration cap”), the Group may be required to merge certain of its entities or to participate in such a new tender process through one of the entities only. This may prevent the Group from renewing all the AWP’s and VLTs rights that the Group currently holds through those entities under the ADI Concessions in force. See *“Regulation—Regulatory Framework Relating to the ADI Concessions Held by the Group—Upcoming Regulatory Developments on AWP-Rs and VLTs.”*

While the Group may distribute its business within its network and face lower concession capital expenditures due to the reduction of the number of rights to be purchased, the mentioned divestments may eventually have a negative impact on its Adjusted EBITDA.

Further, the authorities monitor whether the Group, its employees and agents are involved in bribery, fraud, corruption, or other related crimes by performing independent checks and reviewing the information reported in certain capital ownership declarations provided by gaming and betting concessionaires to the ADM and other authorities. The concession deeds require all concessionaire to notify the ADM of any change with respect to the existing corporate composition at the time of granting the concessions that involves a share or capital ownership of more than 2%. In particular, Legislative Decree No. 159 of September 6, 2011, as amended (the “**Anti-Mafia Code**”) requires that every person or entity holding, directly or indirectly, more than 2% ownership in a gaming and betting concessionaire must disclose their share or capital ownership.

Considering that the minimum disclosure threshold set out by the TUF for listed companies is 3%, listed companies that are concessionaires or have a subsidiary that is a concessionaire in Italy might not be able to comply with the ADM and Anti-Mafia Code requirements (similar thresholds are applied for all listed companies in other jurisdictions that are competitors of the Issuer). However, in light of this misalignment of the different disclosure obligations, in the context of the listing of Gamenet Group S.p.A. (now Lottomatica) in 2017, the ADM already confirmed that Lottomatica was compliant with the relevant regulation.

However, it cannot be excluded that the ADM may change its position. In case of failure to communicate, financial penalties are applied for each violation; without prejudice to forfeiture in cases the where the ADM would detect the loss of the requirements envisaged by the tender procedure for persons or entities who have acquired a share or capital ownership more than 2%.

Moreover, over the last several years, regulators have been reviewing current legislation, including the Italian Stability Law of 2016, in the context of a wider reorganization of the gaming regulation. The review of current legislation has resulted in a number of modifications to the relevant legislation or resulted in uncertainties for the regulatory framework. For instance, through the Italian Stability Law of 2016, the national legislator has delegated to the Joint Conference (*Conferenza Unificata*), which comprises representatives of the Italian national and regional governments and local authorities, the power to determine the features of the POS offering gaming products as well as the criteria for their geographic distribution and concentration. The non-binding decision of the Joint Conference was ratified on September 7, 2017, and it was expected to be implemented through a decree by the Italian Ministry of Economy and Finance by the end of 2017. However, such ministerial decree has not yet been issued. See “*Regulation—Further Provisions on Gaming and Betting Concessions—Regional and Local Regulations.*” The timeline for a potential implementation of the decision, whether in the Decree of the Ministry of Economy and Finance and/or in any other legislative or regulatory act, is uncertain and it is currently not possible to anticipate if or when such principles will be implemented in a binding act and whether such new act will reflect the content of the decision, in whole or in part. Any implementation of the decision could result in significant changes to the regulatory framework and could have a material adverse effect on the Group’s business, financial condition and results of operations.

Many regions and local authorities have prescribed minimum distances between gaming POS and locations commonly defined as “*sensitive locations*” (such as schools, hospitals, and churches) as well as prohibitions to promote and advertise the gaming in the surrounding area. Others have restricted the opening times of gaming POS and have offered financial incentives to those that decide not to install gaming machines, mainly in the form of tax benefits. Following the implementation of these regional and local regulations, certain of the Group’s gaming POS, including those owned by the Group or by third parties, have been forced to relocate or, where relocation was not possible, close. In addition, although the Joint Conference has provided that the local authorities may also introduce daily gaming interruptions, pending the implementation of this through a formal decree (which may not be adopted), local regulations will govern and may provide even longer interruption requirements. Such interruption requirements, especially possibly longer interruption requirements, as well as relocation or closures of certain of the Group’s gaming POS ordered pursuant to any applicable regional or local regulation, may have a material adverse effect on its business, financial conditions and result of operations.

The Italian government approved Law Decree No. 87 of July 12, 2018, converted into Law No. 96 of August 9, 2018 (the “**Dignity Decree**”), which, among other things, (i) prohibited the advertising of gaming and betting on any media channel (including via sponsorship), (ii) introduced mandatory advertisements to be placed on VLTs and AWP and in gaming halls where VLTs and AWP are located to warn about the risks of gambling addiction and (iii) required that, starting from January 1, 2020, VLTs must be equipped with an electronic system for age control (i.e., health insurance card “*tessera sanitaria*” reader system). Moreover, in April 2019, AGCOM issued a resolution implementing the advertising restrictions contained in the Dignity Decree, detailing specific advertisement activities that are prohibited. While the Group believes that it is in compliance with such advertising regulation, including AGCOM’s guidelines, the Group cannot exclude that such rules may change in the future or that AGCOM and other relevant authorities may apply these same rules in a more rigorous manner, which may further negatively affect the Group in various different ways, including through bad press and/or potential fines, resulting in a material adverse effect to its business, financial condition and results of operations. As of the date of this Offering Memorandum, political and legislative discussions regarding possible changes to these rules are ongoing, however there can be no assurance as to whether or when the current ban on gaming advertising may be lifted. See “*Regulation—Regulation of Gaming and Betting Activities—Main Restrictions Concerning the Gaming and Betting Activity—Advertisement Restrictions*” and “*Regulation—Regulatory Framework Relating to the ADI Concessions Held by the Group—Legal Framework Governing the AWP Network—The AWP Network and the AWP Gaming Technology.*”

As of the date of this Offering Memorandum, the Issuer, along with certain concessionaires, is also involved in an ongoing legal dispute in relation to the validity of the ADM Decree 656848. See “*The Group’s Business—Legal Proceedings—ADM Administrative Proceedings.*”

Regulation and taxation in Italy may continue to change going forward at the discretion of lawmakers, both at national and regional levels. See “*Regulation—Regulatory Framework Relating to the Betting and GAD Concessions Held by the Group—General Provisions Concerning Betting Concessions and the Remote Exercise and Collection of Bets and Games.*”

Finally, new gaming, anti-money laundering, tax, labor, privacy and data protection laws may be adopted by competent authorities, and different or further technological requirements may be introduced in the future.

Additionally, new restrictive measures may be implemented in the future in order to fight gambling addiction. Any of these or other new changes to national laws and regulations could have a material adverse effect on the Group's business, financial condition and results of operations.

The third-party ESG rating referenced in this Offering Memorandum may not accurately reflect the ESG-related risks. Any change in the ESG risk ratings of the Group or any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes. Some investors may have ESG-related concerns in investment on bonds of gaming operators.

As of the date of this Offering Memorandum, the Issuer held two ESG ratings, issued by the Rating Providers: MSCI awarded the Issuer their maximum score ("AAA") and Morningstar Sustainalytics provided a rating of 12.5 out of 100, which represents the Issuer having a "low risk" of sustaining significant financial detriment from ESG factors. In addition, in February 2026, the Issuer was also recognized as a "2026 ESG Industry Leader" by Morningstar Sustainalytics.

The Rating Providers are not subject to any regulatory or other governmental oversight in respect of their determination of ESG risk ratings or the underlying methodologies they use to make such determinations. The Ratings are published on private areas of the Rating Provider's websites (the "**Website**"), but neither the Ratings, nor any other information on the Website, is incorporated by reference into this Offering Memorandum. In its preparation of the Ratings, the Rating Providers have relied on the reliability, accuracy and completeness of the information provided to it by the Group, but there can be no guarantee that such information is reliable, accurate or complete.

The Ratings previously obtained by the Issuer and/or Lottomatica S.p.A. and any other ESG risk rating which will be obtained by the Issuer from time to time may not reflect the potential impact of all ESG-related risks and information relevant to the Group, or additional risk factors discussed herein, or other factors that may affect the value of the Group, but rather reflect only the views and methodologies of the relevant ESG rating provider(s) at the time the rating is issued. ESG rating providers use different ratings methodologies to produce their ESG risk ratings and their valuations may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. As such, the quality of information in respect of each company included in the Group's rankings may not be comparable and there may therefore be limitations on the utility of these rankings. Each ESG rating provider's rating should be evaluated independently of any other ESG rating provider's rating. There is no guarantee that the methodology used by any particular ESG rating provider (including those applied by the Rating Provider for the purpose of the Rating) will conform with the expectations or requirements of any investor or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. ESG risk ratings do not comment as to market price or suitability for investors. ESG rating providers (including the actual Rating Provider) may revise or replace entirely the methodology applied to derive ESG risk ratings. Any ESG risk rating obtained by the Group provides no guarantee as to the actual environmental and/or social impacts of the Group.

No assurance can be given that the Issuer will receive an ESG rating similar to the Ratings previously held by the Issuer and/or Lottomatica S.p.A., and that any ESG risk rating which will be obtained by the Issuer or a Group company will remain constant for any given period of time or that an ESG risk rating will not be increased or withdrawn entirely by the ESG rating provider if, in its judgment, circumstances in the future so warrant. Any negative change, or an indication of a possible negative change, in any ESG risk ratings obtained by the Group from time to time, could impair or preclude the Group from accessing certain financial markets and products, thereby adversely affecting the Group's liquidity. Further, any negative change, or an indication of a possible negative change, in the Group's ESG risk ratings may adversely affect the reputation of the Group and/or be reflective of fundamental weaknesses and/or risks in the sustainability of its business, results of operations, financial condition and prospects, and investors may also be required or choose to sell their holdings in the Group. This could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, the impact of ESG-related risks and practices, including with respect to various environmental, social and governance matters in the business of the Group may limit investments in the Notes. In fact, some investors may have ESG-related concerns in investments on bonds of gaming operators, and may not be able to invest in them at all and certain other investors may be forced in the future to exit their position in the same bonds. Moreover, such ESG-related risks and practices have been and will continue to be independently assessed by non-accredited ratings organizations, various stakeholders in the ESG community and ratings agencies such as Standard & Poor's and Moody's. Notwithstanding the foregoing, any non-accredited ratings organizations, rating

agencies and stakeholders may disagree with the Rating Provider and with any other ESG rating provider appointed by Group, from time to time, and may not deem the Group's ESG policies as being sufficiently transparent or consistent with their performance standards or goals. If this view were shared in the broader ESG community, the Group's reputation could be damaged, and, in certain cases, could effectively limit the Group's access to capital markets and result in the scrutiny of the Group's commitment to ESG principles and standards.

Certain key items, such as PREU, taxes or fees owed, as well as other parameters that impact on the Group's financial results are updated yearly and may be subject to changes.

The Italian Stability Laws as well as other legislative acts enacted in recent years have introduced public finance measures, and contained provisions concerning, among other things, the gaming sector. Law No. 111/2023 provides for a delegation to the Italian Government to implement a general tax reform and, in particular, to reorganize a significant portion of the existing laws and regulations on gaming and betting. However, as of the date of this Offering Memorandum, no implementing decree affecting the current gaming tax regulatory framework has been adopted yet. See "*Regulation*." For example, the Italian Stability Law of 2015 imposed on concessionaires and the other members of the value chain of gaming machines (AWPs and VLTs) a €500 million fee (the "**Stability Fee**") for the purpose of contributing to the improvement of public finance starting from 2015. The payment was proportionally distributed among the value chain of all network concessionaires based on the number of machines (both AWP and VLTs) connected to each operator as of December 31, 2014 (adjusted annually).

The Italian Stability Law of 2016 repealed the Stability Fee for 2016 and the following years. Even though the Italian Stability Law of 2016 did not change the requirement to pay the Stability Fee for the year 2015, it specified that the payment of the Stability Fee is to be proportionally distributed through the value chain of all network concessionaires based on the compensation from the relevant contracts entered into between the concessionaires and each AWP and VLT operator. Several concessionaires, including the Group, have interpreted this as a corrective measure intended to repeal the provisions of the Italian Stability Law of 2015, which placed responsibility on each individual concessionaire to seek contribution from all operators of VLTs and AWP under the authority of its concessions. As a result, the Group paid all amounts directly due by the Group under the Stability Fee as well as all sums due by the machine operators of its value chain that they were able to collect, while the remaining portion owed by the machine operators (not paid by the latter) remained outstanding. In this regard, the Group and other operators have challenged the Stability Fee and its mechanism before the competent TAR Lazio, claiming, among other things, that it was unconstitutional.

In June 2019, the TAR Lazio rejected the Group's requests, as well as those of the other concessionaires, but confirmed, according to its interpretation and the interpretation of other concessionaires, that the payment of the Stability Fee shall be proportionally distributed among the value chain of all network concessionaires based on the compensation from the relevant contracts of each operator (the "**2019 TAR Lazio Decisions**"). Lottomatica, as well as other concessionaires, appealed the relevant decisions before the Italian Supreme Administrative Court (*Consiglio di Stato*) claiming, among other things, that the Stability Fee was unconstitutional and not due as described in "*The Group's Business—Legal Proceedings—Administrative and Civil Proceedings Relating to the Italian Stability Law of 2015*." Following Gamenet's and other concessionaires' claims, the Italian Supreme Administrative Court has referred to the European Court of Justice ("**ECJ**") the assessment of the compatibility of the Italian legislation with the principles of Community law. On September 22, 2022, the ECJ published its final decision, setting forth certain criteria that shall guide the Italian Supreme Administrative Court's final decision. In particular, the ECJ stated, among others, that: (i) should the Italian Supreme Administrative Court establish that the Stability Fee entails a restriction on the freedom of establishment guaranteed by the European Union law, such restriction cannot solely be based on arguments relating to the mere improvement of public finances, since additional overriding reasons of public interest (such as consumer protection, the prevention of fraud or the prevision of compulsive gambling behavior) are required; and (ii) according to the principle of legitimate expectation, concessionaires shall be granted with a reasonable amount of time to adjust to the introduction of a temporary reduction of their concession fees (such as the one introduced by the Italian Stability Law of 2015), taking into account the impact of such reduction on the profitability of the investments made by the concessionaires, as well as its sudden and unforeseeable nature. With specific regard to point (i) above, the ECJ indicated that the national judge (i.e. the Italian Administrative Supreme Court) is in a better position to ascertain certain factual elements of the case, such as, among other things, whether the Stability Fee might have prejudiced the profitability of the operations of the concessionaires who brought the case. Following this decision, the Italian Supreme Administrative Court held a hearing on the merits on December 1, 2022. As a result of such hearing, the Court ordered the appointment of a panel of technical experts to answer certain technical questions, with the aim of clarifying the factual elements mentioned above. On September 20, 2023 the final technical

relation was filed. The last hearing before the Supreme Administrative Court was held on April 4, 2024. With a decision dated April 18, 2025, the Supreme Administrative Court determined, also taking into account the results of a court-mandated third-party expert opinion, that the Stability Fee, as interpreted by the Italian Stability Law of 2016: (i) does not entail a restriction on the freedom of establishment guaranteed by European Union law, (ii) did not prejudice the profitability of the operations of the concessionaires who brought the case; and (iii) did not violate the principle of legitimate expectation. As a result, the Supreme Administrative Court dismissed Lottomatica's appeal against the 2019 TAR Lazio Decisions, upholding the obligation for concessionaires to pay the amounts due under the Stability Fee by the operators within their value chain, clarifying that these concessionaires should then be entitled to claim such amounts from the said operators. On October 23, 2025, ADM therefore requested that the concessionaires pay the outstanding amounts due, together with related interest. Between October and November 2025, the Group's concessionaires subject to the Stability Fee mechanism challenged the mentioned Supreme Administrative Court's decision before the Italian Court of Cassation. In November 2025, pending the trial, the Group's concessionaires filed a petition with ADM requesting a suspension of execution of the ruling, and provided assurances that they will continue to pay the sums recovered from their supply chain operators. In decisions dated November 19, 2025, ADM granted the requested suspension of execution. See *"The Group's Business—Legal Proceedings—Administrative and Civil Proceedings Relating to the Italian Stability Law of 2015."*

Attempts to collect the unpaid share of the Stability Fee owed by operators within the Group value chain from third-party operators may be burdensome or, in cases of any third party's financial distress or insolvency, may be impossible. Should the Group be required to cover such amounts (in case the aforementioned April 18, 2025 decision becomes final), and if it cannot recover these amounts through the abovementioned reimbursement mechanism, the Group estimates that it could have exposure of approximately €31.1 million. The abovementioned scenario could cause a material adverse effect on the financial condition of such operators and ultimately affect their ability to continue operations, which could in turn lead to a reduction of the number of these operators and to a downsize in the Group's distribution network, that could have a material adverse effect on its business, financial condition and results of operations.

Furthermore, the Italian Stability Law of 2016 provided that all AWP's on the market shall be replaced with new generation machines with remote control similar to VLTs (the **"AWP-Rs"**). According to the applicable regulation, the entire replacement process and AWP-Rs entering into operation cannot occur before the enactment of a dedicated ministerial decree setting forth, among other things, the technical rules for the production and operation of AWP-Rs (the **"AWP-R Ministerial Decree"**). In relation thereto, the MEF has been empowered to issue the AWP-R Ministerial Decree, which has not been enacted yet. There is no visibility over when the AWP-R Ministerial Decree will be enacted or over when the replacement process will start. Complying with this requirement in relation to the Group's AWP concessions may carry a material cost, as the concession rights will be tendered with a minimum bidding price of €1,800 per right and a minimum offer for 10,000 rights.

Progressively, gaming taxes imposed on VLTs and AWP's (**"PREU"**) have increased and minimum Payout decreased on AWP and VLTs during recent years as follows.

<u>AWP</u>	<u>PREU in %</u>	<u>Payout in %</u>
2015	13.00	74.00
2016	17.50	70.00
2017 (January 1—April 23)	17.50	70.00
2017 (April 24—December 31)	19.00	70.00
2018 (January 1—September 30)	19.00	70.00
2018 (September 1—December 31)	19.25	70.00
2019 (January 1—January 28)	20.60	68.00
2019 (January 29—April 30)	21.25	68.00
2019 (May 1—December 31)	21.60	68.00
2020	23.85	65.00
2021	24.00	65.00
2022	24.00	65.00
2023	24.00	65.00
2024	24.00	65.00
2025	24.00	65.00
2026 (January 1—to date)	24.00	65.00

<u>VLT</u>	<u>PREU in %</u>	<u>Payout in %</u>
2015	5.00	85.00
2016	5.50	85.00
2017 (April 24—December 31)	6.00	85.00
2018 (January 1—September 30)	6.00	85.00
2018 (September 1—December 31)	6.25	85.00
2019 (January 1—April 30)	7.50	84.00
2019 (May 1—December 31)	7.90	84.00
2020	8.50	83.00
2021	8.60	83.00
2022	8.60	83.00
2023	8.60	83.00
2024	8.60	83.00
2025	8.60	83.00
2026 (January 1—to date)	8.60	83.00

With respect to the quota of winnings from VLTs exceeding €200, the Italian Budget Law of 2020 increased the tax applicable to such winnings from 12% to 20% starting from January 15, 2020. While the increase in PREU impacts the concessionaire, given that the Group's net gaming revenues consist of the difference between the total Bets and Payout and the PREU, the tax on winnings that are greater than €200 directly impacts the players, which in turn may deter players from using its machines. The frequent and substantial changes and updates to the Italian Stability Laws combined with the increases in gaming taxes and costs of substituting AWP with AWP-Rs, could have a material adverse effect on the Group's business, financial condition and results of operations. See *“Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting the Results of Operations—Changes in Gaming Regulation, Gaming Taxes and Payout”* and *“Regulation—Regulatory Framework Relating to the ADI Concessions Held by the Group—Legal Framework Governing the AWP Network.”*

Adverse or negative perceptions and publicity surrounding the gaming industry could lead to increased or more onerous gaming regulation that could adversely affect the Group's business, financial condition and results of operation.

The gaming industry is increasingly exposed, particularly in Italy where the business activities of the Group are highly concentrated, to negative publicity due to a number of factors, including gaming by minors, the perception of excessive gaming offerings, the risk to the population from compulsive gambling, the risks related to online gaming, and the association of the gaming business with money laundering and crime. Consequently the Group should identify the main steps for managing the relevant reputational risks. Moreover, negative perceptions of the gaming industry from the investors and customers with regards to the environmental, social and governance perspective can lead to increased or more onerous gaming regulation.

In particular, certain regional and/or local regulatory authorities introduced measures designed to prevent pathological gambling, including various types of financial incentives (such as tax benefits) in favor of POS owners that decide not to install AWP. In addition, the opening of new gaming halls is subject to assessment by local public authorities, which verify that gaming halls are sufficiently far from “sensitive” places, such as schools, places of worship, or other meeting places.

Any and all of these factors can contribute to and increase negative publicity and perceptions regarding the gaming industry as well as the Group reputation, which in turn can lead to increased or more onerous regulation that could have a material adverse effect on the Group's business, financial condition and results of operations. See *“Regulation—Further Provisions on Gaming and Betting Concessions—Regional and Local Regulations.”*

The Group may be subject to an unfavorable outcome with respect to pending litigation, which could result in substantial monetary damages or losses or otherwise have a material adverse effect on the Group.

From time to time, the Group is involved in legal and arbitration disputes (also promoted by employees) that may involve claims for damages or other payments. While the Group endeavors to amicably settle labor disputes with employees before the judgement is finalized or even before the judgement starts, where possible, the outcome of any such proceedings remains uncertain cannot be predicted. In addition, the Group has been and may, from time to time, be subject to investigation or proceedings by regulatory authorities. For example, the Group or certain of its subsidiaries are party to certain administrative and civil proceedings and are currently subject to investigation

by tax or regulatory authorities. See “*The Group’s Business—Legal Proceedings*” and “*Regulation—Regulatory Framework Relating to the Betting and GAD Concessions Held by the Group—General Provisions Concerning Betting Concessions and the Remote Exercise and Collection of Bets and Games*.”

In the event of a negative outcome of any legal or arbitration proceeding, whether based on a judgment, a settlement agreement or any regulatory investigation, the Group could be obligated to make significant payments in addition to incurring significant costs related to litigation and arbitration proceedings. The Group may also face other penalties which could have a material adverse effect on its business, reputation, results of operations, and financial condition. In addition, proceedings against regulatory authorities challenging tender procedures or the award of any contract, license, concession, permit or approval to the Group could result in the denial, termination or revocation of such contract, license, concession, permit or approval. The Group’s provisions may not be sufficient to cover its potential losses arising from unfavorable outcomes in pending legal proceedings. If future losses arising from pending legal proceedings significantly exceed the Group’s provisions, it could have a material adverse effect on its business, financial condition and results of operations. As of December 31, 2025, provisions for risks and charges, including provisions for pending legal proceedings, of the Group were equal to €41.1 million.

For further information regarding the Group’s legal proceedings, see “*The Group’s Business—Legal Proceedings*.”

A negative outcome in one or more of these proceedings or investigations could also have a significant effect on the Group’s ability to operate its business or negatively impact its reputation, which could, in turn, have a material adverse effect on the Group’s business, financial condition and results of operations.

Regulatory changes requiring an electronic system for age control may have an adverse effect on the Group’s business, financial condition and results of operations in relation to its VLT and AWP product lines.

Starting from January 1, 2020, VLTs have been equipped with an electronic system for age control (i.e., health insurance card (*tessera sanitaria*) reader system) to prevent minors from playing. During the first months of 2020, the majority of the VLT platforms experienced technical issues following the implementation of such health insurance card reader systems, such as failures of the reader system in reading or long delays in validating the health insurance cards, which negatively affected the use of VLTs. While we did not experience further failures of a similar nature, to the extent that the use of VLTs is hampered in such way, the Group’s VLT related business could continue to be adversely affected. In addition, pursuant to ADM Note No. 487878 dated December 22, 2021, the Group is required to monitor compliance with the above obligations by POS operators, including through the implementation of awareness-raising actions as well as an appropriate sanctioning system.

Moreover, a similar electronic system for age control requirements will apply to AWP-Rs following the transition from AWP to AWP-Rs. There can be no assurance that the introduction of the requirement to equip electronic systems for age control in AWP-Rs in the future will not have a negative impact on the use of AWP nor that similar technical problems as the ones initially experienced with respect to VLTs may not develop with respect to the implementation of such requirements for AWP-Rs. These developments may result in a material adverse effect on the Group’s AWP related business, financial condition and results of operations.

Gaming tax rates applicable to the Group’s operations have changed significantly and therefore its financial information for each of the years ended December 31, 2025, 2024 and 2023 may not be immediately comparable to each other or indicative of its future results of operations.

Levels of gaming taxation to which the Group’s operations are subject to under applicable laws have changed in the last few years and may continue to change in the future. For more details, see “*—The industry in which the Group operates is highly regulated, and any applicable laws or regulations may restrict the Group’s ability to operate its business freely or may change and require the Group to change its operations in order to stay in compliance.*”

Because of these changes, the historical financial information set forth in this Offering Memorandum and general financial information of the Issuer and Lottomatica are not immediately comparable if not analyzed taking into account such changed information, including increased gaming taxes. This lack of information may impair the prospective investors’ ability to evaluate their investment in the Notes. The Group’s historical financial information as set forth in this Offering Memorandum may not be indicative of the Group’s future financial performance.

The Group's failure to comply with regulations regarding the use of personal customer data could subject the Group to lawsuits or result in the loss of goodwill of its customers and adversely affect its business, financial condition and results of operations.

The Group processes personal data related to customers and partners (including name, address, age, bank details and betting and gaming history) as part of its online business and therefore must comply with strict data protection and privacy laws in Italy, where the Group operates, and in the rest of the European Union. Such laws restrict the Group's ability to collect and use personal information relating to customers and potential customers, including the marketing use of that information. Notwithstanding such efforts, the Group is exposed to the risk that data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by the Group or on its behalf. If the Group, or any of the third-party service providers on which the Group relies, fail to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Group could face liability under data protection laws. The Group is also exposed to the risk that the personal data it controls could be wrongfully accessed or used, whether by employees or third parties, or otherwise lost or disclosed or processed in breach of applicable data protection law. These failures could result in the loss of the goodwill of the Group's existing customers and deter new customers from using its services, which could have a material adverse effect on its business, financial condition and results of operations.

The changes to the wider EU data protection regime may also affect the Group's operations. In particular, starting from May 25, 2018, the provisions of Regulation (EU) 2016/679 of April 27, 2016 ("**General Data Protection Regulation**" or "**GDPR**"), which repealed the former European Data Protection Directive, came into effect. The GDPR increased both the number of and the restrictive nature of the obligations binding on the Group for the collection and processing of personal data. In particular, the GDPR provides for: (i) higher applicable maximum fines, up to the higher of (a) €20 million or (b) 4% of annual global turnover per breach (ii) more onerous consent requirements, as consent will always have to be express/opt-in; and (iii) stronger rights for individuals, including an individual "right to be forgotten," which would require the Group to permanently delete a user's personal data in certain circumstances.

The Group has conducted a survey of the most sensitive internal procedures in terms of the data protection and implemented the principles of GDPR in the Group's privacy policy. In addition, to ensure compliance with the accountability principles set forth by the GDPR, the Group has also adopted: (i) a set of security measures to collect and protect personal data of the Group's clients; (ii) the relevant agreements with third parties appointed as data processors; and (iii) the record of processing activities. See "*Lottomatica's Business—Research and Development and Intellectual Property—Data Protection*." Nevertheless, any failure in complying with the applicable data protection and privacy regulatory framework could have a material adverse effect on the Group's business, financial condition and results of operations.

In 2022, the Group's online gaming platforms suffered several "credential stuffing" attacks (i.e., unauthorized attempts to access online gaming accounts aimed at stealing the credentials of gaming account holders). The affected customers were informed of the occurrences. The Group conducted the analysis of the respective events and concluded that the risk of loss/destruction of personal data was moderate in light of the security measures taken by the Group to mitigate such dangers (through the credential blocking procedures and the implementation of the security systems put in place to prevent these types of events). Nevertheless, the Group decided to communicate the event to the Italian Data Protection Authority, but no response from the aforementioned authority has been received as of the date of this Offering Memorandum.

On January 13, 2023, the Group detected malicious credential stuffing activity in low-and-slow mode. Subsequently, an analysis was performed which revealed that approximately 27 accounts were potentially compromised as having been accessed by IPs participating in the malicious activity. Some of these accesses were successful from the first attempt. The Group conducted an analysis of the event, which reached a positive conclusion as a result of the security measures deployed immediately after the incident occurred. In 2025, the Group detected several credential stuffing attempts, but each was unsuccessful due to the Group's updated data protection software thwarting the malicious activity. In January 2026, a subsidiary of the Group experienced a personal data breach resulting from human error. Upon discovery of the incident, the subsidiary promptly notified the Italian Data Protection Authority (*Garante per la protezione dei dati personali*) in accordance with applicable data protection regulations. On February 25, 2026, the Italian Data Protection Authority requested further clarifications regarding the incident. The Company provided its formal response to the Authority on March 11, 2026. As of the date of this Offering Memorandum, no further regulatory action has been taken with respect to this matter.

On December 14, 2022, the European Union adopted Directive (EU) 2022/2555, which establishes measures for a high common level of cybersecurity across the EU (the "**NIS2 Directive**"). The NIS2 Directive was transposed into Italian law through Italian Legislative Decree No. 138/2024. The cybersecurity risk management and incident reporting requirements introduced by the NIS2 Directive entered into force in 2025, strengthening and streamlining security and reporting obligations for organizations by imposing a risk management approach and introducing stricter rules governing incident reporting processes, report content, and timelines. In 2025, we registered certain of our Group companies in the database maintained by Italy's national cybersecurity authority, the *Agenzia per la Cybersicurezza Nazionale* ("**ACN**"). On February 19, 2026, we filed a precautionary voluntary notification with ACN in connection with an accidental data deletion incident resulting from an internal maintenance activity. As of the date of this Offering Memorandum, there have been no further developments with respect to this matter.

Any failure, or perceived failure, by the Group to comply with any applicable data protection and cybersecurity laws and regulations could result in proceedings, investigations or actions (including class actions) brought against the Group by governmental entities/agencies or private individuals/entities, significant fines, penalties, judgments and reputational damages to its business, requiring the Group to change business practices and increasing the costs and complexity of compliance, any of which could materially adversely affect its business, results of operations and financial condition.

The Group's intellectual property could be subject to infringement by third parties or claims of infringement of the rights of third parties, which could adversely affect its business, financial condition and results of operations.

The Group believes its copyright, trademarks, domain names, trade secrets, customer databases and similar intellectual property are critical to its success. The Group relies on a combination of copyright and trademark laws, trade secret protection, confidentiality and non-disclosure agreements and other contractual provisions in order to protect its intellectual property. While the Group aims to constantly monitor and review of the trademarks it owns, and to take precautionary measures suitable for preventing any misuse of its trademarks and other intellectual property rights, these efforts may not be adequate, and third parties may infringe or misappropriate its proprietary rights. For example, consultants, vendors, former employees and current employees may breach their obligations regarding non-disclosure and restrictions on use. In addition, intellectual property laws in Italy and other jurisdictions may afford differing and limited protection, may not permit the Group to gain or maintain a competitive advantage, and may not prevent its competitors from duplicating its products or gaining access to its proprietary information and technology.

In addition, anyone could seek to challenge, invalidate, circumvent or render unenforceable any of the Group's intellectual property. Such claims, whether or not valid, could require the Group to spend significant sums in litigation, pay damages, re-brand or re-engineer services, acquire licenses to third-party intellectual property and distract management attention from the business, which may have a material adverse effect on the Group's business, financial condition and results of operations. For example, Planet Entertainment (a company part of the PWO Group) application to register the word version was successfully opposed by one of its competitors and such opposition was confirmed by a decision of the competent Italian court for trademark matters. Applications to register Planet Entertainment's two logo versions of its trademark "PLANETPAY365" with the Italian trademark office are still pending, since they are subject to certain opposition procedures brought by a company active in the digital payment services sector, which had previously registered certain allegedly similar trademarks. See "*The Group's Business—Legal Proceedings—Planet Entertainment Trademark Litigation.*"

In addition, with regard to the Group's license intellectual property rights from third parties, if such third parties do not properly maintain or enforce the intellectual property rights underlying such licenses, or if such licenses are terminated or expire without being renewed, the Group could lose the right to use the licensed intellectual property, which could have a material adverse effect on its business, financial condition and results of operations.

The Group is from time to time involved in various tax audits and investigations and it may face tax liabilities in the future.

From time to time, the Group is subject to tax audits and investigations by the tax authorities. Such audits and investigations may be aimed at evaluating the correct interpretation and application (including with respect to general or specific anti-avoidance rules or the interpretative judicial concept of "abuse of law" or "*abuso del diritto*") of withholding tax, direct tax and indirect tax laws to its present and past transactions, concerning its business in general and including its existing, as well as previously incurred, indebtedness and existing and future

intercompany loans. Therefore, there can be no assurances that a challenge will not arise in relation to the Group's compliance with tax laws and regulations relating to the tax treatment of its transactions and other business arrangements if the Group is subject to a tax audit by the relevant tax authorities. The Group may also fail to comply with tax laws inadvertently or through reasons beyond its control.

The Group is currently involved in various fiscal litigation and settlement proceedings concerning corporate income tax, VAT and registration tax. In the sale and purchase agreement, the sellers of SKS365 have provided certain special indemnities in relation to the above proceedings, which are nevertheless subject to certain contractual time, monetary and other limitations and exclusions. Our ability to make claims against the sellers of SKS365 in connection with such tax proceedings is therefore limited and the amount that we may recover under such indemnities may not be sufficient to cover the total amount of all potential tax liabilities of the PWO Group, and such proceedings could have a material adverse effect on our business, results of operations, financial condition and prospects. More generally, in connection with the PWO Acquisition, we could become subject to tax liabilities in respect of historical periods that we are not currently aware of, or the amount of which we underestimated, or be subject to or impacted by the consequences of acts of malfeasance or compliance violations carried out by any entity of the PWO Group and/or by any of its former shareholders, directors, employees, agents, or other related parties. For a more detailed description of PWO Tax Proceedings see *"The Group's Business—Legal Proceedings—PWO Tax Proceedings."*

Furthermore, as a result of the Group's various acquisitions, including the GoldBet Acquisition, the Lottomatica Business Acquisition and the Betflag Acquisition, the Group might be exposed to further potential tax liabilities arising from the activities carried out by those acquired entities before the Group acquired them.

All fiscal litigation and settlement proceedings where the Group is involved could have a material adverse effect on its business, financial condition and results of operations.

Changes to taxation or the interpretation or application of tax laws and Italian tax legislation restricting the deductibility of all or a portion of the interest expense on the Group's indebtedness could have an adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to complex tax laws, including the tax laws of Italy. Since tax laws, treaties and other regulations on taxation, as well as other fiscal charges, tax surcharges, penalties, collection duties and interest on unpaid taxes, have historically been subject to frequent changes, further changes are expected in Italy, possibly with a retroactive effect. Any such changes or any disagreements by tax authorities with the Group's interpretation of such laws could have a significant impact on the Group's tax burden, including its effective rate or tax payments, which may have a negative impact on its debt service capacity, as well as a material adverse effect on its business, financial condition and results of operations.

The Group structure is the product of, and is continuously subject to, numerous extraordinary transactions, including various mergers, transfers and purchases and sales of going concerns. Adverse development in tax laws or regulations, including challenges to the Group's tax positions, or any change in position by the relevant tax authority regarding the application, administration or interpretation of such laws or regulations, could have a material adverse effect on its business, results of operations and financial condition.

In addition, the relevant tax authority may disagree with the positions the Group has taken or intend to take regarding the tax treatment or characterization of any of its past, current and future transactions, including the withholding tax treatment or characterization of its past, current and future indebtedness, including the existing and future intercompany loans and guarantees or the deduction of interest expenses arising therefrom. The Group could also fail, whether inadvertently or through reasons beyond its control, to comply with tax laws and regulations relating to the tax treatment of its financing arrangements or its extraordinary transactions, which could result in unfavorable tax treatment for such transactions together with application of material penalties, collection duties and interest on unpaid taxes and could result in additional taxes that the Group does not currently expect to pay.

The Group has concluded, or may conclude in the future, various transactions among related parties resident in different countries in the ordinary course of business (e.g., interest on loans, dividend distributions, etc.). Such transactions are subject to certain regulations as provided for under relevant legal treaties for the avoidance of double taxation in Italy and the abovementioned countries, and/or under national legislation. Given the complexity of these provisions, interpretative uncertainties may arise with regard to their application, both in terms of determining market value and regimes for the exemption or reduction of withholding tax deducted at source.

The Italian Revenue Agency issued Circular no. 6/E of March 30, 2016 (the “**Circular**”) on the treatment applicable to interest and dividends paid out to foreign shareholders. According to the Circular, factual/substantive assessments must be performed with regard to each of financing operations (i.e., the economic/substantive framework) and the status of the beneficial owner (i.e., the regime to be applied to income flows paid to such entities) in order to definitively establish the resulting tax treatment and determine the availability of reductions or exemptions from withholding tax deducted at the source.

Based on the Circular, the tax authorities may re-qualify financing operations by foreign entities (with the result of associated non-deductibility of passive interests) and the status of the foreign shareholder with regard to income received (with the result of associated recalculation of the amount of applicable withholding taxes deducted at the source).

Since such assessments implicitly require an in-depth analysis of the tax position of the foreign entities, it cannot be excluded that following the completion of such an investigation, certain previously unidentifiable elements may emerge that could lead to an overall tax burden that is different than the one estimated by management and could increase the Group’s effective tax rate or tax payments.

Moreover, current tax legislation in Italy (Article 96 of Presidential Decree No. 917 of December 22, 1986, as amended and restated) allows for the full corporate income tax deductibility of interest expense incurred by a company in each fiscal year up to the amount of the interest income of the same fiscal year and the amount of interest income and assimilated revenues carried forward from previous fiscal years. In this respect, according to such rule, any excess of interest income of a certain fiscal year can be carried forward without limitation. A further deduction of interest expense in excess of this amount is allowed up to a threshold of 30% of the EBITDA of an Italian tax resident company (i.e., *risultato operativo lordo della gestione caratteristica*, “**ROL**”) as recorded in such company’s profit and loss account and adjusted according to domestic corporate income tax rule. The amount of ROL not used for the deduction of the amount of interest expense that exceeds interest income can be carried forward, increasing the amount of ROL for the following five fiscal years. Interest expense not deducted in a relevant fiscal year can be carried forward to the following fiscal years and deducted; provided that and to the extent that, in such fiscal years, the amount of interest expense that exceeds interest income is lower than 30% of the available ROL (including the ROL carried forward from previous fiscal years). In the case of a tax group, interest expense not deducted by an entity within the tax group due to lack of ROL can be deducted at the tax unity level, within the limit of the excess of ROL of the other companies within the tax group. Article 96 provides special rules for certain entities active in the insurance and finance sector (for which, among others, a 96% deduction of accrued interest expenses is allowed).

In addition, there can be no assurance that in the case of a tax audit, the relevant tax authorities would not try to challenge the deductibility of interest expenses arising in connection with the component of any financing used, in whole or in part, to: (i) refinance an outstanding loan or debt, when the terms and conditions of the refinancing transaction appear less favorable than the ones of the previous financing transaction; or (ii) to finance a distribution of profits or of reserves out of net equity. In particular, in such circumstances, the relevant tax authorities could argue that the interest expenses arising from such financing does not relate to the business of the borrowing entity (as the relevant transaction is deemed as “anti-economic” and as such not compliant with the “inherence” principle set out under Italian tax law) or they are aimed at obtaining an undue tax benefit pursuant to the general anti-avoidance rule (“**GAAR**”).

Furthermore, (i) any future changes in Italian tax laws or in their interpretation or application (including any future limitation on the use of the ROL of the Issuer and its subsidiaries), or (ii) the tax treatment of interest expense arising from any indebtedness, the failure to satisfy the applicable legal requirements relating to the deductibility of interest expense or (iii) a change in the interpretation and application by Italian tax authorities of Italian tax law may result in the Group’s inability to fully deduct its interest expense, which may have an adverse impact on its financial condition.

Furthermore, if the Italian tax authorities were to successfully challenge the use of proceeds from the Offering to make a refinancing under the “inherence” principle or the GAAR, the Group may be unable to fully deduct its interest expenses or be subject to significant penalties and interest or other consequences that could have a material adverse effect on its financial condition and results of operations or on its ability to service or otherwise make payments on its other indebtedness.

The Group is also subject to intercompany pricing laws, including those relating to the flow of funds among the Issuer and members of the Group, pursuant to, for example, loan agreements, purchase agreements, licensing

agreements or other arrangements. In addition, tax laws, including Italian tax laws, are particularly complex and often require taxpayers to make subjective determinations in relation to their application and tax authorities may disagree with such determinations. Adverse developments in tax laws or regulations (including future legislation, judicial or administrative changes or interpretations with respect to tax laws to which its business is subject) could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may fail to detect illegal or fraudulent activities of its customers, which may adversely affect its reputation, business, financial condition and results of operations.

The Group is exposed to the risk of money laundering and fraudulent activities by its customers, suppliers and third parties (including criminal organizations), as well as the potential collusion between online gaming customers.

The Group may even be subject to audits and penalties for any pre-acquisition non-compliance by its acquired entities. For example, Financial Intelligence Unit of the Bank of Italy (the "UIF") found that on the date of the beginning of the audit, Intralot Italia (merged with and renamed GoldBet on May 1, 2019, which was then renamed GBO Italy S.p.A. on June 1, 2022) lacked sufficient anti-money laundering compliance procedures, including sufficient controls on the distribution network, on anomalous information identification, on client identification, on reporting duties of suspect operations on certain significant winnings, on owners of POS, on online information, on game recharging processes and on anti-terrorism information. The deficiencies were identified with respect to anti-money laundering compliance procedures that Intralot Italia had in place before being acquired by the Group. Following the acquisition, the Group replaced such measures with its own policies and measures. As a result, the Group paid an aggregate penalty of approximately €40,000. As of the date of the Offering Memorandum, there is no certainty that the relevant remedies implemented by the Group satisfy the requirements. Therefore, it cannot be excluded that further deficiencies could be identified in the future and/or additional sanctions could be issued.

In order to better comply with anti-money laundering provisions of Italian Legislative Decree No. 90 of May 25, 2017, the Group has implemented, and will maintain, a system monitoring its business partners' requirements. The Group also has internal control systems that monitor unusual transaction volumes or unusual transaction patterns and screen the personal details of its customers, but these systems may not always succeed in protecting the Group and its customers from money-laundering and fraud, and identifying illegal conduct of customers or suppliers.

Pursuant to applicable Italian anti-money laundering legislation, the Group's failure to comply with anti-money laundering identification, verification, monitoring and reporting obligations provided for by gaming and betting concessionaires will result in administrative fines. Willfully perpetrated acts of money-laundering also trigger criminal sanctions (including operational bans) in accordance with the applicable law provisions. The Group may be subject to other proceedings relating to fraudulent conduct of its customers in the future and any adverse outcome with respect thereto could negatively affect its business.

To the extent the Group is not successful in protecting itself or its customers from money laundering or fraud, or if it fails to comply with the applicable regulations (including in case of failure to prevent certain violations of the applicable AML obligations by the Group's retail partners), it could be subject to administrative fines and could directly suffer loss, the revocation of licenses and concessions (with respect to significantly serious breaches), increased difficulties in renewing licenses and concessions and the loss of confidence of its customer base, any of which could have a material adverse effect on its reputation, business, financial condition and results of operations.

An extensive interpretation of the Italian Golden Power Legislation may impact the Issuer's ability to pursue certain transactions.

Pursuant to the Italian Golden Power Legislation, the Italian Golden Power Authority may, among others, prohibit or impose undertakings or similar measures with respect to: (i) the acquisition by non-EU/EEA investors of direct or indirect shareholdings in companies having strategic assets and relationships in sensitive sectors (e.g., defense and national security, energy, transport, communications, health, financial, agri-food, critical technologies and sensitive data and information) ("**Strategic Companies**"); and (ii) resolutions, acts or transactions concerning a Strategic Company and resulting in a change in ownership, control, possession or intended use of such strategic assets or relationships in favor of non-EU/EEA entities, including, for example, an enforcement of security interests over the strategic assets or shares of Strategic Companies and, where it has the effects mentioned above, the granting or extension of security interests over the strategic assets or shares of said companies.

According to the recent case law of the Italian Supreme Administrative Court (Consiglio di Stato), the creation or extension of a share pledge that leaves voting and administrative rights with the pledgor until an event of default occurs does not trigger a notification pursuant to the Italian Golden Power Legislation, provided that the relevant security documents require a notification pursuant to the Italian Golden Power Legislation for any relevant subsequent transfer of ownership, voting rights or governance rights connected to the shares upon default. The impact of such case law on future decisions of the Italian Golden Power Authority or other Italian courts cannot be fully assessed as of the date of this Offering Memorandum.

Acquisitions of shareholdings by EU/EEA (including Italian) investors and resolutions, acts or transaction resulting in a change in ownership, control, possession or intended use of the assets and shares of Strategic Companies in favor of EU/EEA investors, including, where it has the effects mentioned above, also the granting, extension and enforcement of security interests, are included in the scope of the Italian Golden Power Legislation only if related to Strategic Companies operating in the defense and national security, energy, transport, communications, health, financial, and agri-food sectors. However, pursuant to the Italian Golden Power Legislation, the Issuer qualifies as a non-EU/EEA investor, as it is ultimately controlled by a non-EU/EEA entity. Failure to comply with the notification obligation under the Italian Golden Power Legislation or with any veto or undertaking imposed by the Italian Golden Power Authority may result in the transaction, act or resolution being declared null and void, and in the entities that omitted to proceed with a filing or having anyway violated the Italian Golden Power Legislation being potentially subject to material monetary fines.

As of the date of this Offering Memorandum, we do not consider the Italian Golden Power Legislation to be applicable to the Group, also considering that in the past the Italian Golden Power Authority deemed the Italian Golden Power Legislation not applicable to certain transactions resulting in a change of control over companies operating in the gaming and betting business, including the PWO Acquisition. However, future amendments to the Italian Golden Power Legislation widening its scope of application or an extensive interpretation of the Golden Power Legislation by the Italian Golden Power Authority could result in the Group's sector of operations being subject to the Italian Golden Power Legislation. Under those circumstances, certain resolutions, acts and transactions involving the Issuer and the Group, including, among other things, (i) certain investments in the Issuer and the Group, (ii) certain internal reorganizations of the Group, (iii) certain acquisitions by the Group, and (iv) if it results in a change in ownership, control, possession or intended use of the assets and shares of the Issuer and the Group, the granting, extension or enforcement of security interests over the shares and the assets of the Issuer and the Group, could be subject to notifications to the Italian Golden Power Authority and potential undertakings or vetoes, which could have a material adverse effect on their strategy, business or prospects.

Risks Related to the Group's Economic and Financial Condition

Potential future impairments of goodwill and other intangible assets may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has a significant amount of intangible assets and goodwill. As of December 31, 2025, the Group's intangible assets, including goodwill amounted to €2,826.3 million representing 80.7% of the Group's total assets. The Group may have to write down intangible assets, including goodwill, if macroeconomic conditions, market conditions, regulatory framework or forecasts of future events do not meet the Group's estimates or expectations.

Goodwill and intangible assets have mainly been recognized in the context of the Group's acquisitions and in particular, the Gamenet Acquisition, Lottomatica Business Acquisition, the Betflag Acquisition and PWO Acquisition.

Goodwill and other intangible assets are tested for impairment annually or more frequently when impairment indicators exist. Impairment may result from, among other things, deterioration in performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations (including changes that restrict the activities of, or affect, the products and services provided by the Group) and a variety of other factors. In particular, the Group's gaming retail concessions have expired and are currently managed under a prorogation regime until December 31, 2026, pending the award of new concessions. Any failure to renew such concessions, or renewal on terms materially less favorable than those currently in effect, could result in an impairment of the related intangible assets. See “—The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business”.

As of December 31, 2025 and for the periods covered by the Consolidated Financial Statements, no impairment indicators had been identified. The Group may need to record further impairment charges relating to our business

in future, which may be significant. Any future impairment of goodwill may result in a material reduction in the Group's balance sheet and have a material adverse effect on our business, financial condition and results of operations.

The Group's business may be negatively affected by deteriorating global economic conditions.

The Group's business may be sensitive to reductions in discretionary consumer spending, which is in turn affected by unfavorable economic conditions. Economic contraction or recession, uncertainty regarding spending capacity and the perception by its customers of weak or weakening economic conditions could cause a decline in the demand (as measured by consumer indices) for entertainment in the forms of the gaming services that are offered by the Group. In addition, changes in discretionary consumer spending could be driven by factors such as an unstable job market, an increase in personal taxes or perceived or actual decline in disposable consumer income and wealth. Weakening economic conditions also impact the Group's POS, and the Group has needed in the past, and may need in the future, to increase the commissions paid to POS owners in order to maintain their retail affiliation in economic crises. Such events could have a material adverse effect on the Group's business, financial condition and results of operations. Recently, there have been challenging years in the world economy, due in part to political turmoil and/or upheaval in a number of regions. As of the date of this Offering Memorandum the outlook for the global economy remains highly uncertain, and certain markets, including Europe and Italy, may not achieve the growth rates that had been forecasted or historically observed. Such uncertainty has been recently exacerbated by rising global tensions resulting from the conflicts among the United States, Israel and the Islamic Republic of Iran and the ongoing military confrontation between Russia and Ukraine.

Mismatches between the supply and demand of services, including, at least in part, as a result of the COVID-19 pandemic and, more recently, the Russia-Ukraine conflict, have contributed to a rise in global inflation in 2021 and 2022. In an effort to fight inflation, central banks in major economies (such as the United States, the United Kingdom and the EU) have started increasing interest rates since 2022, leading to increased volatility in financial markets and rising interest rates in the real economy. Following a period of declining interest rates, recent economic policies implemented in the United States, including the introduction of regional or international trade barriers, such as tariffs and/or anti-dumping customs, may trigger a renewed rise in global inflation. Any increase in interest rates or inflation may result in, among other things, an increase in the Group's employee's wages and salaries, a decrease in consumer's disposable income and a loss of confidence in the economy, which may impact discretionary consumer spending and the Group's operational expenses and may have a material adverse effect on the Group's business and results of operations. These factors have also led to a collapse in consumer and business confidence that is negatively impacting the post-pandemic recovery. It is possible that higher prices will push the industrial sector and the EU economy into a recession over the short to medium term. These conditions also materially increase the risk of a stagflation scenario taking hold.

Certain of these economic fluctuations may come about from the changing political landscape. For example, the military conflict between Russia and Ukraine that commenced in 2022 led to significant volatility in financial markets and an increase in the prices of commodities, especially of energy products, for which Russia holds a considerable share of the global market, which contributed to rising inflation. Although the Group does not have business activities or interests in either Russia or Ukraine, or, for more recent events, in Israel, these events have negatively affected the stability of the region and wider European continent and could have an adverse effect on its business, results of operations, financial condition and prospects.

The January 2026 arrest and extradition of Venezuela's President by the United States, and the subsequent imposition of emergency measures in Venezuela, have materially increased geopolitical uncertainty. The situation remains fluid, and the dispute between the United States and Venezuela may potentially lead to the involvement of other countries in the region and elsewhere. This would heighten the possibility of significant disruptions to economic stability. The length, outcome and ramifications of these developments are highly unpredictable, and we cannot exclude the fact that the situation will negatively impact our financial performance.

Separately, in early October 2023, Hamas and Israel began an armed conflict which subsequently escalated into a direct military confrontation between the Islamic Republic of Iran and Israel and the United States in June 2025. Subsequently, in February 2026, the United States and Israel launched a joint military campaign against the Islamic Republic of Iran. The Islamic Republic of Iran has retaliated with multiple strikes across neighboring countries, including against Israel and U.S. military installations across the Middle East and threatened commercial shipping in the Strait of Hormuz, a critical energy waterway. In March 2026, Israel also launched strikes against Lebanon. As of the date of this Offering Memorandum, the parties have agreed to a two-week ceasefire, although it remains uncertain whether the ceasefire will hold or lead to a lasting resolution of the

conflict, with continued intermittent hostilities in Lebanon and the United States having implemented a blockade of ships from Iranian ports in the Strait of Hormuz. The conflict has triggered significant volatility in global markets and may potentially spread to other surrounding Middle Eastern countries or globally. As of the date of this Offering Memorandum, the duration, severity and resolution of this conflict remain highly uncertain, and although we do not operate in the Middle East region or in the countries involved in the conflict, we cannot predict the full extent of its impact on our operations, including the potential for sustained increases in energy and commodity prices, supply chain disruptions, currency volatility, cybersecurity threats or regulatory changes.

The Group could also be adversely affected by other macroeconomic or ratings events. The global credit and financial markets have recently experienced extreme volatility and disruptions, including diminished liquidity and credit availability, declines in consumer confidence and economic growth, high inflation in Europe and other foreign markets, increases in unemployment rates and uncertainty about economic stability. The Group's general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions, including economic instability and high inflation. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult to complete, more expensive or more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on the Group's growth strategy and financial performance.

The potential global economic downturn in Europe and elsewhere in the world combined with the ongoing Russia-Ukraine and rising tensions in the Middle East could significantly worsen the economic conditions in Italy over the short, medium and/or long term, which could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, the high inflation in Italy, Europe and other foreign markets, and the response of the central banks in major economies of increasing interest rates, could result in, among other effects, a downturn in consumer's disposable income and demand of the Group's products, as well as a further increase in the costs of raw materials, which could have a material adverse effect on the Group's assets, financial condition and results of operations.

The Group may be unable to renew all or some of its concessions, which are currently operated under a prorogation regime and therefore its revenues and income may be negatively affected.

The Group activities in the regulated gaming business are carried out on the basis of concessions with limited duration, granted by the ADM to multiple operators pursuant to public tender processes and which are currently operated under a prorogation regime. The concessionaires and the ADM enter into concession agreements, the terms of which are set by the ADM and cannot be negotiated.

The ADM sets out certain requirements that the concessionaire must meet to be granted a concession, including qualifications to be a game operator, a network manager, corporate legal residency requirements in the EU, impartiality, corporate disclosure and financial soundness requirements.

The Group's concessions are subject to revocation by the ADM upon the occurrence of certain events, some of which are different for each concession while others are common across concessions. For example, the ADM may revoke concessions or open forfeiture proceedings in the event of a breach by the concessionaire of the conditions of the tender process (including the obligation to post and update the relevant guarantees), the failure to maintain certain indebtedness limitations or the failure by the concessionaire to restore its capital soundness ratio within six months, if such ratio decreased below the set threshold as a result of disposal of the shareholdings (including any controlling shareholding) held by the concessionaire itself. For example, while, as of the date of this Offering Memorandum adequate guarantees are in place and therefore the concession obligation is fulfilled, certain forfeiture proceedings were initiated by ADM in 2020 and in 2021 against PWO as a consequence of the alleged failure to timely update the relevant guarantees occurred in the past, and were not expressly closed by the ADM (meaning that there can be no assurance that such forfeiture proceedings will not be reopened), although PWO currently has all required guarantees in place. In October 2025, ADM conducted an inspection of GBO Italy S.p.A. in relation to its online concessions. All the documentation requested was duly provided and no further follow-ups have been taken by ADM.

The ADM may also decide to revoke the concession if a concession is determined to be against the public interest, or if the entity to which a concession was awarded is acquired by a new parent company or group that does not meet certain requisite standards or conditions set forth by the ADM and by the applicable regulation. Furthermore, the Group's sports betting concession may be revoked by the ADM if the Group fails to meet certain concession or legal requirements for sports and horse betting and, more generally, its concessions could be revoked by the ADM if the Group fails to pay the applicable fees to the regulatory authority (which may be significant) or, in

certain cases, if the Group fails to communicate to the regulatory authority certain changes in its corporate structure. See “*Regulation—Regulation of Gaming and Betting Activities.*”

The Group would not be entitled to recover its initial investment or receive compensation for loss of anticipated profits in the event its concessions were terminated before their expiration as a result of the Group’s breach of the applicable terms. Also, depending on the nature of the breach, the ADM could call due any performance bonds granted by the Group in connection with a concession agreement, which could have a material adverse effect on its business, financial condition and results of operations. See “*—Acquiring concessions typically requires a significant upfront cash payment, and in the future the Group may not have sufficient cash on hand or adequate access to additional capital to fund such payments*” and “*—The Group is required to post sizeable performance bonds and may be subject to substantial penalties if the Group fails to perform under the Group’s concessions.*”

While the Group believes that it has not breached any material condition required to maintain a concession, if the Group fails to meet the conditions in the future, such as by way of example the risk described in the risk factor immediately above, or in case the ADM determines that any failure to meet the requirements and conditions set forth by the applicable regulations and by the concessions in the past shall result in the revocation of one or more of its concessions and/or in the attempt by the ADM to exclude the Group from participating in future public tender processes launched by the ADM itself or from the awarding of gaming and betting concessions, this would have a material adverse effect on the Group’s business, financial condition and results of operations.

Furthermore, as an example, concessionaires receive fees calculated as a percentage of the total amount of Bets collected or equivalent to the net collections from the fixed-odds betting segment. Any decrease in the number of concessions the Group holds would directly result in a decrease in the total amount of Bets, and thus any termination or expiration of any of the Group’s concessions, and failure to obtain new or renew any such concession, would have a material adverse effect on the Group’s business, financial condition and results of operations.

In addition, upon the termination, revocation or non-renewal of the Group’s AWP and VLT concessions, its concessions require the Group to transfer to the ADM, free of charge, at its request, (i) all the assets of its physical distribution network, and (ii) all the assets of its telecommunications network, including software and data communication network technology. As of December 31, 2025 (according to the latest documentation prepared for the ADM), the book value of these assets, net of depreciation and amortization, for the Group amounted to approximately €6.8 million. The ADM could, in the future, require such a transfer of assets, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group is required to post sizeable performance bonds and may be subject to substantial penalties if the Group fails to perform under its concessions.

The Group’s concessions require substantial performance bonds (*fideiussioni*) in the ordinary course of the Group’s business primarily to guarantee payments to the ADM and the performance of its obligations under its concessions. These performance bonds, if enforced in the event the Group does not comply with its obligations under a concession, require the Group to pay significant damages.

As of December 31, 2025, performance bonds required under the Group’s concessions to guarantee the relevant payment of the PREU, betting and bingo tax to the ADM and the performance of the Group obligations under its concessions amounted to €443.6 million.

Furthermore, at each date of expiration or extension of a concession or the yearly adjustments of the performance bonds based on the previous year’s volumes, the Group may be unable to renew or extend its performance bonds on favorable terms or to renew or extend them at all, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

In addition, Gamenet S.p.A. (“**Gamenet**”) and LVR, as amusement with prizes machines (“**AWP**”) and video lottery terminals (“**VLT**”) concessionaires, are required to make a security deposit with the ADM equal to 0.5% of the Bets for each AWP and VLT connected to the network, which is returned to the concessionaires in the subsequent year (usually in the second half of the year), depending on the yearly average of successful AWP related data transmissions to the ADM on a monthly basis. The Group cannot exclude that such security deposits may be permanently retained by the ADM or that such circumstance could occur again in the future, which could have a material adverse effect on its business, financial condition and results of operations. See “*Lottomatica’s*

Business—Legal Proceedings—Administrative and Civil Proceedings Relating to the Italian Stability Law of 2015.”

In the case of a material breach by the Group of its obligations under its concessions, claims on performance bonds and the payment of liquidated damages could individually or in the aggregate have a material adverse effect on the Group’s business, financial condition and results of operations. While in the past the Group has not been subject to claims under its performance bonds, these types of bonds present an ongoing obligation for substantial cash outflows.

The Group also enters into service level agreements with the ADM as part of the terms of its concessions. These service level agreements include additional undertakings and requirements regarding the Group’s services under the relevant concessions. See “*Regulation—Main Requirements and Obligations for Awarding and Maintaining Gaming and Betting Concessions.*” Under some of the Group’s arrangements with counterparties the Group may be able to pass on these penalties if ever charged by the ADM. However, the Group does not know if it would be able to pass on such penalties to third parties nor the time associated with collecting any receivables in relation to such penalties. For example, on July 4, 2022, the ADM delivered six notices to Gamenet and LVR concerning the commencement of certain administrative proceedings aimed at assessing the potential violation of certain service level obligations set forth by the ADI Concessions allegedly occurred from 2013 to 2014. On September 30, 2022, in response to said notices, the Group filed its defense briefs with ADM. In connection with such proceedings, the ADM (i) on March 16, 2023 notified Gamenet about two penalties for the year 2013, in a total amount of €282,980.00; (ii) on March 17, 2023, notified LVR of a penalty for the year 2013 for a total amount of €271,803.40; (iii) on June 21, 2023, notified LVR of a penalty for the year 2014 for a total amount of €3,711,181.47; and (iv) on June 21, 2023, notified Gamenet about two penalties for the year 2014 for a total amount of €365,245.70. Subsequently, LVR and Gamenet challenged such ADM notices before the TAR Lazio. In the meantime, LVR and Gamenet requested their counterparties to indemnify them against such penalties, claiming that the non-conformities identified by ADM were attributable to them. The said counterparties have recognized their responsibility and reimbursed LVR and Gamenet, for an amount almost equal to the entire amount paid by LVR and Gamenet to ADM. On December 3, 2024 and on January 8, 2025, judgements unfavorable to the concessionaires were issued by TAR Lazio in connection with the challenged notices issued by ADM. The Group intends to appeal such judgements. At the same time, on December 11, 2024, ADM imposed similar penalties on LVR and Gamenet for the years 2015 and 2016, for a total amount equal to €0.3 million for LVR and €0.5 million for Gamenet (including those relating to the ex-Intralot concession). These penalties have been appealed by the concessionaries before the TAR Lazio. The Group cannot guarantee that further penalties, also in relation to similar issues in its operations during the past years, will not be levied on it in the future. The obligation to pay the said penalties and other potential material penalties that may be applied against the Group, as well as its potential inability to pass on to or collect on any penalties from third parties could have a material adverse effect on its business, financial condition and results of operations.

The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business.

The Group currently holds a number of gaming concessions from the ADM that are expired. Upon the expiration of concessions, new concessions are awarded by means of a competitive public tender process. Law Decree No. 124/2019 (converted into Law No. 157/2019, the “**Tax Decree**”) provided that the ADM was required to launch a public tender process for new betting concessions by June 30, 2020. Legislative Decree 41/2024 provided that ADM was required to publish, following the entry into force of such Decree and in full compliance with the requirements set forth therein, a call for tenders for the awarding of new GAD concessions. With ADM’s resolution no. 777860 dated December 17, 2024, ADM launched a tender of the awarding of new GAD concessions (the “**New GAD Concessions**”). Bidders were allowed to submit their offers by May 30, 2025 and the relevant tender process terminated on November 12, 2025 (the original deadline set by Legislative Decree 41/2024 was September 17, 2025, and it was subsequently postponed to November 12, 2025, through ADM Decree No. 504068 of July 24, 2025). In particular, through ADM Decree No. 594211 dated September 17, 2025, five New GAD Concessions have been awarded to the following Group companies: (i) two to GBO Italy; (ii) one to Betflag; (iii) one to PWO and (iv) one to Totosi. Following the payment of the required upfront fee, amounting to a total of €35 million, starting from November 13, 2025, the New GAD Concessions came into effect. The other betting and gaming retail concessions have currently been prorogated, pursuant to Italian Budget Law of 2025, until December 31, 2026. Extension of the expired concessions and participation in the new tender processes

is conditional upon the filing, by each concessionaire, of a request for a new concession. See “*Business–Regulation.*”

Regarding other betting and gaming retail concessions, there is no guarantee that the Group will be able to successfully be awarded with concessions following their expiration). While Lottomatica has historically been able to renew its concessions, upon the expiration of the Group’s concessions, such concessions may not be renewed on favorable terms, or at all, or they might be renewed on an untimely basis, all of which could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group may also from time to time experience delays in applying for new or the renewal of concessions or licenses, or delays in obtaining regulatory approval or delays due to legislative changes that may be required in order to modify certain attributes of a current product offered under an existing concession, and such delays could preclude the Group from taking advantage of attractive market opportunities or require the Group to temporarily cease operations.

Additionally, the Group cannot exclude that new concessions will be awarded to new entrants, considering, among other factors, the lower barriers to entry in the Sports Franchise segment compared to the AWP and VLT segments. Moreover, new competitors could enter the Italian market, exploiting the abovementioned liberalization of the regulatory framework regarding foreigners and importing into the Italian market expertise, market data or unique products from their experience abroad that could affect the success of the Group’s products, which could have a material adverse effect on its business, financial condition and results of operations. In addition, as a result of recent regulatory updates included in the Tax Decree, the Italian government introduced a new regularization process for unlicensed operators satisfying specific conditions such as their tax exposure and their connection to the ADM servers to be allowed to operate in Italy. Such measure is expected to benefit unlicensed operators, which had not complied with to the initial regularization procedure introduced by the Italian Stability Laws of 2015 and 2016 and by the associated ADM regulations and could therefore generate additional competition for operators that complied with such initial regularization procedure, such as GBO Italy and PWO. See “*Regulation – Disciplinary Scheme (Schema di Disciplinare per la Raccolta delle Scommesse) introduced by Italian Stability Law of 2015*”

Also, upon the termination, revocation or non-renewal of the Group’s AWP and VLT concessions, its concessions require the Group to transfer, free of charge, at the request of the ADM, (i) all the assets of its physical distribution network, and (ii) all the assets of its telecommunications network, including software and data communication network technology, which would also have a material adverse effect on the Group’s business, financial condition and results of operations.

Acquiring concessions typically requires a significant upfront cash payment, and in the future the Group may not have sufficient cash on hand or adequate access to additional capital to fund such payments.

The Group’s concessions have required significant upfront payments historically. Therefore, the Group’s ability to renew existing concessions and invest in new concessions depends on the Group’s ability to have available cash on hand or have access to new sources of financing to fund these investments. For example, as it relates to the New GAD Concessions, each bidder was required to make a one-off payment of €7 million per concession (which resulted in a total €35 million payment by the Group).

As previously described (see “—*The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business*”), pursuant to the Italian Budget Law of 2025, some of the Group’s betting and gaming retail concessions are managed under a prorogation regime until December 31, 2026, and the Group has to pay an extension concession fee, which amounts to €78 million for 2025. However, if the concessions are subject to a tender process (for example for a nine-year period), based on currently available information, the Group estimates that it would have to pay only an upfront concession fee of approximately €685 million. Based on previous experience, the Group would expect such amount to be paid in two equal annual installments. In such a scenario, (i) the Group would expect to fund such payment with existing liquidity, including available cash and, to the extent required, drawings under its Revolving Credit Facility and/or through the issuance of new debt and (ii) the Group still expects to maintain its financial policy unchanged, with a target of Net Financial Debt equal to 2.0-2.5 times its Run-Rate Adjusted EBITDA. In addition, as a result of the legislative decree for the reorganization of the online gaming sector which became effective on April 4, 2024, the Group paid an additional €35 million concession fee relating to remote concessions.

Should the Group not have available cash or be able to access sources of capital on favorable or reasonable terms to tender for and win the relevant concessions, it would have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Related to the Group's Presentation of Financial Information

Non-IFRS measures used in this Offering Memorandum may not be consistent with those used by other companies, including competitors.

To facilitate an understanding of the Group's economic and financial performance, certain key performance indicators and Non-IFRS financial measures have been presented in this Offering Memorandum.

Regarding the interpretation of such Non-IFRS measures, the Group highlights that: (i) Non-IFRS measures are based on historical data and are not indicative of the Group's future performance. They are derived from the Consolidated Financial Statements and related accounting records; (ii) the determination of Non-IFRS measures is not governed by IFRS and, although they are derived from the Consolidated Financial Statements and related accounting records, they are not subject to audit; (iii) Non-IFRS measures should not be considered substitutes for the measures set forth by EU IFRS; (iv) the Non-IFRS measures must be read in conjunction with the financial information taken from the Consolidated Financial Statements presented in this Offering Memorandum; (v) since the definitions of the Non-IFRS measures used by the Group do not derive from applicable accounting standards, they may not be consistent with non-IFRS measures used by other groups and therefore comparable with them; and (vi) the Non-IFRS measures used by the Group were defined and represented consistently for all periods for which financial information is included in this Offering Memorandum.

If an investor examines the Non-IFRS measures without taking the above matters into account, such investor could be misled when evaluating the Group's financial position, results of operations and cash flow of the Issuer and could make erroneous, inappropriate or unsuitable investment decisions.

The Non-IFRS Financial Measures included in this Offering Memorandum are presented for illustrative purposes only and the Group's actual financial condition and results of operations following the Transactions (or otherwise) may differ materially.

The financial and other information and the Non-IFRS Financial Measures included in this Offering Memorandum have not been audited or reviewed by any independent auditors. Such information is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have actually occurred had the Transactions been completed, or otherwise, as of the dates indicated, nor is such information indicative of the Group's future operating results or financial position. Such information has not been prepared in accordance with the requirements of Regulation S-X, is not intended to comply with SEC-reporting requirements and will not be subject to review by the SEC, and certain measures may be prohibited from inclusion in documents furnished or filed with the SEC.

The Non-IFRS Financial Measures included in this Offering Memorandum have been prepared for informational purposes only, based on available information and certain assumptions and estimates that the Group believes are reasonable in the circumstances (but are nonetheless inherently uncertain, subject to a wide variety of significant business, economic and other risks and may differ materially from the Group's actual financial condition or results of operations), and have not been prepared in accordance with IFRS, U.S. GAAP or any other internationally accepted accounting principles or audited or reviewed in accordance with any applicable auditing standards. Such measures (including related adjustments) are not intended to project the Group's consolidated results for any future period and should not be considered as alternative measures to evaluate its performance. In particular, where the Group presents run-rate synergies or Run-Rate Adjusted EBITDA, such calculations are likely to differ from actual results for the period.

We may not realize any or all of the adjustments to Run-Rate Adjusted EBITDA included in the Offering Memorandum.

This Offering Memorandum presents certain run-rate adjusted financial data which are based on various assumptions. See "Summary Historical Consolidated Financial Information And Other Data—Run-Rate Non-IFRS Financial Measures and As Adjusted Financial Information" for additional details regarding these run-rate adjustments to Adjusted EBITDA and their underlying assumptions. These assumptions are based on our current estimates and they involve risks, uncertainties, further assumptions and other factors that may cause actual results,

performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such run-rate adjusted financial data.

This Offering Memorandum presents estimated Run-Rate Adjusted EBITDA. Run-Rate Adjusted EBITDA results from certain assumptions and adjustments that we have made for (i) the Adjusted EBITDA of certain distribution insourcing operations acquired in 2025 for the period from January 1, 2025 to the relevant date of completion of their respective acquisition by the Group, based on accounting records and management information and (ii) the run-rate effect from the full realization of the synergies that management expects to generate from the PWO Acquisition by the end of 2026, to the extent not already reflected in the Group's Adjusted EBITDA for the years ended December 31, 2025 and 2024, based on accounting records and management information. This information is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial impact or results of our actions, initiatives and acquisitions for the period presented.

In particular, the achievement of synergies partly depends on factors that are outside of our control, and we may therefore be unable to implement some or all of such initiatives and/or generate the expected benefits therefrom within the expected timeframe or at all. There can be no assurance that we will realize anticipated synergies in a timely manner or at all and that the costs to be incurred to realize any expected synergies may be substantially higher than our current estimates and may outweigh the benefits. Our anticipated synergies are based on assumptions about our ability to implement these measures in a timely fashion and within certain cost parameters. If one or more of our underlying assumptions regarding these initiatives proves to have been incorrect, these efforts could lead to substantially higher costs than planned and we may not be able to realize fully, or realize in the anticipated timeframe, the expected benefits. Some of the factors that could cause our future financial performance to differ materially from that expressed or implied by such run-rate adjusted financial data include: not achieving the level of synergies that we expect, increases in the amount of costs to be incurred to realize the expected synergies, changes in the accounting principles or policies that are applied, or if the relevant acquisitions are delayed or not completed in whole or in part. If any of these or other factors cause our actual financial performance to differ significantly from that implied by the run-rate financial data presented, they could have a material adverse effect on our business, results of operations, financial condition or prospects.

This Offering Memorandum includes prospective financial information and actual results may differ from such information.

This Offering Memorandum includes certain forecast revenues, Adjusted EBITDA and capital expenditure information of the Group for the year ending December 31, 2026. Such forecast information has been prepared by management based on preliminary internal management accounts and operational records and is based on, among other things, certain assumptions concerning future events that management expects to occur and the actions management intends to take. Such events and actions may not actually be realized, as they depend substantially on variables that management cannot control and may involve situations that management cannot predict. Therefore, the forecast information presented in this Offering Memorandum is subject to significant uncertainties, including changes in the macroeconomic conditions, market conditions and regulatory framework, and the Group's actual results or performance may differ materially from those projected or implied in the forecast. This forecast information is by definition uncertain and the Group's actual results or performance may differ materially from those projected or implied in the forecast information presented. In particular, we have assumed that the legislative and regulatory framework as well as the macroeconomic context and the Group's competitive environment would remain broadly unchanged. However, as we operate in a regulated industry, the environment can evolve at any time. For example, any changes in economic conditions may change the gaming habits of our customers which could impact our business. We cannot assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the forecast information included in this Offering Memorandum. Accordingly, such forecast information should not be taken as an indication of future performance and you should not place undue reliance on the inclusion of such prospective financial information in the Offering Memorandum. The forecast information should not be regarded as an indication that it will be an accurate prediction of future events. In addition, the forecast information included in this Offering Memorandum have not been audited, reviewed, verified or subject to any procedures by our independent auditors nor any other party for the purposes of its inclusion herein, and accordingly, our independent auditors do not express an opinion or provide any form of assurance with respect thereto for the purpose of this Offering Memorandum.

Risks Related to the Group's Structure

The obligations associated with being a public company involve significant expenses and require significant resources and management attention, which may divert from the Group's business.

The Issuer is a public company in Italy, and, as such, the Issuer, and the Group, more generally, are required to comply with additional rules and regulations. These rules and regulations have resulted, and will continue to result, in the Group incurring substantial legal and financial compliance costs and have made, and will make, some activities more time-consuming and costly. The attention of Group's management may be diverted from other business concerns, which could have a material adverse effect on its business, financial condition and results of operations. The Group may need to hire more employees in the future, which will increase its costs and expenses. Furthermore, as it grows its business or acquires new businesses, its internal controls will become more complex and it may require significantly more resources to ensure its internal controls overall remain effective. As a result of becoming a public company, the Issuer may need to increase the number of independent directors and adopted policies regarding internal controls and disclosure controls and procedures. Effective internal controls are necessary for the Group to produce reliable financial reports and are important to help prevent financial fraud. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Group's operating results or cause it to fail to meet its reporting obligations.

Moreover, operating as a public company could make it more difficult and more expensive for the Group to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be difficult for the Group to attract and retain qualified people to serve on the Issuer's board of directors, its board committees or as executive officers.

The insurance policies maintained by the Group concerning its business activities may be inadequate

Though we carry insurance that we believe to be suitable and customary for our ordinary business activities, there is no guarantee that our coverage will adequately protect us against every risk we face or under every possible circumstance. In particular, to the extent that damages or claims by third parties exceed the scope of our insurance protection, we could experience material harm to our operations, liquidity and financial outlook. Additionally, evolving conditions in the insurance market and escalating premium costs may limit our ability to secure coverage on terms comparable to those we currently enjoy, or may render such coverage unavailable. Any failure to obtain or maintain sufficient insurance protection could materially and adversely impact our business, operating results and financial position.

Risks Related to the Group's Indebtedness

Our leverage and debt service obligations could adversely affect our business.

We are leveraged and have debt service obligations. As of December 31, 2025 and prior to giving effect to the Transactions, our Net Financial Debt amounted to €2,105 million and was mostly represented by the Existing Notes. Following the completion of the Transactions, our Net Financial Debt will amount to €2,115.2 million. See "*Capitalization*." As of the same date, and prior to giving effect to the Transactions, we also had €447.25 million available for cash borrowings under the Revolving Credit Facility (including the Incremental Facility) in addition to the incremental guarantee facility provided by Deutsche Bank S.p.A. under the incremental guarantee facility notice dated May 3, 2023 in an amount of €50 million as a guarantee facility thereunder available for bank guarantees (the "**Incremental Guarantee Facility**"). See "*Description of Certain Financing and Guarantee Arrangements*."

We anticipate that our leverage will continue to remain in place and may increase for the foreseeable future due in part to expected investments in connection with our growth strategy. Our leverage could have important consequences to the holders of the Notes, including: (i) making it more difficult for the Issuer to satisfy its debt obligations with respect to the Notes and other debt liabilities; (ii) increasing our vulnerability to a downturn in our business or economic and industry conditions; (iii) placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow; (iv) limiting our ability to obtain additional financing to fund future working capital requirements, capital expenditures, business opportunities and other corporate requirements; (v) requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, which means that this cash flow will not be available to fund

our operations and for other corporate purposes; and (vi) limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and our industry.

We may incur substantial additional debt in the future which could mature prior to the Notes. Although the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. The incurrence of additional debt would increase the leverage-related risks described in this Offering Memorandum. Moreover, some of the debt that we may incur in the future could be structurally senior to the Notes and may be secured by collateral that does not secure the Notes.

If we cannot service our indebtedness and our other obligations and commitments, we might be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that refinancings or asset dispositions could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of our debt instruments. In addition, if the ADM were to amend minimum requirements for the financial position, debt levels or other financial covenants of its concessionaires or introduce further requirements for concessions that currently do not include financial covenants, our indebtedness could affect our ability to renew or retain our concessions or bid for new concessions, which could have a material adverse effect on our business, financial condition or results of operations.

We are, and will be subject to restrictive debt covenants under the Revolving Credit Facility Agreement, the Existing Notes, the Existing Notes Indentures and the Indenture that may limit the Group's ability to finance its future operations and capital needs, and to pursue business opportunities and activities.

The Revolving Credit Facility Agreement, the Existing Notes, the Existing Notes Indentures and the Indenture contain, or will contain, negative covenants restricting, among other things, our ability to carry out certain or all the following actions:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make restricted payments, including paying dividends or making other distributions, making investments and prepaying or redeeming subordinated indebtedness or equity;
- create or incur certain liens;
- sell, lease or transfer certain assets;
- enter into arrangements that restrict dividends or other payments to us;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and
- enter into certain other transactions and activities.

All of these limitations are or will be subject to significant exceptions and qualifications. See “*Description of the Notes—Certain Covenants.*” For instance, the Restricted Payments covenants under the Existing Notes Indentures and the Revolving Credit Facility Agreement allow us to declare and pay a significant amount of dividends to our shareholders.

The restrictions contained in the Revolving Credit Facility Agreement, the Existing Notes, the Existing Notes Indentures and the Indenture could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic,

financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Revolving Credit Facility Agreement, the Existing Notes, the Existing Notes Indentures and the Indenture.

If there were an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event.

We may incur additional indebtedness, which could increase our risk exposure from debt and could decrease your share in any proceeds distributed in connection with any insolvency or other winding-up of such subsidiaries.

Subject to restrictions that will be in the Indenture, and are in the Existing Notes Indentures and the Revolving Credit Facility Agreement, we may incur additional indebtedness, which could increase the risks associated with our already substantial indebtedness. Further to the Revolving Credit Facility Amendment, which took effect on May 13, 2025, we have the ability to borrow up to €447.25 million under our Revolving Credit Facility on a committed basis (including the Incremental Facility and excluding the Incremental Guarantee Facility) following the Revolving Credit Facility Amendment. See “*Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility Agreement.*” Each of the collateral that secures the Existing Notes also secure such additional borrowings and indebtedness. The terms of the Indenture will permit us to incur additional debt.

Members of the Group may also be able to incur substantial additional indebtedness in the future, further increasing the risks associated with our leverage. If any member of the Group that does not guarantee the Notes incurs additional indebtedness, the holders of that debt will be entitled to share ahead of you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such subsidiaries. See “*Description of Certain Financing and Guarantee Arrangements.*” Furthermore, additional indebtedness incurred by a new parent entity of the Group in connection with a Permitted Change of Control may benefit from collateral that may not be required to secure the Notes on a *pari passu* basis. If we incur additional indebtedness, the related risks that we now face, as described above and elsewhere in these “*Risk Factors,*” could intensify.

We require a significant amount of cash to service debt and for other general corporate purposes and our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to make payments to meet our debt service obligations, including under the Indenture, the Revolving Credit Facility and Existing Notes Indentures and to fund working capital and product development, renew concessions and make any acquisitions and capital expenditures will depend on our future operating performance and ability to generate sufficient cash. These depend, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in these “*Risk Factors*” and elsewhere in this Offering Memorandum. If we sustain losses in the future, our ability to repay and service our debt may be materially impaired.

Our business may not generate sufficient cash flows from operations and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, including the interest on the Notes, our other debt service obligations, including under the Existing Notes Indentures and the Revolving Credit Facility Agreement, or to fund our other liquidity needs. The ability to refinance our debt may depend on stable loan or debt capital markets. For a discussion of the Group’s cash flows and liquidity, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity of the Group.*” In addition, the Indenture will permit us to make certain dividends, distributions or other payments to our shareholder, to make regularly scheduled cash interest payments on our debt (or any refinancing indebtedness in respect thereof) as well as the repurchase or retirement for value of such indebtedness in exchange for, or out of the proceeds of, subordinated indebtedness incurred by the Issuer or its restricted subsidiaries in compliance with the Indenture.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities, reduce research and development and capital expenditures, sell assets, obtain additional debt or equity financing or restructure or refinance all or a portion of our debt, including the Notes, on or before maturity. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not

be able to satisfy our debt obligations, including the Notes. If we are also unable to satisfy our obligations on other financing arrangements, such as the Existing Notes, we could be in default under the Revolving Credit Facility Agreement, the Existing Notes Indentures, the Indenture and other relevant financing agreements which we may enter into in the future. In the event of a default under either of the Existing Notes Indentures, the Revolving Credit Facility Agreement or certain other defaults under any other agreement, the lenders under the respective facilities or financing instruments could take certain actions, including terminating their commitments and declaring all amounts that we have borrowed under our credit facilities and other indebtedness to be due and payable, together with accrued and unpaid interest. Such a default, or a failure to make interest payments on the Notes, could mean that borrowings under other debt instruments that contain cross-acceleration or cross-default provisions, including the Existing Notes and the Revolving Credit Facility, may as a result also be accelerated and become due and payable. If the debt under the Revolving Credit Facility, the Existing Notes or any other material financing arrangement that we have entered into or will subsequently enter into were to be accelerated, our assets may be insufficient to repay the Notes in full. Any such actions could force us into bankruptcy or liquidation, which would have a material adverse effect on our business, results of operations and financial condition.

We are exposed to interest rate risks as certain of our borrowings and the Revolving Credit Facility bear interest at floating rates that could be impacted by applicable regulation and which could rise significantly. Shifts in such rates may adversely affect our debt service obligations.

The Revolving Credit Facility bears interest at floating rates of interest equal to the applicable Euro Interbank Offer Rate (“EURIBOR”) for the relevant interest period plus a margin that may be adjusted at regular intervals. The material increases in global inflation in 2022 and 2023, reaching double-digit levels not seen since the 1980s (driven at least in part by Russia’s invasion of Ukraine and the resulting impact on energy markets), has forced central banks of the major world economies, including the U.S. Federal Reserve and the European Central Bank, to significantly increase market interest rates in a very short timeframe, ending the lengthy period of low interest rates, which has adversely affected our financing costs. These interest rates could rise significantly in the future, reducing cash flow available for capital expenditures and hindering our ability to make payments on drawings under our Revolving Credit Facility and on our borrowings more broadly.

Moreover, for the Revolving Credit Facility, a floor of 0% applies to the calculation of EURIBOR. Accordingly, should the relevant EURIBOR remain below 0%, we would not be able to benefit from such decrease below 0% EURIBOR. The Indenture will not contain, and the Existing Notes Indentures and the Revolving Credit Facility Agreement do not contain, a covenant requiring us to hedge all or any portion of our floating rate debt. We, however, entered or may elect to enter into certain hedging arrangements designed to fix these rates, although there can be no assurance that we will enter into hedging or that hedging will be available on commercially reasonable terms. For example, in order to hedge our exposure to the floating interest rate payable under the May 2024 Floating Rate Notes, we entered into hedging arrangements that reference the entire principal amount of the May 2024 Floating Rate Notes. However, hedging carries certain risks, including that we may need to pay significant amounts (including costs) to terminate any hedging arrangements, that hedges might not be available for the full amount or term of the borrowings, that break clauses might be required or that hedges will limit any benefit that we might otherwise receive from favorable movements in interest rates. Gains or losses associated with hedging activities also may negatively impact operating results. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase, reducing our cash flows.

EURIBOR and other interest rate, equity, foreign exchange rate and other types of rates and indices that are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform.

Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”) and Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of benchmarks within the European Union or the United Kingdom (as applicable). The Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any indebtedness linked to EURIBOR or another benchmark rate of index, in particular if the methodology or other terms of the benchmark are changed in order to comply with either of their terms, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks,” trigger changes in the rules or

methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks.” Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

Risks Related to the Notes, Any Future Guarantees and the Collateral

The risk factors discussed in this sub-section “Risks Related to the Notes, Any Future Guarantees and the Collateral” are provided for prospective investors to assess the risks related to the collateral structure that is intended to be put into place on or about the Issue Date.

Future liquidity and cash flow difficulties could prevent the Issuer from repaying the Notes when due or repurchasing the Notes when it is required to do so pursuant to certain events constituting a change of control or otherwise, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.

At final maturity of the Notes, or in the event of acceleration of the Notes following an event of default, the entire outstanding principal amount of the Notes will become due and payable. In addition, upon the occurrence of certain events constituting a change of control, holders of the Notes may in certain circumstances require the Issuer to make an offer to purchase the Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the purchase date. See “*Description of the Notes—Change of Control.*” The Issuer may not have sufficient funds or may be unable to arrange for additional financing to pay these amounts when they become due.

The Issuer’s failure to repay holders tendering Notes upon the occurrence of a change of control event would result in an event of default under the Notes, which could mean that borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may, as a result, also be accelerated and become due and payable. If a change of control event were to occur, we cannot assure you that the Issuer would have sufficient funds to repay its outstanding indebtedness, including the Notes and the Existing Notes, which it would be required to prepay or offer to purchase or that became immediately due and payable as a result. The Issuer may require additional financing from third parties to fund any such purchases and we cannot assure you that it would be able to obtain financing on satisfactory terms or at all. Restrictions in the Revolving Credit Facility Agreement or our other then-existing contractual obligations may also restrict us from making such required repurchases. See “*Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility—Maturity.*” A change of control will be a mandatory prepayment event under our Revolving Credit Facility Agreement and a change of control may result in an event of default under, or acceleration of, our other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under other indebtedness, even if the change of control itself does not.

The change of control provision that will be contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganization, restructuring, merger or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “change of control” as defined in the Indenture. Except as described under “*Description of the Notes—Change of Control,*” the Indenture will not contain a provision that requires us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control under the Indenture will be deemed not be a change of control if at the time our consolidated net leverage ratio is less than certain specified levels. See “*Description of the Notes—Change of Control*” and “*Description of the Notes—Certain Definitions—Specified Change of Control Event.*”

The definition of “change of control” that will be contained in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (if any), taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Issuer and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by Italian law.

The Indenture will provide, and the Intercreditor Agreement provides that, to the extent permitted by applicable law, only the Security Agent has the right to enforce the security documents relating to the Collateral on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture who will (subject to the provisions of the Indenture and the provisions of the Security Documents) provide instructions to the Security Agent in respect of the Collateral and in accordance with the Intercreditor Agreement. See “*Description of the Notes—Security; the Collateral.*”

Moreover, in Italy the Collateral will be created and perfected in favor of UniCredit S.p.A., as Security Agent, acting also in its capacity as representative (*rappresentante*) pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code. Under such Code provision (introduced by Law No. 164 of November 11, 2014), security interests and guarantees can be validly created in favor of an agent (*rappresentante*) of the holders of the Notes who will then be entitled to exercise in the name and on behalf of the holders all their rights (including any rights before any court and judicial proceedings) relating to the security interests and guarantees. However, there is no guidance or available case law on the exercise of the rights and enforcement of such security interest and guarantee by a *rappresentante* pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code also in the name and on behalf of the holders of the Notes which are neither directly parties to the Collateral nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the holders of the Notes but will be created and perfected in favor of the Security Agent, acting also in its capacity as representative (*rappresentante*) pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code, and thus the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the Security Documents or to exercise any rights or powers arising under the Security Documents except through the Security Agent as provided in the Intercreditor Agreement. By accepting a Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against us in the event of a default. See “*Description of Certain Financing and Guarantee Arrangements—Intercreditor Agreement.*”

In addition, the ability of the Security Agent to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken, including the Republic of Italy. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in, nor are directly parties to, a security document will be validly secured and/or can be enforced; this area of law is untested in the courts of certain jurisdictions (including the Republic of Italy).

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests and the enforceability of such security interests, the Intercreditor Agreement provides for the creation of “parallel debt” obligations in favor of the Security Agent (“**Parallel Debt**”) mirroring the obligations of the Issuer owed to holders of the Notes under or in connection with the Indenture, as applicable (“**Principal Obligations**”), but in jurisdictions such as Italy, these Parallel Debt provisions would not be applicable as Italian law does not provide for such a construct. All or part of the pledges and other security interests in jurisdictions utilizing the Parallel Debt construct will be granted to the Security Agent as security interests for the Parallel Debt and will not directly secure the Principal Obligations. Under the provisions of the Intercreditor Agreement, the Parallel Debt will be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the security interests granted to secure the Parallel Debt, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent. Therefore, in such case, the holders of the Notes will bear the risk of insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt construct in financing transactions, including credit facilities and bond issuances, has not been tested under law in certain of these jurisdictions, including under Italian law, and to the extent that the security interests in the Collateral created to secure the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such security interests in the Collateral. See “*Limitations on Validity and*

Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations” and “Certain Italian Insolvency Law Considerations.”

Furthermore, it is uncertain and untested in the Italian courts whether, under Italian law, security can be created and perfected (i) in favor of creditors (such as the holders of the Notes) who are neither directly parties to the relevant security documents nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries; and (ii) in favor of The Law Debenture Trust Corporation p.l.c. as the Trustee of the holders of the Notes, since there is no established concept of “trust” or “trustee” under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of the Trustee as agent or trustee for holders of the Notes under security interests on Italian assets is uncertain under Italian law.

Further, under Italian law, in the event that the Issuer enters into insolvency proceedings, the security interests created under the security documents entered into to secure the Issuer’s obligations under the Notes could be subject to potential challenges by an insolvency administrator or by other creditors of the Issuer under the rules of avoidance or claw back of Italian insolvency laws and the relevant law on the non-insolvency avoidance or claw back of transactions by the debtor made during a certain legally specified period (the “**suspect period**”). In this regard, a longer period might apply to any Collateral governed by Italian law which may be granted after the completion of the Offering.

Moreover, under Italian law, claims of certain categories of creditors (*creditori privilegiati*) are given statutory priority in relation to the proceeds of a debtor’s property in respect of the claims of other creditors.

The rights of holders of the Notes in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Under Italian law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security interest. The security interests in the Collateral may not be perfected with respect to the claims of the Notes if we fail or the Trustee or the Security Agent fails or is unable to take the actions required to be taken to perfect the security interest. Such failure may result in the invalidity of the relevant security interest in the Collateral or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral, which may have a material adverse effect on the ability of the holders of Notes to receive proceeds from any enforcement of the Collateral.

The Trustee and Security Agent will not monitor, and we may not comply with our obligations to inform the Trustee or the Security Agent of, any future acquisition of property and rights by us, and the necessary action may not be taken to properly perfect the security interest in such after-acquired property or rights. Such failure may result in the invalidity of the relevant security interest in the Collateral or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral.

The granting of new security interests in connection with the Notes may create hardening periods for such security interests in Italy. See “*Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—The granting of the security interests in the Collateral may create hardening periods for such security interests in accordance with Italian law,*” “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations*” and “*Certain Italian Insolvency Law Considerations.*”

The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes and such Collateral may be reduced or diluted under certain circumstances.

If we default on the Notes, the holders of the Notes will be secured only to the extent of the value of the Collateral underlying their security interest. The Notes are effectively subordinated to all existing and future secured indebtedness of the Issuer that is secured by assets that do not secure the Notes, to the extent of the value of such assets securing such indebtedness, including the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility), which is secured by certain assets that do not secure the Notes (including all of the issued share capital of Gamenet held by Lottomatica Gaming and all of the issued share capital of LVR held by Lottomatica Gaming).

Furthermore, the same Collateral securing the Notes also secures the Existing Notes and the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility). We may incur additional indebtedness in the future, which may also be secured by the Collateral. In addition, pursuant to the Indenture, the Issuer and its subsidiaries may in certain cases incur indebtedness which may be secured on a super priority basis, including indebtedness under the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility). Holders of such other secured indebtedness may have rights and remedies which, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional notes, holders of such additional notes would benefit from the same Collateral as the holders of the Notes, thereby diluting such holders' ability to benefit from the Collateral. If the value of the Collateral is less than the value of the claims of the other holders of the Notes together with the claims of the other secured creditors, those claims may not be satisfied in full before the claims of our unsecured creditors are paid.

No appraisal of the value of the Collateral has been prepared by us or on our behalf in connection with the Offering. The value of the Collateral and the amount to be received upon a sale of such Collateral will depend on many factors, including the ability to sell the Collateral in an orderly sale, prevailing market and other economic conditions and the availability of suitable buyers at the time of any such sale and any fees, taxes or duties required to be paid under the applicable law in connection with the enforcement of the Collateral. By its nature, the Collateral may be illiquid and have no ascertainable market value. Similarly, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in the liquidation of the Collateral. The book value of the Collateral should not be relied on as a measure of the realizable value for such assets. The fair market value of the Collateral as at the date of this Offering Memorandum may not exceed the principal amount of the debt secured thereby. The value of the Collateral, and in particular, the pledged capital stock could be impaired in the future as a result of changing economic conditions, failure to implement our business strategy, competition and other future trends and may be without any value if that entity is subject to an insolvency or bankruptcy proceeding.

Holders of the Notes will not receive proceeds from enforcement of the Collateral until after certain super senior creditors are repaid and may not control certain decisions regarding the Collateral.

To the extent permitted under applicable law, and subject to the Agreed Security Principles, the Notes will be secured on a first priority basis by certain of the same rights, property and assets securing our obligations under the Revolving Credit Facility Agreement (including the obligations under the Incremental Guarantee Facility Notice and the Incremental Facility Notice). In addition, under the terms of the Indenture, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

Pursuant to the Intercreditor Agreement, secured creditors under the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility), providers of certain additional super priority indebtedness, certain priority hedging obligations, if any, the Security Agent, any receiver and certain creditor representatives, including the Trustee, will be entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement in priority to the Notes. As such, in the event of a foreclosure of the Collateral or any other distressed disposal, you may not be able to recover on the Collateral if the aggregate of the then outstanding claims under super priority indebtedness are greater than or equal to the proceeds realized. Any proceeds from an enforcement sale of the Collateral and all amounts received by the Security Agent pursuant to the turnover provisions of the Intercreditor Agreement will, after all obligations under super priority indebtedness have been discharged from such recoveries, be applied *pro rata* in repayment of the Notes, the Existing Notes and any other obligations secured by the Collateral which are permitted to rank *pari passu* with the Notes and certain non-priority hedging obligations, which obligations may be significant. As a result, holders of Notes may receive less, ratably, than holders of other secured indebtedness of the Group.

The Intercreditor Agreement regulates the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. The Security Agent shall act upon the instructions of the Instructing Group (as defined in the Intercreditor Agreement), which will mean: (i) creditors holding more than 66 2/3% of the indebtedness and commitments under the Revolving Credit Facility Agreement, certain super priority hedging obligations and additional super priority indebtedness (the "**Majority Super Senior Creditors**"); and (ii) creditors holding more than 50% of the indebtedness under the Notes, the Existing Notes and indebtedness ranking *pari passu* with the Notes (the "**Majority Senior Secured Creditors**") (in each case acting through their respective creditor representative) prior to the "**Credit Facility Lender Discharge Date**" (as defined in the Intercreditor Agreement). The Intercreditor Agreement further provides that in the event that the Majority Super Senior Creditors and the Majority Senior Secured Creditors have not consented to the relevant enforcement

instructions or if conflicting enforcement instructions are received from any creditor representative prior to the Credit Facility Lender Discharge Date, the creditor representatives must consult with each other in good faith for a period of 15 days to agree on joint enforcement instructions. Although enforcement instructions given by holders of the Notes and certain other creditors may prevail after such 15-day consultation period, under certain circumstances, enforcement instructions by the lenders under our Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility) and certain other creditors will prevail.

If the creditor representatives are not able to agree on joint enforcement instructions by the end of the consultation period, the Security Agent shall enforce the Collateral in accordance with the terms of the enforcement instructions (if any) given by the Majority Senior Secured Creditors in accordance with the Intercreditor Agreement, provided that if: (i) the super senior creditors (comprised of the creditors in respect of our Revolving Credit Facility, the Incremental Guarantee Facility, the Incremental Facility and the counterparties to certain of our super priority hedging arrangements and other holders of additional super priority indebtedness) have not been fully repaid within six months of the end of the consultation period; (ii) the Security Agent has not commenced any enforcement action within six months of the end of the consultation period; or (iii) the Issuer or certain of its subsidiaries becomes subject to insolvency or similar proceedings and the Security Agent has not commenced any enforcement action at that time, then the instructions given by the Majority Super Senior Creditors will prevail. To the extent that we incur further indebtedness that is secured by the Collateral on a *pari passu* basis with the Notes, your voting interest in the Majority Senior Secured Creditors will be diluted commensurate with the amount of indebtedness we incur.

As these other creditors and counterparties may have interests that are different from the interests of holders of the Notes and may elect to pursue their remedies in respect of the Collateral at a time when it would be disadvantageous for the holders of the Notes to do so, these arrangements could result in the enforcement of the Collateral in a manner that results in lower recoveries by holders of the Notes. Furthermore, other creditors not subject to the Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during such period, the Issuer or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value. In addition, if the Security Agent sells Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes and any Guarantees and the liens over any other assets securing the Notes and any Guarantees may be released. See “*Description of the Notes—Security; the Collateral*” and “*Description of Certain Financing and Guarantee Arrangements—Intercreditor Agreement*.”

The Issuer and the other security providers will have control over certain of the Collateral, and the operation of the business or the sale of particular assets could reduce the pool of assets securing the Notes.

The security documents allow the Issuer and the other security providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, certain of the Collateral. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the other security providers may, among other things, subject to the terms of the security documents, without any release or consent by the Trustee or the Security Agent, conduct ordinary course activities with respect to the Collateral such as selling, modifying, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral. To the extent these activities are allowed with regard to certain security interests, under Italian law such security interests could be considered to be not validly perfected.

It may be difficult to realize the value of the Collateral, and an enforcement action may result in the termination of concessions.

The Collateral will be subject to exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture, whether on or after the date the Notes are first issued. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterization under Italian law.

The Collateral may be subject to practical problems generally associated with the realization of security interests in collateral. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consents. In addition, the consents of any third parties may

not be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease. Furthermore, due consideration should be given by investors to the circumstance that enforcement procedures and timing for obtaining judicial decisions in Italy may be materially more complex and time-consuming than in equivalent situations in jurisdictions with which investors may be familiar. In addition, our business requires a variety of concessions and licenses. The continued operation of certain subsidiaries of the Group companies whose shares will be pledged as Collateral depend on the maintenance of such concessions and licenses. The value of the shares of the Group Companies to be pledged to secure the Notes may be impaired if concessions held by their subsidiaries are not renewed, and a failure to maintain the ADM concessions that could reasonably be expected to have a material adverse effect would be an event of default under the Revolving Credit Facility Agreement subject to a 30 day cure period. Under some of our concessions and licenses, public authorities impose restrictions on the transfers of the ownership of the concessionaire or license holder, including a change of control clause, which prohibits the transfer of the ownership of the concessionaire or license holder without the prior approval of the authority. In the event of an enforcement action under the terms of the Notes which resulted in the transfer of ownership of the Issuer or its subsidiaries, or certain changes in the shareholding of the Group for other reasons (including absence of prior authorization of ADM), the authority may attempt to suspend or revoke our concessions or licenses. In addition, the uncertainty concerning the transferability of such concessions or licenses themselves could significantly reduce the value placed on the concessions and licenses by third parties and ultimately reduce the amount recovered in the event of an enforcement action. The applicable governmental authorities may not consent to the transfer of any of such concessions or licenses. In addition, an extension of the scope of the Italian Golden Power Legislation could require prior authorization and impose restrictions on the transfer of the Collateral. See “—Risks Related to Legal and Regulatory Matters—An extensive interpretation of the Italian Golden Power Legislation may impact the Issuer’s ability to pursue certain transactions.” If the regulatory approvals required for such transfers are not obtained, are delayed or are economically prevented, the foreclosure may be delayed, a temporary or lasting shutdown of operations may result, and the value of the Collateral may be significantly decreased.

The recovery from the enforcement of the share pledges forming part of the Collateral may result in a taxable capital gain.

In connection with the enforcement of share pledges over shares of entities with outstanding debt obligations, any sale of such entities is likely to involve a release of some or all of the debt of such entity, which could result in a taxable capital gain to such entities. The Existing Notes Indentures do not and the Indenture will not prohibit any Guarantor from incurring additional debt claims in the future. Consequently, the enforcement of the share pledges over any Guarantor’s shares may result in the release of the debt obligations of such Guarantor. Such release will be permitted by the Intercreditor Agreement and could result in a taxable capital gain. This taxable capital gain is likely to reduce the proceeds of any recovery from the enforcement of such share pledge. Therefore, the value of the pledge over the shares of such Guarantor is subject to limitations.

The Guarantees (if any) and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

The obligations of any Guarantor (if any) and the enforcement of any Guarantee and obligations of the grantors of security and enforcement of the Collateral will be limited to the maximum amount that can be guaranteed and/or secured, as applicable, by such guarantor and/or grantor of security under the applicable laws of Italy, including limitations to the extent that the grant of such pledge of security could be construed as not being in the relevant guarantor’s and/or security grantor’s corporate interests, or otherwise would result in violations of laws related to corporate benefit, capitalization, capital preservation, financial assistance or transactions under value.

Accordingly, enforcement of a Guarantee against a Guarantor or of the Collateral against the relevant security grantor would be subject to certain defenses available to guarantors generally or, in some cases, to limitations contained in the terms of a Guarantee designed to ensure compliance with statutory requirements applicable to a Guarantor, or in some cases, to limitations contained in the pledge of security designed to ensure compliance with statutory requirements applicable to the relevant security grantor. These laws and defenses include those that relate to fraudulent conveyances or transfers, insolvency, voidable preferences, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally. As a result, a Guarantor’s liability under a Guarantee or the liability of a pledgor of security could be materially reduced or eliminated, depending on the law applicable to it.

Further, the lenders under the Revolving Credit Facility may be granted the benefit of additional security or guarantees which are not otherwise permitted to be granted in favor of holders of the Notes and the Existing Notes due to the application of Italian financial assistance and corporate benefit rules. Accordingly, in such circumstances you would have no direct claim for payment against any such additional guarantor nor any rights as a secured party with respect to any such additional collateral.

It is possible that a guarantor or a pledgor of security, or a creditor of a pledgor of security, or the bankruptcy trustee in the case of a bankruptcy of a pledgor of security, may contest the validity and enforceability of a Guarantee or the pledgor's pledge of security on any of the aforementioned grounds and that the applicable court may determine that the pledge should be limited or voided. To the extent such limitations on the security obligation apply, the Notes would be effectively subordinated to all liabilities of the applicable guarantor or pledgor, including trade payables of such pledgor to the extent of such limitations. Future guarantees or pledges may be subject to similar limitations.

Additionally, the grant of Collateral to secure the Notes may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may otherwise be set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "clawback" period following the grant. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the relevant security interest.

Moreover, under Italian law, claims of certain categories of creditors (*creditori privilegiati*) are given statutory priority in relation to the proceeds of a debtor's property in respect to the claims of other creditors, even if such claims are secured claims. For a more detailed description of various limitations on the security under Italian law and certain Italian insolvency law considerations, see "*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations.*"

Any Guarantee of a Guarantor (if any) will be limited by applicable laws and are subject to certain limitations and defenses.

On the Issue Date, there will be no Guarantees or Guarantors. A Guarantee would provide the holders of the Notes with a direct claim against the Guarantor. However, the obligations of such Guarantor under the Guarantee will be limited under the Indenture to an amount which has been determined so as to ensure that amounts payable will not result in violations of laws related to corporate benefit, capitalization, capital preservation, financial assistance or transactions under value, or otherwise cause such Guarantor to be deemed insolvent under applicable law or the Guarantee to be deemed void, unenforceable or *ultra vires*, or cause the directors of the Guarantor to be held in breach of applicable corporate or commercial law for providing the Guarantee.

As a result, a Guarantor's liability under the Guarantee could be materially reduced or eliminated depending upon the amount of its obligations and upon applicable laws. For more information, see "*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*"

The claims of the holders of the Notes will be effectively subordinated to the rights of certain of the Group's potential secured creditors, including the providers of guarantees to the ADM on behalf of the Group in respect of certain of their performance obligations, to the extent of the value of the assets securing our indebtedness or other obligations which do not constitute Collateral.

The Indenture will provide for a negative pledge but allows us and our restricted subsidiaries, subject to specified limitations, to incur secured indebtedness that will be effectively senior to the Notes to the extent of the value of the assets that secure that indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, administration, reorganization, or other insolvency or bankruptcy proceeding, the proceeds from the sale of assets securing any indebtedness and which do not secure the Notes will be available to pay obligations on the Notes only after all such secured indebtedness (including claims preferred by operation of law) has been paid in full. As a result, holders of Notes may receive less, ratably, than holders of other secured indebtedness.

Immediately prior to the Issue Date, the Issuer's other secured indebtedness consists of the Existing Notes and the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility). Each of Gamenet, GBO Italy and LVR has agreements with UniCredit S.p.A. ("**UniCredit**") and other financial

institutions pursuant to which such financial institutions have issued bank and insurance guarantees to guarantee the performance of, Gamenet's, LVR's and GBO Italy's respective obligations under their concessions. See "*Description of Certain Financing and Guarantee Arrangements—Bank Guarantees.*" The guarantees are accounted for as off-balance sheet items. As of December 31, 2025, the total amount of guarantees equaled to €443.6 million, of which €284.1 million account for insurance guarantees and €159.5 million account for bank guarantees. See "*Description of Certain Financing and Guarantee Arrangements—Bank Guarantees.*"

In addition, pursuant to the terms of the share purchase agreement entered into in connection with the GoldBet Acquisition, the Group is required to pay a portion of the GoldBet Acquisition price equal to approximately €2 million as of the date of this Offering Memorandum (the "**Residual Amount**"), in addition to an "escrow amount" equal to approximately €5 million, subject to certain conditions. In particular, on June 26, 2025, the relevant parties entered into an addendum to the original share purchase agreements governing the GoldBet Acquisition. The addendum regulates the payment of certain outstanding amounts (totalling approximately €12.5 million, plus accrued interest) and distinguishes two components: (i) regarding the "Imposta Unica" component, GBO made an immediate payment of approximately €8 million (plus accrued interests), with €2 million remaining to be paid if certain conditions are met; (ii) regarding the "Permanent Establishment" component, GBO made an immediate payment of approximately €2.6 million (plus accrued interest) on June 30, 2025. In addition, regarding the "escrow amount", GBO will pay the seller €2.5 million once the tax liability recorded in the tax certificate has been cancelled and, by December 31, 2026, the higher of (x) the remaining balance of the escrow account or (y) €2.5 million.

In the context of the Goldbet Acquisition, Lottomatica has provided a parent guarantee under the share purchase agreement, further extended under the terms of the addendum. In addition, the addendum provides for a first demand guarantee (*garanzia autonoma a prima richiesta*), granted by GB Invest Holding AG, to cover any liabilities that may arise from certain tax claims.

In the event a bank guarantee is enforced against one of our subsidiaries by the ADM, they are required to reinstate the guarantee within 90 days from the date of the request by the ADM. In case of enforcement of a bank guarantee, UniCredit and other financial institutions are entitled to recover the relevant amount from our subsidiaries, as applicable. Failure by our subsidiaries to pay such amounts would entitle the banks granting the guarantee to, among others, enforce the counter guarantee (as applicable) granted in its favor and their claims would be senior to the claims of the Noteholders to the extent of the value of the assets that secure said obligations.

There are circumstances other than repayment or discharge of the Notes under which the Collateral and/or a Guarantee (if any) may be released automatically without your consent or the consent of the Trustee.

Under various circumstances, any Guarantees and the Collateral securing the Notes will be automatically and unconditionally released. In addition, if the Security Agent sells Collateral comprising the shares of the Issuer or certain of its subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Notes and any Guarantees may be released or transferred. Your ability to recover on the Notes could be materially impaired in such circumstances. See "*Description of the Notes—Security; the Collateral*" and "*Description of Certain Financing and Guarantee Arrangements—Intercreditor Agreement.*" The Indenture and the Intercreditor Agreement also provide that the Collateral securing the Notes may be released and retaken in connection with the incurrence of additional secured indebtedness, if it is not possible to implement any such transaction by instead granting additional Collateral and amending the terms of the existing Collateral. In certain jurisdictions, including Italy, such a release and retaking of Collateral may give rise to the start of a new "hardening period" in respect of such Collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such Collateral and thus reduce your recovery under the Notes. The Intercreditor Agreement also provides that Guarantees and the Collateral will be subject to release in connection with a distressed disposal. See "*Description of Certain Financing and Guarantee Arrangements—Intercreditor Agreement—Distressed Disposal*" and "*Description of the Notes—Security; the Collateral.*"

Additionally, even though the holders of Notes will share in the Collateral with the secured parties under the Revolving Credit Facility Agreement (and under the Incremental Guarantee Facility Notice and the Incremental Facility Notice), the secured parties under the Revolving Credit Facility Agreement (and under the Incremental Guarantee Facility Notice and the Incremental Facility Notice) and certain of our hedging agreements will receive the proceeds of the enforcement of the Collateral in priority to the holders of the Notes and, under certain circumstances, the secured parties under the Revolving Credit Facility Agreement (and under the Incremental

Guarantee Facility Notice and the Incremental Facility Notice) and certain of our hedging arrangements will control enforcement actions with respect to the Collateral through the Security Agent, whether or not the holders of the Notes agree with those actions. See *“Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—Holders of the Notes will not receive proceeds from enforcement of the Collateral until after certain super senior creditors are repaid and may not control certain decisions regarding the Collateral.”*

The granting of the security interests in the Collateral may create hardening periods for such security interests in accordance with Italian law.

The granting or reconfirming (as applicable) of security interests in connection with the Offering may create hardening periods for such security interests in Italy and the relevant regime for hardening periods may be less favorable if the secured debt (or part thereof) is pre-existing to the granting of the security interest. In addition, the granting of shared security interests to secure future permitted debt may restart or reopen such hardening periods. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted, perfected or re-created. In each instance, if the security interest granted, perfected or re-created were to be enforced before the end of the relevant hardening period applicable in Italy, such security interest may be declared void and/or it may not be possible to enforce it. See *“Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations”* and *“Certain Italian Insolvency Law Considerations.”* At each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective applicable hardening period, it may be declared void and/or it may not be possible to enforce it. In addition, the granting of a shared security interest, including in connection with any release and retake of such security interest, to secure future indebtedness or the transfer or the assignment of the security interest may restart or reopen hardening periods. The applicable hardening period may run from the moment such new security is amended, transferred, assigned, granted or perfected. If the security interest granted were to be enforced before the end of the respective applicable hardening period, it may be declared void or ineffective and/or it may not be possible to enforce it. The above is not applicable to pledges subject to the Collateral Act 2005. See *“Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—The rights of holders of the Notes in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.”*

Certain actions in respect of defaults taken under the Indenture by beneficial owners with short positions in excess of their interests in the Notes may be disregarded.

By acceptance of the Notes, each holder of Notes agrees, in connection with any notice of default, notice of acceleration or instruction to the Trustee to provide a notice of default, notice of acceleration or take any other action (a **“Noteholder Direction”**), to (i) deliver a written representation to the Issuer and the Trustee that such holder is not, or, in the case such holder is the Relevant Clearing System (as defined under *“Description of the Notes”*), or the Relevant Clearing System’s nominee, that such holder is being instructed solely by beneficial owners that are not, Net Short (as defined under *“Description of the Notes”*), and (ii) provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such holder’s representation within five Business Days of request thereof. Holders of the Notes, including holders that have hedged their exposure to the Notes in the ordinary course and not for speculative purposes, may not be able to make such representations or provide the requested additional information. These may impact a holder’s ability to participate in Noteholder Directions, subject to mandatory provisions of Italian law and without prejudice to the provisions regarding meetings of the holders of the Notes set out under *“Description of the Notes.”*

Provisions contemplating restrictions to the rights of each holder of the Notes to vote in the relevant meeting are untested under Italian law, may be challenged by holders of the Notes, the Issuer and/or others, and if challenged, may not be upheld by an Italian court. Furthermore, the interactions between (i) the provisions set forth under the Indenture with respect to meetings of holders of the Notes, the applicable majorities and the rights of each holder of the Notes to vote in the relevant meeting and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies is also untested in the Italian courts.

Under the laws of certain jurisdictions, collateral granted in favor of holders of the Notes may not rank pari passu with the collateral granted in favor of holders of the Existing Notes, and we are relying on the Intercreditor Agreement to achieve an equal priority lien in respect of such collateral.

We will enter into new security documents or, as the case may be, extensions and/or confirmations of existing security documents (the **“Security Documents”**) in respect of the Collateral related to the additional debt represented by the Notes. In certain jurisdictions, the security granted under those additional Security Documents

will or may, because they are being granted at a later point in time, rank junior to security interests in the collateral granted in favor of the Existing Notes and the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility). Pursuant to the terms of the Intercreditor Agreement, and, in certain cases, the terms of the Security Documents, the Notes will be deemed to be secured by the applicable Security Documents on a *pari passu* basis with the Existing Notes and the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility), although due to local law requirements certain security securing the Notes will or may be junior ranking *in rem* to the security securing the Existing Notes. Creditors of the grantors of those security interests or an appointed insolvency administrator may contest the validity and/or enforceability of such security interests. If any of the applicable security providers were to be declared insolvent by a competent court, the court would establish a period before the declaration of insolvency within which the court-appointed bankruptcy receiver will have to consider any transactions entered into during this “hardening period” and may petition to have such transactions declared void and/or unenforceable. Therefore, the ranking of collateral granted in favor of holders of the Notes in such jurisdictions will depend on the enforceability of the Intercreditor Agreement. As a result, if the Intercreditor Agreement is found to be invalid or unenforceable for any reason, or if an administrator refuses to give effect to it, the Collateral granted in favor of holders of the Notes in these jurisdictions may rank behind any other existing collateral granted in favor of the Existing Notes and the Revolving Credit Facility (including the Incremental Guarantee Facility and the Incremental Facility).

The insolvency laws of Italy may not be as favorable to holders of Notes as U.S. insolvency laws or those of another jurisdiction with which you may be familiar.

The Issuer is organized and is likely to have its center of main interests under the laws of Italy. Accordingly, insolvency proceedings with respect to the Issuer or any Guarantor organized under the laws of Italy may proceed under, and be governed by, Italian insolvency law. The insolvency laws of Italy may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar, including in respect of creditors’ reorganization, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit your ability to recover payments due on the Notes or any Guarantee to the extent exceeding the limitations arising under other insolvency laws. In the event that the Issuer or any of its subsidiaries, including any Guarantor, experiences financial difficulty, it is not possible to predict with certainty the outcome of such proceedings. In particular, the insolvency and other laws of Italy may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding.

Moreover, pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended (the “**Recast Insolvency Regulation**”) if a company conducts business in more than one Member State of the European Union, the insolvency laws of the Member State (other than Denmark) in which such company’s “center of main interests” is found may apply, which could be the laws of a Member State different from the jurisdiction of incorporation.

There are a number of factors that are taken into account to ascertain the “center of main interests,” which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue will be determined is at the time when the relevant insolvency proceedings are opened. The determination of where the Issuer has their center of main interests would be a question of fact on which the courts of the different EU Member States may have differing and even conflicting views. It should also be noted that no final decisions have been taken in cases that have been brought before the European Court of Justice in relation to questions of interpretation or the effects of the EU Insolvency Regulation throughout the European Union. Furthermore, “center of main interests” is not a static concept and may change from time to time.

The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of the United States, or certain other jurisdictions you may be familiar with, and there can be no assurance that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or other proceedings.

The application of these laws could call into question whether any particular jurisdiction’s laws should apply, adversely affect your ability to enforce your rights against the Collateral in Italy and limit any amounts that you may receive. See “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations.*”

Fraudulent conveyance and similar laws may adversely affect the validity and enforceability of the Notes, any Guarantee and the Collateral.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void any Guarantee or security interest provided by such Guarantor or collateral provider and, if payment has already been made under the relevant Guarantee or security interest, require that the recipient return the payment to the relevant Guarantor, if the court found that:

- the Guarantee was granted or the security interest created with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or other person or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor or the collateral provider was insolvent when it granted the Guarantee or security interest;
- the Guarantee was entered into or, as the case may be, the security interest was created without a legal obligation to do so, is prejudicial to the interests of the other creditors and both the Guarantor or collateral provider and the beneficiary of the Guarantee were aware of or should have been aware of the fact that it was prejudicial to the other creditors;
- the Guarantor or, as the case may be, the collateral provider did not receive fair consideration or reasonably equivalent value for the Guarantee or the granting of the security and/or the Guarantor or collateral provider: (i) became insolvent before the granting of the security or was insolvent or rendered insolvent because of the issuance of the Guarantee or the creation of the security interest; (ii) was undercapitalized or became undercapitalized because of the issuance of the Guarantee or the creation of the security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the Guarantee or security interest was held to exceed the objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor;
- the Guarantee or security interest was entered into within a certain time period prior to the opening date of insolvency proceedings of the Guarantor; or
- the amount paid or payable was in excess of the maximum amount permitted under applicable law.

The measures of insolvency for the purposes of fraudulent transfer laws vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if, at the time it incurred the debt:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be sure as to what standard a court would apply in making a solvency determination or that a court would conclude that the Issuer was solvent immediately after the issuance of the Notes.

Under Italian law, in the event that the Issuer enters into insolvency proceedings, the security interests granted to secure the Notes could be subject to potential challenges by an insolvency administrator or by other creditors or by operation of law under the rules of avoidance or clawback of the Italian Insolvency Code and the relevant law on the non-insolvency avoidance or clawback of transactions made by the debtor during a certain legally specified period (the “**suspect period**”). See “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations*” for further information.

If challenged successfully, the security interest may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest is voided, the holders of the

Notes could lose the benefit of the security interest and may not be able to recover any amounts under the related security documents.

In addition, Italian insolvency laws and regulations have recently been replaced by a new crisis and insolvency code – introduced by virtue of, among others, the Italian Crisis and Insolvency Code – being a comprehensive legal framework regulating, among others, insolvency matters. Other than for minor changes in certain provisions of the Italian Civil Code, which already entered into force on March 16, 2019, the Italian Insolvency Code came into force starting from July 15, 2022. As at the date hereof, the vast majority of the provisions of the Italian Insolvency Code are untested in Italian courts and there is no guidance or case law available yet on its application; accordingly, the practical consequences of the implementation of the Italian Insolvency Code cannot be foreseen as of the date of this offering memorandum. For a description of Italian insolvency laws and regulations, see “*Limitations on Validity and Enforceability of Any Future Guarantees and the Security Interests, and Certain Insolvency Law Considerations.*”

On the Issue Date, the Issuer will be the sole obligor of the Notes, and its subsidiaries will not guarantee its obligations under the Notes and the Notes will be structurally subordinated to the liabilities of the Issuer’s subsidiaries.

On the Issue Date, the Issuer will be the sole obligor of the Notes and the Notes will not be guaranteed by any subsidiaries of the Issuer. No member of the Group will have any obligations to pay amounts due under the Notes or to make funds available for that purpose (other than, after the Issue Date, subject to the Agreed Security Principles and certain limitations pursuant to applicable laws any Restricted Subsidiary that is or becomes a borrower or guarantor under the Revolving Credit Facility Agreement). Generally, holders of indebtedness of, and trade creditors of, subsidiaries of the Issuer, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer. As such, the Notes will be structurally subordinated to the creditors (including trade creditors), any preferred stockholders of our subsidiaries, the Revolving Credit Facility, the Incremental Guarantee Facility, the Incremental Facility and the Existing Notes. Our subsidiaries may not have sufficient funds to pay (or receive sufficient funds to pay) all their respective creditors, and you may not receive any payment on the Notes.

We may be unable to raise the funds necessary to refinance indebtedness maturing prior to the stated maturity of the Notes or to repay the Notes at maturity.

The Notes offered hereby will mature on April 30, 2032. The May 2024 Fixed Rate Notes mature on June 1, 2030. The May 2025 Notes mature on January 31, 2031. The Revolving Credit Facility matures on the date falling three months prior to the stated maturity date of the May 2025 Notes at their first issuance, with a springing maturity (if earlier) to the date falling three months prior to the stated maturity date of any May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes as at the date of the Revolving Credit Facility Amendment (as defined above) if the applicable May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes have not been refinanced in full by such date. In addition, our other indebtedness may be terminated or repayable prior to the maturity of the Notes. As a result, we may not have sufficient cash to repay all amounts owing on the Notes at maturity, since the prior maturity of such other indebtedness may make it difficult to refinance the Notes offered hereby. In addition, if our access to capital markets or our ability to enter new financing arrangements is reduced for any reason, we may not be able to refinance our Revolving Credit Facility on satisfactory terms or at all, which could have a material adverse effect on our business, financial condition and results of operations.

If the Notes are redeemed early, an investor may not be able to reinvest such proceeds in a comparable security.

In the event that the Notes are redeemed early in accordance with “*Description of the Notes—Optional Redemption*” and depending on prevailing market conditions at the time, an investor who receives proceeds due to such an early redemption may not be able to reinvest such proceeds in a comparable security at an effective interest rate as high as that carried by the Notes. For example, prior to April 30, 2028, the Issuer may redeem up to 10% of the original aggregate principal amount of the Notes per 12-month period at a redemption price equal to 103% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, subject to the option to carry-forward and/or carry-back amounts under this redemption provision, which enables the Issuer to redeem up to 20% of the Notes prior to April 30, 2028.

The Issuer may amend certain economic terms and conditions of the Notes without the prior consent of all the holders of the Notes with the vote of either 75% or 50% of the aggregate principal amount of the outstanding Notes.

The Indenture will contain, provisions for calling meetings of the holders of the Notes to consider matters affecting their interests generally. As set forth in “*Description of the Notes—Amendment, Supplement and Waiver*,” the majority required to pass certain amendments, waivers or other modifications of the terms of the Notes will be one or more persons holding or representing at least 75% of the aggregate principal amount of the outstanding Notes (or, in certain circumstances, the applicable series of outstanding Notes). These provisions permit defined majorities (50% or 75%), depending on the nature of the amendment, waiver or other modification, to bind all holders of the Notes, including holders of the Notes who did not attend or vote at the relevant meeting, and holders who vote in a manner contrary to the relevant majority. In particular, under the Indenture, an extraordinary resolution may include, among other things, proposals to reduce the rate or change the time for payment of principal or interest in respect of the Notes, to change the date on which any Note may be subject to redemption or reduce the redemption price, to reduce the principal or extend the stated maturity of the Notes, change the currency of payments under the Notes and/or to change such amendment provisions. These and other changes may adversely impact your rights as a holder of the Notes and may have a material adverse effect on the market value of the Notes. Under Italian law, the approval of an extraordinary resolution typically requires the consent of more than one-half of the aggregate principal amount of the outstanding Notes. Our decision to increase the majority requirement is untested under Italian law, may be challenged by holders of the Notes, the Issuer and/or others, and if challenged, may not be upheld by an Italian court, with the consequence that the majority voting threshold would be reduced from 75% to 50%.

Furthermore, the interactions between (i) the provisions set forth under the Indenture with respect to meetings of holders of the Notes, applicable majorities and rights of each holder of the Notes to vote in the relevant meetings and (ii) the Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies, are largely untested by the Italian courts.

Transfer of the Notes is restricted, which may adversely affect the value of the Notes.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws. You may not offer the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The Notes and the Indenture will contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions, under the Securities Act. Furthermore, we have not registered the Notes under any other country’s securities laws. It is your obligation to ensure that your offers and resales of the Notes within the United States and other countries comply with applicable securities laws.

The interests of holders of additional notes under the Indenture may be inconsistent with the holders of the Notes offered hereby.

Subject to certain restrictions, further series of additional notes may be issued under the Indenture which have different terms in respect of currency, interest rate and certain other matters. Such additional notes will also generally vote as a single class with other series of notes issued under the Indenture but may have interests that differ from the holders of other series of notes issued under the Indenture, including the Notes. Furthermore, the holders of one series of notes may be in a position to agree to certain terms in a consent solicitation that would be beneficial to such series of notes but adverse to the economic interest of the other series of notes issued under the Indenture. However, to the extent the relevant amendment or waiver is approved by the holders of a majority in an aggregate principal amount of the Notes then outstanding under the Indenture (subject to the limited exceptions), all holders of Notes under the Indenture will be bound by such amendment.

You may be unable to sell your Notes if a trading market for the Notes does not develop.

The Notes are new securities for which there is currently no established trading market. Accordingly, there can be no assurances as to the development or liquidity of any market for the Notes or of the prices at which you would be able to sell your Notes.

We have applied to have the Notes listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, upon their issuance. In addition, we have applied to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana, upon their issuance. However, the Notes may not remain listed on such exchanges or any other securities exchange. The Initial Purchasers have advised us that they intend

to make a market in the Notes. However, the Initial Purchasers are not obligated to do so and may discontinue any market making at any time at their sole discretion and without notice. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for similar yielding securities, interest rates and our financial performance or prospects or in the prospects for companies in our industry generally as well as political instability. As a result, an active trading market for the Notes may not develop or be maintained.

You may have difficulty enforcing your rights against the Issuer and its directors, managers and executive officers.

The Issuer is incorporated in Italy. Substantially all of the directors, managers and executive officers of the Issuer live outside the United States. Substantially all of the assets of the directors, managers and executive officers of the Issuer are located outside the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them or the Issuer based on civil liability provisions of the federal securities laws of the United States.

Italy currently does not have a treaty with the United States providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) rendered in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in Italy. In addition, our local counsel has informed us that it is questionable whether an Italian court would accept jurisdiction and impose civil liability if proceedings were commenced in Italy predicated solely upon U.S. federal securities laws. See “*Service of Process and Enforcement of Judgments.*”

You may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in Euro. If investors measure their investment returns by reference to a currency other than Euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the Euro relative to the currency by reference to which investors measure the return on their investments because of economic, political and other factors over which we have no control. Depreciation of the Euro against the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and are currently held through Euroclear and Clearstream. Interests in the Global Notes will trade in book-entry form only, and Notes in definitive registered form, or Definitive Registered Notes, will be issued in exchange for Book-Entry Interests only in very limited circumstances. Owners of Book-Entry Interests will not be considered owners or holders of Notes. In circumstances where Definitive Registered Notes are issued, the Issuer understands that the Notes will no longer be eligible for clearance by Euroclear and Clearstream in accordance with their respective customary procedures, and holders of Definitive Registered Notes will therefore be required to rely on the procedures described under “*Book-Entry, Delivery and Form—Definitive Registered Notes.*” The common depositary, or its nominee, for Euroclear and Clearstream is the sole registered holder of the Global Notes representing the Notes and will be entered as such in the register of holders of the Notes maintained by the Registrar and the Issuer at its registered office. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to Deutsche Bank AG, London Branch as Principal Paying Agent, which then will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants’ accounts that hold Book-Entry Interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of Book-Entry Interests. Accordingly, if you own a Book-Entry Interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all Book-Entry Interests, if you own a Book-Entry Interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See *"Book-Entry, Delivery and Form."*

Certain covenants may be suspended upon the occurrence of a change in our ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive a rating of "BBB-" or better from S&P and "Baa3" or better from Moody's or an equivalent rating from another rating agency and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time that the Notes receive a rating of below "BBB-" from S&P and below "Baa3" from Moody's or an equivalent rating from another rating agency, certain covenants will cease to be applicable to the Notes. See *"Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status."* If these covenants were to cease to be applicable, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign a credit rating to the Notes. The rating may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by a credit rating agency may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Our gross-up obligations under the terms of the Notes are subject to a number of exceptions. In particular, you generally will not be entitled to a gross-up for any Italian withholding taxes, unless the Italian withholding tax is caused by a failure of the Issuer to comply with certain procedures.

The Issuer is organized under the laws of Italy and is Italian resident for tax purposes and therefore payments of principal, issue discount and interest on the Notes and, in certain circumstances, any gain on the Notes, will be subject to Italian tax laws and regulations. All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, subject to a number of exceptions, the Issuer will pay such additional amounts as will result in the holders of the Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer is not liable to pay any additional amounts to holders of Notes under certain circumstances, including if any withholding or deduction is required pursuant to Italian Legislative Decree No. 239 of April 1, 1996 ("**Decree 239**") or pursuant to Legislative Decree No. 461 of November 21, 1997 ("**Decree 461**"), except, in the case of Decree 239, where the procedures required under Decree 239 in order to benefit from an exemption have not been complied with due to the actions or omissions of the Issuer or its agents. In such circumstances, investors subject to Italian withholding tax will only receive the net proceeds of their investment in the Notes. See *"Description of the Notes—Additional Amounts"* and *"Certain Tax Considerations—Certain Italian Tax Considerations."*

Although we believe that, under current law, Italian withholding or income substitute tax will not be imposed under Decree 239 or Decree 461 where a holder of Notes is resident for tax purposes in a country or territory which allows for a satisfactory exchange of information with the Italian tax authorities as contained (I) in the Ministerial Decree of the Minister of Economy and Finance of September 4, 1996, as amended or supplemented

from time to time and replaced, (the “**White List**”), or (II) once effective, in any other decree or regulation that will be issued in the future under the authority of Article 11(4)(c) of Decree 239 to provide the list of such countries and territories (the “**New White List**”), including any country or territory that will be deemed listed therein for the purpose of any interim rule and such holder complies with certain certification requirements, there is no assurance that this will be the case. Moreover, holders of Notes will bear the risk of any change in Decree 239 after the date hereof, including any change in the White List (or the New White List once effective). Holders of Notes resident in such countries or in a country allowing for the satisfactory exchange of information with Italy but that do not satisfy the conditions set forth by Decree 239 (as amended or supplemented), as well as certain categories of holders of the Notes who are resident in Italy, will only receive the net proceeds of their investment in the Notes. The regime provided by Decree 239 and in particular the exemption from *imposta sostitutiva*, which is in principle granted to holders of the Notes resident in countries that allow for satisfactory exchange of information with Italy, is also subject to certain procedural requirements being met. Should the procedural requirements not be met, Italian *imposta sostitutiva* may apply on the payments made on the Notes to foreign investors resident in countries that allow for satisfactory exchange of information with Italy. See “*Certain Tax Considerations—Certain Italian Tax Considerations.*”

Moreover, our gross-up obligations are subject to a number of additional exceptions. For example, we are not obligated to pay additional amounts with respect any transfer, excise, capital gains, excise, wealth, net worth and other similar taxes or for taxes withheld as a result of a failure to provide timely or accurate information or documentation as further described under “*Description of the Notes—Additional Amounts.*” If any taxes are withheld from any payment by or on behalf of the Issuer or the Guarantor and we are not obligated to gross-up, investors will receive less than the amount otherwise due under the Notes.

Italian withholding taxes or deduction of taxes may be payable on amounts paid by the Guarantor.

Under a certain interpretation, payments made by the Guarantor to non-resident entities without an Italian permanent establishment to which the Notes are effectively connected may be subject to Italian withholding taxes or deduction of taxes. The possible imposition of withholding taxes or deduction of taxes with respect to payments on the Notes and the resulting obligation to pay additional amounts to holders of the Notes could have a material adverse effect on our financial condition and results of operations.

No assurance can be given that the Notes will be listed or that, once listed, the listing will be maintained.

Although an application has been made for the Notes to be listed on Official List of the Luxembourg Stock Exchange and an additional application has been to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana upon the issuance of the Notes, the Issuer cannot assure you that the Notes will become or remain listed. If the Notes are listed on Official List of the Luxembourg Stock Exchange and the Issuer can no longer maintain such listing or if it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Luxembourg Stock Exchange, provided, however, that it will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on another “recognized stock exchange,” although there can be no assurance that the Issuer will be able to do so.

No assurance can be given that the procedural requirements to apply the Italian tax regime provided by Italian Legislative Decree No. 239 of April 1, 1996 will be met by the relevant foreign intermediaries.

The regime provided by Decree 239 and in particular the exemption from withholding tax in principle granted to holders of the Notes resident in white list countries applies if certain procedural requirements are met. It is not possible to assure that all non-Italian resident investors can claim the application of the withholding tax exemption where the relevant foreign intermediary fails to provide sufficient information to the relevant Italian tax authorities under the procedures set for applying the exemption regime. See “*Certain Tax Considerations—Certain Italian Tax Considerations.*”

Italian Tax changes may affect the tax treatment of the Notes.

The Italian legislator has recently demanded the Italian Government to enact one or more Legislative Decrees in order to review and systematize the Italian tax framework in accordance with the criteria and guidelines included in the delegation of powers provided for under Law 111/2023. The demanded Legislative Decrees shall be issued (save for certain exceptions) within 36 months from the date of the entry into force of Law 111/2023 (which is

August 29, 2023) and may be amended and/or supplemented within 36 months from that deadline (i.e. until August 29, 2026).

According to Law 111/2023, the Italian Tax Reform could significantly change the statements set out under section “*Certain Italian Tax Considerations*” below and, in particular, the taxation of financial income and capital gains, and could introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

The information provided in this Offering Memorandum may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial income and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realized under the Notes and could result in a lower return of their investment.

Prospective investors shall consult their own tax advisors regarding the tax consequences of the Italian Tax Reform and the overall tax consequences deriving therefrom.

Total remuneration under the Notes will be automatically reduced if it exceeds the anti-usury cap levels set under Italian law

Under Italian law, any obligation of an Italian company and/or any obligation secured or guaranteed by an Italian company, to pay any portion of remuneration applicable to the Notes (including interest, default interest, fees, charges, expenses and other costs and any other form of compensation related to the Notes) in excess of the thresholds permitted under Italian law no. 108 of March 7, 1996, as amended from time to time and related implementing rules and regulations (the “**Italian Usury Law**”) may not be enforceable. Although the applicability of the Italian Usury Law to securities such as the Notes (and, among others, related original issue discounts and make-whole payments that may be due under the applicable indenture) remains untested, the Indenture will provide that, if the remuneration applicable to the Notes (including interest, default interest, fees, original issue discounts, premium, charges, expenses and other costs and any other form of compensation related to the Notes (the “**Total Remuneration**”)) at any time exceeds the maximum remuneration permitted under the Italian Usury Law, then the Total Remuneration shall immediately and automatically be reduced to the maximum remuneration permissible under the Italian Usury Law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided. This will result in a change of the economic terms of the Notes which, in turn, may adversely impact the rights of the holders of the Notes and may have a material adverse effect on the market value of the Notes.

USE OF PROCEEDS

The aggregate principal amount of the Notes offered hereby is €765.0 million. The proceeds from the Offering will be used (i) to fund the full redemption of the May 2024 Floating Rate Notes and pay any accrued and unpaid interest thereon; (ii) for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions and (iii) to pay certain fees, costs and expenses incurred in connection with the Transactions. The following table illustrates the estimated sources and uses of the proceeds from the Offering.

Actual amounts will vary from estimated amounts depending on several factors, including the actual amount of any original issue discount, as well as differences in the actual amount of fees and expenses compared to our estimates. Any increase in the amount required to complete the Transactions compared to our estimates may be funded through other sources available to the Group, including drawings under the Revolving Credit Facility or other cash sources.

Sources of Funds		Uses of Funds	
(€ in millions)			
Notes offered hereby ⁽¹⁾	765	Redemption of May 2024 Floating Rate Notes ⁽²⁾	400
		General corporate purposes ⁽³⁾	355
		Estimated costs, fees and expenses ⁽⁴⁾	10
Total sources of funds	765	Total uses of funds	765

- (1) Represents the aggregate principal amount of the Notes offered hereby and does not reflect estimated costs, fees and expenses related to the Transactions or any original issue discounts.
- (2) Represents the redemption amount for the May 2024 Floating Rate Notes at the applicable redemption price equal to 100% of the aggregate principal amount thereof, which will be redeemed by using a portion of the proceeds of the Notes, on or after the Issue Date. The amount shown in the table above excludes accrued and unpaid interest from the last interest payment date of March 1, 2026, to (but excluding) the Issue Date as the assumed redemption date. We expect to pay such accrued and unpaid interest in connection with the redemption of the May 2024 Floating Rate Notes on or about the Issue Date. See also “*Capitalization*.”
- (3) Represents the estimated amount of net proceeds of the Notes in excess of the amount used to fund the other uses described, which will be funded as cash to the Issuer’s balance sheet and will be available for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions.
- (4) Represents the estimated costs, fees and expenses incurred in connection with the Transactions, including underwriting fees and commissions, financial advisory costs, legal costs and other transaction costs and professional fees and expenses. These costs, fees and expenses have been estimated as of the date of this Offering Memorandum and the actual amount of incurred costs, fees and expenses may vary.

CAPITALIZATION

The following table sets forth, as of December 31, 2025, the cash and cash equivalents, and consolidated capitalization (consisting of (i) the principal amount of the Existing Notes; (ii) the payables related to IFRS 16; (iii) liabilities relating to share buybacks and (iv) shareholders' equity) for the Group, presented on an actual basis and on an as adjusted basis to give effect to the Transactions, including the Offering and the application of the proceeds therefrom (as described under "*Use of Proceeds*") as if such events had occurred on December 31, 2025.

The historical consolidated financial information has been derived from our Consolidated Financial Statements included elsewhere in this Offering Memorandum. We have prepared the information presented in the "As Adjusted" column for illustrative purposes only. Such information addresses a hypothetical situation and, therefore, does not represent our actual financial position or results. Consequently, such information may not be indicative of our current total capitalization, or any other prior date. Investors are cautioned not to place undue reliance on this hypothetical information.

This table should be read in conjunction with "*Presentation of Financial and Other Information*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Financing and Guarantee Arrangements*" and "*Description of the Notes*," and the consolidated financial information and related notes included elsewhere in this Offering Memorandum.

	As of December 31, 2025	
	Actual	As Adjusted
	<i>(in € million)</i>	
Cash and cash equivalents ⁽¹⁾	143.9	498.9
May 2024 Fixed Rate Notes ⁽²⁾	500.0	500.0
May 2024 Floating Rate Notes ⁽³⁾	400.0	—
May 2025 Notes ⁽⁴⁾	1,100.0	1,100.0
Notes offered hereby ⁽⁵⁾	—	765.0
Revolving Credit Facility ⁽⁶⁾	—	—
IFRS 16 lease liabilities ⁽⁷⁾	75.7	75.7
Shares buyback liabilities ⁽⁸⁾	173.4	173.4
Total financial debt	2,249.1	2,614.1
Total shareholders' equity⁽⁹⁾	377.5	377.5
Total capitalization⁽¹⁰⁾	2,626.6	2,991.6

- (1) The actual column represents the Group's cash and cash equivalents as of December 31, 2025. As adjusted cash and cash equivalents reflects our cash and cash equivalents as of December 31, 2025 as adjusted to give effect to the Transactions, as described under "*Use of Proceeds*," including €355.0 million of cash from the proceeds of the Offering expected to be funded on the Issuer's balance sheet and be available for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions. The actual amount of cash and cash equivalents as of the Issue Date may vary from the amount presented herein due to a number of factors. As adjusted cash and cash equivalents has been prepared for illustrative purposes only and does not represent what our actual cash position would have been had the Transactions occurred on December 31, 2025, nor does it purport to project our cash position at any future date.
- (2) Represents the aggregate principal amount under the May 2024 Fixed Rate Notes, but does not include any accrued and unpaid interest.
- (3) Represents the aggregate principal amount under the May 2024 Floating Rate Notes, but does not include any accrued and unpaid interest.
- (4) Represents the aggregate principal amount under the May 2025 Notes, but does not include any accrued and unpaid interest.
- (5) Represents the aggregate principal amount of the Notes offered hereby. The proceeds from the Offering will be used as described under "*Use of Proceeds*."
- (6) Represents the Issuer's Revolving Credit Facility. The Revolving Credit Facility Agreement provides for revolving borrowings up to an aggregate principal amount of €447.25 million on a committed basis (including the Incremental Facility and excluding the Incremental Guarantee Facility). See "*Description of Certain Financing Arrangements and Guarantee Arrangements—Revolving Credit Facility Agreement*." As of December 31, 2025, no drawings were outstanding under the Revolving Credit Facility and the Revolving Credit Facility is expected to remain undrawn on the Issue Date. However, in the event that freely available cash on the balance sheet on or about the Issue Date is lower than our estimate or insufficient to support our working capital requirements due to, among other things, a negative movement in working capital, we may consider drawing down amounts under the Revolving Credit Facility to support our liquidity needs.

- (7) Represents lease liabilities recorded on an IFRS 16 basis.
- (8) Represents liabilities outstanding for the share buyback as of December 31, 2025.
- (9) On a historical basis, represents total shareholders' equity as reported in the Consolidated Financial Statements. On an "As Adjusted" basis, it does not reflect the equity impact of costs, fees and expenses to be paid in connection with the Transactions.
- (10) Represents the sum of total financial debt and total shareholders' equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Group's results of operations and financial condition as of and for the years ended December 31, 2023, 2024 and 2025, as derived from the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

You should read this discussion in conjunction with the sections entitled "Presentation of Financial and Other Information" and "Summary Historical Consolidated Financial Information and Other Data" of this Offering Memorandum. The following discussion of the Group's results of operations is based on financial information extracted without adjustment from the Financial Statements and/or the calculations of the Group's management based on the general and operating results and includes forward-looking statements based on assumptions about our future business and industry. Our future results could differ materially from those contained in these forward-looking statements as a result of many factors, including but not limited to those described in the "Risk Factors" and "Forward-Looking Statements" sections of this Offering Memorandum.

The historical financial information presented in this section does not reflect changes as a result of the Transactions unless otherwise stated. This section also includes certain key performance indicators and Non-IFRS Financial Measures. For a detailed discussion of the presentation of financial information, see "Presentation of Financial and Other Information."

Unless otherwise indicated or the context otherwise requires, references to the "Group," "we," "us" and "our" are to the Group including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which, for accounting purposes, is consolidated from April 30, 2024).

Overview

The Group is the Italian national gaming champion based on revenues, with leading positions in its market segments of operations.

The Group operates exclusively in the regulated Italian market, which is the largest gaming market in Europe. The Italian gaming market has the following key characteristics: (i) consistent growth through macroeconomic cycles, the COVID-19 pandemic and regulatory changes, (ii) attractive growth prospects across all segments, (iii) a regulated market across segments and products, with a constructive regulatory framework and (iv) significant barriers to entry.

Since 2015, under the leadership of its current CEO Guglielmo Angelozzi and its management team, the Group has delivered a track-record of steady growth through a combination of organic and inorganic growth, transforming the business from a retail-only operator to the leading national omnichannel operator with Segment Revenues of €2,255.3 million and Adjusted EBITDA of €856.2 million, in each case, for the year ended December 31, 2025, and a well-diversified business mix.

The Group's operating segments are:

- Online, including iSports (including sports, virtual and horse-race betting in the online channel), iGaming (including online casino) and other online products (e.g., bingo, poker, skill games, betting exchange, etc.);
- Sports Franchise; and
- Gaming Franchise.

Online: The Group offers a wide range of online games such as sport betting, virtual betting, casino games, bingo, poker, lotteries, betting exchange and skill games through the GoldBet.it, Lottomatica.it, Planetwin365.it, Totosi.it and Betflag.it websites. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in total Online (including iSports, iGaming and other online and lotteries) with a 31.3% market share (calculated including 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake) based

on GGR, showing a consistent growth compared to the year ended December 31, 2024, where the Group had a market share of 30.1% for the Online offering (after giving effect to the PWO Acquisition as if it occurred on January 1, 2024 and including 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake). The Group's competitors that ranked second and third, had, respectively for those same periods, online market shares of 30.3% and 8.3% for the year ended December 31, 2025. (Source: Management's calculations based on ADM data).

The Group's Online segment generated Segment Revenues of €954.5 million, Adjusted EBITDA of €529.0 million and Adjusted EBITDA Margin of 55.4% for the year ended December 31, 2025.

Sports Franchise: The Group is active in the sports retail segment which consists in the collection of sports betting, virtual betting and horserace betting through a franchise network of 3,790 POS (2,644 shops and 1,146 corners) as of December 31, 2025. Through the GoldBet, Intralot, Planetwin365, Better and Macao brands, the Group offers a wide range of retail offerings. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in Sports Retail (including sports, virtual and horses), with a market share of 42.0%, based on GGR (while its competitors that ranked second and third had market shares in Italy of 33.6% and 15.0%, respectively, based on GGR for the same period) (Source: Management's calculations as of December 31, 2025 based on ADM market data). The Group's Sports Franchise segment generated Segment Revenues of €527.2 million, Adjusted EBITDA of €141.8 million and Adjusted EBITDA Margin of 26.9% for the year ended December 31, 2025.

Gaming Franchise: The Group's Gaming Franchise business comprises the management and the provision of concessionary services (e.g., telematic interconnection of the machines). The Group's Gaming Franchise is comprised of three product divisions: VLT, AWP and Retail & Street Operations, which refers to the management of owned gaming halls and AWP. As of December 31, 2025, the Group's Gaming Franchise business included 18,284 operative VLTs and 64,107 operative AWP. The gaming machines are managed under various types of business models depending on the level of integration in the value chain. These business models range from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls. As of December 31, 2025, there were 123 gaming halls under direct management of the Group, which leveraged the Group's proprietary distribution formats and brands. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in the Gaming Retail segment (including both AWP and VLTs) with a market share of 30.4% based on GGR (while its competitors that ranked second and third, had market shares in Italy of 23.7% and 16.9%, respectively, based on GGR for the same period) (Source: Prisma (MAG) estimates based on ADM data for the year ended December 31, 2025). The Group's Gaming Franchise segment generated Segment Revenues of €773.6 million, Adjusted EBITDA of €185.4 million and Adjusted EBITDA Margin of 24.0% for the year ended December 31, 2025.

The following tables illustrate the Group's Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin for the years ended December 31, 2025, 2024 and 2023.

Year ended December 31, 2025

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	29,818.2	3,907.3	10,944.6	44,670.1
GGR ⁽¹⁾	1,687.7	673.4	2,374.4	4,735.5
Segment Revenues ⁽¹⁾	954.5	527.2	773.6	2,255.3
Adjusted EBITDA ⁽¹⁾	529.0	141.8	185.4	856.2
Adjusted EBITDA Margin ⁽¹⁾	55.4%	26.9%	24.0%	38.0%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see "Presentation of Financial and Other Information."

Year ended December 31, 2024

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	24,492.7	3,578.3	11,089.8	39,160.8
GGR ⁽¹⁾	1,355.0	581.3	2,456.6	4,392.9
Segment Revenues ⁽¹⁾	780.2	460.8	763.7	2,004.7
Adjusted EBITDA ⁽¹⁾	418.6	108.6	179.7	706.9
Adjusted EBITDA Margin ⁽¹⁾	53.6%	23.6%	23.5%	35.3%

(1) For a definition of Best, GGR, Segment Revenues Adjusted EBITDA and Adjusted EBITDA Margin, see “Presentation of Financial and Other Information.”

Year ended December 31, 2023

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	16,203.6	2,824.5	11,103.4	30,131.5
GGR ⁽¹⁾	869.6	465.7	2,529.0	3,864.3
Segment Revenues ⁽¹⁾	520.8	368.2	743.5	1,632.5
Adjusted EBITDA ⁽¹⁾	300.6	97.2	182.5	580.3
Adjusted EBITDA Margin ⁽¹⁾	57.7%	26.4%	24.5%	35.6%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see “Presentation of Financial and Other Information.”

The growth in the Group’s business from 2023 to 2025 has been driven by a combination of the acquisitions completed during these periods, including the realization of the related synergies, as well as organic growth.

Comparability of Financial Information

On the PWO Acquisition Closing Date, GBO completed the acquisition of 100% of the share capital of SKS365. As of the PWO Acquisition Closing Date, SKS365 was the parent company of the operating company PWO (formerly, SKS365 Malta Limited, a limited liability company incorporated under the Laws of Malta). Following the PWO Acquisition Closing Date, PWO (formerly, SKS Malta Limited) was renamed to PWO Limited and, as a result of the PWO Conversion, converted to PWO S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy on the PWO Conversion Date. See “The Group’s Business—Inorganic Growth—2024 Mergers and Acquisitions—Acquisition of SKS365 Malta Holding Limited.” The PWO Group was consolidated into the Group from April 30, 2024. Therefore, unless the context indicates otherwise, any historical consolidated financial information as of and for the year ended December 31, 2024, which is presented in this Offering Memorandum, includes the historical financial information of the PWO Group from April 30, 2024.

Key Factors Affecting the Group’s Performance

The following reflects a description of the principal factors that have affected the Group’s performance for the years ended December 31, 2025, 2024 and 2023.

IPO and Admission to Listing of Lottomatica

On May 3, 2023, the Issuer successfully completed the IPO and received total gross proceeds of €425 million from the issuance of new shares through a €425 million capital increase.

The €425 million proceeds from the capital increase, together with available cash on balance sheet, were used, as follows:

- full repayment of the principal amount of the €250 million Bondco Loan plus accrued and unpaid interest of €30.3 million and prepayment penalty due to the early extinguishment for an amount equal to €16.5 million;

- early repayment of a portion of the Original 2025 Floating Rate Notes for an amount of €100 million, plus accrued and unpaid interest for an amount of €1.7 million;
- payment of the transaction costs in relation to the €425 million capital increase including underwriting fees of €11.5 million and other advisor costs of €16.0 million;
- payment of the commitment fees in relation to the bridge facility signed on April 12, 2023 of €13.8 million and the arrangement fees related to the Original Revolving Credit Facility of €4.0 million;
- payment of the cash consideration of €4.3 million in relation to the Faro Games S.r.l. transaction.

It should be noted that the residual amount equal to €4.5 million of arrangement fees related to the previous revolving credit facility (hereinafter “**Former RCF**”) was recognized in the income statement, following the subscription of the Original Revolving Credit Facility on May 3, 2023.

Finally, it is recalled that the transaction costs related to the €425 million capital increase, totaling €27.5 million, were charged on shareholders’ equity, net of the related tax effect amounting to €6.6 million, in compliance with IAS 32.

The 2023 Refinancing

On June 1, 2023, Lottomatica issued the June 2023 Notes. Proceeds from issuance of the June 2023 Notes were used to fund the early redemption of the Additional 2025 Notes and the Original 2025 Notes, in addition to accrued and unpaid interest; and the applicable make-whole premium payments due to the early nature of the redemption (the “**2023 Refinancing**”).

With reference to the 2023 Refinancing, the Group incurred debt issuance monetary costs of €31.6 million, mainly relating to:

- professional fees amounting to €24.1 million;
- the issue discount of €5.5 million (in connection with the of the June 2023 Floating Rate Notes);
- the make-whole premium related to the repayment of the 2025 Notes, amounting to €12.7 million;
- the income due to the closing of the hedging derivative following the early repayment of the Original 2025 Floating Rate Notes, amounting to €6.7 million with reference to the early redemption of the portion of €100 million on the listing date and amounting to €13.1 million with reference to the early redemption of the remaining portion of €200 million as a result of the 2023 Refinancing;
- negative carry arising from the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the Original 2025 Notes and the Additional 2025 Notes for the period from June 1, 2023 to the repayment date (July 17, 2023) amounting to €2.5 million.

The 2023 Refinancing also resulted in non-monetary debt issuance costs, due to the acceleration of the residual €10.8 million amortized cost on the ancillary charges related to the Original 2025 Notes and Additional 2025 Notes. Such cost has been fully expensed in the quarter ended June 30, 2023 following the related early repayment.

PWO Acquisition

On April 24, 2024 GBO completed the PWO Acquisition. The PWO Acquisition was financed through a combination of available cash and the additional debt, for which the Group had initially obtained a commitment of €500 million under a bridge debt facility (hereinafter the “**Bridge Facility SKS365**”), subsequently discharged upon the issuance of the December 2023 Floating Rate Notes.

The proceeds of the December 2023 Floating Rate Notes, net of issue discount, were transferred into an escrow account and on completion of the escrow release conditions were used, together with available cash, to (i) finance the PWO Acquisition and (ii) pay certain fees and expenses related to the PWO Acquisition.

With reference to the PWO Acquisition, the net ancillary monetary costs incurred in connection with the related acquisition and its financing in 2023, are equal to €30.1 million, and mainly related to:

- professional fees related to the PWO Acquisition amounting to €8.3 million;
- professional fees related to the December 2023 Floating Rate Notes amounting to €11.4 million;
- the issue discount of €2.5 million;
- commitment fees related to the Bridge Facility SKS365 of €7.0 million and the arrangement fees related to the additional revolving credit facility for €0.1 million;
- negative carry resulting from the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the December 2023 Floating Rate Notes for the period from December 14, 2023 to December 31, 2023 amounting to €1.1 million; and
- IRS net income of €0.3 million for the period from December 14, 2023 to December 31, 2023.

The 2024 Refinancing

On May 29, 2024, Lottomatica (formerly, Lottomatica S.p.A.) issued the May 2024 Notes.

Proceeds from the May 2024 Notes were used, together with cash on hand, to (i) fund the full redemption of the 2027 Notes including accrued and unpaid interest and €26.4 million of applicable make-whole premium thereon, (ii) fund the full redemption of the June 2023 Floating Rate Notes, including accrued and unpaid interest thereon (the June 2023 Floating Rate Notes together with the 2027 Notes, the “**2024 Notes Repaid**”) and (iii) pay certain fees, costs and expenses incurred in connection therewith and with the issuance of the May 2024 Notes (the “**2024 Refinancing**”).

Monetary costs related to the 2024 Refinancing amounted to €37.3 million, and mainly related to:

- professional fees related to the May 2024 Notes amounting to €10.9 million;
- make-whole premium amounting to €26.4 million related to the 2024 Notes Repaid.

It should be noted that the 2024 Refinancing also resulted in non-monetary costs mainly due to the acceleration of the amortized cost on the ancillary charges related to the 2024 Notes Repaid amounting to €21.7 million, which were fully recognized during 2024 following the related early repayment.

PWO Acquisition

On the PWO Acquisition Closing Date, GBO completed the acquisition of 100% of the share capital of SKS365. See “—*Comparability of Financial Information.*” The net monetary costs incurred in connection with the related acquisition and its financing in 2024 amounted to €6.9 million, and mainly related to:

- professional fees related to the acquisition amounting to €1.8 million;
- negative carry amounting to €4.2 million relating to the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the December 2023 Floating Rate Notes for the period from January 1, 2024 to the acquisition date of SKS365 (including the related interest rate swap net income);
- the arrangement fees related to the additional revolving credit facility of €0.9 million.

The 2025 Refinancing

On May 13, 2025, Lottomatica issued the May 2025 Notes. Proceeds from the May 2025 Notes were used to (i) fund the full redemption of the June 2023 Fixed Rate Notes, including accrued and unpaid interest and €21.0 million of applicable make-whole premium thereon, (ii) fund the full redemption of the December 2023 Floating Rate Notes, including accrued and unpaid interest thereon (the June 2023 Fixed Rate Notes together with the

December 2023 Floating Rate Notes, the “**2025 Notes Repaid**”) and (iii) pay certain fees, costs and expenses incurred in connection therewith and with the issuance of the May 2025 Notes (the “**2025 Refinancing**”).

Monetary costs related to the 2025 Refinancing amounted to €39.0 million, and mainly related to:

- professional fees related to the issuance of the May 2025 Notes, amounting to €13.4 million;
- make-whole premium amounting to €21.0 million and related to the June 2023 Fixed Rate Notes;
- financial charges arising from the closing of hedging derivatives following the early redemption of the December 2023 Floating Rate Notes, amounting to €4.0 million.

The 2025 Refinancing also resulted in non-monetary costs, amounting to €22.3 million, mainly related to the acceleration of the residual unamortized costs on the 2025 Notes Repaid, which were fully recognized during 2025 following the related early repayment.

Furthermore, on April 2, 2025, the Group executed an amendment and restatement agreement (as further amended on April 23, 2025), relating to the Revolving Credit Facility Agreement, pursuant to which the lenders under the Revolving Credit Facility Agreement agreed to extend its termination date to the date falling three months prior to the stated maturity date of the May 2025 Notes at their first issuance, with a springing maturity (if earlier) to the date falling three months prior to the stated maturity date of any May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes as at the date of the Revolving Credit Facility Amendment if the applicable May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes have not been refinanced in full by such date, along with certain amendments to the calculation methodology and cure rights relating to, and consequences of a breach of, the financial covenant, the lowering of the interest rate margin applicable to the Revolving Credit Facility and certain other amendments including increasing the total Revolving Credit Facility commitments by an aggregate principal amount of €47.25 million to €447.25 million (excluding the Incremental Guarantee Facility). The Revolving Credit Facility Amendment took effect on May 13, 2025.

The following table shows a summary of non-recurring costs recorded for the year ended December 31, 2025, 2024 and 2023 as a result of the IPO, 2023 Refinancing, 2024 Refinancing, PWO Acquisition and 2025 Refinancing and the relevant accounting treatment:

<i>(in € million)</i>	Amount^(*)	<i>Of which incurred as of December 31, 2025</i>	<i>Of which incurred as of December 31, 2024</i>	<i>Of which incurred as of December 31, 2023</i>	Finance expenses	Costs not included in the Adjusted EBITDA	Shareholder's Equity	Financial liabilities at amortized cost
IPO costs								
Underwriting fees and consultants / advisors	(27.5)	—	—	(27.5)			✓	
Prepayment penalty on Bondco Loan	(16.5)	—	—	(16.5)	✓			
Bridge Facility	(13.8)	—	—	(13.8)	✓			
Revolving Credit Facility	(4.0)	—	—	(0.7)	✓			
Total (A)	(61.8)				(34.3)	—	(27.5)	—
2023 Refinancing costs								
Underwriting fees and consultants / advisors	(24.1)	—	—	(24.1)				✓
Issue discount	(5.5)	—	—	(5.5)				✓
Make-whole premium on notes repaid net of IRS income ^(**)	7.2	—	—	7.2	✓			
Acceleration of the amortized cost on notes repaid	(10.8)	—	—	(10.8)	✓			
Negative carry as of July 17, 2023	(2.5)	—	—	(2.5)	✓			
Total (B)	(35.7)				(6.1)	—	—	(29.6)
Former RCF (C)	(4.5)	—	—	(4.5)	✓			
Total (C)	(4.5)				(4.5)			
PWO Acquisition costs								
Transaction costs related to PWO Acquisition	(10.1)	—	(1.8)	(8.3)		✓		
Underwriting fees consultants / advisors	(11.4)	—	—	(11.4)				✓
Issue discount	(2.5)	—	—	(2.5)				✓
Bridge Facility for PWO Acquisition	(7.0)	—	—	(7.0)	✓			
Arrangement fees on Incremental Facility (over five years)	(1.0)	—	(0.1)	—	✓			
Negative carry	(5.3)	—	(4.2)	(1.1)	✓			
Net income from IRS	0.3	—	—	0.3	✓			
Total (D)	(37.0)				(13.0)	(10.1)	—	(13.9)
2024 Refinancing								
Underwriting fees and consultants / advisors	(10.9)	—	(10.9)	—				✓
Make-whole premium on 2024 Notes Repaid	(26.4)	—	(26.4)	—	✓			
Effect of acceleration of the unamortized costs and net charge IRS on 2024 Notes Repaid	(21.7)	—	(21.7)	—	✓			
Total (E)	(59.0)				(48.1)	—	—	(10.9)
2025 Refinancing								
Underwriting fees and consultants / advisors	(13.4)	(13.4)	—	—				✓
Make-whole premium on June 2023 Fixed Rate Notes	(21.0)	(21.0)	—	—	✓			
Effect of acceleration of the unamortized costs and net charge IRS on 2025 Notes Repaid	(26.3)	(26.3)	—	—	✓			
Arrangement fees on Revolving Credit Facility Amendment (over five years)	(0.6)	(0.1)	—	—	✓			
Total (F)	(61.3)				(47.9)	—	—	(13.4)
Total (A+B+C+D+E+F)	(259.3)				(153.9)	(10.1)	(27.5)	(67.8)

(*) Gross of related tax effect

(**) The income due to the closing of the hedging derivative following the early repayment of the floating-rate portion of the Original 2025 Notes, amounting to €6.7 million with reference to the early redemption of the portion of €100 million on the listing date and amounting to €13.1 million with reference to the early redemption of the remaining portion of €200 million as a result of the 2023 Refinancing, net of the make-whole premium amounting to €12.7 million

Macroeconomic and Political Trends

2025 vs 2024

There was marginal economic growth in the euro area during the third and fourth quarters of 2025, primarily fueled by ongoing increases in activity within the services sector.

The Governing Council of the European Central Bank kept key interest rates unchanged in October and December 2025. Lending demand remained relatively weak, demonstrated by additional lending to non-financial firms.

Economic activity in Italy increased slightly in the third quarter of 2025, driven by a sharp rise in exports and the continued effects of the National Recovery and Resilience Plan. Household consumption grew modestly, reflecting still unfavorable expectations for the international economic outlook. The fourth quarter of 2025 saw an additional increase in economic activity, primarily driven by the service sector, and supplemented by a slight recovery to the industry sector (*Source: Bank of Italy - Economic Bulletin No. 1 – 2026*).

The annual inflation rate in Italy on December 31, 2025 increased, reaching 1.2% on an annual basis (*Source: Istat – Press release – Consumer price – December 2025*), returning to the level observed in October 2025. In the fourth quarter of 2025, inflation remained at a relatively low level compared to other countries within the eurozone, owing to a more moderate increase in service prices and a decline in energy prices.

The unemployment rate as of December 31, 2025 was lower than that of the same date in 2024 (*Source: Istat Employment and Unemployment – December 2025*).

See also “*Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group’s business may be negatively affected by deteriorating global economic conditions.*”

2024 vs 2023

Economic growth in the euro area weakened in the fourth quarter of 2024, penalized by lackluster consumption and investment and by declining exports. Inflation is still moderate, at around 2%, with the core component being broadly stable, but it is still relatively high in services, partly reflecting delayed adjustments to past inflation.

The Governing Council of the European Central Bank cut its reference rates by a further 25 basis points in December 2024. Despite the gradual easing of monetary policy, credit growth in the euro area remains subdued, in an environment of high uncertainty and weak demand.

Economic activity in Italy remained weak in the fourth quarter of 2024, partly affected, as in the rest of the euro area, by the persistent sluggishness in manufacturing and the slowdown in services. In construction, the support provided by the works under the National Recovery and Resilience Plan was in contrast with the contraction in activity in the housing sector. Domestic demand was held back by the slowdown in household spending and by still unfavorable investment conditions (*Source: Bank of Italy - Economic Bulletin No. 1 – 2025*).

The annual inflation rate in Italy on December 31, 2024 increased, reaching 1.3% on annual basis (*Source: Istat – Press release – Consumer price – December 2024*), showing the slow down due to the marked decline of prices of energy products and the trend in food prices, which remains well above inflation.

The unemployment rate as of December 31, 2024 was lower than that of the same date in 2023. Headcount employment continues to increase, the number of hours per worker is falling and recourse to wage supplementation remains high, especially in manufacturing. Growth in contractual wages in the private sector remains robust, helping the gradual recovery in households' purchasing power (*Source: Istat Employment and Unemployment – December 2024*).

Changes in Gaming Regulation, Gaming Taxes and Payout

The activities of companies operating in the gaming and betting markets in Italy are regulated by means of concessions granted by the ADM on the basis of tenders. The ADM has overall responsibility for the regulation of public gaming in Italy, for ensuring that concessionaires and operators comply with requirements, granting, monitoring and renewing gaming concessions, setting minimum Payout levels on individual games and for taking targeted action against any irregularities. The ADM also performs a control function in relation to the assessment of the sector-specific flat-rate tax for gaming franchise (the “PREU”). The activities of the ADM and how the ADM regulations impact the Group’s results of operations are further discussed below.

Gaming Taxes applicable to AWP’s and VLTs

The PREU paid to the ADM is calculated by applying the required percentage rate to the total amount of Bets placed. Over time PREU tax rates have been subject to numerous regulatory interventions.

Pursuant to the Italian Budget Law of 2020, the PREU flat-tax rates on AWP and VLTs from January 1, 2021, at 24.00% and 8.60%, respectively. Such values were not revised thereafter and are applicable to the Bets for the year ended December 31, 2023, 2024 and 2025.

Payout levels, expressed as a percentage of Bets, for the AWP and VLT gaming product lines during the periods 2021 to December 2024 was 65.0% for AWP and 83.0% for VLT, while the Payout recognized by the Group was 65.2% for AWP and 84.4% for VLT for the years ended December 31, 2023, 2024 and 2025.

Gaming Franchise, Sports Franchise and Online Regulation

With regard to the Sports Franchise and Online segments, effective from January 1, 2025, the Italian betting duties (“Imposta Unica”) apply at differentiated rates depending on the type of betting activity and distribution channel, generally calculated on GGR. In particular, fixed-odds horse racing Bets are subject to a tax rate of 20.5% when collected through the physical network and 24.5% when collected remotely, calculated on GGR, without prejudice to the distribution of the periodic withdrawal pursuant to Law No. 205 of 2017. Similarly, online skill games (including online card games and bingo) are subject to a 25.5% tax on GGR. Fixed-odds sports betting is taxed at 20.5% if placed through the physical network and 24.5% if placed remotely, while fixed-odds bets on simulated events are subject to a 24.5% rate, in each case applied to GGR.

Furthermore, the Sports Franchise concessions expired on June 30, 2016. Since then, the concessions have been extended by means of annual renewals. Since 2018, such extension of the rights has been onerous as it has, as with the other betting concessions described above, involved the payment of an annual fee. Specifically, the annual extension consisted of a payment of €6,000 for each right relating to a betting shop and €3,500 for each right relating to a betting corner. Such provision was then extended in 2019 under the same conditions. With regard to 2020, the related amounts due were determined to be €7,500 for each betting shop and €4,500 for each betting corner. ADM Note No. 197901 of June 16, 2021, informed all parties that the concessions and regulations for the collection of retail network Bets are to be considered extended until October 31, 2021, in application/interpretation of the provisions of Article 103 of Legislative Decree No. 18/2020.

All concessions for Gaming Franchise, Sports Franchise and Bingo shall operate under a prorogation regime, with validity until December 31, 2026, as a result of the most recent prorogation provided by Italian Budget Law of 2025. The total cash outflow for the prorogation of such concessions for the 2025–2026 two-year period was approximately €155 million, structured in multiple instalments due in 2025 and 2026, with €77.7 million paid in 2025.

With reference to Online concessions, ADM launched a tender in December 2024 pursuant to Legislative Decree No. 36 of March 31, 2023 and Legislative Decree No. 41 of March 25, 2024, for the award of nine-year concessions relating to the operation and remote management of online gaming activities. On 26 May 2025, four Group companies submitted applications for a total of five concessions (GBO Italy S.p.A. no. 2, Betflag S.p.A. no. 1, PWO S.p.A. no. 1, Totosì S.r.l. no. 1). In a decision dated September 17, 2025, ADM awarded all five concessions, and the relevant concession agreements became effective on November 13, 2025. Until that date, the existing concessions had continued under a technical extension regime. Each awarded concessionaire was required to pay a one-off fee of €7 million per concession (comprising €4 million upon award and €3 million upon commencement of the related activities), resulting in a total payment by the Group of €35 million, which was fully settled in 2025.

Additional 0.5% of Bets – Rilancio Law Decree

Law Decree No. 34 of May 19, 2020 (the “**Rilancio Law Decree**”) introduced a number of measures for the recovery of the Italian economy following the COVID-19 emergency, also with the goal of raising funds to support the Italian sport sector. The Rilancio Law Decree introduced a tax on sports Bets to be collected from the physical and remote distribution networks for both real and virtual sporting events. This tax was equal to 0.5% (the “**0.5 Tax**”) of the amounts collected, and it was determined on a four-month basis net of the portion relating to the tax withdrawal (*imposta unica*). According to the Rilancio Law Decree, only a portion of the amounts collected through the 0.5 Tax was devoted to the goal of raising funds to support the Italian sport sector (in particular, up to €40 million for the year 2020 and up to €50 million for the year 2021). Starting from May 19, 2020 until December 31, 2021, the Italian governmental authorities applied the 0.5 Tax. In addition, the ADM Decree No. 307276 dated September 8, 2020, as integrated by ADM Decree No. 77845 dated March 12, 2021 and ADM Decree No. 5721 dated January 8, 2022 (the “**ADM 5721/2022 Decree**”), detailed (i) the method to calculate the 0.5 Tax and (ii) the deadlines in relation to the quarterly payments of the 0.5 Tax. In particular, according to

Article 6 of the ADM 5721/2022 Decree, once the yearly thresholds of €40 million for year 2020 and €50 million for year 2021 were reached, the concessionaires did not owe any additional amounts pursuant to the 0.5 Tax. On January 5, 2023 ADM annulled its own 5721/2022 Decree, as well as any payment orders calculated in application of the criteria set out in the ADM 307276/2020 Decree previously sent to the concessionaires, and established (i) a new method to calculate the 0.5 Tax and (ii) new deadlines in relation to the relative payments on a four month basis, through its Decree No. 10337 (the “**ADM 10337/2023 Decree**”). In particular, such ADM 10337/2023 Decree removed the limitation set forth in Article 6 of the ADM 5721/2022 Decree, also in light of the guidance provided by the Italian Court of Auditors (*Corte dei Conti*) and by the General Accounting Office (*Ragioneria Generale dello Stato*). On the basis of the new criteria set out in the ADM 10337/2023 Decree, the ADM shall communicate each concessionaire the potential additional amounts due for the 0.5 Tax. With regard to GBO, such additional amounts were determined by the ADM in February 2023 to equal approximately €9.5 million. As of the date of the Offering Memorandum, the Group is not in the position to determine the amounts potentially due by the entire Group in relation to the ADM 10337/2023 Decree (which in any case is not expected to be higher than €9.5 million).

Starting from July 2020, GBO and Betflag, along with other concessionaires, claimed before the Lazio Region Administrative Court (“**TAR Lazio**”) the annulment of both provisions of the Rilancio Law Decree, which introduced the 0.5 Tax and ADM Decree No. 307276. The Group has, however, paid all the amounts due in relation to such 0.5 Tax, as calculated on the basis of the criteria set out in the ADM 307276/2020 Decree. In March 2023, GBO, PWO and Betflag, deeming the above-mentioned ADM 10337/2023 Decree detrimental to their interests, requested the TAR Lazio to annul the decree and any implementing acts, based on various legal grounds. On August 2, 2023, the TAR Lazio rejected GBO and Betflag’s claims. On August 3, 2023, GBO appealed the first-instance decision before the Council of State. As to Betflag, it appealed the first-instance decision on October 4, 2023. Finally, the TAR Lazio rejected PWO claims on August 3, 2023. Subsequently, PWO has timely paid the required amounts while appealing this decision before the Council of State. On January 26, 2024, March 1, 2024 and May 31 2024, in connection with the appeals proceedings of GBO Italy, PWO and Betflag, respectively, the Council of State annulled the TAR Lazio’s first-instance decisions as well as the ADM 10337/2023 Decree and the relevant implementing decrees. As of the date of this Offering Memorandum, the above-mentioned Council of State’s decisions have become final and GBO Italy paid the ADM additional amounts as a result of a recalculation of the amounts due carried out following such rulings, while Betflag and PWO received a refund for the excess amounts already paid. Therefore, this dispute can be considered closed.

Business Combinations

The Group has traditionally grown its business and broadened its product offering through both organic growth and acquisitions made in the context of a vertical integration strategy, as well as horizontal consolidation. The Group completed the PWO Acquisition in April 2024 and the Group’s objective is to continue to grow its business activities and concentrate on the development of new products and services through acquisitions as well as through its distribution insourcing strategy (i.e., the consolidation of the distribution network within the Group, also through acquisitions, as described below).

The most significant acquisition for the Group since 2023 has been the PWO Acquisition. In 2024, the PWO Acquisition contributed Revenues of €212.6 million and net loss attributable to the Group of €1.6 million.

As a result of the business combinations contemplated by the Group and the related purchase price allocation process, a portion of the excess consideration over the net assets acquired were allocated mainly to intangible assets, such as trademarks, customer relationships, and concessions. Consequently, for the years ended December 31, 2025, December 31, 2024, and December 31, 2023, the income statement includes amortization of intangible assets (which were recognized as a result of the purchase price allocation) equal to €70,303 thousand, €73,079 thousand and €71,241 thousand, respectively.

Vertical Integration

The Group has continued to implement its strategy of vertical integration, including by directly managing its own gaming halls and AWP, supported by recent acquisitions. These acquisitions include Ricreativo, Iris S.r.l and Bingo Service S.r.l. (subsequently merged by incorporation into Big Easy Bingo S.r.l. in 2024) in 2023, Kristal Palace S.r.l. and Galletto Fortunato S.r.l. (subsequently merged by incorporation into Big Easy Bingo S.r.l. in 2024), Rete Gioco Italia S.r.l., Dea Bendata S.r.l. (subsequently merged by incorporation into Big Easy S.r.l. in 2025), Sea S.r.l. and Bakoo S.p.A. in 2024, and Distante S.r.l. in 2025, all operating in the Retail & Street Operations product line within the Gaming Franchise segment.

To enhance its distribution insourcing strategy, the Group continued to acquire businesses from smaller AWP operators and AWP machines. The Group had 42,159, 43,542 and 49,831 directly owned AWPs as of December 31, 2023, 2024 and 2025, respectively. These acquisitions included, but were not limited to, AWP machines, contracts for the connection of AWP devices to the online network and contracts with operators of businesses where the AWP machines were located. It also entered into service contracts with AWP operators for the management of the AWPs themselves. The acquisition of AWPs was in line with its broader strategy of vertical integration and growth in the Retail & Street Operations product line within the Gaming Franchise segment. Specifically, the net cash box acquired (in part by the Group, and in part shared with the retailers), which defines the cash included in the acquired machines, represented incremental Adjusted EBITDA to the Group, subject solely to taxation and amortization of the devices. The total acquisition price for the distribution insourcing acquisitions during the years ended December 31, 2023, 2024 and 2025 was €6.8 million, €15.7 million and €22.0 million, respectively.

Certain Key Performance Indicators and Non-IFRS Financial Measures

We also use certain additional key performance indicators and Non-IFRS Financial Measures, which in our view provide additional measures of our performance, such as Bets, Payout, and Adjusted EBITDA to assess our underlying performance. Our definitions of such items may differ from those used by other companies; therefore, comparability may be limited. Non-IFRS Financial Measures and should not be considered as an alternative to operating profit or operating margin as a measure of operating performance.

Bets

Bets refer to the total amount of wagers collected. In the gaming industry “Bets” are also widely referred to as “wager” or “turnover.”

Payout

Payout is defined as the percentage of Bets that are paid out to players as winnings.

GGR

GGR (or gross gaming revenues) refers to the difference between Bets and winnings.

Adjusted EBITDA

We define Adjusted EBITDA as net profit for the year adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% and/or of businesses disposed of or in the process of disposal; (vii) costs related to M&A and international activities; (viii) integration costs (including expenses on corporate restructuring, redundancy and higher costs incurred in relation to renegotiated operating contracts); (ix) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods. Adjusted EBITDA is not a measurement of performance under IFRS and should not be considered as an alternative to operating income or consolidated profit or as a measure of the Group’s operating performance, cash flows from operating, investing and financing activities, its ability to meet its cash needs or any other measures of performance under generally accepted accounting principles. As Adjusted EBITDA is not a measure of performance under accounting standards, the criteria applied by the Group in calculating Adjusted EBITDA may differ from the criteria adopted by its competitors. Further, Adjusted EBITDA may be used by different companies for different purposes and is often calculated in ways that reflect the circumstances of those companies. As such, the Adjusted EBITDA of the Group is not comparable to the Adjusted EBITDA of its competitors. Adjusted EBITDA may not be indicative of its historical operating results, nor is it meant to be predictive of potential future results. See “*Presentation of Financial and Other Information—Non-IFRS Financial Measures and Other Data.*”

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Segment Revenues.

The following table presents a reconciliation of Adjusted EBITDA to net profit for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
	(in € thousands)		
Net profit for the year	73,862	103,839	179,836
Income tax expense	63,277	77,052	95,940
Finance income	(28,139)	(9,038)	(3,275)
Finance expenses	220,287	215,400	193,422
Share of loss / (profit) of equity accounted investments	8,965	(1,663)	110
Depreciation, amortization and impairments	194,678	244,353	261,269
Adjusted EBITDA from equity accounted investments and/or of businesses disposed of or in the process of disposal ^(a)	—	—	2,948
Cost related to M&A and international activities ^(b)	19,762	8,298	8,266
Integration costs ^(c)	12,534	33,713	40,543
Other non-recurring (income)/expense ^(d)	15,125	34,968	77,100
Adjusted EBITDA	580,351	706,922	856,159

- (a) For the year ended December 31, 2025, mainly reflects the contribution to the Group's Adjusted EBITDA of the adjusted EBITDA generated by Cristaltec and its subsidiaries. The Group acquired a 60% interest in Cristaltec in 2025, which is accounted for using the equity method. See *"The Group's business—2025 Mergers and Acquisitions—Acquisition of an equity-accounted interest in Cristaltec S.p.A."*
- (b) For the year ended December 31, 2023, the item mainly refers to: (i) strategic consultancy costs amounting to €17.7 million in relation to potential business acquisitions, including €8.3 million related to the PWO Acquisition; (ii) monetary costs related to the IPO, amounting to €2.1 million. For year ended December 31, 2024, this item mainly refers to advisory costs amounting to €8.0 million including costs related to the PWO Acquisition and other acquisitions. For the year ended December 31, 2025, the item mainly refers to advisory costs amounting to €5.5 million.
- (c) This item primarily represents costs incurred for the integration of acquired companies and associated expenses on corporate restructuring and redundancy.
- (d) For the year ended December 31, 2023, the item mainly relates to: (i) monetary costs related to non-recurring employees benefits of €1.0 million and to other non-recurring monetary costs of €2.0 million, (ii) non-monetary costs mainly related to the impairment of the "Ancona Time" partnership, held by LVR, amounting to €3.3 million, the write-down of convertible bonds issued by the associate iPro Inc. of €1.8 million, the write-off of software license and NOE no longer used amounting to €7.0 million. For the year ended December 31, 2024 the item mainly relates to platform migration costs, costs relating to non-recurring employee benefits, an adjustment to our provisions driven by the "Relaunch" decree (a measure introduced by the Italian Government following the COVID-19 emergency, with the goal, among other things, of raising funds to support the Italian sport sector), advertising costs and the write-off of assets. For the year ended December 31, 2025 the item mainly relates to one-off costs for specific activities in relation to the New GAD Concessions, costs incurred in connection with employee termination arrangements, the impairment of receivables from gambling operators related to 2015 Italian Stability Law and the write-off of gaming platform previously used by PWO.

2025 vs 2024

Adjusted EBITDA was €856,159 thousand for the year ended December 31, 2025, representing an increase of €149,237 thousand compared to €706,922 thousand for the year ended December 31, 2024. This increase was mainly due to organic growth recorded in 2025, to the full year impact in 2025 of the consolidation of the PWO Group into the Group, to favorable payouts on sports betting recorded for the year ended December 31, 2025 and realized synergies arising from the integration of the PWO Group into the Group.

2024 vs 2023

Adjusted EBITDA was €706,922 thousand for the year ended December 31, 2024, representing an increase of €126,571 thousand compared to €580,351 thousand for the year ended December 31, 2023. This increase was mainly due to organic growth recorded in 2024 and to the impact of the consolidation of the PWO Group into the Group from April 30, 2024.

Business Segments

The Group has the following operating segments:

- **Online:** including iSports (sports, virtual and horse race betting in the online channel), iGaming (online casino) and other online products (e.g. bingo, poker, skill games, betting exchange, etc.) includes a wide range of online products including games such as sport betting, virtual betting, casino games, bingo, poker, betting exchange and skill games.

- **Sports Franchise:** includes a wide range of retail offerings including, but not limited to, sports betting, virtual betting and horserace betting.
- **Gaming Franchise:** includes the direct management of gaming halls and concessionary activities for VLTs and AWP, managed according to various types of business models depending on the level of integration in the value chain (i.e. ranging from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls).

The following tables show revenues by operating segment:

	For the year ended December 31,					
	2023	% of Segment Revenues	2024 ⁽¹⁾	% of Segment Revenues	2025	% of Segment Revenues
	<i>(in € thousands, unless otherwise indicated)</i>					
Online	520,787	31.9%	780,230	38.9%	954,506	42.3%
Sports Franchise	368,217	22.6%	460,755	23.0%	527,163	23.4%
Gaming Franchise	743,484	45.5%	763,740	38.1%	773,623	34.3%
Segment Revenues	1,632,488	100.0%	2,004,725	100.0%	2,255,292	100.0%

(1) Amounts include the impact of the PWO Acquisition and the consequent consolidation of the PWO Group within the Group's from April 30, 2024.

The following tables show Adjusted EBITDA and Adjusted EBITDA Margin by operating segment:

	For the year ended December 31,								
	2023	% of total Segment Revenues	% of total	2024 ⁽¹⁾	% of total Segment Revenues	% of total	2025	% of total Segment Revenues	% of total
	<i>(in € thousands, unless otherwise indicated)</i>								
Online	300,612	18.4%	51.8%	418,566	20.9%	59.2%	528,963	23.5%	61.8%
Sports Franchise	97,230	6.0%	16.8%	108,642	5.4%	15.4%	141,798	6.3%	16.6%
Gaming Franchise	182,509	11.2%	31.4%	179,714	9.0%	25.4%	185,398	8.2%	21.7%
Adjusted EBITDA	580,351	35.6%	100.0%	706,922	35.3%	100.0%	856,159	38.0%	100.0%

(1) Amounts include the impact of the PWO Acquisition and the consequent consolidation of the PWO Group within the Group's from April 30, 2024.

The following sections describes the evolution of the Group's performance by segment.

Online

The following table sets forth certain KPIs for the Group's Online segment for the periods indicated:

	As of and for the year ended December 31,		
	2023	2024 ⁽¹⁾	2025
Online total Bets (in € millions)	16,203.6	24,492.7	29,818.2
GGR (in € million)	869.6	1,355.0	1,687.7
Segment Revenues (in € thousands)	520,787	780,230	954,506
Adjusted EBITDA (in € thousands)	300,612	418,566	528,963
Adjusted EBITDA (% of Online revenues)	57.7%	53.6%	55.4%
Unique active users ⁽²⁾	1,310,675	2,003,458	2,214,144

(1) Amounts include the impact of the PWO Acquisition and the consequent consolidation of the PWO Group within the Group's from April 30, 2024.

(2) Unique Active Users refer to the number of customers who have carried out, with one or more game accounts in their name, at least one bet on one or more Online products (not only Sport) during the relevant period.

2025 vs 2024

Online Bets increased from €24,492.7 million for the year ended December 31, 2024 to €29,818.2 million for the year ended December 31, 2025. The Online operating segment benefited from the overall expansion of the Online

market as well as from an increased market share across all segments, with the Group particularly reinforcing its leading position within this segment. It also benefitted from the full year consolidation of PWO for the year ended December 31, 2025, compared to only eight months in 2024. This effect was partially offset by the one-off impact of the 2024 UEFA European Championship on 2024 figures, which was not fully compensated by the one-off impact of the 2025 FIFA Club World Cup on 2025 figures. Moreover, starting from May 2025, PWO has been involved in the gaming platform migration process (which was completed at the end of July 2025), resulting in a temporary slowdown in its market share during the second and third quarters of 2025.

The overall increase in Bets for the year ended December 31, 2025 compared to the year ended December 31, 2024 was driven by an increase in: (i) iGaming from €19,149.7 million for the year ended December 31, 2024 to €23,863.1 million for the year ended December 31, 2025; (ii) iSports from €3,832.1 million for the year ended December 31, 2024 to €4,226.0 million for the year ended December 31, 2025; (iii) other online gaming from €1,510.9 million for the year ended December 31, 2024 to €1,729.1 million for the year ended December 31, 2025.

In addition to the drivers noted above, key contributing factors to the growth of the Online segment included: (i) the increase in the volume of online games offered; (ii) continuous technological improvements, such as graphic and functional redesigning of the deposits and withdrawals section and the inclusion of virtual games in the sports betting app, (iii) the strengthening of the Group's CRM strategy through the implementation of retention and reactivation promotional activities and enhancing loyalty engagement initiatives; (iv) the optimization of marketing policies and improved networking; and (v) the unification of the gaming platform for most Group brands.

Online Segment Revenues for the year ended December 31, 2025 amounted to €954,506 thousand, an increase of €174,276 thousand compared to €780,230 thousand for the year ended December 31, 2024. The drivers for the increase align with the drivers described above for the increase in Bets, with the addition of favorable sports betting payouts for the year ended December 31, 2025 compared to the previous year.

Adjusted EBITDA of the Online segment was €528,963 thousand for the year ended December 31, 2025 compared to €418,566 thousand for the year ended December 31, 2024, representing 23.5% of total Segment Revenues and 61.8% of total Adjusted EBITDA. The increase was driven by the full year contribution of PWO and a favorable sports betting payout for the year ended December 31, 2025, in addition to the factors previously mentioned in relation to the increase in Bets and Segment Revenues, as well as the synergies realized from the integration of PWO. Adjusted EBITDA margin for the year ended December 31, 2025 increased from 53.6% for the year ended December 31, 2024 to 55.4% for the year ended December 31, 2025.

2024 vs 2023

Online Bets increased from €16,203.6 million for the year ended December 31, 2023 to €24,492.7 million for the year ended December 31, 2024. The Online operating segment benefitted primarily from the impact of the PWO Acquisition and the consolidation of the PWO Group into the Group's perimeter. In particular, the PWO Group contributed to a significant increase in the Group's online gaming offering and has recorded €3,711.6 million of Bets from its consolidation date in the Group (i.e., April 30, 2024). In addition, the Online operating segment benefited from the overall growth of the market and the increase in the market share in all of the Group's product lines and brands, which contributed to strengthening the Group's leadership position in this sector.

The overall increase in Bets for the year ended December 31, 2024 compared to the year ended December 31, 2023 of 51.2% was driven by an increase in: (i) iGaming from €12,654.0 million for the year ended December 31, 2023 to €19,149.7 million for the year ended December 31, 2024 (which represents a 51.3% increase, while the increase of the Addressable Market was only of 13.1%); (ii) iSports from €2,443.6 million for the year ended December 31, 2023 to €3,832.1 million for the year ended December 31, 2024 (which represents a 56.8% increase, while the increase of the Addressable Market was only of 11.5%); (iii) other online gaming from €1,105.9 million for the year ended December 31, 2023 to €1,510.9 million for the year ended December 31, 2024 (which represents a 36.6% increase, while the Addressable Market decreased by 0.5%).

The overall increase in GGR for the year ended December 31, 2024 compared to the year ended December 31, 2023 of 55.9% was driven by an increase in: (i) iGaming from €325.1 million for the year ended December 31, 2023 to €515.3 million for the year ended December 31, 2024 (which represents a 58.5% increase, while the increase of the Addressable Market was only of 18.1%); (ii) iSports from €489.5 million for the year ended December 31, 2023 to €768.8 million for the year ended December 31, 2024 (which represents a 57.1% increase, while the Addressable Market increased by 11.6%); (iii) other online gaming from €55.0 million for the year

ended December 31, 2023 to €71.4 million for the year ended December 31, 2024 (which represents a 29.8% increase, while the increase of the Addressable Market was only of 5.8%). Such overall increase in GGR for the year ended December 31, 2024 compared to the year ended December 31, 2023 was approximately two times higher than the overall increase of the Addressable Market, which was only of 14.0%.

In addition to the drivers noted above, key contributing factors to the growth of the Online segment included: (i) the increase in the online games offer; (ii) continuous technological improvements such as graphic and functional refactoring of the deposits and withdrawals section, inclusion of virtual games in the sports betting app, improvement of the customer experience on all digital assets; (iii) the review / strengthening of the CRM strategy through the implementation of retention/reactivation promotional activities and strengthening of loyalty engagement initiatives implemented by the Group; (iv) the optimization of acquisitions from the retail channel through the introduction of focused marketing policies and the improvement of network; and (v) the unification of the gaming platform for all Group brands; and joining new gaming networks for poker and skill games.

Online Segment Revenues for the year ended December 31, 2024 amounted to €780,230 thousand, an increase of €259,443 thousand compared to €520,787 thousand for the year ended December 31, 2023. The main drivers for the increase were the same as the drivers described above for the increase in Bets.

Adjusted EBITDA of the Online segment was €418,566 thousand for the year ended December 31, 2024 compared to €300,612 thousand for the year ended December 31, 2023, representing 20.9% of total Segment Revenues and 59.2% of total Adjusted EBITDA. The increase in Adjusted EBITDA is driven by the integration of the PWO Group, which contributed to the increase in business with lower marginality, as well as an unfavorable sports payout effect. Adjusted EBITDA margin for the year ended December 31, 2024 decreased from 57.7% for the year ended December 31, 2023 to 53.6% for the year ended December 31, 2024, due to an unfavorable sports Payout effect.

Sports Franchise

The following table sets forth KPIs for the Sports Franchise segment for the periods indicated:

	As of and for the year ended December 31,		
	2023	2024 ⁽¹⁾	2025
Sports Franchise Bets (in € millions)	2,824.5	3,578.3	3,907.3
GGR (in € millions)	465.7	581.3	673.4
Segment Revenues (in € thousands)	368,217	460,755	527,163
Adjusted EBITDA (in € thousands)	97,230	108,642	141,798
Adjusted EBITDA (% of Sports Franchise revenues)	26.4%	23.6%	26.9%
Number of licenses/concessions ⁽²⁾	3,022	4,024	4,024
Number of active points of sale (shops and corner)	2,803	3,740	3,790
Average number of points of sale in operations (shops and corner)	2,747	3,441	3,762

(1) Amounts include the impacts of the PWO Acquisition and the consequent consolidation of the PWO Group within the Group from April 30, 2024.

(2) Does not include 26 licenses related to horse racing Bets as of December 31, 2023, 2024 and 2025.

2025 vs 2024

Bets in the Sports Franchise segment increased from €3,578.3 million for the year ended December 31, 2024 to €3,907.3 million for the year ended December 31, 2025. The increase was mainly due to market growth, the full year consolidation of PWO for the year ended December 31, 2025, compared to only eight months of the year ended 2024, as well as the effect of integrating PWO into the Group's franchise network. Positive growth factors were, however, partially offset by the negative one-off impact of the 2024 UEFA European Championship on 2024 figures, which was not fully compensated by the one-off impact of the 2025 FIFA Club World Cup on 2025 figures.

Sports Franchise Segment Revenues amounted to €527,163 thousand for the year ended December 31, 2025, an increase of €66,408 thousand or 14.4% compared to €460,755 thousand for the year ended December 31, 2024. This increase was due to the same factors relating to Bets, as well as favorable sports betting payouts recorded for the year ended December 31, 2025 compared to the previous year.

Sports Franchise Adjusted EBITDA for the year ended December 31, 2025 was €141,798 thousand, compared to €108,642 thousand for the year ended December 31, 2024, representing approximately 16.6% of total Adjusted EBITDA. Adjusted EBITDA for the year ended December 31, 2025 was affected by the full year contribution of PWO, favorable payout on sports betting recorded for the year ended December 31, 2025, as well as the synergies realized from the integration of PWO. Adjusted EBITDA margin of the Online segment increased from 23.6% for the year ended December 31, 2024, to 26.9% for the year ended December 31, 2025.

2024 vs 2023

Bets in the Sports Franchise segment increased from €2,824.5 million for the year ended December 31, 2023 to €3,578.3 million for the year ended December 31, 2024 while Segment Revenues were €460,755 thousand for the year ended December 31, 2024, an increase of €92,538 thousand, compared to €368,217 thousand for the year ended December 31, 2023. In addition to benefits stemming from the PWO Acquisition, this increase was due to market growth and acquisitions.

Sports Franchise Adjusted EBITDA for the year ended December 31, 2024 was €108,642 thousand, compared to €97,230 thousand for the year ended December 31, 2023, representing approximately 15.4% of total Adjusted EBITDA. Adjusted EBITDA for the year ended December 31, 2024 is affected by the revenues trend and by the impact resulting from the integration of the PWO Group, whose business has lower margins and higher payouts. Adjusted EBITDA margin decreased from 26.4% for the year ended December 31, 2023, to 23.6% for the year ended December 31, 2024.

Gaming Franchise

The following table sets forth GGR, Segment Revenues and Adjusted EBITDA for the Gaming Franchise segment for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
Segment Revenues (in € thousands)	743,484	763,740	773,623
GGR (in € millions)	2,529.0	2,456.6	2,374.4
Adjusted EBITDA (in € thousands)	182,509	179,714	185,398

2025 vs 2024

Gaming Franchise Segment Revenues amounted to €773,623 thousand for the year ended December 31, 2025, an increase of €9,883 thousand or 1.3%, compared to €763,740 thousand for the year ended December 31, 2024. The increase was mainly due to benefits stemming from the bolt-on acquisitions carried out during 2024 and 2025.

Gaming Franchise Adjusted EBITDA increased by 3.2%, from €179,714 thousand for the year ended December 31, 2024, to €185,398 thousand for the year ended December 31, 2025, while Adjusted EBITDA margin increased from 23.5% for the year ended December 31, 2024 to 24.0% for the year ended December 31, 2025.

2024 vs 2023

Gaming Franchise Segment Revenues amounted to €763,740 thousand for the year ended December 31, 2024, an increase of 2.7%, compared to €743,484 thousand for the year ended December 31, 2023. This increase was mainly due to benefits stemming from the acquisition of Ricreativo, which took place in September 2023.

Gaming Franchise Adjusted EBITDA decreased by 1.6%, from €182,509 thousand for the year ended December 31, 2023, to €179,714 thousand for the year ended December 31, 2024 while Adjusted EBITDA margin slightly decreased from 24.5% for the year ended December 31, 2023 to 23.5% for the year ended December 31, 2024.

The following paragraphs provide details of Gaming Franchise segment by product division, which are (i) AWP, (ii) VLT and (iii) Retail & Street Operations.

AWP

The following table sets forth KPIs for the AWP product line for the periods indicated:

	As of and for the year ended December 31,		
	2023	2024	2025
AWP Bets ⁽¹⁾ (in € millions)	4,471.4	4,286.7	4,093.2
Segment Revenues (in € thousands)	278,241	279,839	288,367
Number of AWP in operations at the period end	63,138	63,941	64,107
Average number of AWP for the period	62,757	63,471	63,777
Average AWP PREU (as percentage of Bets)	24.0%	24.0%	24.0%

(1) The amount does not include Bets generated by gaming halls connected to other concessionaires, amounting to €673.8 million, €521.2 million and €293.4 million for the years ended December 31, 2025, December 31, 2024 and December 31, 2023, respectively. Such Bets are included in the Retail & Street Operations product line.

2025 vs 2024

AWP Bets amounted to €4,093.2 million for the year ended December 31, 2025, a decrease compared to €4,286.7 million for the year ended December 31, 2024. Segment Revenues in the AWP product line amounted to €288,367 thousand for the year ended December 31, 2025, an increase compared to €279,839 thousand for the year ended December 31, 2024. This trend, which moves against Bets performance, was mainly due to distribution insourcing strategy.

2024 vs 2023

AWP Bets amounted to €4,286.7 million for the year ended December 31, 2024, a decrease compared to €4,471.4 million for the year ended December 31, 2023. Segment Revenues in the AWP product line amounted to €279,839

thousand for the year ended December 31, 2024, an increase compared to €278,241 thousand for the year ended December 31, 2023. The increase was mainly due to distribution insourcing strategy.

VLT

The following table sets forth KPIs for the VLT product line for the periods indicated:

	As of and for the year ended December 31,		
	2023	2024	2025
VLT Bets ⁽¹⁾ (in € millions)	6,216.7	6,129.2	6,033.9
Segment Revenues (in € thousands)	438,267	436,244	430,077
Number of VLTs licenses	19,831	19,831	19,831
Average number of VLTs in operation for the period	18,287	18,279	18,360
Number of VLTs in operation as of the period end	18,344	18,395	18,284
VLT in operation as percentage of VLT rights	92.5%	92.8%	92.2%
Average VLT PREU (as percentage of Bets)	8.6%	8.6%	8.6%

(1) The figure does not include bets generated by halls connected to other concessionaires, amounting to €143.8 million, €152.6 million and €121.9 million for the years ended December 31, 2025, December 31, 2024 and December 31, 2023, respectively, which are included in the Retail & Street Operations product line.

2025 vs 2024

VLT Bets amounted to €6,033.9 million for the year ended December 31, 2025, a decrease from €6,129.2 million for the year ended December 31, 2024. Segment Revenues in the VLT product line amounted to €430,077 thousand for the year ended December 31, 2025, a decrease compared to €436,244 thousand for the year ended December 31, 2024.

2024 vs 2023

VLT Bets amounted to €6,129.2 million for the year ended December 31, 2024, a decrease compared to €6,216.7 million for the year ended December 31, 2023. Segment Revenues in the VLT product line amounted to €436,244 thousand for the year ended December 31, 2024, a decrease compared to €438,267 thousand for the year ended December 31, 2023.

Retail & Street Operations

The following table sets forth KPIs for the Retail & Street Operations product line for the periods indicated:

	As of and for the year ended December 31,		
	2023	2024	2025
Bets (in € millions)	415.3	673.9	817.6
Total Bets (including AWP Bets and VLT Bets) (in € millions)	3,184.4	3,659.4	4,011.5
Segment Revenues (in € thousands)	26,976	47,657	55,179
Number of gaming halls	145	138	123
VLT Bets (in € millions)	1,971.8	2,013.2	1,983.8
Average number of VLTs	4,465	4,779	4,785
AWP Bets (in € millions)	1,212.6	1,646.2	2,027.7
Average number of AWP	15,120	21,837	29,409

2025 vs 2024

Bets in the Retail & Street Operations product line (from other concessionaires) amounted to €817.6 million for the year ended December 31, 2025 (€673.9 million for the year ended December 31, 2024) while the related Segment Revenues (from other concessionaires) amounted to €55,179 thousand for the year ended December 31, 2025, an increase of €7,522 thousand compared to €47,657 thousand for the year ended December 31, 2024. This increase was primarily due to the acquisitions which occurred during 2024.

After reclassifying Bets generated in owned gaming halls connected to the Gamenet and Lottomatica Videolot Rete concessionaires, total Retail & Street Operations Bets for the year ended December 31, 2025 amount to €4,011.5 million (€3,659.4 million for the year ended December 31, 2024). For details regarding year-on-year

movements, see “*Management’s Discussion and Analysis—Business Segments—Gaming Franchise—AWP, VLT.*”

2024 vs 2023

Bets in the Retail & Street Operations product line (from other concessionaires) amounted to €673.9 million for the year ended December 31, 2024 (€415.3 million for the year ended December 31, 2023) while the related Segment Revenues (from other concessionaires) amounted to €47,657 thousand for the year ended December 31, 2024, an increase of €20,681 thousand compared to €26,976 thousand for the year ended December 31, 2023, mainly as a result of the acquisition of Ricreativo which took place in September 2023 and subsequent acquisitions in 2024.

After reclassifying Bets generated in owned gaming halls connected to the Gamenet and LVR concessionaires, total Retail & Street Operations Bets for the year ended December 31, 2024 amount to €3,659.4 million (€3,184.4 million for the year ended December 31, 2023). For details regarding year-on-year movements, see “*Management’s Discussion and Analysis—Business Segments—Gaming Franchise—AWP, VLT.*”

Description of Key Income Statement Line Items and Certain Key Performance Indicators

Revenues

Revenues include the following:

- Online revenues include the revenues generated by the Group’s online gaming activities, including iSports (sports betting, virtual and horse racing), iGaming (casino games) and other online games. These revenues are recorded net of tax and winnings;
- Sports Franchise includes the revenues generated by the Group’s physical network, including sports betting, virtual betting and horse betting offerings. These revenues are recorded net of tax and winnings;
- AWP revenues include the revenues generated by the Group’s AWP. Direct AWP revenues are recorded net of PREU tax and winnings but gross of amounts to be paid to operators and managers as well as the ADM concession fee, while revenues of indirect AWP are recorded on a net basis and represent concessionaire’s remuneration for connection services;
- VLT revenues include the revenues generated by the Group’s VLTs. VLT revenues are recorded net of PREU tax and winnings, but gross of amounts to be paid to operators as well as the ADM concession fee; and
- Retail & Street Operations revenues from third party concessionaires.

Other Income

Other income mainly included income from the re-sale of consumables in halls, the transfer of costs incurred in relation to AWP NOE concession agreements, the recharging of penalties and income from other residual activities.

Cost of Services

Cost of services mainly consists mainly of:

- Compensation paid to the distribution network;
- ADM concession fee, which represents the amount payable to the ADM for the Gaming Franchise, Sports Franchise and Online concession;
- fee on VLT platform licenses, which is the amount payable to the VLT platform providers for use of their systems. The fee on VLT platform licenses is fully variable and is calculated based on a percentage of VLT Bets after certain deductions, including Payout and PREU;

- leases and rentals relate to the rent the Group incurs in leasing offices for its operations and gaming halls that it operates directly; and
- others include network expenses, sponsorship expenses and other sundry cost of services.

Other Operating Costs

Other operating costs primarily include purchase of goods, fines, penalties and losses on receivables, taxes and sundry duties.

Personnel Expenses

Personnel expenses include the expenses related to wages and salaries, and to a lesser extent, social security contributions and employee service indemnity.

Depreciation, Amortization and Impairments

Depreciation, amortization and impairments relate to the depreciation of property, plant and equipment, amortization of intangible assets, and to the impairments on property, plant and equipment and intangible assets, if any.

Impairment of Receivables and Financial Assets

Impairment of receivables and financial assets relate primarily to the write down of receivables and financial assets.

Other (accruals)/release

Other (accruals)/releases relate primarily to accruals and releases for provisions for risks and charges.

Finance Income and Expenses (Net)

Finance income and expenses (net) represent finance expenses net of finance income. Finance income includes interest income from banks and from other financial assets and other financial income. Finance expenses mainly include interest expense on bank borrowings and financial liabilities, commissions on guarantees and other financial expenses.

Income Tax Expense

Income tax expense includes current and deferred taxes.

Results of Operations

Year ended December 31, 2025 compared to year ended December 31, 2024

	For the year ended December 31,				Change	
	2024	% of revenues	2025	% of revenues	2025-2024	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Revenues	2,004,725	100.0%	2,247,116	100.0%	242,391	12.1%
Other income	14,951	n.a	14,888	n.a	(63)	(0.4%)
Total revenues and income	2,019,676	n.a	2,262,004	n.a	242,328	12.0%
Cost of services	(1,213,725)	(60.5%)	(1,314,558)	(58.5%)	(100,833)	8.3%
Personnel expenses	(135,503)	(6.8%)	(154,750)	(6.9%)	(19,247)	14.2%
Other operating costs	(39,477)	(2.0%)	(40,090)	(1.8%)	(613)	1.6%
Depreciation, amortization and impairments	(244,353)	(12.2%)	(261,269)	(11.6%)	(16,916)	6.9%
Impairment of receivables and financial assets	(243)	(0.0%)	(25,562)	(1.1%)	(25,319)	>100%
Other (accruals)/releases	(785)	(0.0%)	258	0.0%	1,043	>100%
Finance income	9,038	0.5%	3,275	0.1%	(5,763)	(63.8%)
Finance expenses	(215,400)	(10.7%)	(193,422)	(8.6%)	21,978	(10.2%)
Share of profit / (loss) of equity investments	1,663	0.1%	(110)	(0.0%)	(1,773)	>100%
Profit/(loss) before tax	180,891	9.0%	275,776	12.3%	94,885	52.5%
Income tax expense	(77,052)	(3.8%)	(95,940)	(4.3%)	(18,888)	24.5%
Net profit/(loss) for the year	103,839	5.2%	179,836	8.0%	75,997	73.2%

Revenues

Revenues for the year ended December 31, 2025 were €2,247,116 thousand, an increase of 12.1% compared to €2,004,725 thousand for the year ended December 31, 2024. The increase was mainly due to organic growth, the full year consolidation of PWO in 2025, compared to only eight months of the year ended 2024, as well as to the effect of the overall favorable payout of sports betting compared to the previous year.

Cost of Services

The following table provides a breakdown of cost of services for the year ended December 31, 2025 and 2024:

	For the year ended December 31,				Change	
	2024	% of revenues	2025	% of revenues	2025-2024	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Distribution network compensation	828,381	41.3%	880,857	39.2%	52,476	6.3%
Fee on gaming platform licenses	116,691	5.8%	132,480	5.9%	15,789	13.5%
Concession Fee	58,445	2.9%	63,982	2.8%	5,537	9.5%
Bank and insurance expenses	48,974	2.4%	58,435	2.6%	9,461	19.3%
Marketing and advertising	31,976	1.6%	40,258	1.8%	8,282	25.9%
Utility costs, postal and logistics costs, security services	24,617	1.2%	24,808	1.1%	191	0.8%
Technical assistance and network management	18,058	0.9%	21,025	0.9%	2,967	16.4%
Tax, administrative and legal consultancy costs	18,681	0.9%	18,698	0.8%	17	0.1%
Leases and rentals	13,687	0.7%	14,313	0.6%	626	4.6%
Data transmission	8,923	0.4%	10,927	0.5%	2,004	22.5%
Pay-TV	6,556	0.3%	6,961	0.3%	405	6.2%
Board of Directors remunerations and costs	4,464	0.2%	4,749	0.2%	285	6.4%
Other	34,272	1.7%	37,065	1.6%	2,793	8.1%
Total	1,213,725	60.5%	1,314,558	58.5%	100,833	8.3%

Cost of services for the year ended December 31, 2025 amounted to €1,314,558 thousand, an increase of €100,833 thousand or 8.3%, compared to €1,213,725 thousand for the year ended December 31, 2024.

Cost of services mainly related to the distribution network compensation, which amounted to €880,857 thousand for the year ended December 31, 2025, an increase of €52,476 thousand or 6.3%, compared to €828,381 thousand for the year ended December 31, 2024. This increase was mainly attributable to the supply chain remuneration model (linked to a percentage of Bets and/or revenue sharing mechanisms).

The fee on gaming platform licenses was €132,480 thousand for the year ended December 31, 2025, an increase of €15,789 thousand or 13.5%, compared to €116,691 thousand for the year ended December 31, 2024. The fee on gaming platform licenses represents amounts payable to the VLT platform providers to use their systems. As a percentage of revenues, fee on gaming platform increased from 5.8% for the year ended December 31, 2024 to 5.9% for the year ended December 31, 2025.

The concession fee payable to the ADM for the Gaming Franchise, Sports Franchise and Online concessions was €63,982 thousand for the year ended December 31, 2025, an increase of €5,537 thousand or 9.5%, compared to €58,445 thousand for the year ended December 31, 2024. The increase was mainly related to the full year consolidation of PWO.

Bank and insurance expenses were €58,435 thousand for the year ended December 31, 2025, an increase of €9,461 thousand or 19.3%, compared to €48,974 thousand for the year ended December 31, 2024. The increase is attributable to the full year consolidation of PWO and higher commissions on credit card transactions following the increase in recorded transaction volumes. As a percentage of revenues, bank and insurance expenses increased from 2.4% for the year ended December 31, 2024 to 2.6% for the year ended December 31, 2025.

Marketing and advertising expenses were €40,258 thousand for the year ended December 31, 2025, an increase of €8,282 thousand or 25.9%, compared to €31,976 thousand for the year ended December 31, 2024. The increase is mainly due to costs for events at the gaming halls, other marketing campaigns and the full year consolidation of PWO. As a percentage of revenues, marketing and advertising expenses increased from 1.6% for the year ended December 31, 2024 to 1.8% for the year ended December 31, 2025.

Other expenses were €138,546 thousand for the year ended December 31, 2025, an increase of €9,288 thousand or 7.2%, compared to €129,258 thousand for the year ended December 31, 2024. The increase is mainly due to the full year consolidation of PWO and costs for digital services and anti-money laundering services.

Personnel Expenses

The following table provides a breakdown of the personnel expenses for the year ended December 31, 2025 and 2024:

	For the year ended December 31,				Change	
	2024	% of revenues	2025	% of revenues	2025-2024	%
<i>(in € thousands, unless otherwise indicated)</i>						
Remuneration	99,881	5.0%	106,097	4.7%	6,216	6.2%
Social security contributions	26,080	1.3%	30,823	1.4%	4,743	18.2%
Other personnel costs	9,542	0.5%	17,830	0.8%	8,288	86.9%
Total	135,503	6.8%	154,750	6.9%	19,247	14.2%

Personnel expenses amounted to €154,750 thousand for the year ended December 31, 2025, an increase of €19,247 thousand or 14.2%, compared to €135,503 thousand for the year ended December 31, 2024. The increase was mainly attributable to an increased average number of employees, particularly due to the full year consolidation of PWO.

Other Operating Costs

Other operating costs amounted to €40,090 thousand for the year ended December 31, 2025, an increase of €613 thousand or 1.6%, compared to €39,477 thousand for the year ended December 31, 2024. The increase was mainly attributable to higher write-offs recorded in 2025 compared to the previous year, partially offset by lower ancillary costs for the purchase of investments and fewer purchases of goods for gaming halls.

Depreciation, Amortization and Impairments

The following table provides a breakdown of depreciation, amortization and impairments for the year ended December 31, 2025 and 2024:

	For the year ended December 31,				Change	
	2024	% of revenues	2025	% of revenues	2025-2024	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Amortization of intangible assets	176,104	8.8%	185,106	8.2%	9,002	5.1%
Depreciation of property, plant and equipment	47,146	2.4%	52,406	2.3%	5,260	11.2%
Depreciation of investment property.	27	0.0%	27	0.0%	—	0.0%
Impairments of property, plant and equipment and intangible assets	244	0.0%	165	0.0%	(79)	(32.4%)
Depreciation of right of use	20,832	1.0%	23,565	1.0%	2,733	13.1%
Total	244,353	12.2%	261,269	11.6%	16,916	6.9%

Depreciation, amortization and impairments amounted to €261,269 thousand for the year ended December 31, 2025, an increase of €16,916 thousand or 6.9%, as compared to €244,353 thousand for the year ended December 31, 2024. The increase was mainly due to the full year consolidation of PWO.

Amortization of intangible assets for the year ended December 31, 2025 includes €70,303 thousand related to amortization of intangible assets recognized during the purchase price allocation (€73,079 thousand for the year ended December 31, 2024).

Impairment of Receivables and Financial Assets

Impairment of receivables and financial assets amounted to €25,562 thousand for the year ended December 31, 2025, an increase of €25,319 thousand compared to €243 thousand for the year ended December 31, 2024. The increase was mainly driven by the impairment of receivables from gambling operators related to the 2015 Italian Stability Law, amounting to €23,835 thousand.

Finance Income and Expenses (Net)

The following table provides a breakdown of finance income and expenses (net) for the year ended December 31, 2025 and 2024:

	For the year ended December 31,				Change	
	2024	% of revenues	2025	% of revenues	2025-2024	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Other interest income	9,038	0.5%	3,275	0.1%	(5,763)	(63.8%)
Total finance income	9,038	0.5%	3,275	0.1%	(5,763)	(63.8%)
Interest expense on May 2025 Notes	—	0.0%	(33,963)	(1.5%)	(33,963)	100%
Interest expense on May 2024 Notes	(26,440)	(1.3%)	(41,420)	(1.8%)	(14,980)	56.7%
Interest expense on December 2023 Floating Rate Notes	(20,317)	(1.0%)	(7,514)	(0.3%)	12,803	(63.0%)
Interest expense on June 2023 Notes	(54,461)	(2.7%)	(14,761)	(0.7%)	39,700	(72.9%)
Interest expense on 2027 Notes	(14,124)	(0.7%)	—	0.0%	14,124	(100.0%)
Amortized cost on May 2025 Notes	—	0.0%	(1,416)	(0.1%)	(1,416)	100%
Amortized cost on May 2024 Notes	(990)	0.0%	(1,459)	(0.1%)	(469)	47.4%
Amortized cost on December 2023 Floating Rate Notes	(1,513)	(0.1%)	(12,263)	(0.5%)	(10,750)	>100%
Amortized cost on June 2023 Notes	(17,931)	(0.9%)	(8,742)	(0.4%)	9,189	(51.2%)
Amortized cost on 2027 Notes	(7,494)	(0.4%)	—	0.0%	7,494	(100.0%)
IRS interest expense	(22,700)	(1.1%)	(12,877)	(0.6%)	9,823	(43.3%)
Commission on sureties	(10,052)	(0.5%)	(6,341)	(0.3%)	3,711	(36.9%)
Interest expense on Revolving Credit Facility	(5,689)	(0.3%)	(4,787)	(0.2%)	902	(15.9%)
Leasing interest expense	(4,296)	(0.2%)	(4,364)	(0.2%)	(68)	1.6%
Other interest expense	(29,393)	(1.5%)	(43,515)	(1.9%)	(14,122)	48.0%
Total finance expenses	(215,400)	(10.7%)	(193,422)	(8.6%)	21,978	(10.2%)
Net finance expenses	(206,362)	(10.3%)	(190,147)	(8.5%)	16,215	(7.9%)

“Net finance expenses” amounting to €190,147 thousand for the year ended December 31, 2025 include non-recurring finance income of €437 thousand (€6,215 thousand for the year ended December 31, 2024) and non-recurring finance expenses of €53,461 thousand (€58,575 thousand for the year ended December 31, 2024).

“Amortized cost on December 2023 Floating Rate Notes” and “Amortized cost on June 2023 Notes” include €19,627 thousand related to the acceleration of the residual unamortized costs on the 2025 Notes Repaid, which were fully expensed as a result of their early repayment.

“Other interest expense” mainly included the make-whole premium relating to the 2025 Notes Repaid for €21,018 thousand, (ii) financial charges related to the closing of related hedging derivative instruments for €7,135 thousand and (iii) non-recurring interest expenses of €5,682 thousand.

“Other interest expense” also includes the effect of the amortized cost relating to the deferred portion of the purchase price consideration for €407 thousand and €5,462 thousand related to interest expenses arising from the discounting of the liability related to the renewal of concessions.

Income Tax Expense

Income tax for the year ended December 31, 2025 amounted to €95,940 thousand, an increase of €18,888 thousand or 24.5%, compared to €77,052 thousand for the year ended December 31, 2024, due to the higher profit before taxes.

Year ended December 31, 2024 compared to year ended December 31, 2023

	For the year ended December 31,	Change
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	2023	% of revenues	2024	% of revenues	2024-2023	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Revenues	1,632,488	100.0%	2,004,725	100.0%	372,237	22.8%
Other income	18,529	n.a	14,951	n.a	(3,578)	(19.3%)
Total revenues and income	1,651,017	n.a	2,019,676	n.a	368,659	22.3%
Cost of services	(972,759)	(59.6%)	(1,213,725)	(60.5%)	(240,966)	24.8%
Personnel expenses	(98,378)	(6.0%)	(135,503)	(6.8%)	(37,125)	37.7%
Other operating costs	(40,952)	(2.5%)	(39,477)	(2.0%)	1,475	(3.6%)
Depreciation, amortization and impairments	(194,678)	(11.9%)	(244,353)	(12.2%)	(49,675)	25.5%
Impairment of receivables and financial assets	(7,975)	(0.5%)	(243)	(0.0%)	7,732	(97.0%)
Other (accruals)/releases	1,977	0.1%	(785)	(0.0%)	(2,762)	>100%
Finance income	28,139	1.7%	9,038	0.5%	(19,101)	(67.9%)
Finance expenses	(220,287)	(13.5%)	(215,400)	(10.7%)	4,887	(2.2%)
Share of profit (loss) of equity investments	(8,965)	(0.5%)	1,663	0.1%	10,628	(>100%)
Profit before tax	137,139	8.4%	180,891	9.0%	43,752	31.9%
Income tax expense	(63,277)	(3.9%)	(77,052)	(3.8%)	(13,775)	21.8%
Net profit for the year	73,862	4.5%	103,839	5.2%	29,977	40.6%

Revenues

Revenues for the year ended December 31, 2024 were €2,004,725 thousand, an increase of 22.8% compared to €1,632,488 thousand for the year ended December 31, 2023.

The increase in revenue in the Online segment mainly stems from contribution owing to the PWO Acquisition of €141,708 thousand, overall market growth and the increase in market share across all segments and brands of the Group.

The increase in revenue in the Sports Franchise segment of €92,538 thousand mainly stems from contribution owing to the PWO Acquisition of €70,929 thousand, which was partially offset by the negative impact of high payouts.

The increase in revenue in the Gaming Franchise segment of €20,256 thousand mainly related to the contribution of Ricreativo, which was acquired in September 2023.

Other Income

Other income was €14,951 thousand (of which €542 thousand related to the PWO Group) for the year ended December 31, 2024, a decrease of €3,578 thousand compared to €18,529 thousand for the year ended December 31, 2023. This decrease was mainly due to non-recurring income which was received in 2023 related to the reimbursement of previously imposed penalties for ADM service levels for the years 2013 and 2014, which were recharged to gaming platform providers.

Cost of Services

The following table provides a breakdown of cost of services for the year ended December 31, 2024 and 2023:

	For the year ended December 31,				Change	
	2023	% of revenues	2024	% of revenues	2024-2023	%
<i>(in € thousands, unless otherwise indicated)</i>						
Distribution network compensation	681,284	41.7%	828,381	41.3%	147,097	21.6%
Fee on gaming platform licenses	88,065	5.4%	116,691	5.8%	28,626	32.5%
Concession Fee	51,447	3.2%	58,445	2.9%	6,998	13.6%
Bank and insurance expenses	34,237	2.1%	48,974	2.4%	14,737	43.0%
Marketing and advertising	16,072	1.0%	31,976	1.6%	15,904	99.0%
Utility costs, postal and logistics costs, security services	20,047	1.2%	24,617	1.2%	4,570	22.8%
Tax, administrative and legal consultancy costs	14,741	0.9%	18,681	0.9%	3,940	26.7%
Technical assistance and network management	16,403	1.0%	18,058	0.9%	1,655	10.1%
Leases and rentals	7,351	0.5%	13,687	0.7%	6,336	86.2%
Data transmission	8,566	0.5%	8,923	0.4%	357	4.2%
Pay-TV	5,454	0.3%	6,556	0.3%	1,102	20.2%
Board of Directors remunerations and costs	3,049	0.2%	4,464	0.2%	1,415	46.4%
Other	26,043	1.6%	34,272	1.7%	8,229	31.6%
Total	972,759	59.6%	1,213,725	60.5%	240,966	24.8%

Cost of services amounted to €1,213,725 thousand (of which €158,363 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €240,966 thousand compared to €972,759 thousand for the year ended December 31, 2023. As a percentage of revenues, cost of services increased from 59.6% for the year ended December 31, 2023 to 60.5% for the year ended December 31, 2024.

Cost of services mainly related to compensation paid to the distribution network, amounting to €828,381 thousand (of which €111,547 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €147,097 thousand compared to €681,284 thousand for the year ended December 31, 2023. This increase was mainly attributable to the supply chain remuneration model resulting in costs substantially varying in line with revenues.

The fee on gaming platform licenses was €116,691 thousand (of which €13,892 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €28,626 thousand compared to €88,065 thousand for the year ended December 31, 2023. The fee on gaming platform licenses represents amounts payable to VLT platform providers to use their systems. As a percentage of revenues, the fee on gaming platform licenses was 5.8% for the year ended December 31, 2024, and 5.4% for the year ended December 31, 2023.

The concession fee payable to the ADM for the Gaming Franchise, Sports Franchise and Online concessions was €58,445 thousand for the year ended December 31, 2024 (of which €5,442 thousand related to the PWO Group), an increase of €6,998 thousand compared to €51,447 thousand for the year ended December 31, 2023. The increase was substantially related to the increase in Bets.

Bank and insurance expenses were €48,974 thousand (of which €5,146 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €14,737 thousand compared to €34,237 thousand for the year ended December 31, 2023. The increase is attributable to higher commissions on credit card transactions in line with the increase in recorded transaction volume. As a percentage of revenues, bank and insurance expenses increased from 2.1% for the year ended December 31, 2023 to 2.4% for the year ended December 31, 2024.

Marketing and advertising expenses were €31,976 thousand (of which €3,868 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €15,904 thousand compared to €16,072 thousand for the year ended December 31, 2023. The increase is mainly due to costs of events at the gaming halls and other marketing campaigns. As a percentage of revenues, marketing and advertising expenses increased from 1.0% for the year ended December 31, 2023 to 1.6% for the year ended December 31, 2024.

Other expenses were €129,258 thousand (of which €18,468 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €27,604 thousand compared to €101,654 thousand for the year ended December 31, 2023. The increase is mainly due to costs for digital services and anti-money laundering services.

Personnel Expenses

The following table provides a breakdown of the personnel expenses for the year ended December 31, 2024 and 2023:

	For the year ended December 31,				Change	
	2023	% of revenues	2024	% of revenues	2024-2023	%
<i>(in € thousands, unless otherwise indicated)</i>						
Remuneration	70,850	4.3%	99,881	5.0%	29,031	41.0%
Social security contributions	21,131	1.3%	26,080	1.3%	4,949	23.4%
Other personnel costs	6,397	0.4%	9,542	0.5%	3,145	49.2%
Total	98,378	6.0%	135,503	6.8%	37,125	37.7%

Personnel expenses amounted to €135,503 thousand (of which €18,375 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €37,125 thousand compared to €98,378 thousand for the year ended December 31, 2023. The increase was mainly attributable to the increase in the average number of employees, which stemmed from the acquisitions which occurred during the period.

Other Operating Costs

Other operating costs amounted to €39,477 thousand (of which €2,492 thousand related to the PWO Group) for the year ended December 31, 2024, a decrease of €1,475 thousand compared to €40,952 thousand for the year ended December 31, 2023. The decrease was mainly attributable to less write-offs recorded in 2024 compared to the previous year and lower ancillary costs for purchase of investments. Such decrease was partially offset by a higher volume of purchases of goods for gaming halls, the contribution of companies acquired during the year and higher costs incurred from producing gambling hardware.

Depreciation, Amortization and Impairments

The following table provides a breakdown of depreciation, amortization and impairments for the year ended December 31, 2024 and 2023:

	For the year ended December 31,				Change	
	2023	% of revenues	2024	% of revenues	2024-2023	%
<i>(in € thousands, unless otherwise indicated)</i>						
Amortization of intangible assets	137,832	8.4%	176,104	8.8%	38,272	27.8%
Depreciation of property, plant and equipment	39,256	2.4%	47,146	2.4%	7,890	20.1%
Depreciation of investment property	27	0.0%	27	0.0%	—	0.0%
Impairments of property, plant and equipment and intangible assets	553	0.0%	244	0.0%	(309)	(55.9%)
Depreciation of right of use	17,010	1.0%	20,832	1.0%	3,822	22.5%
Total	194,678	11.9%	244,353	12.2%	49,675	25.5%

Depreciation, amortization and impairments amounted to €244,353 thousand (of which €29,584 thousand related to the PWO Group) for the year ended December 31, 2024, an increase of €49,675 thousand, compared to €194,678 thousand for the year ended December 31, 2023. Amortization of intangible assets for the year ended December 31, 2024 includes €73,079 thousand related to amortization of intangible assets recognized during the purchase price allocation (€71,241 thousand for the year ended December 31, 2023).

Impairment of Receivables and Financial Assets

Impairment of receivables and financial assets amounted to €243 thousand for the year ended December 31, 2024, a decrease of €7,732 thousand, compared to €7,975 thousand for the year ended December 31, 2023. For the year ended December 31, 2023, the item mainly consisted of impairment of the “Ancona Time” partnership, held by LVR, of €3,319 thousand and the convertible bonds issued by the associate iPro Inc. for €1,803 thousand.

Finance Income and Expenses (Net)

The following table provides a breakdown of finance income and expenses (net) for the year ended December 31, 2024 and 2023:

	For the year ended December 31,				Change	
	2023	% of revenues	2024	% of revenues	2024-2023	%
	<i>(in € thousands, unless otherwise indicated)</i>					
Other interest income	28,139	1.7%	9,038	0.5%	(19,101)	(67.9%)
Total finance income	28,139	1.7%	9,038	0.5%	(19,101)	(67.9%)
Interest expense on May 2024 Notes	—	0.0%	(26,440)	(1.3%)	(26,440)	100%
Interest expense on December 2023 Floating Rate Notes	(944)	(0.1%)	(20,317)	(1.0%)	(19,373)	>100%
Interest expense on June 2023 Notes	(45,344)	(2.8%)	(54,461)	(2.7%)	(9,117)	20.1%
Interest expense on 2027 Notes	(34,125)	(2.1%)	(14,124)	(0.7%)	20,001	(58.6%)
Interest expense on Additional 2025 Notes	(15,962)	(1.0%)	—	0.0%	15,962	(100.0%)
Interest expense on Original 2025 Notes	(18,627)	(1.1%)	—	0.0%	18,627	(100.0%)
Amortized cost on May 2024 Notes	—	0.0%	(990)	0.0%	(990)	100%
Amortized cost on December 2023 Floating Rate Notes	(65)	0.0%	(1,513)	(0.1%)	(1,448)	>100%
Amortized cost on June 2023 Notes	(2,919)	(0.2%)	(17,931)	(0.9%)	(15,012)	>100%
Amortized cost on 2027 Notes	(1,549)	(0.1%)	(7,494)	(0.4%)	(5,945)	>100%
Amortized cost on Additional 2025 Notes	(8,327)	(0.5%)	—	0.0%	8,327	(100.0%)
Amortized cost on Original 2025 Notes	(4,240)	(0.3%)	—	0.0%	4,240	(100.0%)
IRS interest expense	(3,919)	(0.2%)	(22,700)	(1.1%)	(18,781)	>100%
Commission on sureties	(5,661)	(0.3%)	(10,052)	(0.5%)	(4,391)	77.6%
Interest expense on Revolving Loan	(10,176)	(0.6%)	(5,689)	(0.3%)	4,487	(44.1%)
Leasing interest expense	(3,751)	(0.2%)	(4,296)	(0.2%)	(545)	14.5%
Interest expense on Bondco loan	(6,947)	(0.4%)	—	0.0%	6,947	(100.0%)
Other interest expense	(57,731)	(3.5%)	(29,393)	(1.5%)	28,338	(49.1%)
Total finance expenses	(220,287)	(13.5%)	(215,400)	(10.7%)	4,887	(2.2%)
Net finance expenses	(192,148)	(11.8%)	(206,362)	(10.3%)	(14,214)	7.4%

“Net finance expenses” of €206,362 thousand (of which €4,811 thousand related to the PWO Group) for the year ended December 31, 2024 include non-recurring finance income of €6,215 thousand (€24,402 thousand for the year ended December 31, 2023) and non-recurring finance expenses of €58,575 thousand (€73,052 thousand for the year ended December 31, 2023).

“Other interest income” mainly includes the interest income on the escrow accounts of €6,215 thousand.

“Interest expense on the December 2023 Floating Rate Notes” and “IRS interest expense” include a total amount of €10,469 thousand relating to the interest accrued on the December 2023 Floating Rate Notes (€6,339 thousand) the charges on the hedging derivative instruments outstanding (€4,130 thousand) in the period prior to the completion of the PWO Acquisition and charges on hedging derivatives relating to the 2024 Notes Repaid for €381 thousand.

“Amortized cost on 2027 Notes” and “Amortized cost on June 2023 Notes” includes €21,283 thousand relating to the acceleration of the residual unamortized costs on the Notes Repaid, which were fully expensed as a result of their early repayment.

“Other interest expense” mainly includes the make-whole premium relating to the 2024 Notes Repaid for €26,443 thousand. It also includes the effect of the amortized cost relating to the deferred portion of the purchase price consideration of Betflag for the year ended December 31, 2024 for €660 thousand (€2,772 thousand for the year ended December 31, 2023).

Income Tax Expense

Income tax expense for the year ended December 31, 2024 amounted to €77,052 thousand, an increase of €13,775 thousand compared to €63,277 thousand for the year ended December 31, 2023. This increase was due to higher profit before taxes.

Liquidity and Capital Resources

Overview

The primary sources of liquidity for the Group's business have been cash flow from operations and the issuance of debt securities. The Group has the ability to borrow up to €447.25 million under the Revolving Credit Facility (including the Incremental Facility and excluding the Incremental Guarantee Facility). As of the date of this Offering Memorandum, the Revolving Credit Facility was fully undrawn.

The Group's principal or interest payments when due on its indebtedness, including indebtedness under the Revolving Credit Facility, lease liabilities or any future indebtedness it may incur, and its ongoing operations and any consideration that may be payable in respect of acquisitions (including contingent consideration or deferred consideration payable), are expected to be funded from its cash on hand and cash flows from operating activities.

The Group's ability to generate sufficient cash for its debt service depends on its operating performance and liquidity and on the operating performance and liquidity of its subsidiaries, which in turn depends on a certain degree on general economic, financial, industry, regulatory and other factors, many of which are beyond the Group's control, as well as other factors discussed in the "Risk Factors."

Cash Flows

The table below sets forth a summary of the Group's consolidated statement of cash flows for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
		(in € thousands)	
A. Cash flow from operating activities	407,532	524,338	635,017
B. Cash flow used in investing activities	(640,882)	(341,348)	(295,801)
C. Cash flow from financing activities	293,194	(313,516)	(359,474)
D. Net cash flow (A+B+C)	59,844	(130,526)	(20,258)
E. Cash and cash equivalents at the beginning of the period	234,838	294,682	164,156
F. Cash and cash equivalents at the end of the period	294,682	164,156	(143,898)
G. Changes cash and cash equivalents (F-E)	59,844	(130,526)	(20,258)

Cash Flow Information for the year ended December 31, 2025 and for the year ended December 31, 2024

Cash Flow from Operating Activities

Cash flow generated by operating activities was €635,017 thousand for the year ended December 31, 2025, an increase of €110,679 thousand compared to €524,338 thousand for the year ended December 31, 2024, and mainly related to:

- cash flow from operating activities before changes in net working capital of €766,897 thousand for the year ended December 31, 2025, an increase of €124,867 thousand compared to €642,030 thousand for the year ended December 31, 2024. Such increase was substantially in line with the increase in Adjusted EBITDA (which increased by €149,237 thousand from €706,922 thousand for the year ended December 31, 2024 to €856,159 thousand for the year ended December 31, 2025). This increase was partially offset by an increase of non-recurring monetary costs, from €68,491 thousand to €89,397 thousand;
- cash outflow from changes in net working capital of €35,512 thousand, mainly attributable to payments related to certain tax disputes, which were partially offset by guarantee deposits collected by PWO in 2025;
- taxes paid during the year, which amounted to €93,684 thousand.

Cash Flow Used in Investing Activities

Cash flow used in investing activities was €295,801 thousand for the year ended December 31, 2025, a decrease of €45,547 thousand compared to €341,348 thousand for the year ended December 31, 2024.

For the year ended December 31, 2025, cash flows used in investing activities were mainly related to:

- recurring capital expenditures of €86,328 thousand, mainly related to the development of technological software, software licensing costs, AWP cabinets and motherboards (for storage) and the renovation of gaming halls;
- concession capital expenditures amounting to €112,697 thousand, mainly related to the renewal of concessions for the Gaming Franchise segment (€43,713 thousand), Sports Franchise segment (€33,749 thousand), Bingo (€235 thousand) and the nine-year renewal of five Online concessions (€35,000 thousand);
- extraordinary capital expenditures amounting to €62,283 thousand, mainly related to (i) bolt-on acquisitions, distribution insourcing and deferred price components of previous acquisitions and (ii) the integration of PWO;
- the payment of the deferred price component related to the acquisition of Goldbet (now GBO Italy S.p.A.) amounting to €20,576 thousand.

For the year ended December 31, 2025, the item also included €13,917 thousand related to investments in a 60% equity interest in Cristaltec S.p.A. and a 20% investment in Sportbet S.r.l. and investments in certain retail initiatives.

Cash flow from investing activities for the year ended December 31, 2024 also included: (i) a payment of the deferred price component related to the acquisition of Betflag (€50,000 thousand) and a (ii) net investment for the PWO Acquisition (€87,443 thousand).

Cash Flow Used in Financing Activities

Cash flow used in financing activities was €359,474 thousand for the year ended December 31, 2025, an increase of 45,958, compared to €313,516 thousand for the previous year.

In relation to the 2025 Refinancing, cash flow used in financing activities amounted to €3,406 thousand for the year ended December 31, 2025 and mainly related to:

- the gross proceeds from the issuance of the May 2025 Notes of €1,100,000 thousand;
- the payment of transaction costs for the issuance of the May 2025 Notes amounting to €12,788 thousand;
- the early redemption of the 2025 Notes Repaid for an aggregate amount of €1,065,000 thousand and the payment of the make-whole premium as a result of the early repayment of the June 2023 Fixed Rate Notes amounting to €21,018 thousand;
- the payment of the charge arising from the closing of hedging derivatives following the early repayment of the December 2023 Floating Rate Notes, amounting to €4,000 thousand;
- the payment of arrangement fees related to the amendment of the Revolving Credit Facility of €600 thousand.

In relation to the ordinary activities, cash flow used in financing activities amounted to €356,068 thousand for the year ended December 31, 2025, and mainly related to:

- net finance expenses paid of €120,626 thousand, primarily consisting of (i) interest on the senior secured notes outstanding during the year and (ii) finance expenses related to the Revolving Credit Facility amounting to €4,794 thousand;
- share buyback of €127,259 thousand;
- dividends paid of €78,166 thousand;
- lease payments of €28,132 thousand.

Cash Flow Information for the year ended December 31, 2024 and for the year ended December 31, 2023

Cash Flow from Operating Activities

Cash flow generated by operating activities was €524,338 thousand for the year ended December 31, 2024, an increase of €116,806 thousand compared to €407,532 thousand for the year ended December 31, 2023, and mainly related to:

- cash flow from operating activities before the changes in net working capital of €642,030 thousand for the year ended December 31, 2024, an increase of €94,858 thousand compared to €547,172 thousand for the year ended December 31, 2023. Such increase was substantially in line with the increase in Adjusted EBITDA (which increased by €126,571 thousand from €580,351 thousand for the year ended December 31, 2023 to €706,922 thousand for the year ended December 31, 2024), partially offset by the trend in monetary costs related to M&A and international activities, integration costs and other non-recurring income and expenses excluded from Adjusted EBITDA, which increased from €35,192 thousand for the year ended December 31, 2023 to €68,491 thousand for the year ended December 31, 2024, mainly related to the integration of the PWO Group into the Group;
- cash outflow from net working capital of €36,310 thousand mainly due to payment to the previous SKS365 management following the change of control;
- taxes paid in the year, amounting to €79,443 thousand.

Cash Flow Used in Investing Activities

Cash flow used in investing activities was €341,348 thousand for the year ended December 31, 2024, a decrease of €299,534 thousand compared to €640,882 thousand for the year ended December 31, 2023.

For the year ended December 31, 2024, cash flows used in investing activities were mainly related to:

- recurring capital expenditure of €86,881 thousand mainly relating to the renovation of betting PoS, owned and indirect gaming halls, software development and software licensing costs as well as AWP cabinets and circuit boards;
- concession capital expenditure amounting to €63,210 thousand mainly related to the renewal of concessions of Gaming Franchise (€38,214 thousand) and Sports Franchise (€24,996 thousand);
- extraordinary capital expenditure amounting to €61,410 thousand, mainly related to (i) acquisition costs for bolt-ons M&A, distribution insourcing and deferred price components of previous acquisitions and (ii) the PoS network optimization project, a carry over from previous years. Extraordinary capital expenditure includes the payment for the purchase of the remaining 30% of the share capital of Billions Italia S.r.l. and the remaining 49% of the share capital of New Matic S.r.l., amounting to €5,832 thousand;

- the payment of the deferred price component related to the acquisition of Betflag amounting to €50,000 thousand;
- net cash outflow for the PWO Acquisition amounting to €87,443 thousand related to (i) the consideration paid, net of the cash acquired, amounting to €591,724 thousand, partially offset by (ii) the cash flows from the release of the escrow account from the December 2023 Floating Rate Notes equal to €504,281 thousand, including accrued interest, into which the funds had been transferred.

Cash flows used in investing activities for the year ended December 31, 2023 includes €497,500 thousand representing the proceeds from the issuance of the December 2023 Floating Rate Notes, which were deposited into an escrow account pending the completion of the PWO Acquisition on the PWO Acquisition Closing Date.

Cash Flow Used in Financing Activities

Cash flow used in financing activities was €313,516 thousand for the year ended December 31, 2024, compared to €293,194 thousand generated in the previous year.

In relation to the 2024 Refinancing and the PWO Acquisition, cash flow used in financing activities amounted to €52,954 thousand for the year ended December 31, 2024 and mainly related to:

- the issuance of the May 2024 Notes, for total gross proceeds equal to €900,000 thousand;
- the payment of transaction costs for the May 2024 Notes and the December 2023 Floating Rate Notes issued amounting to €21,031 thousand, of which €10,894 thousand related to the May 2024 Notes and €10,137 thousand related to the December 2023 Floating Rate Notes;
- the early repayment of the 2024 Notes Repaid of €900,000 thousand and the payment of the make-whole premium as a result of the early repayment of the 2027 Notes amounting to €26,443 thousand;
- the payment of commitment fees on a bridge debt facility, which was initially subscribed for the PWO Acquisition and subsequently discharged upon the issuance of the December 2023 Floating Rate Notes, amounting to €6,250 thousand.

In relation to the ordinary activities, cash flow used in financing activities amounted to €251,911 thousand for the year ended December 31, 2024 and mainly related to:

- net finance expenses paid of €160,122 thousand, mainly related to (i) interest on the senior secured notes outstanding during the year and (ii) finance expenses related to the revolving credit facility amounting to €4,344 thousand (of which €875 thousand related to the arrangement fees for the increase of RCF line);
- dividends paid of €67,113 thousand;
- lease payments of €24,676 thousand.

The cash flow generated from financing activities for the year ended December 31, 2023 mainly included net cash flows from: (i) the capital increase as a result of the IPO and (ii) the 2023 Refinancing.

Capital Expenditures and Investments

Capital Expenditures are defined as investments for the period in property, plant and equipment and intangible assets. The following tables set forth the Group's Capital Expenditures in property, plant and equipment and in intangible assets for the periods indicated:

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € thousands)</i>		
Property, plant and equipment	40,890	70,384	60,667
Intangible assets	99,596	72,630	240,225
Capital Expenditures	140,486	143,014	300,892

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € thousands)</i>		
Gaming Hardware	14,220	17,776	24,950
Other assets	8,883	20,669	14,747
Furniture	4,719	8,302	5,027
Leasehold improvement	10,280	14,208	13,015
Assets under development and payments on account	2,788	9,429	2,928
Total	40,890	70,384	60,667
Business combinations	6,704	17,061	5,643
Total including business combinations	47,594	87,445	66,310

	For the year ended December 31,		
	2023	2024	2025
	<i>(in € thousands)</i>		
Software	15,866	23,624	31,809
Concessions	64,350	15,510	182,924
Trademarks	1	33	1
Assets under development and other intangible assets	19,379	33,463	25,491
Total	99,596	72,630	240,225
Business combinations	1,729	231,071	2
Total including business combinations	101,325	303,701	240,227

The following is a description of the principal Capital Expenditures in property, plant and equipment and intangible assets for the above-mentioned periods.

Year ended December 31, 2025

For the year ended December 31, 2025, Capital Expenditures were €300,892 thousand, of which €60,667 thousand related to investments in property, plant and equipment and €240,225 thousand related to investments in intangible assets, representing an increase of €157,878 compared to €143,014 thousand for the year ended December 31, 2024.

Investments in property, plant and equipment mainly related to the: (i) purchase of AWP game cards for €12.2 million; (ii) purchase of hardware equipment and devices in betting shops for €12.6 million; (iii) purchase of iCash and My Pay devices for €3.2 million; (iv) purchase of facilities and equipment in the gaming halls amounting to €2.6 million; (v) purchase of office and IT security equipment for €7.0 million; and (vi) purchase of new storage systems for €1.3 million.

Investments in intangible assets primarily included: (i) €182.9 million for two-year extensions to the Gaming Franchise and Sports Franchise concessions until December 31, 2026, as well as five Online concessions with nine-year durations; (ii) €6.2 million for the purchase of software licenses supporting collection and bet management activities; (iii) €13.1 million for the Group's ERP system upgrades; (iv) €12.1 million for application

software upgrades; and (v) €11.5 million for software development activities, along with €13.5 million for the capitalization of NOE and entry fees.

Year ended December 31, 2024

For the year ended December 31, 2024, Capital Expenditures were €143,014 thousand, of which €70,384 thousand related to investments in property, plant and equipment and €72,630 thousand related to investments in intangible assets, representing an increase of €2,528 thousand compared to €140,486 thousand for the year ended December 31, 2023.

Investments in property, plant and equipment mainly related to: (i) the purchase of AWP game cards for €10.8 million; (ii) the purchase of iCash devices for €4.2 million and My Pay for €0.3 million; (iii) the purchase of office equipment and IT security equipment for €3.5 million; (iv) leasehold improvements for €14.2 million to facilities and equipment in gaming halls and (v) hardware equipment and devices in betting shops for €6.0 million.

Investments in intangible assets mainly related to: (i) the purchase of application software for €9.6 million, (ii) the upgrade of the Group's ERP system for €7.8 million, (iii) the purchase of software licenses for €2.8 million, (iv) software development for €12.2 million as well as the capitalization of NOE and entry fees for €21.2 million (of which €3.3 million related to the PWO Acquisition).

Year ended December 31, 2023

For the year ended December 31, 2023, Capital Expenditures were €140,486 thousand, of which €40,890 thousand related to investments in property, plant and equipment and €99,596 thousand related to investments in intangible assets.

Investments in property, plant and equipment mainly related to: (i) €14.2 million for the purchase of AWP game cards, hardware equipment and devices in betting shops and new VLT terminals; (ii) €8.9 million related to ordinary upgrades to the data center infrastructure, the development of agency-oriented services, the purchase of office equipment and IT security equipment as well as the reengineering of the network system and storage; (iii) leasehold improvements for €10.3 million mainly related to the completion of the works on the halls that have become operational and the set-up of new corners in the halls; (iv) €4.7 million mainly related to the redevelopment and optimization of the gaming halls, and (v) €2.8 million mainly related to the purchase of furniture, fittings and down payments for the purchase of new gaming devices and other IT equipment for the set-up of new betting points not yet in operation.

Investments in intangible assets mainly related to: (i) €15.9 million for the purchase of software licenses required for collection and bet management activities, upgrading the SAP ERP system and purchasing software licenses relating to cybersecurity, digital transformation projects, automation of anti-money laundering processes and the development of a new customer service; (ii) €64.3 million for the extension of VLT and AWP concessions and other online concessions until December 31, 2024; (iii) €19.4 million to fund software development as well as capitalization of NOE and entry fees.

Indebtedness

	As of December 31,			
	2023	2024	2025	As Adjusted
	(in € thousands)			
Notes offered hereby ^(a)	—	—	—	765,000
2027 Notes ^(b)	350,000	—	—	—
June 2023 Floating Rate Notes ^(b)	550,000	—	—	—
June 2023 Fixed Rate Notes ^(b)	565,000	565,000	—	—
December 2023 Floating Rate Notes ^(b)	500,000	500,000	—	—
May 2024 Fixed Rate Notes ^(b)	—	500,000	500,000	500,000
May 2024 Floating Rate Notes ^(b)	—	400,000	400,000	—
May 2025 Notes ^(b)	—	—	1,100,000	1,100,000
Shares Buyback liabilities ^(c)	—	—	173,421	173,421
IFRS 16 lease liabilities ^(d)	75,908	81,169	75,679	75,679
Cash and cash equivalents ^(e)	(792,182)	(173,344)	(143,898)	(498,898)
Net Financial Debt	1,248,726	1,872,825	2,105,202	2,115,202

- (a) Represents the aggregate principal amount of the Notes offered hereby for a nominal amount of €765.0 million. The gross proceeds from the Offering will be used as described under “*Use of Proceeds*.”
- (b) Represents the nominal value of the relevant indebtedness.
- (c) Represents liabilities outstanding for the share buyback as of December 31, 2025.
- (d) Represents lease liabilities recorded on an IFRS 16 basis.
- (e) As of December 31, 2023, the item includes €497.5 million representing the proceeds from the issuance of the December 2023 Floating Rate Notes, which were deposited into an escrow account pending the completion of the PWO Acquisition. As of December 31, 2024, cash and cash equivalents includes €9.2 million relating to the PWO Group’s guarantee deposits, which have been collected in January 2025. As of December 31, 2025 adjusted cash and cash equivalents reflects our cash and cash equivalents as adjusted to give effect to the Transactions, as described under “*Use of Proceeds*,” including €355.0 million of cash from the proceeds of the Offering expected to be funded on the Issuer’s balance sheet and be available for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions. As Adjusted Net Financial Debt as of December 31, 2025, reflects the Group’s Net Financial Debt as of December 31, 2025 as adjusted for the Offering hereby and the application of the proceeds therefrom. See “*Capitalization*.”

Contingent and Other Off-Balance Sheet Liabilities

Guarantees provided to the ADM mainly relate to performance bonds indemnifying the ADM in the event that the Group fail to adequately perform its tax obligations under its concessions, amounting to €443.6 million as of December 31, 2025.

Financial Risk Management

The Group is exposed to the following risks: market risk (in particular interest rate risk), credit risk and liquidity risk. The Group is not involved in significant transactions that expose it to exchange rate risk.

The Group’s objective is to maintain a balanced approach to managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by operating activities and bank loans.

The Group’s ability to generate liquidity from operations together with its borrowing capacity enable it to satisfy its operational requirements to fund working capital, invest and meet its financial obligations.

Treasury and financial risk management are centralized within the Group. Specifically, the central finance function is responsible for evaluating and approving forecast financial requirements, monitoring trends and taking corrective action as necessary.

The following paragraphs provide qualitative and quantitative information relating to the Group’s exposure to the aforementioned financial risks.

Market Risk

Interest Rate Risk

Changes in interest rates on the variable component of the Group's debt and cash may result in higher or lower finance expenses/income. Interest rate swap derivative instruments are used in this risk management activity.

In particular, this risk, prior to the Transactions, is mainly attributable to the potential change in the cash flows related to the change in the interest rate on the May 2024 Floating Rate Notes (amounting to €400.0 million), with coupon indexed to the three-month EURIBOR rate (with a floor of 0%) plus a contractually defined spread. As part of the 2025 Refinancing, the Group repaid the December 2023 Floating Rate Notes issued in December 2023, which had a principal amount of €500 million.

With reference to the May 2024 Floating Rate Notes, in order to hedge the risk relating to possible changes in the interest rates, the Issuer entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, respectively, each for a notional amount of €200 million. These derivative contracts hedge against the risk associated with a potential increase in interest rates by exchanging the bond's three-month EURIBOR rate with a contractually determined fixed interest rate. Such hedging transactions are accounted for as cash flow hedges in accordance with IFRS 9 – Financial Instruments.

Credit Risk

Credit risk represents the Group's exposure to the risk of potential losses resulting from the non-fulfilment of obligations by its counterparties.

The collection of wagers by points of sale and nominated third parties may generate credit risk for the Group, as the failure of, or losses incurred by, one or more members of the distribution network or the interruption of relations with any of them for whatever reason can have a negative impact on the Group's results, business activities, financial conditions and future prospects. The Group mitigates such risk by obtaining bank and/or insurance guarantees.

In accordance with IFRS 9, trade receivables are recognized net of provisions, calculated on the basis of a risk model of non-fulfilment of obligations by counterparties, in turn based on available information regarding the counterparty's solvency and historical data, in such a way as to represent the fair value of the receivables, or expected realizable value of both already impaired receivables and those that may become impaired in the future. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

Liquidity Risk

Liquidity risk is the risk that owing to an inability to access new funds or sell assets, the Group is unable to meet its payment obligations, leading to a negative impact on results if it is then obliged to incur additional costs to meet its obligations or deal with insolvency.

The Group manages this risk by seeking to establish a financial structure that, consistent with its business objectives and defined limits: (i) ensures sufficient liquidity, while minimizing the related opportunity cost; and (ii) maintains an appropriate balance in terms of duration and composition of debt.

Use of Accounting Estimates

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on subjective judgments, past experience and hypotheses considered reasonable and realistic, given the information known at the time. Such estimates have an effect on the amounts reported in the financial statements, including the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the related notes to the consolidated financial statements. Actual results may then differ, even significantly, from those reported in the consolidated financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions on which estimates are based.

Many reported account balances are based on estimates and while not all constitute large amounts, the total of such balances is materially significant. Main accounting estimates involving a high degree of subjectivity and judgement on the part of management, where a change in the conditions underlying the assumptions could have a significant effect on the Group's financial results, are detailed below.

Deferred Tax Assets

Deferred tax assets are recognized on deductible temporary differences between the carrying amount of an asset or liability in the consolidated financial statements and its tax base and on unused tax losses carried forward, to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Judgement is required on the part of management, involving estimates regarding the timing and level of future taxable profits, to determine the level of deferred tax assets that should be recognized.

Allowance for Doubtful Receivables

The recoverability of receivables is estimated taking into account the risk of non-collection and applying different expected loss rates to groups of receivables with similar risk profiles and ageing or based on the stage of the process being followed to recover such doubtful receivables.

Depreciation and Amortization

The cost of property, plant and equipment and intangible assets is depreciated/amortized on a straight-line basis over the estimated useful life of each asset. The economic useful life of these assets is determined at the time of purchase, based on historical experience for similar assets, market conditions and expected future events that may affect them, such as technological changes. An asset's actual useful life may, therefore, be different from its estimated useful life.

Trade Receivables

In accordance with IFRS 15, trade receivables for the provision of services are recognized based on the terms of the relevant customer contract and classified according to the nature of the counterparty and/or the due date of the receivable (such definition includes invoices still to be issued for services already provided).

As trade receivables are typically short-term in nature and do not involve payment of interest, amortized cost is not calculated and they are accounted for at the nominal value stated on the invoice or in the customer contract: such arrangement is followed even for those receivables due after more than twelve months, so long as the effect is not significant. This is due to the value of short-term receivables being very similar whether the historical cost method or amortized cost method is adopted, and the impact of discounting is insignificant.

Trade receivables are tested for impairment in accordance with the requirements of IFRS 9. For measurement purposes, trade receivables are categorized by due date. Performing receivables are measured collectively, grouping individual exposures based on similar credit risk. The measurement process involves reviewing losses suffered on assets with similar credit risk based on past experience and considers expected losses. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

We applied the simplified approach set out in IFRS 9 to estimate the recoverability of our trade receivables.

The adjustment of estimates considers the risk of non-collection of receivables by applying different expected loss allowances to groups of receivables, each characterized by similar risk profiles and ageing or status, of actions taken to recover doubtful receivables.

Financial Assets and Liabilities

Financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, in line with the effective interest method.

Share Based Payment

On June 15, 2023, the Issuer's Board of Directors approved the implementation of the SOP already approved by the shareholders at a meeting held on March 15, 2023, subject to examination by the Appointments and Remuneration Committee. In line with the SOP, the plan has been accounted for at fair value as required by IFRS 2 – Share Based Payment.

The following table provides details of the market related data used to determine the fair value of the stock options for rounds of assignments.

	Vesting date	Expiration date	Strike price (€)	Price at valuation date (€)	Volatility	Expected dividend rate	Exit annual rate
1° assignments	June 15, 2026	June 15, 2028	9.00	8.214	45.36%	3.83%	0.00%
2° assignments	June 14, 2027	June 14, 2029	10.80	10.570	24.35%	3.81%	0.00%
3° assignments	March 3, 2028	March 3, 2030	16.034	16.65	21.94%	3.90%	0.00%

The fair value of market-based component was estimated using the stochastic simulation with the “Monte Carlo method.” The valuation was carried out on no-arbitrage and risk-neutral framework assumptions common to fundamental stock option pricing models (such as the binomial model, the Black-Scholes model and so on), using the following hypotheses:

	Average annual growth rate of the stock	Stock volatility	Discount rate	Expected dividend rate
1° assignments	3.53%	45.36%	3.53%	3.83%
2° assignments	2.98%	24.35%	2.98%	3.81%
3° assignments	2.147%	21.94%	2.147%	3.90%

As regards “non-market based” component related to economic and financial performance, unlike the “market based” performance conditions and according to the accounting principle, it must be updated periodically at each reporting date to take into account the expectations relating to the number of rights that may accrue. In this regard, it is assumed that the performance condition which allows the vesting of approximately 40% of the assigned rights will be achieved.

For the ESG bonus/malus component, it is assumed that the target will be achieved.

The following table shows the fair value of the individual option rights assigned. The valuation was based on the assumption made before.

	Unit fair value (€)
1° assignments	2.595
2° assignments	1.852
3° assignments	2.60

Impairment of Assets

Goodwill and other tangible, intangible and investment property assets with a finite useful life are tested for impairment when indicators of impairment are identified that suggest the full asset value may not be recovered through use. The recoverable amount is estimated and the carrying amount of the asset is reduced accordingly. Identification of the existence of such indicators of impairment requires management to exercise judgement based on experience and information available both within the Group and in the broader marketplace. In the case of goodwill, such tests are performed at least annually. If impairment indicators are identified, management employs what it considers to be the most appropriate measurement techniques to estimate such impairment. Both the correct identification of the indicators of impairment and the related estimates of the extent of such impairment depend upon factors that may change over time, thereby influencing measurements and management estimates.

Impairment tests are carried out for each cash-generating unit (“CGU”) to which goodwill has been allocated. An impairment loss on goodwill is recognized when the CGU's carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use, being the

present value of estimated future cash flows; in calculating the value in use, the estimated future cash flows are discounted to present value using a net of tax discount rate, that reflects current market assessments of the time value of money and the risks specific to the asset. If the impairment loss is higher than the carrying amount of goodwill allocated to the CGU, the excess is applied to the other assets of the CGU in proportion to their carrying amount. The carrying amount of an asset should not be reduced below the highest of:

- the fair value of the assets less costs of disposal;
- the value in use; or
- zero.

INDUSTRY OVERVIEW

The Italian gaming market is regulated by the Agenzia delle Dogane e dei Monopoli (“**ADM**”) and comprises the following segments:

- (i) Online, includes online betting (“**iSports**”), online casino (“**iGaming**”) and other online;
- (ii) Sports Retail, includes sports betting, horse betting and virtual betting;
- (iii) Gaming Retail, includes Amusement With Prize machines (AWP) and Video Lottery Terminals (VLT);
- (iv) Casino & Bingo Retail; and
- (v) Lotteries.

The Group operates in the Online, Sports Retail and Gaming Retail segments.

Italian Online market definition

The Italian Online market can be further divided into iSports, iGaming and other Online.

iSports

iSports includes three main components: sports betting, horse betting and virtual events, which were introduced in 2013.

- (i) Sports betting includes fixed-odds sports betting and pool games that covers all top events on real-life sporting events, such as football, basketball, tennis, as well as other events, such as Formula 1 and MotoGP in pre-match and live betting and where participants pay a fixed price into a betting pool and make bets on a particular outcome. The Group offers one of the widest offering of sports betting events in Italy;
- (ii) Horse betting includes horse betting games; and
- (iii) Virtual events are a visual representation of events where odds are based on a computerized number draw.

iGaming

iGaming includes casino games, which were legalized in Italy in 2012.

Other Online

Other Online includes online bingo (legalized in 2012), online poker (poker tournaments legalized in 2011), betting exchange and online lotteries.

The following describes the main parties of the value chain of the Online market:

- (i) *Concessionaires*: these are the ADM licensed operators responsible for ensuring legality of the game and its distribution through their platform and their digital assets (e.g. app, mobile site and website). They manage the end-to-end relationship with the final customer through their platforms: activation and management of game accounts, contents provision through digital assets, payment management (top-up and withdrawal), customer services and CRM. They are responsible for the payment of taxes and fees required by the gaming authorities;
- (ii) *Producers of contents*: these companies develop content that are distributed by the concessionaire through their platforms. For Online betting, these companies mainly provide: data feeds to set the odds, live streaming of sporting events, virtual betting games and horse racing events. For iGaming, they

provide: slot contents, table contents (both live and random number generator based), poker and bingo platforms and skill games. These companies are typically specialized international suppliers and integrated directly in the concessionaire's system or through specific integration regime.

Italian Sport Retail market definition

The Italian Sports Retail market comprises three main sectors: sports betting (introduced in 2007), horse betting (introduced in 2007) and virtual betting (introduced in 2013). Sports betting and horse betting can be played at authorized Betting Shops or Betting Corners. There are also other betting activities that relate to non-sporting events connected with the world of entertainment, music, culture and current affairs of national and international importance.

Sports Betting

Sports betting includes fixed-odds sports betting and pool games (where participants pay a fixed price into a betting pool and make a selection on a particular outcome). Sports betting takes place at designated betting shops and corners and is based on real-life sporting events, such as football, basketball, tennis, as well as other events, such as Formula 1 and MotoGP.

Horse Betting

Horse betting includes traditional horse race betting, which is exclusively played in betting shops and corners and hippodromes, as well as other horse betting games, such as Ippica Nazionale, which can also be played in betting shops and corners. For traditional horse race betting, a unit bet costs €1 and the minimum bet is €2.

Virtual Betting

Virtual events are a visual representation of events where odds are based on a computerized number draw. Virtual events may be broadcasted by concessionaires that are licensed to collect sport and horse bets through the physical or online channels. Every outcome, relating to a single bet, will have a Payout of between 80% and 90%. Every combination relating to a multiple bet will have a Payout of between 60% and 90%.

The following describes the main parties of the value chain of the Sports Retail market:

- (i) *Concessionaires*: Concessionaires are the ADM licensed operators responsible for the control of the legality of the games and the distribution through their platform and their network of POS, mainly in franchises. Concessionaires are the owners of the betting license and select the POS based on their business potential. Concessionaires provide the POS with the product and technology through their platforms. The main products are: fixed-odd betting, virtual betting and horse racing. The technology assets are: operator terminals, external cashiers and SSBTs, TV and monitors and decoders to stream the sport and virtual events. Concessionaires are also responsible for the risk and trading management activities. They also provide the POS with the accounting platforms to manage the betting business. They are responsible for the payment of taxes and fees required by the gaming authorities;
- (ii) *Point of Sales*: Customers can bet in betting shops and corners, which are typically operated under the name of the concessionaire who has been awarded a betting license. Betting shops are venues dedicated to betting while corners are POS placed in other locations such as cafes and tobacconists. They are mainly managed under the franchise model and the franchisees are responsible for selling the products to the customers. The franchisees also pay the POS costs (e.g. rental, personnel, utilities) and have a revenue-sharing arrangement with the concessionaire.

Italian Gaming Retail market definition

The Italian Gaming Retail market can be divided into two different sectors: amusement with prize machines ("AWPs") and video lottery terminals ("VLTs"). The market currently includes nine concessionaires in Italy.

AWPs

AWPs are traditional slot machines, otherwise known as employ a graphical reel containing pictures (such as fruits) and provide games of controlled chance, paying cash to winners. AWP were legalized in Italy in 2004. AWP are primarily placed in, cafés, tobacco shops, gaming and bingo halls. AWP offer a minimum Payout ratio of 65% from 2020.

The value chain of the AWP segment involves three key market participants:

- (i) *AWP concessionaire*: who are responsible to the ADM for the certification of the AWP, the establishment and management of the network connection, the data transmission to the ADM, the proper functioning of the AWP and the collection and payment of taxes. The concessionaire receives compensation based on a fixed fee or a percentage of the turnover;
- (ii) *AWPs operators*: known as the “gestore,” who are responsible for the initial deployment, management and maintenance of the AWP and enter into a revenue-sharing contract with the retailers who then display the machine. The gestore operates in partnership with the concessionaire; and
- (iii) *Retailers*: responsible for collections from the customers and provide physical sales point where the AWP are operated.

VLTs

VLTs were first approved for use in Italy in 2009 but only launched in Italy in August 2010. Different from the traditional graphical reels of AWP, VLTs employ a video display and provide a wider range of games. VLTs can be managed and monitored remotely and in real time and can only be placed in dedicated gaming halls. VLTs, including jackpots and games mechanics, currently offer a minimum Payout ratio of 83%, which is higher than the current minimum Payout ratio of 65% for traditional AWP, due to different mandatory Payout rates required under the applicable laws.

The value chain of the VLT segment involves the following participants:

- (i) *VLT concessionaires*: responsible to the ADM for the (i) connection of the terminals (ii) the management of the platform, (iii) the administrative procedures and (iv) collection and payment of taxes related to the concession;
- (ii) *Technological partners*: provide the platform to which the terminals are connected. If the concessionaire is not the owner of the platform, the concessionaire will enter into a revenue-sharing contract with the supplier of the platform; and
- (iii) *Retailers*: provide the physical sales point where the machines are operated and with whom the concessionaire enters into a revenue-sharing contract.

Additionally, in certain instances the concessionaire enters into an agreement with a third party intermediary to install the VLTs in return for either a fixed fee or a portion of the revenue generated by the VLTs.

Italian Gaming Market

The Italian gaming market is measured using three key performance indicators: Bets, gross gaming revenues (“GGR”) and net gaming revenues (“NGR”).

- “**Bets**” refers to the total amount of wagers collected from players;
- “**GGR**” refers to Bets less the amount paid to players as winnings; and
- “**NGR**” refers to gross gaming revenues less the amount of taxes payable to the ADM and represents the remuneration of the gaming sector value chain, including the concessionaires, service suppliers, gaming machines operators and retailers.

According to Prisma (MAG) and H2 Gambling Capital, in 2025 Italy was the largest gaming market in Europe with a total GGR of €21.7 billion, followed by the United Kingdom with GGR of €20.9 billion and then Germany, France, Spain and Nordic Countries with 2025 GGR of €15.9 billion, €15.9 billion, €12.8 billion, and €9.2 billion, respectively. Italy also represents the largest market in Europe for the segments in which the Group operates (the “**Addressable Market**”), accounting for €14.6 billion in GGR in 2025 (followed by the UK with GGR of €14.4 billion and Germany with GGR of €9.2 billion).

GGR 2025 <i>(in € billion)</i>	Italy	UK	Germany	France	Spain	Nordic Countries⁽¹⁾
Online.....	5.2	9.7	3.8	3.9	2.0	5.6
Sports Retail	1.6	1.4	0.7	2.6	0.5	0.3
Gaming Retail.....	7.8	3.3	4.7	0.1	3.5	0.3
Total Addressable Market	14.6	14.4	9.2	6.7	6.0	6.2
Casino & Bingo Retail.....	0.5	1.4	0.7	2.7	1.1	0.2
Lotteries.....	6.3	4.9	5.8	6.0	5.5	2.4
Other online.....	0.3	0.2	0.2	0.5	0.2	0.4
Total Market	21.7	20.9	15.9	15.9	12.8	9.2

Source: Prisma (MAG) and H2 Gambling Capital

(1) Nordic Countries include Sweden, Finland, Denmark, and Norway.

In Italy, the Addressable Market has grown at 6.4% GGR CAGR between 2005 and 2025:

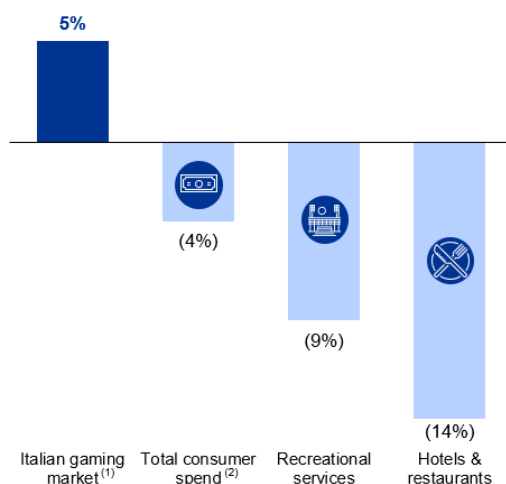
- Online: GGR reached €5.2 billion in 2025, mainly driven by the broadening of product offering, technology innovation and increased digital adoption;
- Sports Retail: GGR remained stable (approximately 1% CAGR between 2005 and 2025) where growth in sports and virtual betting offset the decline in horse betting over the same period;
- Gaming Retail: GGR increased at approximately a 5% CAGR from 2005 to 2025, mainly due to the legalisation of AWP and the introduction of VLTs in 2011.

The Italian gaming market proved to be resilient to macro-economic headwinds, even considering a longer time frame than the above:

- During the 2007 – 2010 financial crisis, the Italian gaming market outperformed GDP with Addressable Market Bets increasing yearly by 19%, 16%, 20% and 22% between 2007 and 2010, despite GDP growth of 4%, 1%, -4% and 2% in the same years.
- From 2019 to 2022, the Italian gaming market GGR increased by 5%, reaching €20.3 billion in 2022, despite posting an approximately 33% decline in 2020 and a limited recovery in 2021 due to COVID-19 related restrictions. With respect to the segments in which the Group operates:
 - Online: GGR increased over 2x from 2019 to 2022, mainly driven by higher penetration and an accelerated shift to online fostered by COVID-19 restrictions;
 - Sports Retail: GGR declined by approximately 36% and approximately 26% in 2020 and 2021, respectively, with shops closed for approximately twelve months (depending on regions) due to COVID-19 restrictions. Since the reopening in July 2021, Sports Retail recovered and posted a GGR of €1.3 billion in 2022, largely in line with 2019 levels;
 - Gaming Retail: similarly, to Sports Retail, GGR declined approximately 54% and approximately 2% in 2020 and 2021 respectively due to COVID-19 related closures. Since the reopening in July 2021, gaming machines posted a GGR of €8.6 billion in 2022, recovering to approximately 84% of 2019 levels mainly due to the introduction of the health card reader.

- In 2022, the Italian gaming market proved to be resilient to inflationary pressures: despite inflation peaking at approximately 12% during 2022, the gaming market increased by approximately 5% compared to 2019 in terms of GGR, against a contraction of consumer spend of 4%.

Delta 2022 vs. 2019 (%)

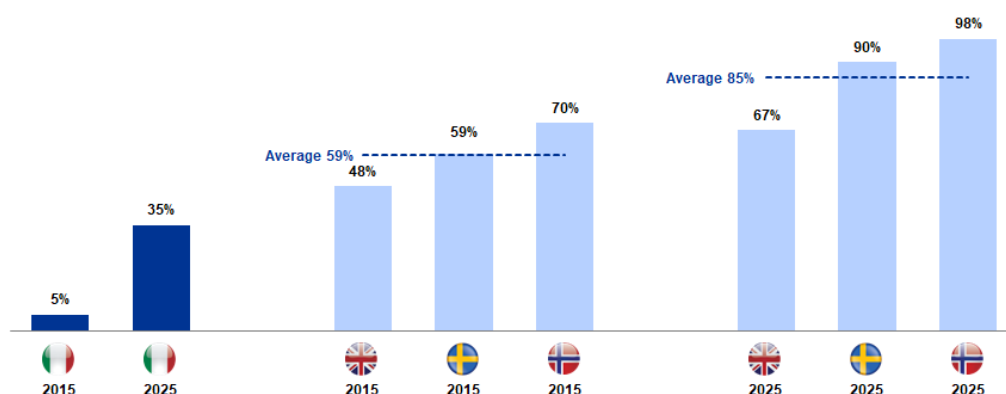


Source: Prisma (MAG), Libro Blu dei Monopoli, IHS, Oxford Economics. Notes: (1) Based on total GGR. (2) Total spend includes recreational services, hotels and restaurants, mobility services, communication services, clothing, food beverage, home personal care.

From 2005 to 2025, Online has experienced the highest growth compared to other segments and total online GGR accounted for 35% of the Addressable Market in 2025 (i.e. excluding lotteries, casino & bingo retail, and other online) in Italy. Online penetration in Italy remains relatively low if compared to the average penetration ratio of the UK, Norway and Sweden (which are European countries with the highest online adoption) (with penetration calculated as online GGR divided by total GGR excluding lotteries, casino & bingo retail, and other online).

The following table shows Italy's online penetration compared to some major markets in Europe:

Online penetration of addressable market⁽¹⁾ (% of GGR)



Source: Prisma (MAG), H2 Gambling Capital as of February 2026, elaborations on Lottomatica information. Notes: (1) Online GGR over Addressable Market GGR, which excludes lotteries, casino & bingo retail, and other online.

Regulation and Taxation

The Italian gaming market is regulated by a balanced and well-established regulatory framework overseen by the ADM with strict legal and technical requirements which provide significant barriers to entry. See “*Regulation.*”

Together with the UK, Italy is the only centrally-regulated and liberalized gaming market in Europe. The Italian gaming market is subject to a complex regulatory framework, with regulations prescribing, among other things, (i) games that may be operated, (ii) taxation levels, (iii) minimum Payout levels, (iv) concessionaire compensation, (v) the total number and locations of POS, (vi) exclusivity versus non exclusivity of a given concession and (vii) minimum service levels. As shown by the table below, the market is characterized by a full product spectrum which is fully regulated.

							
Gaming Retail	AWP	Multi-license	Multi-license	Multi-license	Prohibited	Multi-license	Multi-license
	VLT	Multi-license	Prohibited	Prohibited	Prohibited	Prohibited	Multi-license
Sports Retail and iSports	Sports	Multi-license	Multi-license	Multi-license	Monopoly (retail) / Multi-license (online)	Multi-license	Multi-license
	Virtual	Multi-license	Multi-license	Unregulated	Prohibited	Unregulated	Multi-license
	Horse	Multi-license	Multi-license	Multi-license	Monopoly (retail) / Multi-license (online)	Multi-license	Multi-license
	Totalizator	Multi-license	Multi-license	Monopoly	Monopoly	Monopoly	Multi-license
Betting exchange		Multi-license	Multi-license	Multi-license	Prohibited	Multi-license	Multi-license
Online Casino	Slot games	Multi-license	Multi-license	Multi-license	Prohibited	Multi-license	Multi-license
	Live tables	Multi-license	Multi-license	State level (Monopoly / Multi-license)	Prohibited	Multi-license	Multi-license
	iPoker	Multi-license	Multi-license	Multi-license	Multi-license	Multi-license	Multi-license
Casinos		Multi-license	Multi-license	Multi-license	Multi-license	Multi-license	Monopoly
Bingo		Multi-license	Multi-license	Monopoly	Multi-license	Multi-license	Multi-license
Lottery		Mono-license ⁽¹⁾	Mono-license ⁽¹⁾	State Monopoly	Monopoly	Mono-license ⁽¹⁾	Monopoly

Source: Vixio. Notes: Germany Online casino games are subject to a state level regulation (the states may decide to operate them under state monopoly or to issue licenses). In Spain, retail gambling is under the regulatory authority of Spain's 17 autonomous communities, while online gambling is regulated at the national level (autonomous communities may also regulate the activity within their region). (1) Mono-license for each product.

All products, except lotteries, are governed by non-exclusive concessions that by nature limit renewal risk. Additionally, in some instances, there are more licenses on offer than actual demand.

For reference, the following table summarizes the gaming concessions in Italy:

Segment	Multi-provider/ Exclusive	Concession expiry ⁽¹⁾	Key operators
AWP/VLT	Multi-provider Renewal risk: Low	Dec-2026	Lottomatica; Novomatic (Admiral); Playtech (Snai) Other operators
Sports betting	Multi-provider Renewal risk: Low	Dec-2026	Lottomatica (GoldBet, Better, Intralot, Planetwin); Flutter (Sisal, Snai); Entain (Eurobet); Other operators
Horse betting	Multi-provider Renewal risk: Low	Dec-2026	Lottomatica (GoldBet, Better, Intralot, Planetwin); Flutter (Sisal, Snai); Entain (Eurobet); Other operators
Online games	Multi-provider Renewal risk: Low	Nov-2034	Lottomatica (GoldBet, Lottomatica, Betflag, Planetwin, Totosi); Flutter (Sisal, Snai, Pokestars, Betfair, Tombola); Entain (Eurobet Bwin); Other operators
Lotteries	Exclusive Renewal risk: High	2034/2028 ⁽²⁾	IGT (Lotto); Flutter (Sisal)
Bingo	Multi-provider Renewal risk: Low	Dec-2026	Various operators

(1) The Group's Bingo, Betting & Online concessions for sports betting, horse betting, and online betting expired on June 30, 2016. The Italian Budget Law of 2025 and the recent ADM regulatory acts have extended the concessionaires' rights to operate under the expired

concessions until December 31, 2026, with the exception of Online concessions, which have been extended until November 12, 2025, as established by ADM Decree No. 503852 of July 24, 2025, and subsequently replaced by the New GAD Concessions, which came into effect on November 13, 2025. See *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its concessions, which are currently operated under a prorogation regime and therefore its revenues and income may be negatively affected”* and *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business.”* Extension of the expired concessions and participation in the new tender processes is conditional upon the filing, by each concessionaire, of a request for a new concession. In relation to the aforementioned extensions, the Group has to pay an extension concession fee. See *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—Acquiring concessions typically requires a significant upfront cash payment, and in the future the Group may not have sufficient cash on hand or adequate access to additional capital to fund such payments.”*

- (2) The Super Enalotto concession (held by Sisal) expires in 2028; the Lotto concession (held by an IGT-led consortium) which expired in 2025 and has been recently awarded to the same consortium for a period of nine years expiring in 2034, Instant lotteries (held by IGT) expires in 2028. See *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its concessions, which are currently operated under a prorogation regime and therefore its revenues and income may be negatively affected”* and *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business.”*

With reference to the Italian gaming concessions, the ADM directly supervises the concessionaires. The supervision includes disclosure requirements for concessionaires regarding individuals who directly or indirectly hold an equity interest of more than 2% of the concessionaire’s share capital. For additional information on supervisory activities carried out by ADM see *“Regulation.”*

In the years ended December 31, 2020, 2021 and 2022 and until the date of this Offering Memorandum, as part of its supervisory activity, the ADM conducted (i) an inspection on GBO Italy S.p.A. on March 21, 2021, and (ii) an inspection on BetFlag S.p.A. on February 22, 2023. Following such inspections, the ADM raised certain points of attention, technical in nature, which have been promptly addressed and implemented by the Group. The points of attention raised related to inconsistencies with respect to some electronic messages between the concessionaire system and the ADM control system. For each item, the concessionaires provided the relevant clarifications and identified the remedial measures that have been shared with the ADM. As of the date of this Offering Memorandum, there has been no further follow-ups by the ADM in connection with the inspection on GBO Italy S.p.A., also there has been no updated by the ADM with reference to the inspection on BetFlag S.p.A. Furthermore, in October 2025, ADM conducted a further inspection of GBO Italy S.p.A. in relation to its online concessions. All the documentation requested was duly provided and no further follow-ups have been taken by ADM.

In most cases, concessions have a duration of nine years and have historically required upfront payments typically in instalments over two to three years. The existing betting concessions, which were supposed to expire on June 30, 2016, are currently operated under a prorogation regime until December 31, 2026, pursuant to the Italian Budget Law of 2025. Gaming Retail concession, which is currently under a prorogation regime, will expire on December 31, 2026, pursuant to the Italian Budget Law of 2025. The regulator has been applying a pay-as-you-go regime in the last few years (starting from 2016 in sports betting), whereby operators are subject to an annual or bi-annual concession capex instead of the upfront lump sum payment for nine years. Upon expiration, and unless their duration is extended under a prorogation regime (as is the case for all the current concessions held by the Group), concessions will not be automatically renewed and concessionaires will need to take part in new public tenders to be awarded such concessions. See *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its concessions, which are currently operated under a prorogation regime and therefore its revenues and income may be negatively affected”* and *“Risk Factors—Risks Related to the Group’s Economic and Financial Condition—The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business.”* As of the date of this Offering Memorandum, the Issuer is not aware of any conditions or other potential issues hindering the eligibility for the award of new concessions.

The Italian gaming industry is highly regulated and subject to strict controls by the ADM. See *“Regulation.”* Such high scrutiny, which takes place in strict coordination and cooperation with the gaming and betting concessionaires, has a positive impact to control and eliminate the illegal gaming, as reported by certain press releases issued by ADM. In particular, the suspension of the retail gaming and betting operations during the COVID-19 pandemic, showed how the forced distancing of players from legal gaming resulted in a recourse to the illegal gaming network with a clear exposure of citizens to criminal patterns such as violence, under-age gaming, intimidation, usury and extortion. At the same time, data collected by ADM and all Italian investigative and police authorities showed how illegal gaming also results in equally serious phenomenon of illegality against the state and the Italian public economy in general, causing, among others, tax evasion and money laundering.

The ADM has also demonstrated support towards the gaming industry during the COVID-19 pandemic: (i) it postponed the payment date of gaming taxes, given the significant impact of lockdowns on the retail businesses, and (ii) it extended AWP, VLT and sports concessions for free beyond the lockdown period. Specifically, as a result of the interaction of certain legislative changes and ADM acts during the COVID-19 pandemic period, Gaming Retail concessions were extended by 15 months (instead of approximately twelve months of lockdown) and Sports Retail concessions by 18 months (instead of approximately twelve months of lockdown).

Market Segments

The following table shows total Bets in Italy by market segment for the years between 2023 and 2025:

Bets <i>(in € billion)</i>	2023	2024	2025	2023-2025 CAGR
Online	82.0	91.5	100.2	10%
iSports	14.4	16.0	15.8	5%
iGaming	60.5	68.4	77.3	13%
Other Online ⁽¹⁾	7.2	7.0	7.1	(0%)
Sports Retail	8.4	9.1	9.2	4%
Gaming Retail	33.7	32.6	31.5	(3%)
AWP	17.0	16.0	15.0	(6%)
VLT	16.7	16.7	16.5	(1%)
Casino & Bingo Retail	1.5	1.5	1.5	2%
Lotteries	22.0	22.7	23.1	2%
Total Bets	147.6	157.4	165.4	6%

(1) Includes bingo, poker, and betting exchange.

Source: Prisma (MAG).

The Payout ratio to winners varies by segment. In 2025, Payout, expressed as a percentage of Bets, amounted to approximately 88% for iSports, 96% for iGaming, 96% for Other Online, 82% for Sports Retail, 65% for AWP and 84% for VLT.

As a result of the different Payout ratios, there has been a shift of players in recent years towards games with higher Payouts such as iGaming and other online in recent years.

The following table shows GGR in Italy by market segment for the years between 2023 and 2025:

GGR <i>(in € billion)</i>	2023	2024	2025	2023-2025 CAGR
Online	4.3	4.9	5.4	13%
iSports	1.7	1.8	1.9	8%
iGaming	2.4	2.8	3.2	17%
Other Online ⁽¹⁾	0.3	0.3	0.3	3%
Sports Retail	1.4	1.5	1.6	6%
Gaming Retail	8.5	8.2	7.8	(4%)
AWP	5.9	5.6	5.2	(6%)
VLT	2.6	2.6	2.6	(0%)
Casino & Bingo Retail	0.4	0.5	0.5	5%
Lotteries	6.3	6.3	6.3	0%
Total GGR	20.9	21.4	21.7	2%

(1) Includes bingo, poker, and betting exchange.

Source: Prisma (MAG).

The following table shows NGR in Italy by market segment for the years between 2023 and 2025:

NGR (in € billion)	2023	2024	2025	2023-2025 CAGR
Online	3.2	3.6	4.0	13%
iSports	1.2	1.4	1.4	8%
iGaming	1.8	2.1	2.4	17%
Other Online ⁽¹⁾	0.2	0.2	0.2	3%
Sports Retail	1.1	1.1	1.2	6%
Gaming Retail	2.9	2.8	2.7	(4%)
AWP	1.8	1.7	1.6	(6%)
VLT	1.1	1.1	1.1	0%
Casino & Bingo Retail	0.2	0.3	0.3	7%
Lotteries	2.7	2.8	2.9	3%
Total NGR	10.1	10.7	11.1	5%

(1) Includes bingo, poker, and betting exchange.

Source: Prisma (MAG).

The main drivers of growth of each segment are described in the following paragraphs.

Online

In 2025, the Italian iSports Bets amounted to approximately €15.8 billion and iSports GGR amounted to €1.9 billion. The Italian iGaming market has grown to a turnover and GGR of approximately €77.3 billion and €3.2 billion, respectively, in 2025. The Italian Other Online market has grown to a turnover and gross gaming revenues of approximately €7.1 billion and €0.3 billion (including bingo, poker, and betting exchange), respectively, in 2025.

The increase in turnover for the Online segment is primarily attributed to (i) the shift of players from retail to online channels (namely for iGaming); (ii) the expansion of the online game portfolio; and (iii) the continuous growth of mobile platforms and apps.

Sports Retail

In 2025, total Sports Retail Bets in Italy amounted to approximately €9.2 billion and total GGR amounted to €1.6 billion. Total sports Bets amounted to approximately €5.3 billion and total sports betting GGR amounted to €1.0 billion. Consumer participation in the sports betting fluctuates from year to year and is influenced by the occurrence of special sporting events such as the FIFA Football World Cup and the UEFA European Championship. Tax rate on sports betting is 20.5% of gross gaming revenues.

In 2025, total horse Bets amounted to approximately €0.4 billion and total horse betting GGR amounted to €0.1 billion in Italy. Tax rate on fixed-odds horse betting is 20.5% of gross gaming revenues.

Virtual events were introduced in Italy in December 2013 and have quickly become very popular with total Bets amounting to approximately €3.5 billion and total GGR of €0.5 billion in 2025. Tax rate on the virtual events is 24.5% of gross gaming revenues.

Since January 2025, tax rates on sports betting, horse betting and virtual events have been amended. See “*Regulation—Regulatory Framework Relating to the Betting and GAD Concessions Held by the Group—General Provisions Concerning Betting Concessions and the Remote Exercise and Collection of Bets and Games.*”

Gaming Retail

In 2025, total AWP Bets in Italy amounted to approximately €15.0 billion and total AWP GGR amounted to €5.2 billion. Total VLT Bets in Italy amounted to approximately €16.5 billion and VLT GGR amounted to €2.6 billion.

	AWPs	VLTs
Market number of machines (for the year ended December 31, 2025)	~228.8K (limited by regulator)	~54.9K (limited by regulator)
Max Stake	€ 1.00	€ 10.00
MaxWin	€ 100	€ 5,000
Jackpot	X	Up to € 100,000 per location
Minimum Payout	65%	83%
Game content	Combination games (slot-like) Poker-like games forbidden Games cannot be changed remotely.	Any (slot-like, casino games, etc.) Higher variety of games, which can be changed remotely
Most relevant locations	Bars, betting shops	Bingos, gaming halls
Annual Bets per terminal 2025	approx. € 65K	approx. €300K

Source: Prisma (MAG).

THE GROUP'S BUSINESS

This section of the Offering Memorandum should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum. Before making an investment decision, you should read the entire Offering Memorandum, including the more detailed information in the Financial Statements and the related notes included elsewhere in this Offering Memorandum, as well as the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Presentation of Financial and Other Information." You should also carefully consider the information set out in this Offering Memorandum under the heading "Risk Factors" for factors that you should consider before investing in the Notes and "Information Regarding Forward-Looking Statements" for information relating to the statements contained in this Offering Memorandum that are not historical facts before making any decision as to whether to invest in the Notes.

Unless otherwise indicated or the context otherwise requires, references to the "Group," "we," "us" and "our" are to the Group including but not limited to, in the context of the historical financial information and other data, refer to: (a) prior to April 24, 2024, Lottomatica and its subsidiaries from time to time and (b) on and from April 24, 2024, Lottomatica and its subsidiaries from time to time, including the PWO Group (which, for accounting purposes, is consolidated from April 30, 2024).

Overview

The Group is the Italian national gaming champion based on revenues, with leading positions in its market segments of operations.

The Group operates exclusively in the regulated Italian market, which is the largest gaming market in Europe. The Italian gaming market has the following key characteristics: (i) consistent growth through macroeconomic cycles, the COVID-19 pandemic and regulatory changes, (ii) attractive growth prospects across all segments, (iii) a regulated market across segments and products, with a constructive regulatory framework and (iv) significant barriers to entry.

Since 2015, under the leadership of its current CEO Guglielmo Angelozzi and its management team, the Group has delivered a track-record of steady growth through a combination of organic and inorganic growth, transforming the business from a retail-only operator to the leading national omnichannel operator with Segment Revenues of €2,255.3 million and Adjusted EBITDA of €856.2 million, in each case, for the year ended December 31, 2025, and a well-diversified business mix.

The Group's operating segments are:

- Online, including iSports (including sports, virtual and horse-race betting in the online channel), iGaming (including online casino) and other online products (e.g., bingo, poker, skill games, betting exchange, etc.);
- Sports Franchise; and
- Gaming Franchise.

Online: The Group offers a wide range of online games such as sport betting, virtual betting, casino games, bingo, poker, lotteries, betting exchange and skill games through the GoldBet.it, Lottomatica.it, Planetwin365.it, Totosi.it and Betflag.it websites. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in total Online (including iSports, iGaming and other online and lotteries) with a 31.3% market share (calculated including 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake) based on GGR, showing a consistent growth compared to the year ended December 31, 2024, where the Group had a market share of 30.1% for the Online offering (after giving effect to the PWO Acquisition as if it occurred on January 1, 2024 and including 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake). The Group's competitors that ranked second and third, had, respectively for those same periods, online market shares of 30.3% and 8.3% for the year ended December 31, 2025. (Source: Management's calculations based on ADM data).

The Group's Online segment generated Segment Revenues of €954.5 million, Adjusted EBITDA of €529.0 million and Adjusted EBITDA Margin of 55.4% for the year ended December 31, 2025.

Sports Franchise: The Group is active in the sports retail segment which consists in the collection of sports betting, virtual betting and horserace betting through a franchise network of 3,790 operating points of sale ("POS") (2,644 shops and 1,146 corners) as of December 31, 2025. Through the GoldBet, Intralot, Planetwin365, Better and Macao brands, the Group offers a wide range of retail offerings. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in Sports Retail (including sports, virtual and horses), with a market share of 42.0%, based on GGR (while its competitors that ranked second and third had market shares in Italy of 33.6% and 15.0%, respectively, based on GGR for the same period) (*Source: Management's calculations as of December 31, 2025 based on ADM market data*). The Group's Sports Franchise segment generated Segment Revenues of €527.2 million, Adjusted EBITDA of €141.8 million and Adjusted EBITDA Margin of 26.9% for the year ended December 31, 2025.

Gaming Franchise: The Group's Gaming Franchise business comprises the management and the provision of concessionary services (e.g., telematic interconnection of the machines). The Group's Gaming Franchise is comprised of three product divisions: VLT, AWP and Retail & Street Operations, which refers to the management of owned gaming halls and AWP. As of December 31, 2025, the Group's Gaming Franchise business included 18,284 operative VLTs and 64,107 operative AWP. The gaming machines are managed under various types of business models depending on the level of integration in the value chain. These business models range from the sole interconnection of machines prescribed by the concession to the ownership and management of the machines and the gaming halls. As of December 31, 2025, there were 123 gaming halls under direct management of the Group, which leveraged the Group's proprietary distribution formats and brands. For the year ended December 31, 2025, the Group believes it had the largest market share in Italy in the Gaming Retail segment (including both AWP and VLTs) with a market share of 30.4% based on GGR (while its competitors that ranked second and third, had market shares in Italy of 23.7% and 16.9%, respectively, based on GGR for the same period) (*Source: Prisma (MAG) estimates based on ADM data for the year ended December 31, 2025*). The Group's Gaming Franchise segment generated Segment Revenues of €773.6 million, Adjusted EBITDA of €185.4 million and Adjusted EBITDA Margin of 24.0% for the year ended December 31, 2025.

The following tables illustrate the Group's Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin for the years ended December 31, 2025, 2024 and 2023. For additional information, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations."

Year ended December 31, 2025

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	29,818.2	3,907.3	10,944.6	44,670.1
GGR ⁽¹⁾	1,687.7	673.4	2,374.4	4,735.5
Segment Revenues ⁽¹⁾	954.5	527.2	773.6	2,255.3
Adjusted EBITDA ⁽¹⁾	529.0	141.8	185.4	856.2
Adjusted EBITDA Margin ⁽¹⁾	55.4%	26.9%	24.0%	38.0%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see "Presentation of Financial and Other Information."

Year ended December 31, 2024

	Online	Sports Franchise	Gaming Franchise	Total
	(in € millions, except percentage)			
Bets ⁽¹⁾	24,492.7	3,578.3	11,089.8	39,160.8
GGR ⁽¹⁾	1,355.0	581.3	2,456.6	4,392.9
Segment Revenues ⁽¹⁾	780.2	460.8	763.7	2,004.7
Adjusted EBITDA ⁽¹⁾	418.6	108.6	179.7	706.9
Adjusted EBITDA Margin ⁽¹⁾	53.6%	23.6%	23.5%	35.3%

(1) For a definition of Best, GGR, Segment Revenues Adjusted EBITDA and Adjusted EBITDA Margin, see "Presentation of Financial and Other Information."

Year ended December 31, 2023

	Online	Sports Franchise	Gaming Franchise	Total
	<i>(in € millions, except percentage)</i>			
Bets ⁽¹⁾	16,203.6	2,824.5	11,103.4	30,131.5
GGR ⁽¹⁾	869.6	465.7	2,529.0	3,864.3
Segment Revenues ⁽¹⁾	520.8	368.2	743.5	1,632.5
Adjusted EBITDA ⁽¹⁾	300.6	97.2	182.5	580.3
Adjusted EBITDA Margin ⁽¹⁾	57.7%	26.4%	24.5%	35.6%

(1) For a definition of Bets, GGR, Segment Revenues, Adjusted EBITDA and Adjusted EBITDA Margin, see “Presentation of Financial and Other Information.”

The growth in the Group’s business from 2023 to 2025 has been driven by a combination of the acquisitions completed during these periods, including the realization of the related synergies, as well as organic growth. For further information see “Management’s Discussion and Analysis of Financial Conditions and Results of Operations.”

Strengths

The Group operates in Italy, the largest and most attractive gaming market in Europe with high barriers to entry

Italy is the largest gaming market in Europe with €21.7 billion of GGR, followed by the United Kingdom, Germany, France, Spain and the Nordic countries, each accounting for €20.9 billion, €15.9 billion, €15.9 billion, €12.8 billion and €9.2 billion of GGR in 2025, respectively. Italy also represents the largest market in Europe for the segments in which the Group operates, accounting for €14.6 billion in GGR in 2025 (followed by the United Kingdom with GGR of €14.4 billion and Germany with GGR of €9.2 billion) (*Source: Prisma (MAG) and H2 Gambling Capital*).

The Italian gaming market has the following key characteristics: (i) consistent growth through macroeconomic cycles, the COVID-19 pandemic and regulatory changes, (ii) attractive growth prospects across all segments, (iii) a fully regulated market across segments and products, with a constructive regulatory framework and (iv) high barriers to entry. The size of the Italian gaming market has almost doubled since 2005, particularly driven by the growth of Gaming Retail (with VLTs introduced in 2011), Online and Sports Retail.

The Italian gaming market was impacted by the COVID-19 pandemic due to lockdowns and other restrictions but has recovered and GGR in 2025 exceeded the pre-pandemic levels of 2019. The COVID-19 pandemic also accelerated the structural shift towards online as digital adoption increased significantly during the periods of lockdown when physical stores were closed. As a result, the Online segment in Italy has grown from 14% in 2019 to 35% in 2025 of total GGR of the Addressable Market (including iSports, iGaming, Sports Retail and Gaming Retail). Online penetration in Italy is also expected to continue to grow as it has not reached yet the level of other more mature European gaming markets, such as the United Kingdom (67% in 2025), Sweden (90% in 2025) and Norway (98% in 2025) (*Source: Prisma (MAG), H2 Gambling Capital elaborations on Lottomatica information*).

The highly regulated Italian gaming market has a legal and regulatory framework and a centralized governance model for concessionaires in each operating segment. In particular, any company entering the gaming market must be authorized by the ADM, which grants the relevant concessions in accordance with the applicable law. The Group considers itself well-positioned to (i) benefit from this framework, both in the short term and the long term, in light of its diversified business model and broad range of product offerings, (ii) manage the regulatory requirements inherent in the Italian gaming market and (iii) continue to successfully adapt to new regulations.

Other key barriers to entry in the Italian gaming market include (i) significant economic and financial resources required to operate (including to meet licensor’s requirements through performance bonds, often for significant amounts), (ii) multi-license nature of concessions and (iii) technical competencies and distribution networks required to operate. Such barriers to entry apply whether potential new operators are based domestically or internationally. Additionally, in light of stringent regulatory restrictions on advertising, namely call-to-action marketing activities, incumbent operators with a retail footprint, like the Group, can leverage their physical

presence to (i) create brand awareness, (ii) acquire new customers, (iii) retain existing customers and (iv) cross-sell customers between retail and online products.

Although barriers to entry to the Group's Online segment are less significant than those in the other segments in which the Group operates, management believes that the Group's Online segment benefits from brand recognition and from integration with its leading retail network, which is a key factor not available to pure online operators. In addition, management believes that the Group's experience in IT, telecommunications, risk management and compliance processes in the gaming sector provides it with a competitive advantage compared to potential new operators who may encounter challenges and significant costs in replicating such processes and to other omnichannel competitors with a lower retail footprint.

The Group is an Italian gaming national champion with leadership positions across all gaming verticals

The Group believes it is the largest operator in the Addressable Market (consisting of Online, Sports Retail and Gaming Retail) in Italy based on revenues in the year ended December 31, 2025, with Segment Revenues of €2,255.3 million and Adjusted EBITDA of €856.2 million for the year ended December 31, 2025. In recent years, the Group has successfully evolved from a retail-only gaming operator to an omnichannel operator that is integrated across the value chain. The Group has a portfolio of trusted brands across its Online, Sports Franchise and Gaming Franchise segments, including Lottomatica, GoldBet, Better, Betflag, Intralot, Planetwin365 and Totosì.

The Group believes it had the largest market share (calculated based on GGR) in Italy in iSports, Sports Retail and Gaming Retail, and in iGaming, for the year ended December 31, 2025. Particularly, for the year ended December 31, 2025, the Group had a leading position across all of its product segments with a market share in Italy of 32.4% in iSports (including online sports betting, virtual betting and horses and 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake), 31.5% in iGaming (including online casino and 100% of Sportbet's market share, in which the Group holds a 20.0% minority stake), 42.0% in Sports Retail (including retail sports betting, virtual betting and horses) and 30.4% in Gaming Retail (including AWP and VLT), in each case, based on GGR (*Source: Management's calculations on ADM and Italian market data for the year ended December 31, 2025 and Prisma (MAG) estimates based on ADM data for the year ended December 31, 2025*).

The Group also benefits from significant economies of scale that have enabled it to achieve more favorable terms with its suppliers, respond more effectively to regulatory changes and create a large distribution network that supports effective monetization of new and existing products. Additionally, such economies of scale have enabled the Group to assemble the required professional expertise to facilitate effective business management.

The Group is well positioned with leading brands and an omnichannel strategy to capture attractive organic growth opportunities

The Group has a clear and focused strategy to pursue further organic growth, which is supported by (i) an expected market growth in the online and sports retail sectors; and (ii) leading, well-established gaming assets that can further drive the Group's increase in market share, which, include, among other things, (a) the Group's omnichannel capabilities (which can be used on its retail network), (b) its brands and their respective positioning in the market, which allow the Group to cover a broader customer base, (c) on-going optimization of the franchise network; (d) innovation and broad product offering; (e) a cutting-edge and efficient technology platform; and (f) a continued focus on ESG, AML, compliance and responsible gambling strategy.

Management believes the omnichannel multi-brand proposition creates a distinctive competitive advantage in the Italian gaming market since it allows operators with strong brands and a significant retail presence to better serve a wide range of customers (ranging from casual to experienced), provide them with a more convenient service and better value, and, therefore, gaining a competitive advantage against pure online operators. As an omnichannel and multi-brand operator, the Group is able to (i) optimize the brand positioning of the Group by reaching a diversified customer base composed of both casual players and experienced players through the Group's portfolio of brands; (ii) allocate promotion resources more efficiently among various brands; (iii) drive higher ARPU; (iv) leverage the retail channel effectively to acquire online users; and (v) reach customers and capture a higher portion of the total share of Online bets in Italy. The omnichannel, multi-brand and multi-product approach allows the Group to have a greater number of touchpoints, a wider portfolio of products and lower acquisition costs, potentially resulting in (x) an increase in the loyalty and lifetime value of the customers, (y) an increase in ARPU, and (z) a decrease in customer churn rate compared to pure online operators.

The positioning of the Group's main brands is illustrated in the chart below:



Also, management believes that the Group's omnichannel approach creates an attractive proposition for customers. Through the Group's omnichannel approach, players enjoy seamless and innovative gaming experiences across multiple channels, can have tailored gaming experiences based on their preferences and can experience a fully digitalized customer journey using digital touchpoints. Customers can benefit from the physical proximity of the POSs and enjoy an in-shop experience during opening hours across multiple products and interfaces (such as over-the-counter, SSBTs, virtual gaming, and gaming machines) and can then transfer the gaming experience online, access a broad offering across products and leverage the ubiquity of the online channel.

In addition, growth in the Group's online customer base is driven by pure online acquisition channels including direct registration and web affiliated partners. Direct registration is an acquisition channel that leverages the Group's SEO capabilities through content, keyword and back-link strategies. Further, the direct registration uses also dedicated news apps such as Goldbetlive and Lottomatica.sport, through which customers can receive real time and ad-hoc sports news, which leads to FTD conversion into the GoldBet and Better brands. Programmatic advertising of the Group's brands is also conducted through publishers with the Group's target audience (e.g., sports newspapers). The web affiliation channel includes partners who sponsor products on their channels (such as websites and social media), with revenue share fee on acquired customer GGR and/or a fixed fee per customer acquired.

Moreover, the Group owns and develops a proprietary and scalable technology platform that management believes is a key asset to capture growth opportunities and more integrated than most other Italian gaming companies. The Group has invested significant resources in developing an in-house integrated technology system and has distinctive and proprietary end-to-end technology capabilities. The Group believes its end-to-end proprietary technology stack has created a competitive advantage as it provides: (i) full product control across the front-end user interface as well as back-end functionality, pricing and data analytics; (ii) a platform for future product development with fast time-to-market; (iii) limited value leakage to third party technology providers; (iv) high scalability to support further acquisitions; and (v) attracting and retaining technology talent.

The Group's front-end systems, the core platforms as well as the key infrastructure are entirely developed in-house and are proprietary, only relying on third party providers for games, KYC, payments and selected security systems. As a result of the proprietary nature of its key infrastructure and front-end systems, the Group has also been able to successfully complete two complex data migrations in less than two months: migrating approximately 450,000 online customers and approximately 1,000 POS as part of the GoldBet Acquisition, and migrating about 880,000 online customers and more than 1,100 POS as part of the Better Acquisition. Planetwin migration was

also completed in July 2025, with approximately 980 POS and 670,000 online customers being migrated to Lottomatica's proprietary infrastructure and front-end systems.

In addition, management believes that the Online and the Sports Retail markets represent an opportunity for the Group to capture a higher market share through organic growth and acquisitions, while the AWP market segment also represents a growth opportunity for the Group to capture a higher share of the profit pool through the downstream integration of the value chain.

The Group has a sustainable business model focused on ESG commitments, compliance, strong corporate culture and dedicated programs aimed at generating sustainable value and positive impacts for the community and its stakeholders.

ESG is a strategic priority for the Group. The Group adopted a three-pillar sustainability plan focusing on:

- ***Responsibility***: striving to promote a legal and responsible gaming model underpinned by the highest standards of ethics and integrity;
- ***People***: prioritizing the safety and well-being of its employees; and
- ***Community & Environment***: contributing to the achievement of positive and tangible results by implementing social initiatives and policies aimed at reducing its direct and indirect environmental impacts.

The Group is complying with various international standards. It has become a signatory to UNGC (United Nations Global Compact), reports under ESRS (European Sustainability Reporting Standards), has adhered to the 2030 Agenda for Sustainable Development adopted by the United Nations and, through its three pillar sustainability plan, intends to actively contribute to the achievement of eight of the 17 SDGs and has aligned on such base its ESG strategy in its annual sustainability report and has integrated a robust and comprehensive set of initiatives and targets. The Group has also set up a dedicated ESG board committee, which in cooperation with an ESG officer and specific management committees, is responsible for the ESG strategy and its implementation across the Group. ESG KPIs are also included as a metric in the management's short-term incentive plan and will also be included in the long-term incentive plan (see "*Management—Senior Management—Compensation*").

As of the date of this Offering Memorandum, the Issuer held two ESG ratings, issued by the Rating Providers: MSCI awarded the Issuer their maximum score ("AAA") and Morningstar Sustainalytics provided a rating of 12.5 out of 100, which represents the Issuer having a "low risk" of sustaining significant financial detriment from ESG factors. In addition, in February 2026, the Issuer was also recognized as a "2026 ESG Industry Leader" by Morningstar Sustainalytics.

In January 2026, the Group achieved a B score from the Carbon Disclosure Project. In 2022, the Group also obtained ISO 37001 and ISO 14001 certifications respectively on anti-bribery and environmental management systems, in January 2023, the ISO 27701 certification for data privacy and security management system, and, in September 2025, the ISO 14064-1:2018 certification for the quantification and reporting of organizational greenhouse gas emissions and removals (which is aimed at measuring the Group's carbon footprint). Since December 2023, the Group has completed certain online licenses for the International Certificate of Accreditation in accordance with the responsible gaming policy, procedures and standards set by the Global Gambling Guidance Group (G4). In July 2024, our subsidiary GBO Italy was the first Italian company to obtain the "Responsible Gaming" certification in the betting sector (online and retail), which was issued by the World Lottery Association. Moreover, in December 2024, the Group completed the G4 on retail gaming hall, a certification in relation to best practices in retail gaming halls issued by an industry group. In addition, the Group was awarded the "Best Team HR" award in May 2024 and September 2025, the "Top Employer Italia" award in January 2025 and 2026, the "QAR" certification in Internal Audit in June 2023 and received the UNI/PDR 125:2022 certification in 2023 for its HR functions.

The Group has strong M&A expertise with opportunity to unlock further significant growth avenues

The Group has a strong historical M&A track-record. The Group believes it has developed a well-tested and clear approach to M&A activity, by deploying a proven playbook focusing on integration and synergies extraction. The Group believes that it is successful at identifying and integrating acquired companies through value-accretive acquisitions, while maintaining balance sheet discipline. The Group has completed five major acquisitions since

2016: the Intralot Acquisition, GoldBet Acquisition, Lottomatica Business Acquisition, the Betflag Acquisition and the PWO Acquisition.

Synergies are primarily derived from (i) the reduction in procurement costs resulting from the renegotiation with suppliers; (ii) synergies of scope, such as moving head offices to one single location or leveraging the capacity of existing data centers; (iii) the roll-out of proprietary technology (e.g. SSBTs) and products (e.g. virtual gaming); (iv) the implementation of the distribution insourcing strategy on the acquired AWP portfolio.

In addition, the Group believes that the PWO Acquisition will also continue delivering value generation. The Group estimates that it has implemented approximately €87 million of synergies in connection with the integration of the PWO Group into its business, representing a 34% increase compared to the synergies initially announced. In addition, the Group expects to realize a further €24.4 million of synergies by the end of 2026. These represent the run-rate impact of synergies that have already been implemented but were not fully reflected in the Group's results for the year ended December 31, 2025.

The Group methodically approaches acquisitions, regardless of deal size, with discipline around valuation, potential for value creation, potential risks of integration and adhering to its capital structure policy. Also, the Group continues to monitor opportunities internationally in markets with constructive gaming regulations.

The Group has a resilient and outstanding financial track-record underpinned by high cash generation

The Group has a track record of consistent strong growth and cash flow generation. During the period from 2015 to the year ended December 31, 2025, the Group increased its Adjusted EBITDA by about 13.8 times from €62 million for the year ended December 31, 2015 (calculated based on a pre-IFRS 16 basis) (with Adjusted EBITDA of €82 million for the year ended December 31, 2017 (calculated based on a pre-IFRS 16 basis) and €165 million for the year ended December 31, 2019) to €856.2 million Adjusted EBITDA for the year ended December 31, 2025, through a combination of organic and inorganic growth.

In addition, the Group has demonstrated the ability to deliver a quick recovery following periods of economic downturn. The Group's Online segment was the largest contributor to the Group's growth between 2020 and December 31, 2025, with Revenues for the Online segment for the year ended December 31, 2025 increasing by 8.3x compared to the revenues for the year ended December 31, 2020, and Adjusted EBITDA for the Online segment increasing by 10.8x for the year ended December 31, 2025 compared to the Adjusted EBITDA for the Online segment for the year ended December 31, 2020. In addition, since the completion of the IPO, the Group has demonstrated a proven ability to deleverage.

In particular, the Group has increased its margins and cash conversion since 2020, primarily as a result of the development of its Online business and the delivery of synergies. The Group's Adjusted EBITDA Margin increased from a 2020 Adjusted EBITDA Margin of 29% to an Adjusted EBITDA Margin of 38.0% for the year ended December 31, 2025, driven by the business mix more skewed towards Online and due to realized synergies. The Group's Cash Conversion Rate increased from a 2020 Cash Conversion Rate of 63% to a 76.8% Cash Conversion Rate for the year ended December 31, 2025.

Moreover, management believes that the Group has a solid liquidity profile based on strong cash flow generation, its access to various sources of financing and a largely variable cost base. The Group's intra-year working capital variations mostly relate to the timing of gaming tax payments, bet seasonality and collection of the 0.5% ADM deposit. The Group manages the seasonality of working capital by utilizing cash on balance sheet when necessary.

Strategies

Further expand the Group's market leading omnichannel strategy

In an effort to drive cross-selling across its franchise network and online channels and offer a seamless customer experience, the Group plans on extending its omnichannel model, which has proven to be successful, and strengthen its profitability. Customers come to physical locations to play but also download the GoldBet app and play online. The omnichannel strategy expands opportunities for retail players in GoldBet's network to remain engaged, extending loyalty to the brand and unlocking cross-selling opportunities with products not available in the franchise network.

Following GoldBet's success, the Group is in the process of rolling out these omnichannel capabilities across its Planetwin brand and is continuing to develop a dedicated initiative to expand the new omnichannel model in selected gaming halls. This initiative includes, among others, revenue-sharing schemes for revenues generated from customers who are affiliated to gaming halls, dedicated promotional events for potential customers and the set-up of experiential showrooms.

By leveraging its retail know-how, strong retail network and omnichannel experience, the Group strives to deliver the best customer experience through a seamless use of its retail and online channels for customer engagement, a unified product offering across both channels, the development of POS with full omnichannel capabilities and a fully digitalized customer journey.

The omnichannel strategy is pivotal for enabling the Group to deliver its full online potential and drive cross-selling across products and brands. The combination of the Group's retail locations and online presence is designed to enable customers to engage with different products and enhance the gaming experience. The Group is also able to leverage customer data to personalize product offerings based on customer preferences, which further supports cross-selling efforts.

Continue to leverage the Group's portfolio of brands and their positioning to cover a wide array of customer cohorts

The Group employs a multi-brand strategy, which management believes is a key component in the Group's overall performance. Management believes that the Group is able to capture a broad demographic and meet the everchanging landscape of consumer demand and preferences through its portfolio of brands that covers a wide array of customer segments with distinct positioning and limited customer overlap between them. In the Group's retail operations, the Group's multi-brand strategy gives it flexibility to optimize its geographical footprint by targeting different demographics using different brands, while minimizing the risk of cannibalization due to a distinct positioning of each brand and cross-selling opportunities across products. Moreover, the multi-brand strategy of the Group allows for heterogeneous ARPU which varies for each brand of the Group. In order to support the Online customer base through CRM initiatives, the Group (i) has developed advanced analytics models to enable micro-targeted campaigns, (ii) has a dedicated premium customer team to manage and enhance overall customer service experience and (iii) sends customized and tailored content to each customer.

Continue to optimize the Group's asset light franchising network

The Group believes there are opportunities to improve the productivity of its franchise network and has deployed a strategy to capture this upside with the objective of achieving above-market growth. Under the franchise model, concessionaires are typically single location owners or small businesses that are entrepreneurial in nature and have long term relationships with the Group. The Group also intends to improve customer experience and floor management at the premises of its franchisees, by offering value added services (including best-practice store management, training, marketing and advertising assistance as well as floor layout optimization), with the aim of fostering further growth.

From time to time, the Group also considers the consummation of selective, small accretive acquisitions of gaming halls and retail betting shops that are not yet owned by major operators, with the aim of expanding its footprint and reinforcing its market position.

Continue to innovate and broaden the Group's product offering

An important part of the Group's competitive advantage is the continued development of new products. The Group aims to address changing customer demands by offering a dynamic and exciting user experience while maintaining a rapid time-to-market schedule for the launch of new products and games. To this end, the Group aims to expand its product offering both by partnering with top gaming providers and by developing in-house solutions (such as game cards). For example, over the financial year ended December 31, 2025, the Group launched near 5,000 new casino games and has included around twenty new providers to its portfolio, thereby strengthening its platform with a broader array of entertainment options. The Group is also expecting to continue increasing the number of new games, especially for online casino games and branded games, and maintains a focus on strengthening its mobile offering. The Group's games are directly integrated on the Group's platform, with the aim to continue to directly integrate new providers.

Part of what sets the Group apart from its competitors is also its ability to develop new products in-house. For example, the Group develops casino games by leveraging the exclusive expertise of its own game production studio. In addition, the Group aims to expand its product offering linked to sporting events, such as cash-out features providing users with the ability to trade-out of a sports bet before the end of the event on which the bet was placed.

Moreover, driving the development of a native mobile offering is also a strategic focus for the Group. The Group's proprietary technology ensures the delivery of faster time-to-market schedules for mobile solutions (such as apps). In addition, the Group in-house technological capabilities allow to seamlessly link each of the Group's branded apps through a unified UX/UI interface, thereby delivering a distinctive gaming experience to customers, featuring faster browsing and unlocking higher levels of customer satisfaction. The Group believes that a strong focus on product innovation contributes to solidifying the Group's position in the gaming industry, while driving stronger business performance.

Maintain and grow a cutting-edge and efficient technology platform

The Group is able to structure its product offering and offer a seamless and customized user experience, while adapting to evolving changing customer preferences and demand, through its proprietary technology platform that leverages data analytics, in-house product development and enhanced security protection. Developing solutions in both digital applications and physical infrastructure are a continued focus of the Group through the ongoing development of its technological capabilities. The Group is undertaking several strategic initiatives, including the strengthening of its advanced analytics capabilities through its data platform and the introduction of machine learning and artificial intelligence systems. For example, its omnichannel operations and data analytics allow the Group to tailor its offering to customers, especially on its online products. The Group employs teams that review data to gain insights on consumer behavior in order to improve its platforms (including speed and stability) and products, enhancing the user experience and reducing the timeframe within new products and services are introduced in the market. Further, a broad set of tools, such as market view, internal view and business intelligence, are available to support odds makers during the different phases of odds management, allowing them to have the right odds during all odd lifecycles. As a result, the Group can adopt smart pricing initiatives to reduce the Payout and be competitive in the odds offering.

The Group also constantly evolves its cybersecurity abilities, systems and tools (including a NOC and SOC) to protect key customer data and its infrastructure and comply with regulatory requirements. Finally, a ground-up control of its tech stack allows the Group to better manage costs.

Further horizontal and vertical consolidation

Scale matters in the gaming industry, as it creates advantages such as (i) diversification across products, locations and brands, (ii) economies of scale, (iii) risk management and (iv) leadership positions in the market. Management believes that there are bolt-on opportunities that the Group can pursue to further carry out horizontal as well as vertical integration thereby capturing a higher proportion of the gaming value chain and internalize margins. The Group has a well-tested, disciplined M&A playbook that has allowed the Group to historically realize synergies that can be leveraged in each of its segments.

The Group's strategic focus remains on opportunities in Italy, but it may selectively pursue international opportunities in Europe if management believes that (i) the target operates in business to consumers or similar segments as the Group's current business, (ii) such target would be accretive to the Group's growth, (iii) the Group can deliver synergies from such an acquisition, (iv) such target is in jurisdictions with constructive regulations and (v) such opportunities are large enough that they allow the Group to remain competitive in that regulatory environment.

Remain at the forefront of ESG, AML, compliance and responsible gaming

The ESG commitment has long been a core component of the Group's business and the Group aims to further its goals of responsible gaming, sustainable innovation and safeguarding the well-being of its employees, community and stakeholders by continuing to adapt its ESG model according to new directives focused on the pillars of (i) responsibility, (ii) people and (iii) community and environment.

The Group has set clear targets under each of its three Sustainability Plan's strategic pillars. As part of the "responsibility" pillar, the Group deployed strategic initiatives that concern its full awareness of its role in (i) the

industrial sector of legal gaming, through proactive collaboration with the institutions and compliance with the regulatory framework (including the primary rules, the gaming ban for minors under the age of 18, the Balduzzi Decree, the “Dignity” Decree, the local regulations and the license contracts); and (ii) promoting a legal and responsible gaming model, respecting and protecting customers and providing customers with safe, high-quality, innovative and engaging gaming experiences. Goals under this pillar include, but are not limited to, providing 100% of employees with training on responsible gaming. As of December 31, 2025, 100% of each of the customer support team, gaming hall staff and those involved in the Group’s online channels had received responsible gaming content and awareness training. Moreover, in 2024, the Group developed a proprietary software for analyzing gaming behavior in online concessions in order to prevent compulsive gambling behavior.

As part of the “people” pillar, the Group deployed initiatives that focus on diversity, inclusion and equal opportunity, professional development and health, safety, welfare and wellness. Goals under this pillar include, but are not limited to, (i) reducing the gender pay gap to zero by 2030, (ii) maintaining over 32,000 hours of training provided in 2024, (iii) supporting work-life balance through smart-working (by maintaining more than 65% employees in 2024 with more than 1/3 of smart-working days out of total working days) and (iv) maintaining the “Best Team HR” certification, the “Top Employer Italia” certification, and the UNI/PDR 125:2022 certification.

As part of the “community and environment” pillar, the Group has employed strategic initiatives to reduce its environmental impact and to monitor compliance with applicable environmental protection laws and regulations. Relevant programs under this pillar include, but are not limited to, (i) “Become Green,” which is a large internal project aimed at achieving zero waste, maximizing separate collection and increasing the use of renewable energy; (ii) agreeing with suppliers for energy supplies to come 100% from renewable sources with the aim of maximizing the use of renewable sources for the Group’s proprietary gaming halls; and (iii) through its foundation, promoting initiatives that have a socially relevant goal.

In addition, the Group aims to maintain a strong focus on compliance, by leveraging top-tier technology as part of its AML digitization path, which started in 2017. The Group has a fully digitized KYC process, real time sanction & politically exposed persons lists screening, and more recently has developed an artificial intelligence software to detect anomalies in betting patterns, which are evaluated by its AML committee and, where appropriate, reported to the Italian financial intelligence units.

Inorganic Growth

From time to time, the Group enters into material mergers, acquisitions and distribution insourcing transactions that grow the Group’s business both vertically and horizontally, increasing the Group’s presence and capacity in the Group’s core segments. Certain material mergers and acquisitions, which the Group has completed since January 1, 2023, are described below.

2023 Mergers and Acquisitions

Transfer to Lottomatica of a portion of the Lottomatica Gaming shares owned by Faro Games and contribution to Lottomatica of the remaining portion of the Lottomatica Gaming shares owned by Faro Games

In order to acquire the remaining portion of the share capital of Lottomatica Gaming, on April 3, 2023, Lottomatica and Faro Games S.r.l. (“**Faro Games**”) entered into a framework agreement (the “**Framework Agreement**”), as subsequently amended, governing the terms and conditions under which Faro Games, as previous owner of 1,464,054 shares of Lottomatica Gaming (the “**Lottomatica Gaming Shares**”), disposed of its investment in Lottomatica Gaming.

Pursuant to the Framework Agreement, effective as of May 3, 2023, Faro Games sold to Lottomatica 142,339 Lottomatica Gaming Shares and contributed in kind the remaining 1,321,715 Lottomatica Gaming Shares to Lottomatica, in exchange for 4,408,190 new ordinary shares issued by Lottomatica on May 3, 2023.

Acquisition of Ricreativo B S.p.A.

On September 25, 2023, Lottomatica Gaming completed the acquisition of the entire share capital of Ricreativo (the “**Ricreativo Acquisition**”). Ricreativo is a company involved in the management of gaming halls, including betting collection activities, and gaming machines (AWP and VLT). The total purchase price at closing totalled

€45.1 million (the “**Ricreativo Closing Consideration**”), on the basis of an estimated net financial position of €5.1 million.

The Ricreativo Closing Consideration consisted of (i) €13.9 million in cash (of which 50% was paid on the date of completion and the remaining 50% to be paid in 24 monthly instalments from that date) and (ii) through the issuance to the sellers of newly issued shares of Lottomatica Gaming for an amount of €31.2 million. As a result of the acquisition, the sellers of Ricreativo, namely GMI19 S.r.l. and Mr. Iori, currently hold 3.18% and 0.33% of the share capital of Lottomatica Gaming, respectively. The Ricreativo Closing Consideration was adjusted to €43.1 million (€42.7 million net of the actualization) as a result of a €2.0 million revision of Lottomatica Gaming’s net financial position to the sellers in 2024 and to €43.4 million as an additional agreement in 2025.

2024 Mergers and Acquisitions

Acquisition of SKS365 Malta Holding Limited

On April 24, 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holding Limited, an omnichannel operator in the Italian online and sports betting market, counting on approximately 600,000 registered online users, recognized brands (“**Planetwin365**” and “**PlanetPay365**”) and a retail network of over 1,000 sports betting shops. The consideration for the PWO Acquisition amounted to €621.5 million including leakages and ticking fees, and was fully paid upon completion of the PWO Acquisition on the PWO Acquisition Closing Date. The PWO Acquisition was financed through a combination of available cash and the proceeds from the issuance of the December 2023 Floating Rate Notes.

Merger by Incorporation of Lottomatica S.p.A. into the Issuer

Effective as of the Lottomatica Merger Date, Lottomatica Group S.p.A. (i.e., the Issuer) merged with Lottomatica S.p.A. with Lottomatica Group S.p.A. as the surviving entity. The Lottomatica Merger became effective from a tax and accounting perspective from January 1, 2024. Following completion of the Lottomatica Merger, the Issuer assumed all of Lottomatica S.p.A.’s obligations, including all liabilities and obligations of Lottomatica S.p.A. under the Existing Notes and the Revolving Credit Facility.

2025 Mergers and Acquisitions

Merger by Incorporation of SKS365 into GBO

Effective as of the GBO Merger Date, GBO merged with SKS365, with GBO as the surviving entity. The GBO Merger became effective from a tax and accounting perspective from January 1, 2025.

Partial Demerger of Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A. into GGM S.p.A.

On October 7, 2025, the board of directors of each of Gamenet and LVR approved the partial demerger (*scissione parziale*) pursuant to articles 2506-bis e 2501-ter of the Italian Civil Code of certain assets and liabilities of Gamenet and LVR into GGM S.p.A. (formerly known as GGM S.p.A. and subsequently renamed Lottomatica Gaming S.p.A.) (the “**2025 Partial Demerger**”). The 2025 Partial Demerger is intended to rationalize the corporate and operational structure of the Group with respect to its Gaming Franchise segment and make Lottomatica Gaming S.p.A. the recipient of certain assets and liabilities transferred from Gamenet and LVR. The legal and accounting effects of the 2025 Partial Demerger will become effective as of the date established in the relevant demerger deed in accordance with applicable Italian law.

See “*Risk Factors—Risks Related to the Group’s Business and Industry— The Group’s strategy of selectively pursuing acquisitions of businesses or enter into asset dispositions may present unforeseen risks, and the Group may not realize the financial and strategic goals that were contemplated at the time of any transaction, and, additionally there are risks associated with unforeseen integration obstacles or costs in realizing synergies which may cause the Group to increase its indebtedness.*”

Acquisition of an equity-accounted interest in Cristaltec S.p.A.

On January 13, 2025, LVR completed the acquisition of 60% of the share capital of Cristaltec S.p.A.. On March 31, 2025, LVR converted part of its shares into non-voting shares, reducing its voting rights to 37.40% from the original 60%. As a result, the Group’s investment in Cristaltec S.p.A. is recognized using the equity method.

Acquisition of a Minority Interest in Sportbet S.r.l.

On December 16, 2025, GBO completed the acquisition of a 20.0% minority interest in Sportbet S.r.l. (“**Sportbet**”), a limited liability company (*società a responsabilità limitata*) incorporated under the laws of Italy and operating in the remote gaming and betting collection sector under an ADM license. In connection with this acquisition, GBO entered into a shareholder agreement with Sportbet’s selling shareholder that provides Lottomatica with a path to acquire the full share capital of Sportbet over a nine-year online concession period. As a result, Sportbet’s market share is included in the applicable Group’s market share figures for the year ended December 31, 2025.

The Group’s Operations

Group’s Segments and Products

The Group is organized into three operating segments: Online, Sports Franchise and Gaming Franchise. See “*Presentation of Financial and Other Information—Group Segment Information.*”

The following table sets forth a breakdown of the Group’s Segment Revenues by operating segment, for the years ended December 31, 2025, 2024 and 2023.

	Year ended December 31,		
	2025	2024	2023
	<i>(in € thousands)</i>		
Online	954,506	780,230	520,787
Sports Franchise	527,163	460,755	368,217
Gaming Franchise	773,623	763,740	743,484
Total Segment Revenues	2,255,292	2,004,725	1,632,488

The following table sets forth a breakdown of the Group’s Adjusted EBITDA and Adjusted EBITDA Margin by operating segment for the years ended December 31, 2025, 2024 and 2023.

	Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2025	% of Segment Revenues	2024	% of Segment Revenues	2023	% of Segment Revenues
	<i>(in € thousands, unless otherwise indicated)</i>					
Online	528,963	55.4%	418,566	53.6%	300,612	57.7%
Sports Franchise	141,798	26.9%	108,642	23.6%	97,230	26.4%
Gaming Franchise	185,398	24.0%	179,714	23.5%	182,509	24.5%
Total	856,159	38.0%	706,922	35.3%	580,351	35.6%

Online

The Group operates its online gaming business on the Group’s websites and mobile apps, offering sports betting, virtual betting and horses (iSports), casino games (iGaming), online bingo, online poker, betting exchange, and online lotteries (other online).

The Group operates its Online segment under the following brands: Lottomatica, GoldBet, Betflag, Planetwin365 and Totosì each of which has a different positioning in the market (the small online business of the Intralot Acquisition, operated through Intralot.it, was consolidated into GoldBet.it at the start of 2019, immediately after the acquisition of GoldBet, in order to harmonize the product offering, enhance customer experience and reduce operating costs).

Customers can register on the Group's online platform on both desktops and mobile devices and apps. For games and Bets placed on the Group's websites, customers have the ability to register and top up their online account directly on the website and mobile app by using all major credit cards, other online payment methods (such as PayPal and Skrill), bank or post transfers or by visiting one of the Group's POS that provides this service (including all Sports Franchise locations).

The Group has also developed several apps available for download on both iOS and Android mobile devices that include casino, online sports betting and virtual betting. The Group has entered into a number of agreements with game suppliers to further expand its online gaming platform considering that over 80% of the Group's GGR derives from mobile channels.

Online has experienced a faster growth than other segments of the Group. Such growth has been driven also by the increased number of customers (approximately 2.2 million Unique Active Users for the year ended December 31, 2025). The Group's customer acquisition strategy relies on three key channels: (i) direct registration, which has lower cost base and its effectiveness increases due to the evolution of SEO capabilities; (ii) POS affiliation strategies driven by a broad POS network and dedicated commercial incentives, with a revenue share fee on the spending of the acquired customers, and (iii) web-affiliated registration strategy driven by new channels complementing direct and POS registrations, through partners who sponsor products on their channels (e.g., websites, social media, etc.) for a revenue share fee on acquired customer GGR and/or a fixed fee per acquired customer.

The following table sets forth key information of the Group's Online segment as of and for the years ended December 31, 2025, 2024 and 2023:

	As of and for the year ended December 31,		
	2025	2024	2023
Total Bets – Online (in € millions)	29,818.2	24,492.7	16,203.6
Payout Online Sports Betting (as a percentage of Bets)	85.5%	86.6%	86.7%
Unique Active Users	2,214,144	2,003,458	1,310,675
ARPU	782	695	690
Segment Revenues (in € millions)	954.5	780.2	520.8
Adjusted EBITDA (in € millions)	529.0	418.6	300.6

The Group's Online products can be categorized into iSports, iGaming and other online.

iSports

iSports includes fixed-odds betting (*Scommesse a Quota Fissa*), virtual betting and horse betting and it has one of the widest product portfolios in the Italian market (for instance, single, multiple, systems, combo, player props). Customers can bet via fixed-odds betting in both pre-match and during live events, which cover all top domestic and international sports fixtures and horse racing. Live betting has shown to be increasingly popular, with multiple feeds and live streaming available, and 65.8% of fixed-odds bets placed online were live for the year ended December 31, 2025.

iGaming

iGaming includes betting on slots, casino, tables, and soft games. The Group has one of the broadest product offerings with more than 90 providers covering more than 7,000 games. In addition, the Group is actively testing and developing additional games through its in-house studio "GiocaOnline."

Other Online

Other online products include bingo games, poker, skill games, betting exchanges and lotteries.

Sports Franchise

The Sports Franchise segment is underpinned by a network of 3,790 operating POS (2,644 shops and 1,146 corners) as of December 31, 2025, which offers betting on sporting events, horse races and virtual races, both over the counter and via SSBTs. The Group operates five brands in the Sports Franchise segment: GoldBet, Intralot, Better, Planetwin365 and Macao.

These brands ensure a wide coverage of different client segments, while allowing for high levels of operating efficiency through one tech stack and a fully integrated front to back-end management system.

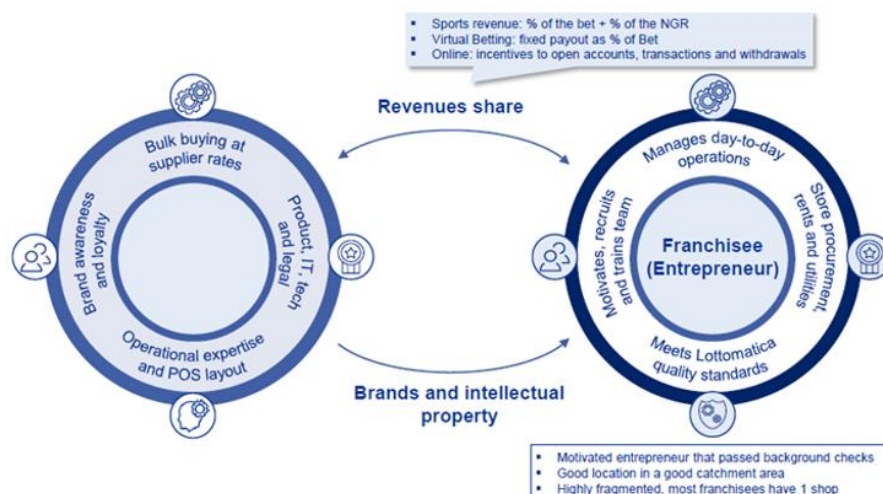
The Group ranked first in the Italian Sports Retail segment, with a market share of 42.0% based on GGR (in terms of sports betting, virtual betting and horses) for the year ended December 31, 2025, while its competitors that ranked second and third had market shares in Italy of 33.6% and 15.0%, respectively, based on GGR for the same period (*Source: Management's calculations as of December 31, 2025 based on ADM market data and after giving effect to competitor brand consolidations as if occurred on January 1, 2025*). In Sports Retail, as of December 31, 2025, the top three companies by GGR held 21 licenses while the rest of the market held 113 licenses in Italy. As of December 31, 2025, with 3,000 events per day for each license, the Group is able to offer its virtual betting products. The Group, with an omnichannel model based on GoldBet's strategy, offers several products using TV channels, SSBTs and external cashiers, which has proven to be successful and can be further leveraged to increase wagering on the Better network. Further, with more than 5,000 SSBTs and 35,000 among booking terminals and external cashiers as of December 31, 2025, the Group can also guarantee: (i) an end-to-end betting experience; (ii) customer engagement through info-stats, bet proposal, winning verifier and business-to-customer communication; (iii) full control of SSBTs developed from the ground up; and (iv) more than 50% of retail tickets placed digitally.

The following table sets forth key information for the Group's Sports Franchise segment as of and for the periods indicated below:

	As of and for the year or period ended December 31,		
	2025	2024	2023
Total Bets Sports Franchise (in € millions)	3,907.3	3,578.3	2,824.5
Payout Sports Betting (as a percentage of Bets)	80.1%	81.8%	81.3%
Segment Revenues (in € millions)	527.2	460.8	368.2
Adjusted EBITDA (in € millions)	141.8	108.6	97.2
Number of licenses/concessions	4,024	4,024	3,022

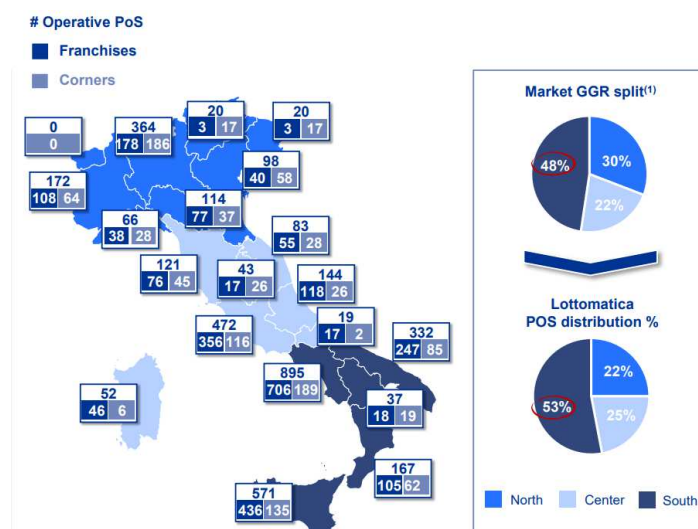
Segment Revenue in the Sports Franchise segment is calculated by total Bets, net of the winnings paid to the player, and ADM taxes.

The Group operates the Sports Franchise business through a franchise model – as shown in the chart below. In this model, the Group provides franchisees use of the Group's brand, technology, product and risk management, operational processes and other relevant intellectual property and the franchisee pays for its own day-to-day direct operational costs. This model allows the Group to maintain a largely variable cost base and maintain control over its brand and its promotions, thus incentivizing franchisees to improve and optimize operational and financial performance.



Furthermore, the Group's franchise model offers multiple compelling benefits to the Group such as: (i) a capital-light business with minimal costs (the Group incurs limited costs for fitting shops providing technology, etc. and the franchisee does not need to pay any upfront expenses); (ii) a faster speed of roll-outs of gaming products allowing the Group to quickly capture more market share; (iii) a revenue remuneration share system that aligns the interests of the Group and franchisees and incentivizes growth; (iv) a cost-effective way to hire permanent talent; (v) a secured network with break fees for the franchisees and contracts that are exclusive with terms matching the term of the concessions; and (vi) a network optimization with the possibility for the Group to terminate the contract at no cost in case of low performance.

The Group has a dense network of shops and corners throughout Italy, with complementary brands in various regions (as shown in the map below). The shops and corners have different characteristics. For example, the shops have venues that: (i) are fully dedicated to gaming and betting; (ii) have innovative equipment and cutting-edge gaming technologies; (iii) are meeting places for enthusiasts and experts; and (iv) have a high share of virtual and live betting. On the other hand, the corners (i) have venues set up in more confined commercial spaces (i.e., cafés, tobacconists, shopping centers); (ii) have a higher share of pre-match betting; and (iii) have lower Payouts. The chart below shows POSs as of December 31, 2025 split by region.



Source: Lottomatica information as of December 31, 2025, unless otherwise specified. Note (1): the percentage of GGR by region in the Italian market for the year ended December 31, 2022 for Sports Retail, which includes retail sports betting, virtual betting and horses.

In addition to a dense network of shops and corners, the Group offers a wide range of different tools and technologies, such as customer displays (digital flyers, info, promo), booking terminals (booking, info-stats), in-store mobile services (booking, info-stats, winning verifier, bet tracker, eVoucher), self-service options (full game

experience, booking finalization, info-stats, winning verifier, bet proposal, info and promos). As a result, the customers can have an immersive, well-rounded omnichannel experience.

The Group believes that it has a proven omnichannel strategy, and in particular, is one of the most successful omnichannel operators in Italy as of December 31, 2025 in terms of GGR, with approximately 50% of the Group's GGR (considering only omnichannel brands) from omnichannel players (defined as Online players acquired through retail POSs) for the year ended December 31, 2025.

Types of Betting

The Group has a comprehensive betting offering, including: (i) real and virtual sporting events; (ii) real and virtual events horse racing; and (iii) non-sporting events.

The Group accepts a wide range of Bets, both on pre-match and live basis, on the outcome of a single event and more complex bets on the outcome of a number of different events. Live bets allow customers to place bets during the event based on constantly changing odds.

The Group offers the following betting products:

- *Fixed-Odds Sports Betting:* Fixed-odds betting is a form of betting in which the bookmaker pays the player, in the event of a winning bet, an amount equal to the bet amount multiplied by the odds fixed at the time the bet is placed. The maximum winning amount for a sports bet ticket cannot exceed €50,000 for single and multiple bets or for a combination bet ticket. The odds offered in fixed-odds betting depend on the outcome expected for each result. The difference between amounts staked by customers less amounts won by customers is the GGR. The Group has overperformed the market with respect to Payout rates for retail sports betting in the last couple of years and has a marginally higher proportion of retail sports bets placed by customers on live events, which generally carries out a higher Payout rate. The concessionaire has the right to accept or refuse any bets and may accept bets on certain conditions in order to limit its maximum exposure. The Group constantly monitors its overall maximum risk of exposure in line with its risk management policies.
- *Fixed-Odds Virtual Betting:* Virtual betting includes bets based on computer-simulated or pre-recorded events, such as football matches in single and league mode, car races, horse races and dog races, with graphic animation or based on a previously recorded real event. The outcomes of virtual events are assigned by a certified system. It is possible to bet on a single event (single bet), make multiple bets or make a combination of both. The minimum amount of each ticket is €1 and winnings shall not exceed €10,000. Single virtual bets must have a Payout between 80% and 90%, while multiple bets must have a Payout between 60% and 90%. Bets for virtual events can be taken in the shops and corners or online.
- *Totalizer Betting:* Totalizer betting is a form of betting in which bets are pooled together before an event and the total pool of bets minus a specified percentage is distributed among the winning players. In totalizer betting, the Group bears no risk, as there is no obligation to make payments greater than the total percentage of money staked by players, and thus the Group earns revenues from a commission on the volume of bets collected.

Concessions and Fees

The table below shows the concessions that are held by the Group to operate the Sports Franchise segment:

Concession Number	Entity	Concession Regulation	Activities	Number of Concession Rights as of December 31, 2025
4098	GBO Italy	Bersani Sport Betting Concession	Sports	1,662
4341	GBO Italy	Bersani Horse Racing Betting Concession	Horse Racing	13
4805	GBO Italy	Giorgetti Concession	Horse Racing	12
4504	GBO Italy	Monti Concession	Sports + Horse Racing	358
72000	GBO Italy	Italian Stability Law of 2015	Sports + Horse Racing	993
4869	Ricreativo	Giorgetti Concession	Horse Racing	1
4538	Ricreativo	Monti Concession	Sports + Horse Racing	8
4584	PWO	Monti Concession	Sports + Horse Racing	1
72002	PWO	Italian Stability Law of 2015	Sports + Horse Racing	1,002

All of the Group's Sports Franchise concessions for sports betting and horse betting were supposed to expire on June 30, 2016; however, they have been currently operated under a prorogation regime, which has been extended until December 31, 2026, pursuant to the Italian Budget Law of 2025. Until June 30, 2024, the prorogation of the concessions was subject to the concessionaires paying €7,500 for each betting shop license and €4,500, for each betting corner license, in two annual installments paid respectively on October 31, 2022, April 30, 2023, October 31, 2023 and April 30, 2024. The Italian Budget Law of 2025 prorogation is subject to the concessionaires paying the relevant fees, calculated under the same conditions provided for the concessions granting and under current legislation, but increased by 15% (such increase will concern only the prorogation fees). In this regard, in January 2025 the ADM provided information for the formal adherence to the prorogation regime and instructions in connection with deadlines for the payment of the amounts due for 2025 and 2026. The tender for renewal has not been launched yet.

Subject to any regulatory changes, the Group expects to be able to renew its expired betting licenses, and does not believe that the renewal process will materially affect its liquidity and overall financial condition, because there are 15,000 available retail licenses, which exceeds the 9,773 that are present in the market (based on ADM, Prisma (MAG) estimates on ADM and market data (2026)). Subject to any regulatory changes, management estimates the value of the certain renewal payments to be in line with past practice and the current regulatory framework. See *“Regulation—Gaming and Betting Activities—Main Requirements and Obligations for Awarding and Maintaining Gaming and Betting Concessions.”*

As of December 31, 2025, the Group's betting POSs were strategically positioned throughout Italy, with approximately 22% located in Northern Italy, 25% in Central Italy, and 53% in Southern Italy. Southern Italy has the highest spending for sports and virtual betting among all regions in Italy.

To optimize the productivity of POS and the relationship between sales points and customers, the Group delivered a series of strategic projects to allow customers to place bets autonomously. These projects are intended to: (i) increase automation of the activity; (ii) reduce labor costs of the POS; (iii) reduce the waiting time inside the POS; and (iv) extend available services to the gaming POS. The projects aim to create a fully digital customer experience within the POS, including the self-service betting terminals that permit the player to use self-service functionality and make autonomous sports Bets and independently consult the betting schedule. The terminals accept bank notes and coins and have a double touch-screen monitor, bar code scanners to read placed Bets and thermic printers to print placed tickets. The Group is also constantly improving the process relating to the

activation of POS to increase efficiency, including activities such as furnishing the POS and installing the necessary equipment.

The Group also launched a POS network optimization project in 2021. Through this project, the Group scouts and acquires high-performing Sports Franchise POSs, replacing lower-performing shops and corners.

Gaming Franchise

The Group is a market leader in gaming machines in Italy. The Group operates as a concessionaire of gaming machines and also directly manages 123 gaming halls in selected locations in Italy as of December 31, 2025.

The Group believes it had the largest market share in Italy in Gaming Retail for the year ended December 31, 2025, based on GGR with a market share of 30.4%, while its competitors that ranked second and third had market shares in Italy of 23.7% and 16.9%, respectively, based on GGR for the same period. Moreover, in Gaming Retail, as of December 31, 2025, the top three companies by GGR held five licenses while the rest of the market held five licenses in Italy.

The Gaming Franchise segment operates two distinctive products: Video Lottery Terminals, “VLTs,” and Amusement with Prize machines, “AWPs.” VLTs and AWP are offered through a network of over 17,300 POS and directly managed gaming halls as of December 31, 2025. The Gaming Franchise segment also includes “Retail & Street Operations”, which refers to the direct management of owned gaming halls for the “Retail” part, with such business being subsequently supplemented by direct management of owned AWP for the “Street Operations” part. As of December 31, 2025, the Group had 82,391 gaming machines distributed across Italy through either professional POSs (such as arcades, bingo halls and betting shops) or generalist POS (such as cafés, tobacconists and hotels), with 52% of the Group’s VLTs and 70% of its gaming halls located in Northern Italy due to higher regional demand.

With respect to professional POS, gaming halls range from small to large arcades, typically housing 10-30 slot machines, while bingo halls and betting shops are gaming POS that primarily offer, respectively, bingo and betting and where gaming machines can be added to complement the main offer. On the other hand, cafés and tobacconists are non-gaming-dedicated POS with one to four AWP

As to the Addressable Market of the Group’s Gaming Franchise segment, the Group pursues upstream and downstream integration strategies. The upstream integration is aimed at ensuring a distinctive value proposition (i.e., deliver attractive products with distinctive features, such as unique games, compared to the Group’s competitors), while reducing value leakage; the downstream integration strategy, however, operates through the AWP value chain (while selectively acquiring also VLT gaming halls) to reduce value leakage.

The following table sets forth key differences between AWP and VLTs:

	AWPs	VLTs
Market number of machines (for the year ended December 31, 2025)	~228.8K (limited by regulator)	~54.9K (limited by regulator)
Max Stake	€ 1.00	€ 10.00
Max Win	€ 100	€ 5,000
Jackpot	X	Up to € 100,000 per location
Minimum Payout	65%	83%
Game content	Combination games (slot-like) Poker-like games forbidden Games cannot be changed remotely.	Any (slot-like, casino games, etc.) Higher variety of games, which can be changed remotely
Most relevant locations	Bars, betting shops	Bingos, gaming halls
Annual Bets per terminal 2025	approx. € 65K	approx. €300K

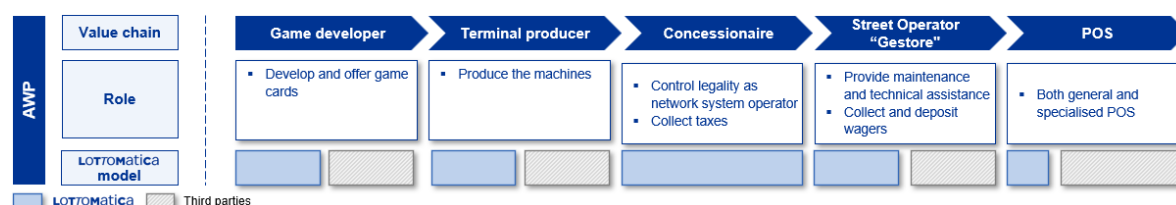
The Group’s Gaming Franchise Bets amounted to €10,944.6 million, €11,089.8 million and €11,103.4 million for the years ended December 31, 2025, 2024 and 2023, respectively. The Group’s Gaming Franchise Segment Revenues amounted to €773.6 million, €763.7 million and €743.5 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Gaming Franchise - AWP

AWPs offer slot machine games that pay small prizes in cash for plays up to €1. They are generally found in cafes, shops and dedicated gaming halls. With AWP, the outcome of the game is based on chance, with the players betting against the house. The game is considered traditional and non-skill, and is characterized by low spend and low Payout ratios.

As an AWP concessionaire, the Group controls the legality of the game and is responsible for the operation of its AWP network through the Group's IT platform and for the collection of taxes due to the ADM. AWP machines are connected to a mobile communications network through a centralized computer system that monitors the flows of the AWP game, but the flows are not required to be reported on a real-time basis and game data is required to be transmitted from the concessionaire's system to ADM systems only once every four days.

The chart below sets forth the AWP value chain in Italy:



The Group's AWP business line generated Segment Revenues of approximately €288.4 million, €279.8 million and €278.2 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the Group had 15,637 AWP POS throughout Italy.

The following table sets forth key information for the Group's AWP business as of and for the periods indicated below:

	As of and for the year or period ended December 31,		
	2025	2024	2023
Total AWP Bets (in € millions)	4,093.2	4,286.7	4,471.4
Payout (as a percentage of Bets)	65.2%	65.2%	65.2%
Segment Revenues (in € millions)	288.4	279.8	278.2
AWP PREU (as a percentage of Bets)	24.0%	24.0%	24.0%
Average number of AWP in operation	63,777	63,471	62,757
Average Bets/AWP (in € thousands)	64.2	67.5	71.2
Number of AWP POS	15,637	15,706	15,806

The Group's AWP model is flexible and operates in two channels: (i) as a concessionaire, the Group manages the POS and coordinates a network of franchisees who own the machines, hold the commercial relationship with the POS and conduct field activities, while ensuring compliance and collecting taxes, and (ii) as AWP owner, the Group also owns machines and has a commercial relationship with POS for machine installation. An increasing number of AWP have been integrated over the years, reaching 49,831 owned AWP in the year ended December 31, 2025.

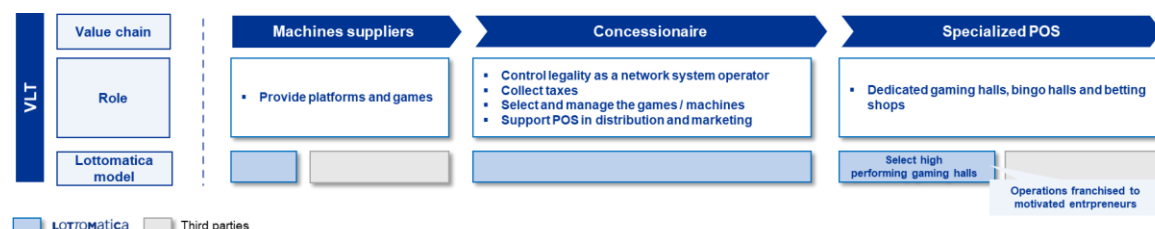
Gaming Franchise – VLTs

VLTs offer slot machine games that allow higher Bets and higher prizes than AWP and are placed in dedicated halls. VLTs are connected to a centralized computer system that determines the outcome of each wager by using a central random number generator.

As a VLT concessionaire, the Group acts as a network system operator for the computerized management of the VLTs for which the Group has concession rights. As a network system operator, the Group controls the legality of the game and is responsible for the operation of the network itself and for the collection of taxes due to the ADM. The Group ensures that VLTs are continuously connected to the ADM's network via the Group's servers

over a broadband connection in order to provide real-time information. In order to support its network connection services, the Group maintains an IT platform, which is supported by high-speed ADSL lines for the management and network connection of VLTs. The Group selects and manages games and machines and supports the POS in distribution and marketing.

The chart below sets forth the VLT value chain in Italy:



The Group's VLT business line generated Segment Revenues of approximately €430.1 million, €436.2 million and €438.3 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the Group had 1,207 specialized POS throughout Italy.

The following table sets forth key information for the Group's VLT activities as of and for the periods indicated below:

	As of and for the year or period ended December 31,		
	2025	2024	2023
Total VLT Bets (in € millions)	6,033.9	6,129.2	6,216.7
Payout (as a percentage of Bets)	84.3%	84.4%	84.4%
Segment Revenues (in € millions)	430.1	436.2	438.3
Number of VLTs in operation	18,284	18,395	18,344
Average number of VLTs in operation	18,360	18,279	18,287
VLT PREU (as a percentage of Bets)	8.6%	8.6%	8.6%
Average Bets/VLT (in € thousands)	328.6	335.3	340.0
Number of VLT POS	1,207	1,227	1,246
Number of VLT licenses	19,831	19,831	19,831

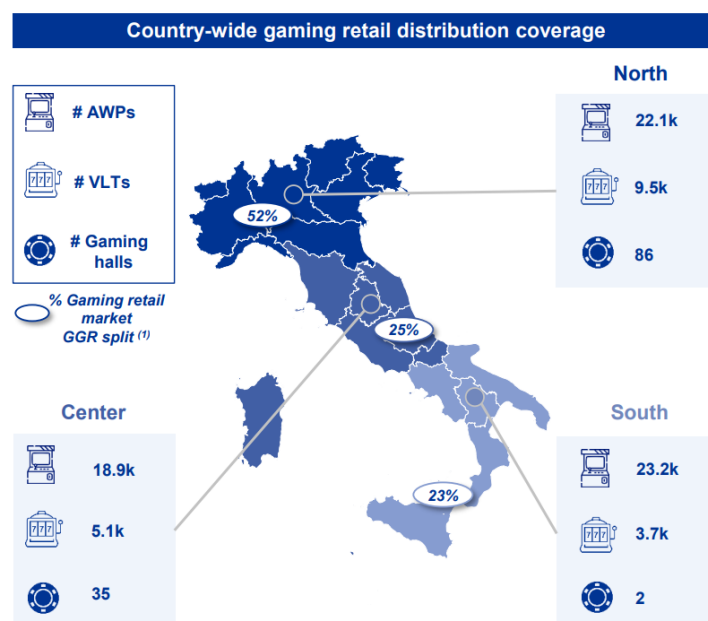
Following the Group's upstream integration strategy to reduce value leakage and increase product differentiation, in January 2023 the Group successfully completed the certification of its proprietary VLT system, "Ares VLT." By the end of 2025, the Group completed the roll out of 364 VLT's with 20 games live in 89 gaming halls.

The Ares VLT product is built on an innovative bespoke gaming system and premium cabinets developed and produced by the Group through its subsidiaries. Additionally, to enrich the game experience offered by Ares VLT, the Group is working with several different game content providers and has more than ten games in pipeline with the last trend market features.

As of December 31, 2025, the Group directly managed 123 gaming halls with proprietary distribution formats and brands: four under the Billions subsidiary (Billions brand); 104 under the Big Easy subsidiary (Las Vegas by Playpark, Enjoy the Game, Slottery, Vegas Dream brands, Dea Bendata brand); seven under the BigEasy Bingo subsidiary (Atlantica Bingo, De Sica Center, Bingo Seven, Bingo Nogara, Bingo Galletto Fortunato, Bingo Planet brands and Bingo Palace Brand); and twelve under the Ricreativo subsidiary (Macao brand).

These gaming halls are physical spaces where the VLT (and AWP) offers are flanked by other services for customers that may include food and beverages, restaurants, entertainment and shows. Sports betting is offered in

81 of the Group's gaming halls. The following map sets forth the regional distribution of the Group's AWP, VLTs and gaming halls as of December 31, 2025:



Source: Lottomatica information as of December 31, 2025 unless otherwise specified. Note (1): The percentage of GGR by region in the Italian market for the year ended December 31, 2022 for Gaming Retail.

The Group owns licenses and permissions allowing it to control the operations of the gaming halls. The Group provides equipment and services specific to VLT, AWP and betting (when applicable), including, in particular, network connection and IT infrastructure services.

Additionally, the Group is active in directly managing its proprietary AWP, including the commercial management, maintenance and technical assistance, as well as the collection and deposit of wagers.

The following table sets forth key information for the Group's gaming hall business as of and for the periods indicated below:

	Year ended December 31,		
	2025	2024	2023
Number of gaming halls	123	138	145
AWP Bets (in € millions)	2,027.7	1,646.2	1,212.6
Average # of Operative AWP	29,409	21,837	15,120
Average Bets per AWP Unit (in € thousands)	69	75	80
VLTs Bets (in € millions)	1,984	2,013	1,972
Average # of Operative VLTs	4,785	4,779	4,465
Average Bets per VLT Unit (in € thousands)	415	421	442

In 2022, the Group launched dedicated initiatives to expand the omnichannel model from Sports Franchise to Gaming Franchise and test it in directly managed gaming halls. The key pillars of these initiatives include: (i) tailored commercial incentives for retailers; (ii) dedicated events in selected gaming halls and Online offerings; (iii) dedicated promotional bonuses for new account openings and weekly cash-backs to support retention; and (iv) set-up of dedicated rooms within the gaming halls, in which players can project their devices on large screens.

Expansion of Product Offering

The Group constantly considers the expansion of its product offerings and features a key component of its commitment to innovation and diversification within the gaming industry. Over the year ended December 31, 2025, the Group launched near 5,000 new casino games and has included around twenty new providers to its portfolio, thereby strengthening its platform with a broader array of entertainment options. In addition, the Group's new offering also covers basketball players markets, which enabled a stronger offer on top basketball leagues. The Group also integrated instant-Sepa bank transfers on its systems, enabling customers to process real-time withdrawals directly from their bank accounts. In addition, the Group has launched a new version of its virtual betting horse product, characterized by enhanced visual quality, and the innovative 'Pagatore' POS system in high-end retail shops. Moreover, the Group has developed and launched an exclusive casino game (Penguin Penalty Game), which has been developed through the Group's internal product development studio, GiocaOnline, in cooperation with an affiliate.

Business Brands

The Group uses the following main commercial brand names in its three business segments:

- *Online*: Lottomatica, GoldBet, Betflag, Planetwin365 and Totosi;
- *Sports Franchise*: GoldBet, Better, Planetwin365, Macao and Intralot (within the Intralot Acquisition the Group entered into a trademark agreement under which it is authorized to use the Intralot trademark until the expiration of the GBO Italy concessions); and
- *Gaming Franchise*: Better Game, Better Slot, Billions, Las Vegas by Play Park, Enjoy the Game, Slottery and Planetwin365.

Contractual Arrangements

Online

The Group enters into three categories of contracts in Online business: (i) contracts with customers, (ii) contracts with web affiliates, and (iii) contracts with retail franchisees. Contracts with customers are end-user agreements that each customer will need to sign online prior to using the Group's products. Contracts with web affiliates are aimed at increasing the Group's online customer base. Under these contracts, the Group's web affiliates either receive a single payment per online customer and/or a contribution from revenues from such customers. Contracts with retail franchisees are to ensure the Group receives additional value from its retail franchisees and aim to recruit and serve additional online customers. Thus, the franchisees will benefit from each customer they recruit through a certain contribution from revenues from such customer.

The Online business unit comprises: (i) an online team to manage the online business in terms of products, offers, online platform development, graphics, marketing material, business analysis and monitor profitability; (ii) a marketing & CRM team to optimize acquisition channels activities and active customer base handling through retention, up-selling and cross-selling promotional initiatives; (iii) a trading team with approximately 70 oddsmakers, in sharing with the Sports Franchise segment, to manage the sportsbook product in terms of creating fixtures, odds, accepting bets, liability management, settlement and performance monitoring; and (iv) a helpdesk team to support the online customers for various matters; the teams can be contacted by phone, text message and online chat.

Sports Franchise

The Group enters into service contracts with POSs for the sale of its products. On average, the duration of these contracts mirrors the duration of the concession underlying the relevant product. The Group can terminate the contracts prior to their expiration for cause, such as fraudulent behavior by the manager or owner of the POS, the unauthorized assignment of the contracts, a violation of payment obligations and violations of relevant laws, and loss of the license to operate the sales point as well as failure to achieve contractually agreed sales levels. During the years ended December 31, 2025, 2024 and 2023 and until the date of the Offering Memorandum, the Group terminated a limited number of contracts for cause. The Group may also terminate the contracts without any cause, obligation or penalty, with notice. Franchisees may terminate with notice and by paying a penalty (both notice

and penalty may vary depending on agreements between the parties). During the years ended December 31, 2025, 2024 and 2023 and until the date of the Offering Memorandum, the Group faced a limited number of terminations from franchisees, given that, once the contract is terminated, the franchisee has to close its operations for several months while getting a new police authorization, resulting in additional switching costs.

The Group generally provides the POS with technological equipment (depending on the agreement), terminal-related maintenance and support services as well as personal advisory, training, IT and commercial support. Upon the expiration of the contract, the POS must return to the Group the technical equipment provided as well as any documentation received. Service contracts with the sales point are on an exclusive basis.

The Sports Franchise segment comprises: (i) a retail operations team to oversee the opening and maintenance of the shops, monitor performance, release of new products and communications; (ii) a retail commercial team to support the franchisees in the territory and seek new opportunities; (iii) a business intelligence team to monitor performance of each product's verticals (sportsbook, virtual betting, horseracing); (iv) a product marketing team to develop the offer of the different product verticals; (v) a trading team organized by competence in three departments (pre-match football, pre-match other sports and live betting), in sharing with Online, to manage the sportsbook product in terms of creating fixtures, odds, accepting bets, liability management, settlement and performance monitoring and help support fixed-odds betting products marketing activities; and (vi) a helpdesk team to support the POS for various matters, the teams can be contacted by phone, text message and online chat.

Gaming Franchise

AWPs

The Group enters into contracts to provide network connection services to owners of AWP who, in turn, position their AWP in third-party POS (for example cafés and tobacco shops). The Group also enters into agreements with the managers/owners of the POS in which the Group's AWP are located. These owners are required to adopt the necessary measures to ensure (i) constant connection of AWP with the network and prevent tampering with such connection and (ii) compliance with all laws and concession requirements for this type of product. If the manager/owner of the sales point is also the owner of the AWP, he is required to collect the gaming revenues (GGR).

AWP owners are required to maintain the AWP and transfer to the concessionaires the amount resulting from the bi-monthly statements issued by the concessionaires themselves (except in cases when third-party collectors are responsible for the collection of gaming revenues). In addition, pursuant to the terms of the Group's standard contracts or, unless otherwise agreed, AWP owners provide the Group with a banking or insurance guarantee or a cash deposit of €1,500 for each AWP (even though not all AWP owners provide the Group such a guarantee).

These contracts generally last for the duration of the concession and its extension, but include numerous performance clauses, enabling the Group to end its contractual relationship with non-performing managers/owners. During the years ended December 31, 2025, 2024 and 2023 and until the date of the Offering Memorandum, the Group terminated a limited number of contracts due to non-performance. The Group may also terminate these contracts without cause with six months' notice. Pursuant to the terms of the Group's standard contracts, AWP owners and the owners of the POS may also terminate these contracts without cause with six months' notice.

VLTs

As concessionaire, the Group enters into contracts with the managers of the gaming halls and other permitted POSs in which the Group's VLTs are located. The owner of the POS is the holder of the gaming authorization (as defined by Royal Decree No. 773 of June 18, 1931, approving the consolidated text of public safety laws as amended (the "TULPS")) and sustains all the operative costs of the gaming hall. Pursuant to these contracts, managers are required to maintain equipment, manage the sales point's daily operations, including all employment matters, and advance winnings below €5,000. In addition, managers are required to ensure that minors do not enter their venues and to comply with all laws and concession requirements for such type of product. Managers are also generally required to collect and deliver gaming revenues usually twice a week. All managers, unless otherwise agreed, must provide the Group with a banking guarantee or a deposit of €1,500 for each VLT managed, or have another form of guarantee (even though not all the retail partners give such a guarantee). These contracts generally last for the duration of the concession, but include numerous performance clauses, enabling the Group to replace non-performing managers quickly and efficiently. During the years ended December 31, 2025, 2024

and 2023 and until the date of the Offering Memorandum, the Group terminated a limited number of contracts due to non-performance. The Group may also terminate contracts without cause with fifteen days to six months' notice, thereby renouncing any right to compensation.

Suppliers

The Group has established relationships with numerous business partners, including for the provision of terminals and other hardware, software, gaming materials, logistics services, call center services, marketing and market research. As part of its quality management system, the Group carries out an evaluation and accreditation screening process for all its business partners who supply materials and/or services. In addition to the specific commercial terms in the Group's contracts, the Group's business partners also commit to complying with the regulations and principles contained in the Group's code of conduct and ethics. In the industry in which the Group operates, while there are a limited number of suppliers, the Group operates with multiple external providers and enjoys a good relationship with its strategic suppliers.

The Group's large economies of scale allow it to enjoy favorable terms with content suppliers. The Online market is highly competitive, and fees to suppliers typically decrease with higher volumes of content. For VLTs, fees to content suppliers have remained relatively stable in recent years. Cost savings on supplier fees have been a key area of synergies for the Group with respect to M&A activities.

For the years ended December 31, 2025, 2024 and 2023, 22%, 23% and 27% of the total costs for raw materials and services came from the Group's five main suppliers, respectively, while 32%, 38% and 40% of the total costs for raw materials and services came from the Group's ten main suppliers, respectively. The Group's principal supplier represented 9%, 9% and 13% of the total costs for raw materials and services for the years ended December 31, 2025, 2024 and 2023, respectively.

The Group does not have suppliers, material clients or partners with registered offices in Russia.

Operations & Technology

The Group's technology strategy is focused on three pillars: (i) a clear roadmap, ensuring that initiatives are aligned with business goals, (ii) fast delivery, with over 30 main projects successfully completed in 2024 and 2025, compared to 53 delivered between 2021 and 2023 and (iii) cost discipline, with a track record of cost synergies achieved. Moreover, the Group's strong and comprehensive product offering is underpinned by its IT platforms.

The Group's information systems permit it to provide to its clients cutting-edge products and services as well as maximize its revenues in the Group's Online and Sports Franchise segments and AWP and VLT activities within the Gaming Franchise segment: (i) in the Online segment, the Group's information systems permit the Group to manage over one million unique active users, offering them a complete game experience benefiting from integrations with numerous external providers (for, including among others, sports, virtual and casino), (ii) in the Sports Franchise segment, the Group's platform is proprietary and manages over 17,300 POS, (iii) in the AWP product line, the Group's technological portals permit the Group to interface directly with machine owners, thereby building long-lasting business relationships, and (iv) in the VLT product line, the Group's information systems provide the maximum continuity in game distribution.

The Group operates physical and virtual hosts through racks (and distributed throughout seven data centers), built on DELL servers, Purestorage, Fortinet and Palo Alto Firewalls, Brocade FC Switches, Cisco network Switches and routers, VMWare Hypervisor, providing foundation for most of the virtual infrastructure, and Commvault Simpana for backup systems. Such technology lets the Group manage different types of software. The Group also develops its own platforms using the latest software and various programming languages, including Microsoft.NET and PL/SQL, PHP, Angular, Python and Java. Through its integrated IT system, the Group manages over 200 billion database transactions per year.

AI is a key technology driver for business efficiency through features such as interactive voice response (allowing customers to interact with computer systems to direct their needs to the correct operator or listen to informational messages), natural language recognition (interpreting customer questions in a similar way as human beings and providing an automated response via a voice simulator) and robotic process automation (reducing operator work by giving customers immediate automatic responses).

For 2026, the Group is focused on increasing its machine learning capabilities. Game platforms are subject to certification by third-party registered providers authorized by the ADM. Certification must be issued when a new games platform is launched and when a critical change is performed on the platforms. Players can view the Group's legal compliance certificates, as well as information on the security and functionality of online gaming applications. The Group owns 5 different online licensees and renewed them in 2025 for a period of nine years.

The Group has adopted security protocols for software and data, and its online gaming IT infrastructure has multiple built-in redundancies and back-up systems in order to ensure high levels of reliability, continuity of operations and performance. The Group also has disaster recovery operations in place 24 hours a day, seven days a week. Support and upgrades are handled by a dedicated in-house IT team and by a network of specialist and certified external partners.

Periodically, the Group has independent third parties test the security protocol of all its platforms, and should vulnerabilities be found, they also provide a corrective action plan as required.

The Group currently has agreements in place with leading providers of online technology and associated services to provide it with market leading technology and gaming content. This allows its customers to use a wide variety of payment methods and credit cards, while also allowing the delivery of up-to-date game content and branded games. The Group also employs a credit risk management system, which allows it to manage the database of both its past and present customers, as well as to add new customers to the sites, in compliance with GDPR regulation.

The Group maintains a quality management system, which is certificated in accordance with ISO 45001:2018 (Certification on Occupational Health and Safety management system), ISO 9001:2008 for Lottomatica and GoldBet, and ISO 27701:2015 for GoldBet only for, among other things, the remote collection and operational management of online games and services data, software design and development, distribution of material and equipment to POS and technical support for equipment at POS. It also holds ISO27001:2022 Information Security certifications for the following subsidiaries: Gamenet, GBO Italy, PWO, Betflag, and Totosi.

The Group's IT systems are routinely inspected by the ADM and are connected in real time to the central system and the central gaming accounts database of SOGEI. Further, the Group is subject to legality ratings issued by the Italian competition authority, AGCM (*Autorità Garante della Concorrenza e del Mercato*) for Gamenet, in 2025, and GBO, in 2023.

As of December 31, 2025, the Group had seven data centers. One is located in the Valle D'Aosta region, one in the Lombardia region, four in the Lazio region and one in the Czech Republic. The Group's primary operative data center, for Gamenet and LVR, for AWP is located in the Valle D'Aosta region, while backups are located in Lazio region; VLT services are hosted in the Lazio region (primary for LVR and backup for Gamenet), Valle D'Aosta region (primary for Gamenet) and Lombardia region (backup for LVR). Online and Sports Franchise segments for GoldBet, Lottomatica (Better) Betflag and PWO are managed through three data centers located in the Lazio region. Moreover, one of them also acts as a site for bench testing with all proposed changes to the systems thoroughly tested to avoid interruptions in service. PWO's "old" platform (migrated to Lottomatica one in July 2025) for online and sports franchise segments are managed through a data center located in the Czech Republic, operated a company part of the Aruba group. The Czech Republic data center has been closed at the end of December 2025.

Fully documented and tested disaster recovery plans are in place with a focus on business continuity (24/7). All the above data centers are inspected regularly. The Group monitors and updates its IT system in order to promote high standards of reliability, business continuity, performance and scalability.

Because the Group provides network connection services and is responsible for maintaining the flow of information to the ADM, its data centers are supported by a sophisticated telecommunications network including its own POP at one of the most important Internet Exchange Points in central and southern Italy (NameX). The Group's data centers are connected through a communications network that incorporates Multi-Protocol Label Switching for the VLT business, allowing information to be sent and received by each of the Group's data centers. Every single connection point is connected through two links, a primary link and a back-up link, allowing greater management of the flow of information the Group is required to manage. In addition, each of the Group's data centers is connected to the communications network through two high speed link connections, which provide the Group's network with constant and higher-quality connectivity.

Business Seasonality

Gaming activity, both online and offline, is typically higher in the first and fourth quarters of the calendar year as compared to the second and third quarters. Gaming activity is partially affected by the schedule of sporting events on which the Group accepts Bets. The professional Italian football season typically begins in the second half of August and ends in the second half of May, making this the period when the Group generates the highest sports Bets levels during a calendar year. Additionally, sports Bets reach peak levels during major events such as the international UEFA tournaments (i.e., Champions League, Europa League and Conference League), the world football championships, European football championships, and the Olympics, which take place once every four years. During the summer months, due to the summer holiday season and the end of the professional football season in Italy, gaming experiences lower levels of activity.

From a financial perspective, working capital displays seasonality due to the payment schedule of gaming taxes (PREU and *Imposta Unica*) and the reimbursement from the ADM of the security deposit equal to 0.5% of Bets placed on gaming machines. In relation to the latter, the ADM deposit is paid bi-monthly by the Group and then reimbursed, based on the achievement of certain service levels, in the second quarter of the following year.

ESG (Environmental, Social and Governance) and Corporate Social Responsibility

Environmental, Social and Governance (“ESG”) is a strategic priority for the Group, and it is fully integrated in its business strategy and operational framework. The ESG strategy of the Group has a focus centered on promoting a legal and responsible gaming model, high standards of safety and well-being for its employees and consciousness of the social impact of its operations on the community and environment. As of the date of the Offering Memorandum, the Group fully integrated sustainability in the company vision, organization and operations, with a specific strategy built on Responsibility, People and Community & Environment pillars, and a robust and comprehensive set of initiatives along these drivers.

As of the date of this Offering Memorandum, the Issuer held two ESG ratings, issued by the Rating Providers: MSCI awarded the Issuer their maximum score (“AAA”) and Morningstar Sustainalytics provided a rating of 12.5 out of 100, which represents the Issuer having a “low risk” of sustaining significant financial detriment from ESG factors. In addition, in February 2026, the Issuer was also recognized as a “2026 ESG Industry Leader” by Morningstar Sustainalytics.

In January 2026, the Group achieved a B score from the Carbon Disclosure Project. In 2022, the Group also obtained ISO 37001 and ISO 14001 certifications respectively on anti-bribery and environmental management systems, in January 2023, the ISO 27701 certification for data privacy and security management system, and, in September 2025, the ISO 14064-1:2018 certification for the quantification and reporting of organizational greenhouse gas emissions and removals (which is aimed at measuring the Group’s carbon footprint). Since December 2023, the Group has completed certain online licenses for the International Certificate of Accreditation in accordance with the responsible gaming policy, procedures and standards set by the Global Gambling Guidance Group (G4). In July 2024, our subsidiary GBO Italy was the first Italian company to obtain the “Responsible Gaming” certification in the betting sector (online and retail), which was issued by the World Lottery Association. Moreover, in December 2024, the Group completed the “Global Gambling Guidance Group” (“G4”) on retail gaming hall, a certification in relation to best practices in retail gaming halls issued by an industry group. In addition, the Group was awarded the “Best Team HR” award in May 2024 and September 2025, the “Top Employer Italia” award in July 2024, January 2025 and 2026, the “QAR” certification in Internal Audit in June 2023 and the UNI/PDR 125:2022 certification in 2023 in relation to its HR functions.

The Group sustainability plan contributes to the achievement of 8 of the 17 Sustainable Development Goals (SDGs) adopted by the United Nations. To strengthen its commitment, Lottomatica joined the UN Global Compact, the strategic initiative launched by the United Nations Organization with the aim of promoting the construction of a sustainable global economy: respectful of human and labor rights, of diversity, of environmental protection and of the fight against corruption.

The sustainability plan is based on three fundamental strategic pillars:

(i) Responsibility

The Group operates in full compliance with the applicable law ensuring, among others, customer protection. In fact, carrying out gaming activities is subject to operational requirements including the obtaining of licenses,

permits and authorizations in general whose regulations are in place, among other reasons, to protect the safety and health of players.

Moreover, the Group operates with full awareness of its role in: (i) the industrial sector of legal gaming, through proactive collaboration with the institutions and compliance with the regulatory framework (including the primary rules, the gaming ban for minors under the age of 18, the Balduzzi Decree, the “Dignity” Decree, the local regulations and the license contracts); and (ii) promoting a legal and responsible gaming model, respecting and protecting customers and providing customers with safe, high-quality, innovative, and engaging gaming experiences.

The Group’s commitment to all its stakeholders – employees, customers, suppliers, investors, institutions, and communities – is to implement all the necessary actions to ensure that attention to responsible gaming is a central component in the construction of a sustainable business strategy and is an integral part of its daily operations.

As reported in its Code of Ethics, the Group approaches the issue of responsible gaming with extreme care and utmost awareness in the protection of minors and players, expressly committing itself to the guidelines of awareness, information and transparency, training and governance.

These guidelines concern: (i) the protection of minors, through the adoption of specific measures aimed at preventing any form of access to the game by minors; (ii) the prevention of excessive gambling, through training and governance tools, and support for problem gamblers; and (iii) the promotion of a responsible gaming model, intended as a form of entertainment to be chosen with awareness and characterized by transparency, completeness and impartiality of information.

By these guidelines, the Group has always pursued continuous dialogue with employees, regulatory authorities, institutions and its main stakeholders interested in promoting legal and responsible gaming, carrying out projects focused on the following macro-areas of activity:

- training and awareness of resources (employees and sales network) on responsible gaming issues, also in collaboration with specialized bodies and leading Italian health and social organizations, such as the Catholic University of the Sacred Heart – Faculty of Medicine and Surgery “A. Gemelli;” the program named “*Punto Gioco Intelligente*” is currently being deployed across all of the retail networks. This program started in 2022 and covered 100% of the direct gaming halls distribution as of December 31, 2022 and 70% of both direct gaming halls and third-parties distribution as of December 31, 2023, 2024 and 2025, respectively. The training activities have been verified by the international certification companies WLA and G4, which certified Lottomatica as a “professional gaming network;”
- information and awareness of the players on the issues inherent to the game and the possible disorders related to it, with the aim of providing a broad, transparent, and objective knowledge of the products offered, to guarantee player awareness of the gaming experience in a safe and legal context. The G4 (Global Gambling Guidance Group) certification for responsible gaming of the online gaming platforms Lottomatica.it, GoldBet.it and Betflag.it is further strong evidence of this approach (G4 is an organization consisting of an international group of gaming industry experts dedicated to promoting responsible gaming and reducing the harm caused by problem gaming). The Group also makes the “Ten Commandments of Responsible Gaming” available at all touchpoints and offers player protection tools such as mandatory weekly deposit limits and self-assessment tests in accordance with PGSI guidelines. In 2024, the Group carried out its first corporate campaign dedicated to responsible gaming, with the scientific support of the Gemelli Polyclinic. The campaign, called “NON GIOCARE SE”, was disseminated across all company touchpoints including gaming halls, gaming sites and the Group’s corporate website. In 2025, the Group comprehensively restructured the responsible gaming section of its corporate website to expand the information available on this topic;
- prevention and mitigation of the impacts deriving from incorrect gaming behavior, also through responsible marketing policies and tools to support problem gamblers. Responsible gaming support resources, including contact details, are displayed at touch points. This includes, for example, promotion of the National Green Phone of the “*Istituto Superiore di Sanità*” and collaboration with Gambling Therapy, a worldwide service that offers assistance and support to anyone affected, directly or indirectly, by problem gambling. Since 2023, problematic players in live gaming halls have been monitored using special software made available to floor managers (“*Sistema Gioco Intelligente*”). In 2024, the Group also developed proprietary software (“*Safe Play*”) useful for analyzing gaming behavior in online concessions. The software analyzes eight indexes of

observed behavior and supports the subdivision of the Group's customer base into different clusters, in order to better direct communications and any support where necessary; and

- study and research on responsible gaming issues, creating opportunities for in-depth analysis and discussion on the role that the legal gaming industry plays, particularly, in relation to the supervision of public order, legality and consumer protection. In June 2023 Lottomatica, in collaboration with the institute of Censis, issued the report entitled "Legal Gaming in Italy: The social and economic value of gaming" that explores the social significance and functions of the legal gaming sector in Italy. The Group is also progressively approaching problematic gambling monitoring across its channels. In 2024, the Group conducted a joint study with the Polytechnic University of Milan aimed at identifying new technologies useful for strengthening practices in favor of responsible gaming for the retail network. In 2025, to further enhance its study and research capabilities, the Group launched a comprehensive survey targeting customers, network partners and employees to assess awareness regarding the Group's responsible gaming program.

In addition, specific KPIs are taken into consideration to monitor the Group's progress to ensure a more responsible gaming environment. For example, the Group monitors the percentages of the Group teams that have received training on responsible gaming and the percentages of customer touchpoints that have responsible gaming content and tools have been involved in awareness campaigns. In this regard, in 2022, 2023, 2024 and 2025 all members of the customer support teams and of the direct gaming halls received training, and 100% of the gaming hall network and 100% of the online channels had responsible gaming content and awareness campaigns. In 2025, the Group made responsible gaming training mandatory for all employees. The Group also adopts a specific responsible gaming policy and a responsible marketing policy, containing the general principles that guide the development and selection of products, as well as information, communication and marketing. Moreover, the Group's responsible gaming program is monitored on a monthly basis by the activities of a specific management committee coordinated by the responsible corporate department.

In order to further protect customers and guarantee a safe and secure gaming experience, the Group also adopts a number of procedures relating to privacy and cyber-security, in particular the procedure relating to personal data and free circulation of data and the data breach management & notification operating procedure.

Finally, the Group has provided GBO (online gaming) employees with responsible gaming training and content. In 2024, digital and digital customer care employees of GBO received "level II" training on responsible gaming and the entire workforce of GBO received a "level I" training on responsible gaming. Further, the Group continues to annually assess the adequacy of the responsible gaming and marketing policy and procedures and update them as necessary and plans to extend G4 and WLA certifications and responsible gaming best practices to all online business (including Betflag.it and Planetwin.it). As part of this effort, at the end of 2025, the Group entered into an agreement with G4 for the certification of all Group concessionaires, both physical and online.

(ii) People

The Group is committed to pursue sustainable growth objectives, taking into account the impact that its activities have on its stakeholders, in particular the employees and the community in which it operates. As of the date of this Offering Memorandum, the Group has approximately 2,500 employees. In order to create collective value with its activities, the Group has always actively collaborated to accomplish initiatives of public interest in well-defined areas, including work and training; legality; diversity; social inclusion; education; health; and innovation and technological progress. This commitment is strengthened by the activity carried out by Lottomatica Foundation, established in 2022, that is an autonomous, independent and non-profit organization and that reflects the Group's social commitment, whose founding principles are the attention to responsibility and legality, to people, the community and the territory. Among all the social initiatives, the Group supports: (i) "*ASD Warriors Viadana*", the association that aims to promote sport for people with motor disabilities, and projects to raise awareness, visibility and social inclusion; (ii) in order to contribute to the fight against violence and gender discrimination, the Group sustains "*Salvamamme*" the association which has been in the front line supporting fragile women and families for more than 20 years; (iii) "*Food 4 People*," the project that promotes periodic collection of food in support of Banco Alimentare; (iv) "*Susan G. Komen Italia Association*," a volunteer-based organization on the front line in the fight against breast cancer and the promotion of women's health protection; (v) the partnership launched in 2023 by the Group with a startup called "*Rosso*" to make a contribution on the issue of blood donation; and (vi) the promotion of healthy lifestyles for employees.

With regard to employees, professional development is one of the strategic competitive areas in which the Group invests its great efforts, as necessary in order to attract and retain new talents, to develop their skills and to build

career pathways creating long-term value for the Group. For this reason, the Group is committed to deploying structured programs about brand awareness, employer acquisition, people development, learning & development and management “revolution.” With the aim of investing in future innovation and digital talents, the Group has also activated strategic projects: (i) a collaboration with Luiss Guido Carli University to develop innovative training courses, based on “peer-to-peer learning” and “learning-by-doing” unique approach, to select young IT and digital champions, that will be precious resources for the technological transformation of the country; (ii) a collaboration awarding scholarships with Luiss Guido Carli University, to raise awareness among the Next Generation of the values of legality and respect for the rules, through dialogue, listening and connection between university and high school students; (iii) an experimental course of study that was started in 2023 in multiple Italian institutes, promoted by the ELIS Consortium with the support of Lottomatica and other Italian companies, which combines the study of STEM disciplines (Science, Technology, Engineering and Mathematics) with quality training in the humanities with the goal to prepare young people for the challenges posed by the ecological and digital transition, reduce early school leaving and the geographical gap; and (iv) a partnership with “Valore D,” the largest corporate association promoting gender balance and inclusive culture.

Diversity is another distinctive factor for the Group’s growth and to which Lottomatica is strongly committed through a dedicated policy, which laid the groundwork for its gender diversity program, establishing management responsibilities with regard to diversity issues and introducing monitoring of the company’s diversity performance, extending to specific social standards being included within the supplier code of conduct. The diversity program identifies four areas of interest: (i) governance, through a D&I Committee and manifesto; (ii) culture, with several corporate initiatives relying on employee engagement; (iii) leadership, promoting female leadership with mentoring and training initiatives and a specific gender zero-pay-gap program with colorable targets (based on an international benchmark system for an unbiased assessment and comparison); and (iv) networking, with initiatives dedicated to sharing case studies and testimonials.

The Group is also committed to maintaining a work environment that is compliant with the highest health and safety standards, and where individual characteristics will not lead to discrimination or conditioning, guaranteeing the ability to exercise all trade union and political rights. The Group respects its human rights policy that also integrates the freedom of association policy, the principle of non-discrimination, and the working hours policy, including the smart working policy.

Finally, the Group has selected several targets that it intends to achieve; including but not limited to: (i) reducing the gender pay gap to zero by 2030; (ii) maintaining partnerships with charity associations; (iii) supporting work-life balance through the use of smart-working for 100% of roles which can be conducted remotely; and (iv) maintaining the “Top Employer Italia” certification, the UNI/PDR 125:2022 certification and the ISO 26000.

(iii) Community and Environment

The Group is committed to pursuing a reduction of its environmental impact as an integral part of its business and as a strategic commitment, and to monitoring compliance with applicable environmental protection laws and regulations. In 2025, the Group developed a transition plan for climate change mitigation, integrated into the broader environmental strategy known as “LESS” (*Lottomatica Environmental Sustainability Strategy*). This strategy is organized around three pillars, each with corresponding objectives and initiatives: Climate Change, Resource & Circular Economy and Governance. The transition plan establishes reduction targets based on estimated greenhouse gas emissions from activities in the 2024 base year, verified in accordance with ISO 14064-1:2018. Compared to the 2024 base year, the Group has committed to reducing Scope 1 and Scope 2 emissions by 14% and Scope 3 emissions by 16%, in each case by 2030. In addition, the Group conducted an analysis of climate and environmental risks at the level of the Issuer, and is planning to extend it to the wider Group perimeter. The Group’s environmental activities are conducted by a dedicated corporate function which coordinates a special environmental committee. Such committee meets on a monthly basis and reports to the ESG management operations committee of the Issuer.

To this end, supporting the ISO14001 certification, Lottomatica has adopted an “Environmental Policy” and “Green Procurement Policy.” The Group also monitors the environmental performance of its suppliers contained in a specific register (*albo fornitori Lottomatica*) through the internationally-recognized SynESGY platform, which calculates an ESG score for each of the Group’s suppliers. The Group is also constantly pursuing environmental consciousness among employees and main stakeholders. Some relevant programs: (i) “Become Green” is a large internal project aimed at achieving zero waste, maximizing separate collection and increasing the use of renewable energy; (ii) agreements with suppliers for its energy supply to come 100% from renewable sources with the aim of maximizing the use of renewable sources for its proprietary gaming halls; and (iii) through

its foundation, promoting initiatives that have a socially relevant goal. The Group focuses on carbon intensity and trends for the new Group perimeter and in 2024 the Group started to define targets to reduce GHG emissions developing the related decarbonization path of initiatives.

Other than the ISO14001 certification and the reduction of GHG emissions, the Group has selected specific KPIs to be monitored with regard to the third pillar, including, but not limited to: (i) GHG emissions, (ii) the percentage of electric or hybrid vehicles in the company car fleet, (iii) the Group's EMS certifications, and (iv) the percentage of the supply chain with ESG performance rated by SynESGy (75% in 2022 and 82% in 2023, 2024 and 2025). Furthermore, the Group has selected several targets for its monitored KPIs, such as: (i) 30% of new company cars to be either electric or hybrid by 2025, (ii) maintaining the ISO 14001 EMS Certification, and (iii) having more than 80% of suppliers be ESG rated by the SynESGy platform.

The Group's focus on direct and indirect benefits to the community is also expressed through the Group's core pillars that include Legality, Work & Training, Diversity, Social Inclusion, Education, Health, Technology, and through the significant tax revenue contributions to the Italian economy. The Group is subject to applicable environmental and workplace safety laws and regulations in each jurisdiction where it operates. These laws and regulations govern, among other things, the release of contaminants into the air, water and soil; the use, storage and disposal of hazardous substances and waste; and remediation of contaminated areas. See also "*Regulation*" for a summary of the key laws and regulations applicable to the Group's business and activities.

In 2026, with reference to the ESG targets and objectives described above, the Group identified approximately 90 initiatives, of which: (i) 3% have been completed as of the date of the Offering Memorandum; (ii) 54% are ongoing; and (iii) 43% are to be started.

As of the date of this Offering Memorandum, the Group is required to draw up a consolidated sustainability statement pursuant to Directive (EU) 2022/2464, as implemented by Legislative Decree No. 125 of 6 September 2024. Accordingly, the Issuer has assessed its economic activities in accordance with the European Green Taxonomy Regulation (Regulation (EU) 2020/852) and with Annex I of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73, which, *inter alia*, streamlined disclosure requirements by allowing the exclusion of economically non-material activities from eligibility and alignment assessments.

As of the date of this Offering Memorandum, the Group is not aware of any environmental issues related to the use of its tangible fixed assets. Moreover, except as described in this Offering Memorandum, from January 1, 2026 to the date of the Offering Memorandum the Group did not receive any notice, report or claim for environmental damages.

Risk Management

The Group manages credit risk through its credit risk department, which primarily consists of (i) credit scoring and monitoring, (ii) credit collection, (iii) enforcement of past-due receivables, and (iv) the management of guarantees. The Group also supports its credit risk management with information provided by third party specialists.

As a concessionaire, the Group is the only party in the value chain that is directly liable to the ADM. As a result, its credit risk management team focuses extensively on managing the guarantees that the Group's retail partners are typically required to provide to the Group in connection with the Group's relationships.

The current and non-current commercial trade receivables net of provision from doubtful accounts amounted to €77.2 million, €78.0 million, and €96.8 million as of December 31, 2025, 2024 and 2023 respectively, and are principally related to wagers on VLTs and AWP's net of the compensation to the supply chain, receivables from betting operations and other receivables for supply-chain related services and other receivables.

VLTs and AWP's

The Group is exposed to credit risk in its commercial transactions. The Group has adopted risk management procedures in order to both reduce and monitor credit risk. The Group is responsible for collecting and transferring to the ADM the PREU due on the Bets generated by the Group's gaming machines (VLTs and AWP's). In carrying out this responsibility, the Group enters into agreements with third parties. See "*Suppliers*." Pursuant to these agreements, different third parties in the Group's distribution network are responsible for, among other things, collecting cash from AWP's and VLTs connected to its network and transferring these payments to the Group, net

of contractual compensation. The majority of such amount is transferred to the Group through bank wire transfers or bank-direct-debit transfers that allow the Group to promptly react to any failure to meet a payment deadline.

As part of the Group's risk management system, every customer, prior to the start of the business relationship, is assessed on the basis of a quantitative and qualitative evaluation that also takes into account its economic and financial information. This analysis is also carried out on the basis of information obtained from third-party specialists. If the potential customer passes this screening phase, the Group proceeds with the signing of the contracts, and with a request for a guarantee (sureties or security deposits), except otherwise agreed between parties, of varying amounts depending on expected volumes. These guarantees can be provided by a bank or an insurance company or in another form as agreed among the parties.

Pursuant to the Group's debt collection procedure, upon the deadline for the payment the collector shall perform all actions necessary to recover the amounts due from customers. The first action to be performed is a phone call as a reminder of the amount due together with a written communication requesting payment of the outstanding amounts. In the absence of a prompt response from the customer, a formal legal certified e-mail is sent with a notice to block the gaming devices pursuant to a request from the credit manager to the relevant technical area. The devices are blocked as long as the customer does not fulfil the payment or provides alternative solutions. Otherwise, a request to remove the machines is sent to the ADM, and the guarantees issued by the customer are enforced.

The procedure to recover the amounts of money in the AWP and VLT machines are periodically performed by the designated person at the sales point. This procedure presents risks which the Group manages through (i) the contract between the concessionaire and the person designated to collect money, whose minimum standard content is indicated in the concession contract signed with the ADM. According to such contracts, the person designated to collect money is required to offer a valid guarantee (bank, insurance, or deposit) to the concessionaire in order to manage the credit risks; (ii) the issuance of a periodic statement and, within the context of credit risk management procedures, the interruption of the connection to the network system, in case the amount due is not paid. The Group might not be able to limit its potential losses in case a significant number of retail partners would not be able to promptly pay the amounts due to the Group. The Group does not know of any material episodes of fraud from third parties in charge of the collection or of other parties against the players or against the Group.

Online and Sports Franchise

A bookmaker determines betting odds to provide an average return to the bookmaker over a large number of events. However, there is an inherent level of variation by event and by day. There is no certainty of generating a positive return in the short term and, from time to time, the Group experiences significant profits or losses with respect to individual events or betting outcomes. However, the Group's risk assessment team monitors events on a regular basis to minimize the risk of loss.

The risk of incurring daily losses is significantly reduced by the averaging effect of taking a large number of individual bets over a considerable number of events. In addition, given the Group's distribution network throughout Italy, and that the vast majority of sports bets are on football events, the risk of adverse outcomes on single events (*i.e.*, football games) is mitigated by the tendency of customers to bet on the team they support that are typically the teams located in their area. Because the Group's distribution network allows the Group to collect Bets in different areas as well as online, the Group is able to naturally balance the volume of Bets collected on many football games during the Italian football season.

Odds Compilation

The Group employs an experienced team of odds compilers and bookmaking risk managers. Initial odds are compiled from the mathematical chance of an outcome based on previous results and then adjusted for any market information. For sporting events, the odds are compiled by specific individuals within the team with in-depth knowledge of the sport and/or external well-established suppliers. The process also uses information from consultants, sports websites, news gathering agencies and other betting markets. Once odds are compiled and published, real-time risk management processes are applied to monitor and adjust the total level of risk on each event.

Horse racing fixed-odds compilation and risk management is provided by an established third-party company.

Access to Information

Access to market information is necessary to determine the odds before and after their publication. The Group employs a team of bookmakers who determine the odds relying on information obtained from their knowledge of betting and the game itself, interest in the sport, workers' familiarity of the sector, general available information, and the event itself and comparison with the market. The Group also relies on: (i) information related to the total betting amount on specific results taken from online offers and betting retail POS, and (ii) information relating to specific individual bets before accepting it or that are communicated afterwards based on the source or the amount. Furthermore, the Group uses monitoring services on the betting market from third party specialists in order to limit the risk of odds outside the market. All of this allows the Group to evaluate the probability of every possible result based on a large range of up-to-date information in order to evaluate the potential exposure in relation to every possible result and to determine if accepting bets should be limited in relation to certain specific outcomes.

Bet Acceptance Limits

Under the applicable laws of Italy, the Group is not permitted to hedge bets to reduce risk. However, the Group is under no obligation to accept any bet, and where a bet is considered undesirable, it may be refused or only accepted in part, with or without adjusted odds. The Group constantly monitors its overall maximum risk of exposure and seek to limit its total exposure by setting limits on stake value and potential liability at which bets must be notified (that is, reported after acceptance). Referred bets are accepted only after management approval, based on the latest information about the event, potential liability and the customer's historical betting pattern with the Group (if any). The Group's online offering operates in a similar way with a system that refers bets to risk managers above a set limit for the event or customer.

The online sports betting systems contains an automatic procedure whereby liability limits are pre-set by management on individual events for customers generally and, if appropriate, for specific customers. The Group sets automatic control and monitoring tools on the Group's betting platform, based on artificial intelligence algorithms, to identify cases of match fixing, speculation and bonus abusing. Generally, the maximum winning for sports bet ticket cannot exceed €50,000.

Online Offerings

The Group has systems and controls in place that seek to ensure that the Group offers online gaming products only to customers resident in Italy with a tax identification number. The systems and controls include monitoring and analyzing information resulting from the address provided by potential customers (in order to open an online account, each customer must have an Italian fiscal code and an Italian address) and customers' payment methods, as well as a geo-locator filtering technology that identifies the location of each user trying to log onto the Group's website. The Group does not currently accept bets or wagers from customers who the Group determines are non-Italian residents.

Credit Risk

The Group is exposed to credit risk also in relation to its Sports Franchise segment, since, among other factors, the Group is responsible for the collection and transfer to the ADM of the betting tax. In such respect, the Group has adopted procedures in order to reduce and monitor credit risk.

The majority of the amount that the Group receives from franchisees for the betting tax is transferred to the Group through wire transfers or bank-direct-debit transfers that allow the Group to promptly react to any failure to meet a payment deadline.

As part of the Group's risk management system, each new franchisee (if not an AWP or VLT or betting operator already) is assessed according to certain qualitative and quantitative criteria before a business relationship begins. For new franchisees, the analysis is also carried out based on information obtained from third-party consultants. If the potential franchisee passes the screening phase, the Group enters into a contract and the Group typically requests a guarantee. These guarantees can be provided by a bank or a primary insurance company.

The collection of bets entails risks that the Group manages through: (i) an agreement with the manager of the betting POS, whose minimum content is set forth in the concession agreement signed with the ADM; under such agreement (unless otherwise agreed by the parties), the POS manager is required to provide valid guarantees (bank

or insurance guarantees or cautionary deposit); and (ii) the interruption of the connection to the network system, in case the amount due is not paid.

Research and Development

In light of the sectors in which the Group operates, it does not conduct research and development. However, the Group strives to improve technological innovations in order to evolve its gaming offers to meet the preferences of its clients. The Group's IT Development team develops software for its POS, and the Group seeks to improve ways to collect bets and management of its games. The IT Development team also maintains the Group's proprietary platforms for AWP and Sports Franchise, Gaming Franchise and Online, and it provides technological support for the Group's third-party partners and suppliers.

Intellectual Property

The Group has a number of brands, logos, websites and other intellectual property that it seeks to protect from third-party infringement through the registration of trademarks and through certain other means of trade secret protection, including licenses, confidentiality and non-disclosure agreements as well as through other contractual provisions. The Group believes that the strength of each of these brands, and the protection of the associated intellectual property, is an important factor in the success of its business.

Domain Names

As of December 31, 2025, the Group owned more than 750 domain names, the most important of which are lottomatica.it, lottomatica.com, gruppolottomatica.com, gruppolottomatica.it, gamenetgroup.it, gamenetgroup.com, gruppogamenet.it, gruppogamenet.com, intralot.it, gamenet.it, Goldbet.it, casino.Goldbet.it, planetwin365.it, better.it and betflag.it. The expiration dates for these domain names range from 2025 to 2032, and pending confirmation of Lottomatica's future use of the domain names, Lottomatica intends to renew the domain names that expire in 2025.

Trademarks

Lottomatica (including PWO Group) holds a trademark portfolio consisting of more than 244 trademarks, the most important of which are the Lottomatica Group logo (which also enjoys international registration), the GoldBet logo, the Enjoy the Game logo, the Billions logo (held by Billions Italia), the Better and Better Game Logo, the Betflag logo, Planetwin365, Planetspin365, Calcio.com and Planetwin News. The expiration dates for these trademarks range from 2026 to 2036. Lottomatica intends to renew logos and trademarks that expire in 2026 on a case-by-case basis, according to business needs.

See "Risk Factors—Risks Related to Legal and Regulatory Matters—The Group's intellectual property could be subject to infringement by third parties or claims of infringement of the rights of third parties, which could adversely affect its business, financial condition and results of operations."

In addition, the Group, through its subsidiary GBO Italy, is party to the Trademark Agreement. Pursuant to the Trademark Agreement, the Group has been granted the exclusive use of certain Intralot trademarks in Italy and, with the written consent of Intralot S.A., the right to sublicense such trademarks. The Trademark Agreement expires on the expiration date of the concessions of GBO Italy (or another entity in the Group) and will be renewed automatically if a new concession is obtained by GBO Italy with an extension of the Trademark Agreement until the new expiration date of the new concession. Upon the expiration of the new concession, Intralot S.A. will be required to negotiate the terms of the renewal of the license with GBO Italy. In the event of the termination of the Trademark Agreement for any reason, all licenses granted pursuant to the Trademark Agreement will be automatically terminated, and Intralot S.A. will have an option to acquire the Italian Intralot trademarks. The Trademark Agreement is governed by Italian law.

Software

Over the years, the Group has developed numerous software mainly related to the management of the online betting business (such as the Pegasos platform) and betting franchise (such as CAST, ShopAgent, Self) and also to the management of fulfilments related to the concessionary services (such as the Daisy software used for the identification of winning customers under anti-money laundering regulations). In 2024, the Group developed and

registered further software for big data processing and customer base clustering aimed at preventing and recognizing outbreaks of intensive gaming activities.

Material Agreements

Trademark Agreement

The framework agreement provides, in connection with the Intralot Acquisition, for the amendment of the trademark agreement originally entered into by Intralot S.A. Integrated Lottery Systems and Services (“**Intralot S.A.**”), an affiliate of Intralot B.V., and Intralot Italia (now GBO Italy) on March 1, 2007 (the “**Trademark Agreement**”) for a consideration of €1,000. The Trademark Agreement grants GBO Italy the exclusive non-transferrable license to use the relevant trademarks and licensed rights and trademarks for its company and trade name and for the labelling of all the services and goods allowed under GoldBet’s betting concession and online betting and gaming concession within Italy, including advertising, communications, commercial, correspondence, internet domain names and websites, and other business publications. Pursuant to the terms of the Trademark Agreement GBO Italy may sublicense the relevant trademarks and licensed rights to Lottomatica and its affiliates.

The Trademark Agreement will continue to be valid and binding upon Intralot S.A. and GBO Italy (formerly Intralot Italia) until the expiry of GBO Italy’s current betting concession and will be automatically renewed if GBO Italy (or another entity in the Group) obtains a new betting concession from the ADM for a period equal to the duration of such new concession. Upon its expiration, Intralot S.A. and GBO Italy will negotiate the renewal of the agreement.

The Trademark Agreement will be terminated (i) in case of material breach by either party of the terms of the agreement or of their undertakings thereunder or (ii) if control over GoldBet is transferred to a company not belonging to the Group whose business activities directly compete with the activities carried out by Intralot S.A. In the event of the termination of the Trademark Agreement for any reason, all licenses granted pursuant to the Trademark Agreement shall be automatically terminated, and Intralot S.A. shall have an option to acquire the Italian Intralot trademarks.

License Agreement

On October 1, 2020, GBO Italy and Lottomatica, as licensee, entered into an agreement with a third-party producer concerning the granting of the license, limited to Italy, to use the interactive games developed by the licensor (as subsequently amended on November 30, 2020, the “**License Agreement**”). The License Agreement has replaced the previous service agreement entered into between GBO Italy and Logispin Malta Limited (“**Logispin**”) on January 1, 2018, concerning (i) the granting by Logispin of a gaming software copyright license in favor of GBO Italy S.p.A., and (ii) the provision of gaming services by Logispin to GBO Italy, which was mutually terminated by the parties.

Pursuant to the terms of the License Agreement, the licensor shall be subject to certain exclusivity obligations of variable-length periods in favor of the licensee not to supply to any third-party operator the licensed games for the purposes of provision of such games to end-users located in Italy.

The initial term of the License Agreement is fixed until December 31, 2023 and it will continue in force indefinitely thereafter, unless either party delivers to the other party a 60 days’ prior written notice of termination. In addition, each party shall notify the other party in writing at least 10 days before undertaking a change of control. In the event that the change of control occurs due to an acquisition of the licensee by a third party that, directly or indirectly, develops and distributes interactive games or virtual games, the licensor may terminate the License Agreement.

On May 25, 2022, Scommesse signed a license agreement with LVR for the use of the Better and Better Game trademarks. Under this 20-year license, LVR and Gamenet have acquired the right to use the Better brand and the Better Game brand, to distinguish and promote their products and activities on its AWP and VLT network.

Similarly, on June 22, 2022 (with amendments made in April 2024), GBO Italy S.p.A. (a company resulting from the merger by incorporation of Scommesse into GoldBet S.p.A.) signed a license agreement with Gamenet for the use of the “Better” and “Better Game” trademarks. Under this 20-year license, Gamenet has acquired the right to use the “Better” brand and the “Better Game” brand, to distinguish and promote its products and activities on its AWP and VLT network. A similar license agreement has also been entered into by GBO Italy and LVR.

Data Protection

In order to ensure compliance with the accountability principles set forth by the GDPR, the Group has adopted a set of security measures to collect and protect personal data of its customers. In addition, the Group has also adopted (i) the relevant data processing agreements entered into between the Group and third-party suppliers appointed as processor of personal data, also by the submission of the model clauses provided by the European Commission in order to guarantee the same protection ensured by the GDPR in the case of providers settled outside the EU territory; (ii) the register of processing; and (iii) the update of the privacy policy of the Group. Finally, the Group has also appointed a data protection officer. In April 2021, two subsidiaries of the Group, Gamenet and GBO Italy, were granted ISO/IEC 27001:2022 - UNI CEI EN ISO/IEC 27001:2024, a certification for information security management. The certification set forth standards for information security management, representing a strong integration point for aligning security and privacy controls over personal data treatment. Moreover, in January 2023 two subsidiaries of the Group, Gamenet and GBO Italy, were granted ISO/IEC 27701:2019, which is a standard certifying compliance with GDPR and other data protection/privacy regulations and laws. In addition, in 2024, three additional subsidiaries (i.e., Betflag, PWO and Totosi) were granted the ISO/IEC 27001:2022 - UNI CEI EN ISO/IEC 27001:2024 standard certification.

Properties

The Group leases its primary executive offices, which are located at Via Aldobrandeschi 300, Rome, Italy. The Group's facilities meet its present needs, its properties are generally well maintained and suitable for their intended use, and the Group has sufficient capacity to satisfy the demand for its services in the foreseeable future.

The Group does not own any of the properties where its gaming halls are located, and instead, as of December 31, 2025, it leases 122 of 123 properties for its gaming halls (while one gaming hall is rented through a sub-lease arrangement). All the lease contracts provide for a duration of at least six years, with the possibility to renew the lease for six additional years. As of December 31, 2025, 37 of its lease contracts have less than two years remaining on the lease, 67 of its lease contracts have three to five years remaining, and 18 of its lease contracts have six to eleven years remaining. With respect to many of its leases, the Group has the right to terminate the lease with a six-month notice, and some contracts provide for a termination clause, which allows termination without a certain notice period. None of the lease contracts have expired, and no property owner has asked the Group to terminate a lease for the Group's gaming hall before the expiration date.

Insurance

The Group faces risks of accident in its operations, including risk of fire and risks related to third-party claims. The Group maintains comprehensive insurance policies with respect to, among other things, cybersecurity, cyber liability (including business interruption, system failure business interruption, cyber and privacy liability, payment card industry data security standard (PCI DSS) investigations & fines, regulatory fines & investigations privacy breach notification and mitigation costs, extortion costs, and system and data rectification costs), property damage and theft and robbery of electronic equipment. In addition, the Group maintains a comprehensive insurance policy with respect to risks related to third-party claims against its directors and officers. The Group believes that its insurance coverage is in accordance with that of other similar companies and is adequate for its needs.

Legal Proceedings

Some members of the Group, in their ordinary course of business, are subject to legal proceedings of a civil and administrative nature. From time to time, the Group makes special provisions to cover possible losses in its legal proceedings. As of December 31, 2025, the Group's provisions for risks and charges amounted to €41.1 million and comprise:

- (i) €0.9 million relating to the "Provision for technological renewals," which represents provisions recorded for technological and structural upgrade of the online network and other infrastructures used for AWP and VLT gaming-related collection activities;
- (ii) €1.2 million relating the provisions made by Gamenet and LVR in response to the notification issued by the ADM starting from July 2022 regarding the initiation of proceedings mainly related to non-compliance with the concession-holder network management service level obligations set forth in Annex 2 of the concession agreement between the years 2013 and 2019. With respect to such non-compliance, the aforementioned companies have also recorded provisions for subsequent years;

- (iii) €35.0 million relating to the provision for the ruling of the Italian Supreme Administrative Court for the Italian Stability Law of 2015. See “—*Legal Proceedings—Administrative and Civil Proceedings Relating to the Italian Stability Law of 2015;*” and
- (iv) €4.0 million relating to other provisions for legal disputes, to cover estimated costs relating to various matters, including labor-related disputes, disputes with third parties and other provisions for risks and charges.

The Group does not expect that any claims, lawsuits or other proceedings to which it is subject, or potential claims, lawsuits or other proceedings relating to matters of which it is aware, will ultimately have a material adverse effect on its results of operations, financial condition or liquidity, other than as indicated below. The Group has not made any special provisions on its balance sheet with reference to the claims considered groundless by the Group. Moreover, no special provision has been made by the Group with respect to GoldBet tax proceedings since, based on the terms of the GoldBet Acquisition, GoldBet Sportwetten GmbH is required to indemnify and hold the Group harmless in case of challenges to the tax proceeding as described below.

The Group believes that it has fully complied with all its contractual and legal obligations or has viable defenses, including that any non-compliance was due to circumstances out of its control, and it intends to continue to defend the below ongoing claims vigorously.

Planet Entertainment Trademark Litigation

Planet Entertainment applications to register the word version as well as two logo versions of its trademark “PLANETPAY365” with the Italian trademark office are currently pending, since they are subject to certain opposition procedures brought by a company active in the digital payment services sector, which had previously registered certain allegedly similar trademarks. Such opposition has been upheld by the Italian trademark office and therefore the “PLANETPAY365” trademark will be replaced with a new trademark.

Administrative and Civil Proceedings Relating to the Italian Stability Law of 2015

The Italian Stability Law of 2015 required Italian VLT and AWP concessionaires and operators of the value chain of gaming machines to pay, starting from 2015, an annual fee of €500 million in proportion to the number of VLTs and AWP operators operated (the “**Stability Fee**”). In particular, the payment of the Stability Fee was proportionally distributed through the value chain of the network concessionaires based on the number of AWP operators and VLTs connected to the network as of December 31, 2014 and each concessionaire was responsible for remitting the entire portion of the Stability Fee calculated on the basis of all VLTs and AWP operators connected to its network. As a result, each concessionaire, including the Group, was responsible for collecting the Stability Fee portion by each operator of the value chain operating under its concession, and each concessionaire made requests to renegotiate the contractual arrangements in place in order to reflect the provisions of the Italian Stability Law of 2015.

In February 2015, Gamenet and LVR challenged before the TAR Lazio the above-mentioned mechanism of the Stability Fee, claiming, among other things, that it was unconstitutional.

In parallel, the Group paid all amounts directly due by the Group under the Stability Fee as well as all sums due by the machine operators of its value chain that they were able to collect, while the remaining portion owed by the machine operators (not paid by the latter) remained outstanding and resulted in a payable vis-à-vis the ADM (the “**Outstanding Payment**”).

The Italian Stability Law 2016 repealed the Stability Fee for 2016 and following years and, even if it did not change the requirement to pay the Stability Fee for the year 2015, specified that the payment of the Stability Fee is to be proportionally distributed through the value chain of the network concessionaires based on the compensation from the relevant contracts entered into between the concessionaires and each AWP and VLT operator.

Several concessionaires, including the Group, have interpreted this to be a corrective measure intended to repeal the provisions of the Italian Stability Law of 2015 which placed the responsibility on each concessionaire to seek contribution from all AWP operators and VLT operators under the authority of their concessions.

In Spring 2018, the Italian Constitutional Court declared the constitutional legitimacy of the Stability Fee and referred the case to the TAR Lazio which, in June 2019, rejected the Group’s requests, as well as those of the

other concessionaires, but confirmed, according to the Group's interpretation and the interpretation of other concessionaires, that the payment of the Stability Fee shall be proportionally distributed among the value chain of all network concessionaires based on the compensation from the relevant contracts of each operator (the "**2019 TAR Lazio Decisions**").

On January 20, 2020, Gamenet, LVR as well as other concessionaires, appealed such decision before the Italian Supreme Administrative Court (*Consiglio di Stato*) claiming, among other things, that the Stability Fee was anyway unconstitutional and not due. During the initial hearing held on July 16, 2020, Gamenet claimed breach of certain European law principles, and therefore requested that the proceeding was referred to the EU Court of Justice ("ECJ"). On August 31, 2020 the Italian Supreme Administrative Court ordered Gamenet to provide for the submission of additional legal documentation supporting the potential referral to the ECJ and consequently suspended the proceeding and referred it to the ECJ. Following a request of the ECJ, on December 15, 2020 the Italian Supreme Administrative Court stated that all eligibility requirements for the referral to the ECJ are satisfied. On September 22, 2022, the ECJ published its final decision, setting forth certain criteria which shall guide the Italian Supreme Administrative Court's final decision. In particular, the ECJ stated, among other things, that (i) should the Italian Supreme Administrative Court establishes that the Stability Fee entails a restriction on the freedom of establishment guaranteed by the European Union law, such restriction cannot solely be based on arguments relating to the mere improvement of public finances, since additional overriding reasons of public interest (such as consumer protection, the prevention of fraud or the prevision of compulsive gambling behavior) are required; and (ii) according to the principle of legitimate expectation, concessionaires shall be granted with a reasonable amount of time to adjust to the introduction of a temporary reduction of their concession fees (such as the one introduced by the Italian Stability Law of 2015), taking into account the impact of such reduction on the profitability of the investments made by the concessionaires, as well as its sudden and unforeseeable nature. With specific regard to point (i) above, the ECJ indicated that the national judge (i.e. the Italian Administrative Supreme Court) is in a better position to ascertain certain factual elements of the case, such as, among other things, whether the Stability Fee might have prejudiced the profitability of the operations of the concessionaires who brought the case. Following this decision, the Italian Supreme Administrative Court held a hearing on December 1, 2022. As a result of such hearing, the Court ordered the appointment a panel of technical experts to answer certain technical questions, with the aim of clarifying the factual elements mentioned above. On September 20, 2023 the final technical report was filed. The last hearing before the Supreme Administrative Court was held on April 4, 2024.

In parallel, Gamenet and LVR have been collecting and transferring to the ADM the amounts owed to it by the machine's operators in their value chain in order to preserve a fully cooperative relationship with the ADM. Moreover, as requested by the ADM, Gamenet and LVR periodically report to the ADM names of the operators which have not paid their share of the Stability Fee.

With a decision dated April 18, 2025, the Supreme Administrative Court determined, also taking into account the results of a court-mandated third-party expert opinion, that the Stability Fee, as interpreted by the Italian Stability Law of 2016: (i) does not entail a restriction on the freedom of establishment guaranteed by European Union law, (ii) did not prejudice the profitability of the operations of the concessionaires who brought the case; and (iii) did not violate the principle of legitimate expectation. As a result, the Supreme Administrative Court dismissed Lottomatica's appeal against the 2019 TAR Lazio Decisions, upholding the obligation for concessionaires to pay the amounts due under the Stability Fee by the operators within their value chain, clarifying that these concessionaires should then be entitled to claim such amounts from the said operators. On October 23, 2025, ADM therefore requested that the concessionaires pay the outstanding amounts due, together with related interest. Between October and November 2025, the Group's concessionaires subject to the Stability Fee mechanism challenged the mentioned Supreme Administrative Court's decision before the Italian Court of Cassation. In November 2025, pending the trial, the Group's concessionaires filed a petition with ADM requesting a suspension of execution of the ruling, and provided assurances that they will continue to pay the sums recovered from their supply chain operators. In decisions dated November 19, 2025, ADM granted the requested suspension of execution.

The Group is currently assessing the likelihood to recover such amounts. Based on a current internal estimate, the Group expects to collect an amount ranging between 15% and 26% of the Outstanding Payment, resulting in a potential exposure of up to €23 million. However, if the Group is unable to collect any amounts, the Group estimates that it could have exposure of approximately €31.1 million. See "*Risk Factors—Risks Related to the Group's Business and Industry—Certain key items, such as PREU, taxes or fees owed, as well as other parameters that impact on the Group's financial results are updated yearly and may be subject to changes.*"

Moreover, as far as the civil law jurisdiction is concerned, in 2015, prior to the enactment of the Italian Stability Law of 2016, several VLT and AWP operators filed claims against the Group and other concessionaires before the Civil Law Court of Rome contesting the concessionaires' requests for contribution and renegotiation. In particular, through such action these VLT and AWP operators aimed at obtaining the confirmation of: (i) the supplemental contribution provided for by the Italian Stability Law of 2015 being not due by the machine operators in the amount requested by the concessionaires; (ii) the unlawfulness and unfairness of the conducts carried out by the concessionaires; and (iii) ascertainment of the concessionaires' obligation to renegotiate the agreements in place in good faith; and (iv) a €10,000 penalty for each defendant's contravention to the court's decision on (ii) and (iii) above.

On July 5, 2019, the Court of Rome rejected all claimants' requests in light of the supervened enactment of the Italian Stability Law of 2016, which provided for an authentic interpretation of the Italian Stability Law of 2015. Such decision was challenged by the claimants before the Court of Appeal of Rome. The first hearing before the Court of Appeal of Rome was held on April 6, 2021, and the last hearing was held on May 7, 2024.

With a decision published September 10, 2024, the Court of Appeal of Rome rejected all claimants' appeals against the 2019 Court of Rome Decision. On November 2024, VLT and AWP operators appealed such decision to the Italian Court of Cassation. On December 2024, the Group's concessionaires served the other parties with a counter-appeal. The first hearing has yet to be scheduled.

The Group intends to continue to vigorously litigate on this matter on the grounds set forth in the 2019 decision of the Court of Rome and in the Group's defense strategy so far.

Tax Proceedings

From time to time, the Group is subject to tax audits and/or tax investigations by local tax authorities, and the Group is also sometimes involved in certain tax-related proceedings to recuperate tax credits. The Group is currently involved in several such proceedings of various sizes, none of which the Group deems to be material except as set forth below.

Based on the information in its possession, the Group believes the risk of a materially adverse outcome of any of the tax proceedings described below to be possible or remote based on the respective challenge as better outlined below. Accordingly, no provision has been made on the Group's balance sheet and on that of other subsidiaries of the Group in relation to the same tax proceedings.

In relation to the risk arising in relation to GoldBet, based on the terms of the GoldBet Acquisition, GoldBet Sportwetten GmbH is required to indemnify and hold the Group harmless in case of challenges. In particular, GoldBet Sportwetten GmbH is required to indemnify any damage incurred or suffered as a consequence or in connection with the branch contribution, including "imposta unica" challenges. The related liability of GoldBet Sportwetten GmbH is uncapped under the terms of the GoldBet Acquisition. Based on the terms of the GoldBet Acquisition, the Group also had the right to retain a portion of the Deferred Amount, equal to €25 million, for any damage incurred or suffered, among other things, as a consequence or in connection with certain GoldBet tax proceedings. In 2025, the Group and GoldBet Sportwetten GmbH entered into an addendum to the GoldBet Acquisition agreement, pursuant to which the Group agreed to make a partial payment of the Deferred Amount to the latter and the parties agreed on a schedule for payments of the remaining instalments of the Deferred Amount. Such payments are linked to the expiry of the statute of limitations for potential tax liabilities relating to the acquisition of GoldBet or to the delivery of written documentation showing that the potential risk is extinguished. Furthermore, such payments are subject to the provision of an unlimited guarantee by GoldBet Sportwetten GmbH's parent company, GB Invest Holding. Consequently, as of the date of this Offering Memorandum the outstanding balance of the Deferred Amount amounts to €2 million (in addition to the Escrow Amount of €5 million).

Acquired Entities Tax Proceedings

PWO Group Tax Proceedings

Tax amnesty in relation to betting duties 2012-2016

The Italian permanent establishment of the PWO Group faced tax assessments for betting duties during fiscal years 2012 to 2016 totaling around €265 million. These assessments were challenged before the competent tax

courts. On September 30, 2023, the PWO Group opted for the tax amnesty under Article 186 et seq. of Law No. 197/2022, paying the first installment and finalizing the procedure, resulting in a total amnesty amount of €93.7 million, payable on a quarterly basis until March 2028. The total amnesty amount comprises €80.5 million in connection with PWO Group's assessment notices, €4.5 million in connection with shopkeepers' assessment notices (for which the PWO Group is jointly liable), and €8.7 million in interest.

Payments under such tax amnesty procedure are deductible from applicable corporate income taxes. As of February 28, 2026, €33.3 million were outstanding, net of corporate income tax benefits of €9.3 million.

Tax settlements in relation to Corporate Income Tax, VAT and withholding taxes 2009-2016 / Self amendment procedure in relation to WHT on royalties 2017-2023

In relation to its gaming activities, the PWO Group faced €205 million in tax assessments from the Italian tax authorities for carrying out gaming activities from an undisclosed permanent establishment between fiscal year 2009 and fiscal year 2016. The PWO Group has subsequently entered into multiple settlement agreements with the Italian tax authorities in connection with claims under applicable corporate income taxes, VAT and withholding taxes, and agreed to pay a total of €32.5 million in quarterly instalments until February 2026. Appropriate provisions for these payments have been made in the accounts of the PWO Group.

Based on the contents of a ruling issued by the Italian Tax Authority, the Italian permanent establishment of PWO S.p.A. decided to regularize its tax position in relation to royalties paid to non-Italian third parties pursuant to license agreements, by paying withholding taxes, reducing penalties and interest through the self-amendment procedure ("*ravvedimento operoso*").

As of February 28, 2026, the payments had been completed and no liabilities remained outstanding.

ADM Administrative Proceedings

Rilancio Law Decree administrative proceedings

Law Decree No. 34 of May 19, 2020 (the "**Rilancio Law Decree**") introduced a number of measures for the recovery of the Italian economy following the COVID-19 emergency, also with the goal of raising funds to support the Italian sport sector. The Rilancio Law Decree introduced a tax on sports bets to be collected from the physical and remote distribution networks for both real and virtual sporting events. This tax was equal to 0.5% (the "**0.5 Tax**") of the amounts collected, and it was determined on a four-month basis net of the portion relating to the tax withdrawal (*imposta unica*). According to the Rilancio Law Decree, only a portion of the amounts collected through the 0.5 Tax was devoted to the goal of raising funds to support the Italian sport sector (in particular, up to €40 million for the year 2020 and up to €50 million for the year 2021). Starting from May 19, 2020 until December 31, 2021, the Italian governmental authorities applied the 0.5 Tax. In addition, the ADM Decree No. 307276 dated September 8, 2020, as integrated by ADM Decree No. 77845 dated March 12, 2021 and ADM Decree No. 5721 dated January 8, 2022 (the "**ADM 5721/2022 Decree**"), detailed (i) the method to calculate the 0.5 Tax and (ii) the deadlines in relation to the quarterly payments of the 0.5 Tax. In particular, according to Article 6 of the ADM 5721/2022 Decree, once the yearly thresholds of €40 million for year 2020 and €50 million for year 2021 were reached, the concessionaires did not owe any additional amounts pursuant to the 0.5 Tax. On January 5, 2023 ADM annulled its own 5721/2022 Decree, as well as any payment orders calculated in application of the criteria set out in the ADM 307276/2020 Decree previously sent to the concessionaires, and established (i) a new method to calculate the 0.5 Tax and (ii) new deadlines in relation to the relative payments on a four-month basis, through its Decree No. 10337 (the "**ADM 10337/2023 Decree**"). In particular, such ADM 10337/2023 Decree removed the limitation set forth in Article 6 of the ADM 5721/2022 Decree, also in light of the guidance provided by the Italian Court of Auditors (*Corte dei Conti*) and by the General Accounting Office (*Ragioneria Generale dello Stato*). On the basis of the new criteria set out in the ADM 10337/2023 Decree, the ADM shall communicate to each concessionaire the potential additional amounts due for the 0.5 Tax. With regard to GBO, such additional amounts were determined by the ADM in February 2023 to equal approximately €9.5 million. With regard to Betflag, this additional amount was estimated at approximately €0.4 million based on the compensations directly carried out by ADM which resulted from the reserved area.

Starting from July 2020, GBO and Betflag, along with other concessionaires, claimed before the Lazio Region Administrative Court ("**TAR Lazio**") the annulment of both provisions of the Rilancio Law Decree, which introduced the 0.5 Tax and ADM Decree No. 307276. The Group has, however, paid all the amounts due in relation to such 0.5 Tax, as calculated on the basis of the criteria set out in the ADM 307276/2020 Decree. In

March 2023, GBO, PWO and Betflag, deeming the above-mentioned ADM 10337/2023 Decree detrimental to their interests, requested the TAR Lazio to annul the decree and any implementing acts, based on various legal grounds. On August 2, 2023, the TAR Lazio rejected GBO and Betflag's claims. On August 3, 2023, GBO appealed the first-instance decision before the Council of State. As to Betflag, it appealed the first-instance decision on October 4, 2023. Finally, the TAR Lazio rejected PWO claims on August 3, 2023. Subsequently, PWO has timely paid the required amounts while appealing this decision before the Council of State. On January 26, 2024, March 1, 2024 and May 31 2024, in connection with the appeals proceedings of GBO Italy, PWO and Betflag, respectively, the Council of State annulled the TAR Lazio's first-instance decisions as well as the ADM 10337/2023 Decree and the relevant implementing decrees. As of the date of this Offering Memorandum, the above-mentioned Council of State's decisions have become final and GBO Italy paid the ADM additional amounts as a result of a recalculation of the amounts due carried out following such rulings, while Betflag and PWO have obtained the reimbursements due from ADM

Decree no. 656848 administrative proceeding

As far as remote gaming is concerned, as provided by article 13 of Italian Legislative Decree March 25, 2024, No. 41, on October 25, 2024, ADM, through its decree no. 656848 ("ADM Decree 656848"), established the "*Albo Puntì Vendita Ricariche*" (PVR Register) for the recharge of gaming accounts. Such decree includes new burdensome obligations for concessionaires as well as their business partners. In particular, ADM Decree 656848 provides for, *inter alia*: (i) mandatory registration of all PVR in a national electronic database, subject to the compliance with certain moral requirements; (ii) a description of the businesses eligible to register in such database; (iii) certain operational requirements, including a maximum weekly recharge limit of €100.00 for gaming account recharges made at PVR points via cash or payment instruments that do not ensure the traceability of financial flows, as well as the prohibition to handle withdrawals, winnings payments, or act as intermediaries for bets; and (iv) the obligation for concessionaires to enter into agreements with each PVR, to ensure compliance with the applicable regulatory obligations. ADM, through its decree no. 137548, clarified that the aforementioned weekly recharge limit will start applying from May 13, 2026. The majority of operators, GBO included, challenged ADM Decree 656848's validity before the relevant administrative courts. GBO later renounced the appeal. In February 2025, TAR Lazio ruled that the provision of ADM Decree. no. 656848/RU, are not applicable to the concessionaires and their operators (owners of the Recharge Points of Sale) under the technical extension regime. An appeal is currently pending before the Administrative Supreme Court (*Consiglio di Stato*), with the next hearing scheduled on September 24, 2026. In the context of this appellate proceeding, the concessionaires and their operators argue not only that the above-mentioned rules should not apply to concessionaires and their operators operating under the technical extension regime, but also that such rules are unlawful under both national and EU law.

Service level obligations set forth in the ADI Concessions

On July 4, 2022, the ADM delivered six notices to Gamenet and LVR concerning the commencement of certain administrative proceedings aimed at assessing the potential violation of certain service level obligations set forth in the ADI Concessions, which allegedly occurred between 2013 and 2014. According to the ADM notices, the potential penalties would amount to approximately €5 million in aggregate. On September 30, 2022, in response to those notices, the Group filed its defense briefs with ADM. In connection with such proceedings, the ADM (i) on March 16, 2023, notified Gamenet about two penalties related to the year 2013, for a total amount of €0.3 million, (ii) on March 17, 2023, notified LVR of a penalty related to the year 2013, for a total amount of €0.3 million; (iii) on June 21, 2023, notified LVR of a penalty for the year 2014 for a total amount of €3.7 million; and (iv) on June 21, 2023, notified Gamenet about two penalties for the year 2014 for a total amount of €0.4 million. Subsequently, LVR and Gamenet challenged such ADM notices before the TAR Lazio. On March 3, 2026, and on March 13, 2026, the Council of State partially upheld LVR and Gamenet's appeals, annulling the penalties relating to the years 2013 and 2014. ADM is expected to recalculate the penalties in accordance with the parameters established by the Council of State.

In the meantime, LVR and Gamenet requested their counterparties to indemnify them against such penalties, claiming that the non-conformities identified by ADM were attributable to them. The said counterparties have recognized their responsibility and reimbursed the concessionaires, for an amount almost equal to the entire amount paid by the concessionaries to ADM. On December 3, 2024 and on January 8, 2025, judgements unfavorable to LVR and Gamenet were issued by TAR Lazio in connection with the challenged notices issued by ADM. LVR and Gamenet appealed such judgements, and the resulting proceedings occurred on January 29, 2026. In the meantime, on December 11, 2024, ADM has imposed similar penalties on the concessionaires for the years 2015 and 2016, for a total amount equal to €0.3 million for LVR and €0.5 million for Gamenet (including those

relating to the ex-Intralot concession). On February 10, 2025, these penalties were appealed by LVR and Gamenet before the TAR Lazio. In addition, on May 12, 2025, ADM imposed further penalties on both Gamenet and LVR relating to years 2017, 2018 and 2019 amounting to approximately €0.2 million for Gamenet and €2.2 million for LVR.

AML Audit and Administrative Proceedings on AML reporting obligations and Financial Soundness Notice from the ADM

As of the date of the Offering Memorandum, the Group did not receive any notice identifying deficiencies in its AML policy and measures. On February 12, 2025, the financial intelligence unit of the Bank of Italy, exercising its AML monitoring power, carried out one of its periodical on-site inspection at the premises of GBO Italy and Betflag in order to assess their compliance with regulations on the prevention and countering of money laundering and terrorist financing. Following the inspection, the financial intelligence unit only offered recommendations for improvement, and such recommendations aligned with the Group's pre-existing development plan. The inspectors explicitly acknowledged the Group's high level of cooperation, commended their technological investments and invited the Group to speak at a conference held by the Bank of Italy on industry best practices.

REGULATION

The following provides a summary description of the main regulations that govern the activities carried out by the Group in Italy. Although the following summary description contains the principal information concerning such regulations that are considered material by the Group, it is not an exhaustive account of all applicable laws and regulations. References to treaties, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such treaties, laws, regulations and other administrative and regulatory documents themselves. See “*Risk Factors—Risks Related to Legal and Regulatory Matters—The industry in which the Group operates is highly regulated, and any applicable laws or regulations may restrict its ability to operate its business freely or may change and require the Issuer to change its operations in order to stay in compliance with such laws or regulations.*”

Regulation of Gaming and Betting Activities

The Competent Authority in the Area of Public Gaming and Betting

The Italian state has a monopoly on the right to organize and run gaming, betting and other sports, for which there is any sort of prize and for which a payment of a sum of money is required to participate. The Italian Ministry of Economy and Finance (the “MEF”) manages these activities either directly or through third-party regulators, such as the ADM. The ADM regulates, among other things, (i) the specific games and bets which may be offered in the Italian gaming market and, where not already prescribed under applicable law, (ii) the minimum and maximum bets that may be accepted by operators, (iii) the payout ratio of winnings, (iv) the compensation of concessionaires and (v) the number and location of the POS.

Conditions to Carry Out a Gaming and Betting Activity

Anyone intending to carry out a gaming and betting activity is required by Italian law to obtain:

- (a) a concession awarded by the ADM through public tenders in compliance with European Union and Italian national public procurement rules. The selected concessionaire enters into a concession agreement with the ADM under the terms set by the ADM itself (such agreement regulates, among other things: permitted activities, concessionaire’s obligations, duration and fee, assignment to third parties, testing of technical equipment relating to the relevant gaming activity, guarantees to be provided by the concessionaire, revocation and early termination by ADM, penalties);
- (b) a personal police license to run the betting, gaming machines and bingo activities for each single POS, awarded in accordance with the TULPS to the authorized person, who shall not have criminal records in relation to certain crimes and shall meet certain moral and professional requirements. Such license may be granted only (i) to concessionaires, (ii) to those authorized by the Government ministries or authorities that are entitled by law to organize and manage betting, and/or (iii) to persons or entities appointed by the concessionaire or other authorized persons pursuant to the concession or authorization. The licensee must ensure continued compliance with the applicable requirements (under penalty of suspension or revocation of the license) and grant the police unrestricted access to the premises where the authorized activity is exercised; and
- (c) additional permits (such as authorizations and clearance (*nulla osta*)) may be required according to specific legal provisions and the ADM regulations.

Carrying out gaming activities without fulfilling the relevant licensing requirements is a criminal offense. However, a concessionaire may assign the activity of collecting and accepting horse and sports bets to third parties, in compliance with the TULPS and the concessions. For example, the Group relies on this assignment system in relation to the operation of the Group’s horse and sport POS.

Main Requirements and Obligations for Awarding and Maintaining Gaming and Betting Concessions

Pursuant to Law Decree No. 124/2019 (converted into Law No. 157/2019—the “Tax Decree”), gaming and betting concessionaires and retailers in charge of the POS shall be enrolled by the ADM itself in the gaming and betting register of the ADM (*Registro Unico degli Operatori di Gioco Pubblico*) which, however, as of the date of this Offering Memorandum is not yet operational. In the meantime, operators in the Entertainment Devices (“ADI”) market shall maintain their enrollment in the relevant register (“RIES”).

In addition, the Tax Decree introduced additional controls and measures to: (i) improve the traceability of payment; (ii) prevent illegal gaming activities; and (iii) counter tax evasion (including the payment of the tax withdrawal – “*imposta unica*”).

Main Requirements

Gaming and betting concessionaires are required to satisfy certain technical and legal requirements, including:

- (a) be a limited liability company or a joint stock company (*società di capitali*), have a registered office in Italy or in a country of the EEA, and include in the concessionaire’s by-laws provisions aimed at preventing conflicts of interest of their directors;
- (b) meet the technical and infrastructural requirements set forth by the tender rules for the award of the concession and maintain the infrastructure for the gaming and betting activities (also including technological, hardware and software infrastructure) within the Italian territory or in the territory of a country of the EEA;
- (c) deliver to the ADM: (a) a bid bond in connection with the tender offer for the award of the gaming and betting concessions (which is released if the concession is not awarded or replaced by the performance bond when a concession is awarded); and (b) a performance bond, issued upon the stipulation of the concession agreement and valid for the entire duration of the concession, to guarantee the performance of the obligations provided under the concessions (including the proper payment of the applicable taxes); and
- (d) meet the financial soundness requirements set forth by the MEF Decree No. 2011/1845/Strategie/UD (the “**MEF 2011 Decree**”), pursuant to which the financial soundness of the concessionaires is evaluated according to certain financial indexes (assets elasticity – *indice di elasticità dell’attivo*; liabilities elasticity – *indice di elasticità del passivo*; fixed assets coverage – *indice di copertura delle immobilizzazioni*; financial autonomy – *indice di autonomia finanziaria*; indebtedness rate – *rapporto di indebitamento*; and adequate parent assets – *idonea patrimonializzazione del soggetto controllante*).

In addition, the relevant regulations impose limits on a concessionaire’s ability to participate in tenders for multiple concessions. See “—*Reorganization of the gaming sector and new calls for tender.*”

Main Obligations

Gaming and betting concessionaires are also required maintain certain service level obligations provided for under the concessions and to satisfy certain obligations, which include:

- (a) delivery to the ADM of a set of information and documentation (including, among other things: annual financial statements; quarterly management accounts also of the subsidiaries; information for the evaluation of the organization, management, assistance and control over the physical distribution network; information and documents related to the ADM’s supervisory activity; information, data and accounts relating to the gaming activities; financial data pursuant to the MEF 2011 Decree) and grant the ADM access to the concessionaire’s premises for the purpose of carrying out investigations;
- (b) limitations to the distribution of dividends (allowed only if the concessionaire fulfilled its investment obligations under the relevant concession agreement); and
- (c) duty to obtain the prior authorization by the ADM for any transaction entailing: (a) changes in the concessionaire (such as mergers, demergers, transfer of business, change of registered office or corporate purpose, voluntary liquidation or winding up of the concessionaire); or (b) any disposal of interests in subsidiaries which may result in a reduction of the financial soundness indexes (which shall anyway be met again within six months from the approval of the financial statements).

Compliance with the above requirements shall be maintained throughout the entire term of the concession and any relevant change shall be self-declared through the submission of annual declarations. Non-compliance with the above-mentioned obligations may lead to the imposition of certain penalties by the ADM.

Moreover, pursuant to the MEF 2011 Decree, the company holding control of the gaming and betting concessionaries under Article 2359 of the Italian Civil Code shall:

- (a) have, on the basis of its latest financial statements, net assets amounting to at least 1.5% of the concessionaire's value (in proportion to the percentage of the concessionaire's capital held);
- (b) be incorporated in a country which is not included in the list of the territories with a preferential fiscal system identified in Articles 110 and 167 of Presidential Decree 160/2019;
- (c) ensure that the controlled concessionaire keeps registered office (also for fiscal purposes) and know-how in Italy; and
- (d) ensure that its directors and statutory auditors meet the eligibility requirements set forth by the applicable legislation concerning integrity, professionalism and independence. See “—*Personal Requirements*.”

Among other circumstances, failure to meet one or more of the essential requirements, or to maintain for three years its indebtedness rate within the applicable threshold set forth under the Intermanagerial Decree of the Ministry of Economy and Finance of June 28, 2011, or to restore its capital soundness ratio within six months (if decreased as a result of a disposal of the shareholdings held by the concessionaire itself) may lead to the revocation of the gaming and betting concession. Limitations or revocation of the concessions may also be ordered by the ADM if a gaming concessionaire fails to maintain a relationship of trust with the ADM.

Personal Requirements

The individuals acting as chairman, directors, attorneys-in-fact, general managers, as well as any person responsible for any subsidiary or permanent organization in Italy, members of the board of statutory auditors and members of the internal supervisory body of gaming and betting concessionaires and of companies controlling such concessionaries must meet special requirements of trust, honorableness and professionalism, as listed in the MEF 2011 Decree. Such requirements include, for instance, the absence of: (i) bankruptcy proceedings (*fallimento*, *liquidazione coatta*, *concordato preventivo*); (ii) breaches of tax payment obligations (in Italy and in their respective residence country); (iii) false declarations concerning the requirements for participating in public tenders, welfare and social security obligations; (iv) interdictions from entering into agreements with public administrations, including pursuant to Legislative Decree no. 231/2001; (v) serious breaches of contract vis-à-vis Italian public authorities or infringements of social security and health and safety regulations; (vi) violation of Law No. 55/1990 prohibiting fiduciary registrations (*divieto di intestazione fiduciaria*); (vii) criminal convictions (even with no final judgement, or simple indictment in certain cases) with respect to certain crimes (including bribery and corruption, money laundering and major tax-related crimes) or a criminal record as provided for by the anti-mafia honorableness requirements; and (viii) disqualifications from managerial offices of legal entities or from public offices.

Pursuant to Article 30 of the Tax Decree, when stakes in gaming and betting concessionaries are held by investment funds or similar investment entities, the requirement under point (vii) above also applies to the legal representative of the company managing the investment funds (*società di gestione del fondo*).

Main Restrictions Concerning the Gaming and Betting Activity

The Incentives Decree

Article 2.2 of Law Decree No. 40 of March 25, 2010 (the “**Incentives Decree**”), converted into Law No. 73 of May 22, 2010, as interpreted pursuant to Law Decree No. 16 of March 2012, converted into Law No. 44 of April 26, 2012, prohibits any business relationship between holders of onerous concessions (awarded on the basis of tender procedures launched after the Incentive Decree came into force) and third parties, other than those expressly allowed by the tender documentation for the award of the relevant concessions. Any consideration received by the concessionaires from third parties in violation of such prohibition is to be paid to the authority that awarded the concession. According to an opinion issued by the Council of State, this prohibition also applies to gaming concessions. ADM has the right to, pursuant to the Incentives Decree, integrate the existing gaming concessions to introduce administrative fines for breaches of the abovementioned prohibition.

As to remote gaming collection, pursuant to Article 2.2-*bis* it can only be carried out by concessionaires at the premises and in the modalities provided for by the relevant concessions awarded by the ADM.

The Balduzzi Decree

Pursuant to Law Decree No. 158 of September 13, 2012 converted into Law No. 189 of November 8, 2012 (the “**Balduzzi Decree**”): (i) premises where the games and bets are carried out must be located at a certain distance from sensitive buildings and places (e.g., schools); (ii) every kind of advertisement that incite gaming and/or betting is sanctioned; and (iii) gaming operators shall disclose the winning probability of each game, or, if not available, the historical percentage for similar games and publish the warning about gaming addiction. Furthermore, in relation to transparency and players’ safety in the gaming market, the Italian Stability Law of 2016, among other provisions, prohibits unfair or deceptive advertising and prevents gaming operators from advertising their products on the radio and/or TV within certain protected time slots.

Advertisement Restrictions

Law Decree No. 87/2018 (*Decreto Dignità* - the “**Dignity Decree**”), which entered into force on July 14, 2018 and was converted into Law No. 96 of August 9, 2018, prohibits, among other things, any form of advertisement, even if in an indirect way, related to gambling, regardless of the method used. From January 1, 2019, such prohibition was extended to sponsorship of events, activities, programs, products or services and any other form of communication of promotional content. Violations of the advertising restrictions may result in fines of up to 20% of the value of the sponsorship or of the advertising (in any case not lower than €50,000). With Resolution No. 132/19/ CONS, the Italian Communications Authority (Autorità per le Garanzie nelle Comunicazioni – “**AGCOM**”), implementing the Dignity Decree, listed certain activities excluded from the advertising restrictions (such as, for example, descriptive communications merely identifying the legal gaming offer). The compatibility of the Dignity Decree with EU law is currently under review before the ECJ. Although the Group and its subsidiaries are not parties to this proceeding, the outcome of the case may have an impact on the Italian regulatory framework applicable to the Group.

Further Provisions on Gaming and Betting Concessions

Anti-Money Laundering Regulations

The Group is subject to anti-money laundering rules and regulations, including Legislative Decree No. 231 of November 21, 2007, as amended and integrated by Legislative Decree No. 90 of May 25, 2017, implementing in Italy the anti-money laundering EU Directive (2015/849/EC) and ADM’s communications providing anti-money laundering guidelines on technological updates and/or specific gaming and betting activities, such as ADM Communication 68656/R.U. of June 30, 2017, ADM Communication 27571/R.U. of February 15, 2019 and ADM Communication 692271/R.U. of November 18, 2024 (collectively “**AML Regulations**”). On May 31, 2024, the European Union adopted Directive (EU) 2024/1640, which repealed Directive (EU) 2015/849 and will come into effect on July 10, 2027. By the same deadline, each Member State must transpose Directive (EU) 2024/1640 into national law and adopt the necessary provisions to ensure compliance. Pursuant to the AML Regulations, the Group is required to: establish internal control measures; ensure adequate training of employees; record and preserve the identifying documents, data and other information related to relationships and transactions as well as all the data to be requested by the relevant authorities; set up specific procedures to assess and monitor reputation requirements of its business partners (whose loss of requirements may force the concessionaire to terminate the relevant contractual relationship as a last resort) and identify and verify the Group’s costumers to prevent and fight the use of the financial system to launder proceeds of terrorism financing activities. In this regard, verification and identification of the clients is mandatory for transactions (over certain thresholds, and, for online games, upon the opening of new gaming accounts, or, in any scenario deemed at higher-risk for money laundering and terrorism financing or in case of suspected breaches of the applicable provisions). Suspicious transactions shall be reported to the Financial Information Unit of the Bank of Italy (*Unità di Informazione Finanziaria*).

On November 14, 2024, ADM adopted its new guidelines on anti-money laundering. Such guidelines provide, *inter alia*, for (i) strict obligations for concessionaire on customer identification, risk assessment, and monitoring of transactions; (ii) specific indications based on different gaming sectors (e.g., bingo, online gaming, sports betting, VLTs, lotteries, etc.); (iii) the obligation to identify suspicious behaviors, (iv) obligations for concessionaires to vet and continuously monitor their partners and distributors in compliance matters; (v) mandatory reporting of suspicious transactions to authorities and retention of client data; and (vi) the obligation to perform staff training on AML risks and reporting procedures. These guidelines also clarify that failure to meet communication obligations to the relevant AML authorities could lead to the suspension or revocation of the relevant concession.

Anti-Mafia Code

Pursuant to Article 85, paragraph 2-*quater*, of the Anti-Mafia Code the Group is subject to the anti-mafia control as corporation (*società di capitali*) concessionaire of public games. Under the Anti-Mafia Code and applicable gaming regulation, the Group is required, among other things, to provide the relevant public body with information regarding the Issuer and its related parties, such as details on individuals holding, directly or indirectly, more than 2% of share capital or ownership and on resident and non-resident general directors and managers responsible for secondary offices or branches in Italy (*direttori generali e soggetti responsabili delle sedi secondarie o delle organizzazioni stabili in Italia di soggetti non residenti*). If such 2% stake is owned through other companies, the documentation shall also refer to each board member of the intermediate companies, as well as to the direct and indirect shareholders and to the general managers and the individuals who are responsible for the relevant secondary offices or branches in Italy of such intermediate companies. The said identifying documents must also reference the said individuals' spouse and co-habiting family members (over 18 years old) and must be transmitted prior to the execution of agreements or concessions with the public authority and periodically renewed.

Regional and Local Regulations

The gaming market is also affected by laws and regulations adopted at a regional and local level providing for certain limitations to the gaming and betting offer. For instance, starting approximately from 2013, certain Italian regions and municipalities have prescribed, among other things, minimum distances between gaming halls and Betting Shops and locations commonly defined as sensitive locations (such as schools, hospitals, churches, sports facilities, as well as other locations identified by each local municipality). Other local authorities established prohibitions to promote and advertise games and bets in the area surrounding gaming halls, restricted the opening times of gaming halls (including by providing for daily gaming interruptions) and offered financial incentives, mainly in the form of tax benefits to POS that decide not to install AWP.

The Italian Stability Law of 2016, in the context of a wider reorganization of the gaming regulation, delegated to a conference which comprises representatives of the Italian national and regional governments as well as local authorities (the “**Joint Conference**”—*Conferenza Unificata*), the power to determine the features of the POS offering gaming products, as well as the criteria for their geographic distribution and concentration. This resulted in a number of modifications related to several aspects of the relevant legislation (e.g., the reduction of the number of AWP and introduction of daily gaming interruptions of up to six hours). On September 7, 2017, the Joint Conference reached a non-binding consensus over certain principles (the “**Consensus of the Joint Conference**”) and requested the MEF to implement such principles in a Ministerial Decree, which has not been issued yet. Despite not being implemented, the provisions of the Consensus of the Joint Conference shall be taken into consideration by Regional and Local authorities in drafting their regulations.

Data protection

The gaming market, especially the online sector, is affected by laws on consumer data protection. The regulatory environment governing the use of individually identifiable data of users, employees and others is complex. Any processing of the personal data of individuals located in the European Economic Area in the course of the provision of services is governed by the EU data protection regime, which sets forth a large number of obligations, relating, for example, to (i) the processing of personal data including transparency, data minimization, accuracy, storage limitation, security and confidentiality, (ii) the ability of the controller to demonstrate compliance with such principles (accountability), (iii) the obligation to identify a legal basis before the processing, (iv) the obligation to ensure rights of data subjects, such as, among other things, transparency, a right of access, the right to rectification and the right to erasure, and (v) onerous consent requirements.

Regulatory Framework Relating to the Betting and GAD Concessions Held by the Group

General Provisions Concerning Betting Concessions and the Remote Exercise and Collection of Bets and Games

The activities carried out pursuant to the betting concessions awarded by ADM and/or authorized by ADM are regulated, among others, by Ministerial Decree No. 145 of August 1, 2022, for fixed-odds betting in sports and non-sporting events (other than horse betting), by Presidential Decree No. 169 of April 8, 1998, and by the Ministerial Decrees of June 3, 2004, and of October 4, 2022, for horse betting, and, among others, by the

Ministerial Decree of January 10, 2011, as well as by Legislative Decree 41/2024 and its implementing ADM decrees, for the remote exercise and collection of bets and games.

The abovementioned regulations provide key provisions on, among others, the operators entitled to collect bets and their distribution networks, the modalities for the collection of bets, permitted bets and the authorization of betting events by ADM, customers' rights to a refund, minimum bet amounts and maximum allowed winnings, the offering of bonuses and the calculations of odds and winnings, and the mechanisms for the management of odds errors and for disputes resolution through ADM.

With particular regard to the remote exercise and collection of skill games, fixed-odds bets, and card games with cash prizes, the Ministerial Decree of January 10, 2011, as well as by Legislative Decree 41/2024 and its implementing ADM decrees such as ADM Decree of 11 November 2025, No. 704968, establishing the rules governing the opening of gaming accounts and the applicable regulations, as well as setting forth the conditions and key provisions with regard to the licensing and authorization of a concessionaire's platform and game plans, maximum access fees and bets, the opening and managing of gaming accounts, and the functioning of skill games.

In addition, the applicable regulations, as amended and implemented from time to time, also set forth provisions for the tax withdrawal "*imposta unica*" applicable to betting activities. Pursuant to the Italian Budget Law of 2025, the rates of the *imposta unica* on betting have been set to: (i) 25.5% of the amounts that, according to the game's regulations, are not refunded to the player for remote skill games with cash winnings, including card games in tournament mode and non-tournament mode, as well as fixed-odds chance games and remote bingo; (ii) 20.5% if the bets are collected through a physical network and 24.5% if collected remotely, applied to the difference between the amounts wagered and the winnings paid out, for fixed-odds sports betting; (iii) 24.5% of the total amount collected, net of the sums that, according to the game's regulations, are refunded as winnings to the player for fixed-odds betting on simulated events.

The levy on the products referred to in Article 4, paragraph 3, of the regulation established by Presidential Decree No. 169 of April 8, 1998, and in Article 1, paragraph 1053, of Law No. 205 of December 27, 2017, is set to 20.5% for fixed-odds horse race betting collected through a physical network and to 24.5% for those collected remotely. This levy is applied to the difference between the amounts wagered and the winnings paid out, while maintaining the allocation of the collected levy as provided for in Article 1, paragraph 1051, second sentence, of the same Law No. 205 of 2017.

Since January 2025, ADM has already started to calculate this tax according to the new rates, which are higher than the previous year. On March 3, 2025, GBO Italy has challenged before the TAR Lazio the implementation measures pursuant to which ADM applied such increased rates, alleging their illegitimacy for violation, among other things, of trust and the principle of stability of current concessions, in connection with its concessions (GAD and betting on physical network). As of the date of this Offering Memorandum, the proceeding was closed due to GBO Italy's withdrawal of its appeal. See "*Risk Factors—The Group may be subject to an unfavorable outcome with respect to pending litigation, which could result in substantial monetary damages or losses or otherwise have a material adverse effect on the Group.*"

ADM Measures Aimed at the Closing Down of Illegal Websites

Article 1, paragraph 50, of Law No. 296 of February 20, 2006, provides that, in line with the principles stated by Article 38 of the Bersani Decree and with the purpose of fighting the spread of illegal games and tax evasion in the gaming sector, as well as to ensure public order and the protection of players, the ADM should set forth ways to eliminate the offering of games, betting and sports pools with cash prizes, by means of telecommunication networks, without concessions, authorizations, licenses or other permits or which are, in any case, offered in violation of the existing legal framework.

ADM Directorial Decrees No. 1034/CGV of January 2, 2007, No. 717/CGV of May 29, 2007 and No. 1484 of June 10, 2008, implementing provisions of the Bersani Decree, introduced a set of fines for website operators not complying with the ADM standards, ranging from €30,000 to €180,000 per ascertained violation.

A list of the websites removed for not being in compliance with applicable legal standards is set out on the ADM's official website.

Introduction on the Betting Concessions Held by the Group

The Group's betting concessions are set out in the tables below.

Concession Number	Entity	Concession Regulation	Activities	Number of Concession Rights as of December 31, 2025
4098	GBO Italy	Bersani Sport Betting Concession	Sports	1,662
4341	GBO Italy	Bersani Horse Racing Betting Concession	Horse Racing	13
4805	GBO Italy	Giorgetti Concession	Horse Racing	12
4504	GBO Italy	Monti Concession	Sports + Horse Racing	358
72000	GBO Italy	Italian Stability Law of 2015	Sports + Horse Racing	993
4869	Ricreativo	Giorgetti Concession	Horse Racing	1
4538	Ricreativo	Monti Concession	Sports + Horse Racing	8
4584	PWO	Monti Concession	Sports + Horse Racing	1
72002	PWO	Italian Stability Law of 2015	Sports + Horse Racing	1,002

All the abovementioned concessions have expired and are currently operated under a prorogation regime pursuant to a series of legislative provisions and subsequent related ADM regulatory acts following December 2015. Pursuant to such provisions, the concessionaires' rights to operate under such betting concessions have been repeatedly extended until new betting concessions are awarded pursuant to a new public tender process, upon payment by the concessionaires (starting from 2018) of the applicable fees and filing with the ADM of an official request to participate in such new public tender process. The validity of the concessions was last extended to December 31, 2026, pursuant to the Italian Budget Law of 2025. In addition, following the expiration of the remote collection of bets and games ("**GAD Concessions**") previously awarded to certain Group companies, and the subsequent tender launched by ADM pursuant to Legislative Decree 41/2024 for the awarding of new online gaming concessions (the "**New GAD Concessions**"), the Group currently holds five New GAD Concessions, two of which held by GBO Italy S.p.A., one held by Betflag, one held by PWO, and one held by Totosi. See "*Reorganization of the gaming sector and new calls for tender*" and "*Risk Factors—Risks Related to the Group's Economic and Financial Condition—The Group may be unable to renew all or some of its expired concessions, which could negatively affect its business.*"

Below is a description of the key terms and conditions of the concessions currently held by the Group, based on the relevant Concession Regulation pursuant to which each of such concessions were granted.

Bersani Concessions

Bersani Sports Betting Concession

The Bersani Sports Betting Concession, currently held by GBO Italy, governs the activities and functions related to management of public gaming on events that do not include horse racing, through setting up of physical and remote distribution networks, including the following: (a) fixed bets; (b) totalizer bets; (c) sports pools; and (d) any other type of public betting on events that do not include horse racing that the ADM wishes to offer.

The obligations under the Bersani Sports Betting Concessions require concessionaires to: (i) comply with and fulfil all requirements set out under the rules and regulations governing the individual public gaming activities awarded by means of Bersani Sports Betting Concessions, the ADM and the TULPS provisions and applicable law and regulations; (ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers; (iii) provide technological management for the distribution network and ensure proper exchange of information with the processing system; (iv) guarantee the complete, efficient and timely maintenance of the technological equipment, including the equipment installed at the POS; (v) make any technical adjustments requested by the ADM; (vi) fulfil anti-mafia and anti-money laundering

obligations; (vii) set up the POS network only after the network has been configured; (viii) enter into contracts with the POS owned by third parties; and (ix) if the rights pertaining to the POS are transferred or the POS are transferred, request approval from the ADM.

The Group concessionaires' duties in relation to the main financial obligations under the Bersani Sports Betting Concessions include to: (i) pay the ADM the concession fee comprising a payment for each betting POS, each venue where bets can be placed, and a percentage of the net movement of the amounts collected; (ii) bear the investments associated with the startup related to the installation and management of the technological equipment related to the activity being licensed; (iii) bear the expenses associated with the technological platforms for the remote collection of public gaming amounts; (iv) ensure the timely and correct payment of winnings relating to the bets accepted; (v) pay the ADM the due penalties, if the obligations provided under the agreement are breached; and (vi) provide the guarantees to the ADM as provided for under the agreement.

Pursuant to the Bersani Sports Betting Concessions, each concessionaire cannot hold more than 25% of all the betting rights for the opening of sports Betting Shops on the market.

In particular, the Bersani Sports Betting Concessions provide for the payment in the first semester of a concession amount calculated on the basis of the betting POS and in the second semester a fee equal to 0.35% of the net flow of the bets collected in the first semester. It also provides that, when the sum of the semiannual fees is higher than 1%, the concessionaire can offset the exceeded sum deposited by paying a lower fee for the first semester of the following year.

GBO Italy will receive the following for the exercise of the activities carried out in accordance with the Bersani Sports Betting Concessions, for the bets collected through its POS network and its remote betting network: (i) for fixed bets, wagers less taxes and winnings from the net movement; and (ii) for totalizer bets and sports pools, an amount corresponding to a percentage of the net movement.

The Group concessionaires' obligations include the duty to: (i) notify the ADM of any change to their corporate structure exceeding 2% of their capital or corporate assets; and (ii) comply with the prohibition of the partial or total transfer, direct or indirect, of ownership of the Bersani Sports Betting Concessions, unless otherwise authorized by the ADM in accordance with the agreement. In addition, the transfer to any betting concessionaire (or to other companies owning shares in a betting concessionaire) of any interest in the corporate capital of the betting concessionaire, unless the transfer concerns the entire company, is prohibited ("cross-shareholdings"—*partecipazioni incrociate*).

The ADM may revoke the Bersani Sports Betting Concessions for reasons of public interest with a determination order, outlining reasons for the revocation. In addition to the other examples provided in the agreement, the ADM may order the revocation of the respective Sports Betting Concessions if the Group concessionaires: (i) breach provisions on public gaming in a serious and repeated manner, or those governing the repression of irregular, unlawful or unlicensed gambling; (ii) breach the obligations or duties, including communication obligations or duties, provided under the agreement; (iii) do not pay the amounts due in accordance with the procedures and time limits provided in the agreement; (iv) fail to comply with one of the essential requirements provided by the selection procedure and the applicable law; (v) do not provide the necessary guarantees within the time limits indicated; and (vi) sell, on their own behalf or through related companies, betting games that are similar to public gaming or other games managed by the ADM or games that are prohibited under Italian law. The ADM may also discontinue the sale of one or more public gaming items at any time at its sole discretion and without having to compensate the concessionaire.

Bersani Horse Racing Betting Concession

The Bersani Horse Racing Betting Concession governs the activities and functions related to management of public gaming related to horse racing through setting up physical and remote distribution networks, and including the following: (a) fixed horse racing bets; (b) totalizer horse racing bets; (c) sports pools; and (d) any other type of public betting on horse racing events that the ADM wishes to sell.

The main obligations, including financial obligations, that GBO Italy must fulfill with respect to the activities and functions governed by the Bersani Horse Racing Betting Concession are similar to the obligations provided under the Bersani Sports Betting Concession noted above.

In exchange for the exercise of the activities carried out in accordance with the Bersani Horse Racing Betting Concession, the consideration received by GBO Italy will be calculated in view of the same criteria set out in relation to the Bersani Sports Betting Concessions, with the specification that, for the fixed-odds horse racing bets, the concessionaire will be owed a payment equal to the amount remaining from the bets, net of the winnings, minus the single tax and the percentage due to the Ministry of Agricultural Politics, Food and Forests.

Pursuant to the Bersani Horse Betting Concessions, each concessionaire cannot hold more than 25% of all the betting rights for the opening of horse Betting Shops on the market while, for horse Betting Corners, the cap is set at 40%.

As for the Bersani Sports Betting Concessions, the Group concessionaires' duties include to: (i) notify the ADM of any change to their corporate structure exceeding 2% of its capital or corporate assets; and (ii) comply with the prohibition on the partial or total transfer, direct or indirect, of ownership of the Bersani Horse Racing Betting Concessions unless otherwise authorized by the ADM in accordance with the agreements. In addition, the transfer to any betting concessionaire (or to other companies owning shares in a betting concessionaire) of any interest in the corporate capital of the betting concessionaire, unless the transfer concerns the entire company, is prohibited ("cross-shareholdings"—*partecipazioni incrociate*).

The ADM may revoke the Bersani Horse Racing Betting Concessions for reasons of public interest, with a determination order specifying the reasons for the revocation. In addition to the other examples provided in the agreement, the ADM may order the revocation of the respective Bersani Horse Racing Betting Concessions if GBO Italy: (i) breaches provisions on public gaming in a serious and repeated manner, or those governing the repression of irregular, unlawful or unlicensed gambling; (ii) breaches the obligations or duties, including communication obligations or duties, provided under the agreements; (iii) does not pay the amounts due in accordance with the procedures and time limits provided in the agreements; (iv) fails to comply with one of the essential requirements provided by the selection procedure and applicable law; (v) does not provide the necessary guarantees within the time limits indicated; and (vi) sells, on its own behalf or through related companies, betting games that are similar to public gaming or other games managed by the ADM or games that are prohibited under Italian law. The ADM may also discontinue the sale of one or more public gaming items at any time at its sole discretion and without having to compensate GBO Italy.

Additional Betting Concession Held by the Group

Monti Concessions

On July 30, 2012, pursuant to Article 10, paragraph 9 *octies* of Law Decree No. 16 of March 2012, converted into Law No. 44 of April 26, 2012, the Italian Government offered, by tender, 2,000 new licenses for the operation of horse racing and sports betting in the form of fixed-odds bets or totalizer bets, horse racing and sports pools, national and international horse racing games and bets on virtual sporting events (the "**Monti Concessions**").

These concessions refer to the joint exercise of the following public gaming activities related to horse racing, sporting and non-sporting events through a physical network of shops, including: (a) fixed bets; (b) totalizer bets; (c) sports pools; (d) Italian and international horse racing betting games; and (e) bets on simulated events.

The obligations under the Monti Concessions include to: (i) comply with and fulfil all requirements set out under the rules and regulations governing the individual public gaming activities awarded by means of the Monti Concession, the ADM and the TULPS provisions and other applicable laws and regulations; (ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers; (iii) provide technological management for the distribution network and ensure the proper exchange of information with the processing systems; (iv) guarantee the complete, efficient and timely maintenance of the technological equipment, including the equipment installed at the POS; (v) make any technical adjustments requested by the ADM; (vi) fulfil anti-mafia and anti-money laundering obligations; (vii) set up the POS network only after the network has been configured; (viii) enter into contracts with the POS where they are owned by third parties; and (ix) guarantee commercial management of the POS network.

The Group concessionaires' duties under the Monti Concession in relation to the main financial obligations include to: (i) pay the ADM the concession fee comprising a payment for each right licensed and a percentage of the net movement of the amounts collected; (ii) bear any expenses related to the installation and management of the technological equipment related to the activity being licensed; (iii) keep its indebtedness ratio (*rapporto di indebitamento*—calculated as net financial position over total shareholders' equity) under the value established

by the applicable regulation for the entire duration of the Monti Concession; (iv) maintain the financial soundness requirements set forth by the MEF 2011 Decree; (v) distribute their profits, including extraordinary distributions, only after having fulfilled all the investment obligations provided; (vi) bear the expenses associated to the technological platforms used for the remote collection of public gaming amounts; (vii) ensure the timely and correct payment of winnings relating to the bets accepted; (viii) pay to ADM the due penalties, if the obligations provided under the agreement are breached; (ix) provide the guarantees to the ADM set forth in the Monti Concession; and (x) notify the ADM of any funding and guarantees issued—when permitted pursuant to the applicable regulation—in favor of its controlling entity, subsidiaries and/or sister companies in a timely manner and in any case no later than ten days from when the event occurs.

In particular, the Monti Concession provides for the payment in the first semester of a concessionaire period of a fixed fee equal to €30,000 and in the second semester a fee equal to 0.35% of the net flow of the bets collected in the first semester. It also provides that when the sum of the biannual fee is higher than 1%, the concessionaire can offset the exceeded sum deposited by paying a lower fee for the first semester of the following year.

In exchange for compliance with the above laws and regulations and for managing the activities carried out under the Monti Concessions, (i) for fixed and simulated events bets, the Group concessionaires will receive the gross bets less the taxes and charges established by applicable law from the net movement less the amount of any winnings; and (ii) for the totalizer bets, the sports pools and the Italian and international horse racing bets, the Group concessionaires will receive an amount corresponding to a percentage of the net movement.

The Group concessionaires' obligations include the duty to: (i) request prior authorization for any change in their corporate structure exceeding 2% of their capital or corporate assets, as well as for any transaction that could result in a change in the concessionaires (such as mergers, demergers – not including the sale and share placement on a regulated financial market – transfer of business, change of registered office or corporate purpose, voluntary liquidation or winding up of the concessionaire); and (ii) comply with prohibitions on the partial or total transfer, direct or indirect, of ownership of the Monti Concession and rights in the shops. In addition, the transfer to any betting concessionaire (or to other companies owning shares in a betting concessionaire) of any interest in the corporate capital of the betting concessionaire, unless the transfer concerns the entire company, is prohibited (“cross-shareholdings”—*partecipazioni incrociate*).

The ADM may revoke the Monti Concession for reasons of public interest, including GBO Italy's: (i) serious and repeated breach of public gaming regulations, including regulations prohibiting irregular, unlawful and unlicensed gambling; (ii) breach of its respective obligations and duties under the Monti Concession, including reporting obligations and duties; (iii) failure to pay amounts due in accordance with the procedures and time limits set forth under the agreement; (iv) failure to maintain relevant qualifications and requirements upon which selection for the Monti Concession was based; (v) failure to provide the necessary guarantees within the time indicated; or (vi) organizing, exercising or collecting public gaming activities outside the procedures and techniques provided under applicable law, regulations or agreements.

Upon the expiry or revocation of the Monti Concession and at the request of the ADM, the Group's concessionaires must transfer the tangible and intangible assets of the betting game and collection network free of charge to the ADM. Such transferred assets must be transferred free of any rights or claims of third parties and will be carried out in a manner agreed upon by the ADM and the Group's concessionaires. If such transfer should occur, the concessionaire bears all charges relating to the transfer of the physical distribution network.

“Giorgetti” Concessions

The Giorgetti Concessions provide for the management of public gaming in relation to horse racing including: (a) fixed horse racing bets; (b) totalizer horse racing bets; and (c) sports pools.

With respect to the activities and functions governed by the Giorgetti Concessions, GBO Italy and Ricreativo's duties include to: (i) comply with and fulfil all requirements set out under the rules and regulations governing the individual public gaming activities awarded by means of the Giorgetti Concession; (ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers; (iii) ensure technological management for the network of Betting Shops and ensure proper exchange of information with the processing system; (iv) guarantee the complete, efficient and timely maintenance of the technological equipment, including the equipment installed at the POS; (v) guarantee full compliance of the technological equipment with all requirements, ensuring its functionality, effectiveness and quality, and make any technical adjustments requested by the ADM; (vi) set up the network of the Betting Shops only after the network

has been configured; (vii) ensure that the activities carried out by the Betting Shops are lawful; and (viii) regularly provide any support material necessary to collect the income from public gaming.

GBO Italy and Ricreativo's duties under the Giorgetti Concession include to: (i) pay concession fees, including a fee for each Betting Shop operated plus a percentage of the net movement in amounts collected; (ii) bear any expenses related to the installation and management of the technological equipment related to the activity being licensed; (iii) bear all expenses, charges and taxes, relating to the licensed gaming activity; (iv) ensure the timely and correct payment of winnings relating to the bets accepted; (v) pay the ADM any penalties due for any breaches under the agreement; and (vi) provide the guarantees to the ADM set forth in the agreement.

In particular, the Giorgetti Concession provides for the payment in the first semester of a concessionaire period of a fixed fee equal to €50,000 and in the second semester a fee equal to 0.35% of the net flow of the bets collected in the first semester. It also provides that when the sum of the biannual fee is higher than 1%, the concessionaire can offset the exceeded sum deposited by paying a lower fee for the first semester of the following year.

In consideration for the activities performed under the Giorgetti Concession, GBO Italy and Ricreativo have the right to retain: (i) certain revenues based on net movement less winnings less taxes and other fees applicable to fixed-odds horse betting; (ii) certain revenues based on net movement applicable to totalizer horse betting; and (iii) certain revenues corresponding to a percentage of the net movement in horse racing and sports pools.

In addition, GBO Italy and Ricreativo must: (i) notify the ADM of any change to its corporate structure exceeding 2% of its capital or corporate assets; and (ii) comply with restrictions on the partial or total transfer, direct or indirect, of the Giorgetti Concession. The transfer to any betting concessionaire (or to other companies owning shares in a betting concessionaire) of any interest in the corporate capital of the betting concessionaire, unless the transfer concerns the entire company, is prohibited ("cross-shareholdings"—*partecipazioni incrociate*).

The ADM may revoke the Giorgetti Concessions for public interest reasons, including GBO Italy or Ricreativo's: (i) serious and repeated breach of public gaming regulations, including regulations prohibiting irregular, unlawful and unlicensed gambling; (ii) breach of its respective obligations and duties under the Giorgetti Concession, including reporting obligations and duties; (iii) failure to pay amounts due in accordance with the procedures and time limits set forth under the agreement; (iv) failure to provide the necessary guarantees within the time indicated; and (v) unlicensed operation of games that are similar to public gaming activities managed by the ADM, or games that are prohibited under Italian law, on its own behalf or through related companies.

The ADM may also discontinue the sale of one or more public gaming activities at any time in its sole discretion and without having to compensate GBO Italy or Ricreativo.

Disciplinary Scheme (Schema di Disciplinare per la Raccolta delle Scommesse) introduced by Italian Stability Law of 2015

In accordance with section 1, paragraph 643, Law No. 190/2014 (the Italian Stability Law of 2015), ADM carried out a regularization procedure, according to which operators that were offering bets with cash prizes in Italy without being connected to the ADM national totalizer have been admitted to apply for a regularization process of their POS.

The regularization procedure was successfully completed and, to date, all the above-mentioned POS are connected to the ADM's national totalizer and directly transfer all bet data to the ADM's network system.

Both GBO Italy and PWO adhered to the abovementioned regularization process, which entailed: (i) the payment of a one-off fee for each POS to be regularized (985 and 1,000 POS, respectively); (ii) the obtainment of a license pursuant to section 88 of the TULPS; (iii) the entering into an agreement with the ADM (*Schema di Disciplinare per la Raccolta delle Scommesse*, the "**Disciplinary Scheme**"); and (iv) the connection of the POS to the ADM national totalizer.

The Disciplinary Scheme provides for the management of public gaming in relation to: (a) fixed-odds bets; (b) totalizer bets; (c) sports pools; (d) Italian and international horse racing betting games; and (e) bets on simulated events.

With respect to the activities and functions governed by the Disciplinary Scheme, GBO Italy's and PWO's duties include to: (i) comply with and fulfil all requirements set out under the rules and regulations governing the

individual public gaming activities operated by means of the Disciplinary Scheme; (ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers; (iii) set-up and maintain the technological platform supporting the POS network and ensure proper exchange of information with the processing system; (iv) guarantee the complete, efficient and timely maintenance of the technological equipment, including the equipment installed at the POS; (v) guarantee full compliance of the technological equipment with all requirements, ensuring its functionality, effectiveness and quality, and make any technical adjustments requested by the ADM; (vi) set up the network of the POS only after the network has been configured; (vii) ensure that the activities carried out by the POS are lawful; and (viii) regularly provide any support material necessary to collect the income from public gaming.

In consideration for the activities performed under the Disciplinary Scheme, GBO Italy and PWO have the right to retain: (i) certain revenues calculated from the net movement and winning of bets less taxes and other fees for fixed horse bets; (ii) certain revenues corresponding to a percentage of the gross takings for totalizer horse racing bets; and (iii) certain revenues corresponding to a percentage of the net movement in horse racing and sports pools.

In addition, GBO Italy's and PWO's duties include to: (i) request the prior authorization from ADM for any change in its corporate structure exceeding 2% of its capital or corporate assets, as well as for any transaction that could result in a change in GBO Italy/PWO (such as mergers, demergers – not including the sale and share placement on a regulated financial market – transfer of business, change of registered office or corporate purpose, voluntary liquidation or winding up of the concessionaire); (ii) notify the ADM of any funding and guarantees issued—when permitted pursuant to the applicable regulation—in favor of its controlling entity, subsidiaries and/or sister companies in a timely manner and in any case no later than ten days from when the event occurs; and (iii) comply with restrictions on the partial or total transfer, direct or indirect, of the 72002 Agreement. In addition, the transfer to any betting concessionaire (or to other companies owning shares in a betting concessionaire) of any interest in the corporate capital of the betting concessionaire, unless the transfer concerns the entire company, is prohibited (“cross-shareholdings”—*partecipazioni incrociate*).

The ADM may revoke the Disciplinary Scheme for public interest reasons, including GBO Italy's and PWO's: (i) serious and repeated breach of public gaming regulations, including regulations prohibiting irregular, unlawful and unlicensed gambling; (ii) breach of its respective obligations and duties under the Disciplinary Scheme, including reporting obligations and duties; (iii) failure to pay amounts due in accordance with the procedures and time limits set forth under the agreement; (iv) failure to provide the necessary guarantees within the time indicated; and (v) unlicensed operation of games that are similar to public gaming activities managed by the ADM, or games that are prohibited under Italian law, on its own behalf or through related companies.

The ADM may also discontinue the sale of one or more public gaming activities at any time in its sole discretion and without having to compensate GBO Italy or PWO.

GAD Concessions

Before the entry into force of Legislative Decree 41/2024, the main piece of legislation concerning the remote collection of bets is Law No. 88 of July 7, 2009 (the “**2009 Community Law**”). However, the main current regulatory framework is governed by Legislative Decree 41/2024, setting forth provisions on the reorganization of the remote gaming sector.

As required by Legislative Decree 41/2024, in December 2024, ADM through its resolution no. 777860, published a call for tender for the award of new concessions related to the collection of remote gaming (the “**New GAD Concessions**”). As a result of such tender, GBO Italy, Betflag, PWO and Totosi hold six concessions for the remote collection of bets and games. The New GAD Concessions govern the activities and functions for the exercise of the following public gaming items, through remote collection, not including collection at public places with equipment that permits participation via telecommunication, and including: (a) fixed-odds and tote betting on events; (b) sports bets; (c) horse racing bets; (d) games of skill; (e) bingo; (f) virtual games; and (g) fixed-odds games, card games in non-tournament modes, fixed-odds betting with direct interaction between players.

With respect to the activities and functions governed by the GAD Concession, concessionaires, including the Group's concessionaires, must comply with the following main obligations: (i) comply with and fulfil all requirements set out under the rules and regulations governing the individual public gaming activities awarded by means of the GAD Concession, the ADM and TULPS provisions and other applicable law and regulations; (ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers, the general terms of the player account contract and applicable law on the protection of

lawful and safe gambling; (iii) comply with the provisions of anti-mafia and anti-money laundering laws and personal data protection laws, as well as ensuring that the initial eligibility requirements remain satisfied throughout the concession term; (iv) ensure that the initial requirements and conditions to hold the GAD Concessions remain valid; (v) manage the telecommunication network for the remote collection of the amounts due in accordance with the technical rules established by the ADM; (vi) enter into a player account contract with each player for the exercise of remote collection; (vii) comply and/or enforce compliance of the prohibition on intermediation for the remote collection of amounts wagered and the prohibition on collecting from physical places; and (viii) register with the Italian “Single Register of Gaming Operators” (*Registro Unico degli Operatori di Gioco*), once such register becomes operational; (ix) comply with the prohibition on advertising games with cash winnings, and ensure compliance with the prohibition on minors’ access to gaming; and (x) establish a contact center for complaints within three months of commencing operations, with mandatory response to complaints within 72 hours.

Additionally, the New GAD Concessions introduce a comprehensive regulatory framework for PVRs, which are physical retail locations authorized to perform certain limited functions related to remote gaming accounts. Concessionaires may become PVR operators only by holding a valid authorization under Article 86 or Article 88 of TULPS and by registering in a dedicated ADM Register. Among the concessionaires’ obligations, there are: (i) the obligation to display a specific sign or notice identifying the premises as a PVR; (ii) the obligation to register with the PVR Register within the deadlines established under applicable regulations; (iii) the prohibition on advertising or any other form of sponsorship; and (iv) the prohibition to make withdrawals and to pay out winnings at PVRs.

GBO Italy, Betflag, PWO and Totosi have the following duties with respect to the main financial obligations provided under the New GAD Concessions: (i) to pay the ADM the concession fee; (ii) to incur all the expenses and charges, including tax, related to the activities being licensed; (iii) to ensure the timely and correct payment of winnings relating to the bets accepted; (iv) to pay the ADM the due penalties, if the obligations provided under the agreement are breached; and (v) to provide the guarantees to the ADM as provided for under the New GAD Concessions.

In particular, under the New GAD Concessions, the concession fee is calculated as 3% of the net margin, defined as total wagers collected less winnings paid and applicable taxes. The fee is payable on a semi-annual basis by January 16 (for the second semester of the previous year) and July 16 (for the first semester of the current year), based on the net margin of the preceding year.

In consideration for the right to exercise the activities carried out in accordance with the New GAD Concessions, GBO Italy, PWO and Totosi are entitled to retain compensation as determined by applicable legislation for each category of public game (fixed-odds horse racing bets, totalizer horse racing bets, fixed sports bets, totalizer sports bets, skill games and bingo).

In addition, GBO Italy’s, Betflag’s PWO’s and Totosi’s duties include: (i) notifying the ADM of any change to their corporate structure exceeding 2% of their capital or corporate assets; and (ii) complying with the prohibition on the partial or total transfer, direct or indirect, of the New GAD Concessions.

The ADM may revoke the New GAD Concessions for reasons of public interest, pursuant to an order specifying the reasons for the revocation. In addition to the other examples provided in the agreement, the ADM may order the revocation of the New GAD Concessions if GBO Italy, Betflag, PWO or Totosi: (i) breaches applicable provisions on public gaming in a serious and repeated manner, or those governing the repression of irregular, unlawful or unlicensed gambling; (ii) breaches the obligations or duties, including communication obligations or duties, provided under the agreement; (iii) does not pay the amounts due in accordance with the procedures and time limits provided in the agreement; (iv) does not provide the necessary guarantees within the time limits indicated; (v) does not fulfil its communication and transmission obligations with respect to the centralized ADM system for the information related to the amounts collected in accordance with the agreement; and (vi) does not comply with the specific provisions related to the player account. The ADM may also discontinue the sale of one or more public gaming items at any time at its sole discretion and without having to compensate the concessionaires.

Italian law permits foreign operators in the Italian market for remote games to operate only with a concession granted by the ADM. However, Italian courts have in the past permitted European operators authorized to operate games in their own countries to operate in Italy without a concession, unless a license is required to prevent criminal or fraudulent activities. As a result, some EU operators are active in the Italian gaming market without an ADM concession and such operators might have an unfair competitive advantage over the Issuer because they

are not required to meet the conditions and costs associated with an ADM concession. These include the costs connected to the ADM license, infrastructure costs, minimum share capital requirements, professional standards of conduct for company management, hardware and software requirements, and the ADM fees. See *“Risk Factors—Risks Related to the Group’s Business and Industry—The Group’s business and profitability may be adversely affected by competition from other gaming operators and the liberalization or other changes in the regulatory framework may increase the number of competitors in the gaming industry, including competitors who are not required to comply with all the requirements of the Italian regulatory framework.”*

Bingo concessions

Bingo games were legalized in Italy in 2000 and the State entrusted ADM with managing all the activities relating to bingo games. Originally, bingo games could only be played in dedicated bingo halls, however, since 2010 the online version has also been authorized. The objective of a bingo game is to complete a five-by-three card showing random numbers between 1 and 90. Gaming cards are sold by bingo hall employees immediately before the draw. Numbers are randomly selected by a caller and players fill a corresponding space on their card.

Bingo halls can be opened by participating in the tenders carried out by the ADM. Following the trial operation of the hall by the ADM, the concession agreement is executed once a deposit of €516,456.89 is paid.

The tender for the opening of the bingo halls was completed in 2001. Therefore, currently, it is possible to become a bingo operator only by transferring the ownership of an already existing concession, *i.e.*, by purchasing an already active bingo hall. Any transfer of a bingo concession to an entity holding the necessary requirements must be duly authorized by the ADM.

The manager of the bingo hall receives a fee equal to 18.2% of the value of the cards sold.

The Group currently holds seven bingo concessions, as a result of the acquisition of Battistini Andrea S.r.l. (renamed Big Easy Bingo S.r.l.), Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Galletto Fortunato S.r.l. and Sea S.r.l. Following the signing by each concessionaire of an addendum to the concession agreement, to the extent applicable to the other gaming and betting concessions held by the entities of the Group (see *“Regulation of Gaming and Betting Activities”*), many of the “main obligations and requirements” listed above apply also to the Bingo concession, including, among others, the duty to obtain the prior authorization by the ADM for any transaction entailing a change in the concessionaire (such as mergers, demergers – not including the sale and share placement on a regulated financial market, transfer of business – change of registered office or corporate purpose, voluntary liquidation or winding up of the concessionaire).

Regulatory Framework Relating to the ADI Concessions Held by the Group

The Entertainment Devices (“ADI”) market is composed of two segments: (i) the Amusement with Prize (“AWP”) segment; and (ii) the Video Lottery Terminals (“VLT”) segment. AWP are the traditional slot machines, also referred to as “clause 6A” machines. They employ a graphical reel containing pictures (such as fruits) and provide games of controlled chance. AWP are primarily placed in cafés, tobacco shops, gaming and bingo halls. VLTs, also referred to as “clause 6B” machines, are technologically more advanced compared to AWP and offer innovative graphic characteristics and multiple gaming options. VLTs can only be placed in dedicated gaming halls. One of the innovative characteristics of VLTs is the possibility to update their software remotely with new games.

Legal Framework Governing the AWP Network

The following are the main requirements applicable to AWP operators, originally set forth by Law No. 289 of December 27, 2002, as subsequently amended and supplemented.

AWP regulations

In order to operate an AWP in Italy, a manufacturer or importer of the machines must obtain the following licenses from the ADM: (a) a certification of compliance with technical and electronic systems of identification and control of AWP in accordance with the requirements set forth by the ADM for each type of AWP that the manufacturer intends to manufacture or import. This is to ensure that the AWP can be controlled remotely, regardless of location or barriers between the regulator receiving and reviewing the data and the AWP; and (b) a clearance

(*nulla osta*) for the machines to be distributed, each of which is to be identified by a serial number, upon self-certification of AWP's compliance with the model specifications certified by the ADM.

The manager of machines produced or imported after January 1, 2003 must obtain a further clearance (*nulla osta*) by indicating the serial number of each AWP as well as the details of the relevant authorizations of the importer or manufacturer. A pre-condition for the issuance of such additional clearance (*nulla osta*) is the possession of a valid police license provided by the TULPS.

Only machines equipped with the certification of compliance mentioned under (a) above and which are connected to the ADM network are allowed to be operated in Italy. To comply with the ADM requirements, the games played with the AWP's must include an element of chance (*i.e.*, random or dependent on chance or luck) as well as a skill element that allows the consumers to choose a gaming strategy by selecting their preferred gaming option at the start of or during the game. Applicable law requires that the cost of the game does not exceed €1 and that the minimum duration of any game is four seconds. Monetary winnings must not exceed €100 for a single play. The machine must calculate the winnings in an unpredictable way over a cycle of a maximum of 140,000 games.

The Italian Budget Law of 2020 provided that, starting from January 1, 2020, the PREU (a gaming tax) on AWP's is equal to 23.85% and has increased to 24% starting from January 1, 2021. In addition, the Italian Budget Law of 2020 provided that the minimum payout ratio for AWP's is equal to 65%, which may be amended from time to time according to applicable law.

	PREU	Payout
2015	13.00%	74.00%
2016	17.50%	70.00%
2017 (January 1 – April 23)	17.50%	70.00%
2017 (April 24 – December 31)	19.00%	70.00%
2018 (January 1 – September 30)	19.00%	70.00%
2018 (September 1 – December 31)	19.25%	70.00%
2019 (January 1 – January 28)	20.60%	68.00%
2019 (January 29–April 30)	21.25%	68.00%
2019 (May 1 – December 31)	21.60%	68.00%
2020	23.85%	65.00%
2021	24.00%	65.00%
2022	24.00%	65.00%
2023	24.00%	65.00%
2024	24.00%	65.00%
2025	24.00%	65.00%
2026 (January 1—to date)	24.00%	65.00%

Games with AWP's, like other betting and gaming activities in Italy, may only be played by adults over the age of 18 and the shopkeeper or manager of the POS can be subject to administrative sanctions in case of a violation of the age restriction. Mandatory advertisements have to be placed on AWP's machines and in gaming halls where AWP's are located to warn about the risks of gambling addiction pursuant to the Dignity Decree. Also, starting from January 1, 2020, only AWP's equipped with an electronic system for age control (*i.e.*, health insurance card (*tessera sanitaria*) reader system) can be operated to prevent minors from playing. Article 27, Paragraph 4 of Decree Law No. 4 of January 28, 2019 specified that the above electronic system for age control will also apply to AWP-R, following the transition from AWP's to AWP-Rs.

The AWP Network and the AWP Gaming Technology

Each concessionaire is required to ensure that its AWP network complies with legal requirements and must immediately communicate to the ADM and other relevant authorities any potential non-compliance. Upon the malfunctioning of an AWP, the concessionaire is under an obligation to disconnect the non-compliant machine from the network by giving notice to the ADM and other relevant authorities. The concessionaire must verify that the shopkeeper disconnects non-compliant machines.

Additionally, the concessionaire is required to fulfill administrative obligations relating to AWP's and to calculate the PREU and pay the relevant sums for the machines connected to the network that are managed by such concessionaire, as required by the relevant ADM decrees. To monitor and report data to the ADM's network on the game flows in order to calculate the applicable PREU's tax base, the AWP's managed by each concessionaire

are connected to a mobile communications network through a centralized computer system. In case of failure to transmit data on the game flows to the ADM's network (e.g., due to malfunctioning of the AWP, or in case of temporary disconnection from the network), the ADM applies a flat rate (equal to €560) to temporarily calculate the applicable PREU's tax base. Once the relevant data are finally transmitted by the concessionaires to the ADM's network, the latter proceeds with an adjustment of the PREU's tax base, based on such actual data. Moreover, Law No. 388 of December 23, 2000 provides that after 90 days of disconnection of any AWP from the ADM's network the relevant AWP clearance (*nulla osta* or "NOEs") is forfeited. Furthermore, the concessionaire must ensure the ordinary and extraordinary maintenance of the network, according to the process indicated by the ADM, with the purpose of ensuring the maintenance of the technical and market value of such network.

Between 2016 and 2018, the ADM and the Italian Ministry of Economy and Finance carried out a process of progressive reduction of the total number of AWPs on the market. In this regard, the relevant legislation and the ADM regulatory acts set the total number of active AWPs among all the concessionaires on the Italian market to 265,000. As a consequence of such reduction process, the ADM set the total number of active AWPs of the Group to 75,089 units, and currently as a result also of the expiration of the validity of certain of the clearances (*nulla osta*) the Group has 63,009 AWPs running as of March 31, 2023 and 63,232 AWPs running as of December 31, 2022.

In addition, Law No. 208/2015 (the Italian Stability Law of 2016) and the following relevant legislation and the ADM regulatory acts provided that the AWPs on the market shall be substituted with new machines with remote control similar to VLTs ("**AWP-Rs**"). According to the applicable regulation, the entire substitution process and the entering into operation of the AWP-Rs cannot occur before the enactment of a dedicated ministerial decree setting forth, among other things, the technical rules for the production and operation of AWP-Rs (the "**AWP-R Ministerial Decree**"). In relation thereto, MEF has been empowered to issue the AWP-R Ministerial Decree, which has not been enacted yet. Pursuant the Tax Decree (described above): (i) following nine months from the date the AWP-R Ministerial Decree is enacted, no new AWPs can be deployed (since no new clearance (*nulla osta*) can be released by the competent authority); and (ii) within twelve months from the end of such nine-month time period, all the AWPs should be fully replaced by AWP-Rs. The Cura Italia Decree provided for a six-month postponement of the abovementioned deadlines concerning the deployment and replacement of AWPs with AWP-Rs in light of the COVID-19 emergency. Currently, there is no visibility over when the AWP-R Ministerial Decree will be enacted as well as over when the replacement process will start. See "*Regulation—Regulatory Framework Relating to the ADI Concessions Held by the Group—Upcoming Regulatory Developments on AWP-Rs and VLTs.*"

Moreover, the electronic system for age control requirements applicable to VLTs described below will also apply to AWP-Rs following the transition from AWPs to AWP-Rs. Non-compliance with the mandatory technological improvements regarding the health insurance card reader system, will result in the removal of the non-compliant machine and in a monetary fine equal to €10,000 per each machine.

Legal Framework Governing the VLTs

Article 12, paragraph 1, letter l, of Law Decree No. 39 of April 28, 2009 (concerning state of emergency measures in the Abruzzo region following an earthquake) allowed the ADM to implement the testing and operation of gaming systems (the VLTs) consisting of, among other things: (i) the remote control of the game by means of VLTs in dedicated premises; (ii) remote and random winning combinations; and (iii) the restitution of a minimum payout (currently set at 83%), which may be amended from time to time according to applicable law, of the collected wagers. The rules of the games, the procedures, requirements and authorizations required for the installation of the VLTs and the taxation rates on collected sums are included in implementing ADM decrees.

Following a public tender called in 2009, a total of thirteen concessionaires were awarded the rights to install and operate VLTs in Italy in 2013. Following the merger of some concessionaires, the number of active concessions is eleven. The operation of VLTs is currently governed by the ADI Concession executed in 2013, which expired on March 19, 2022, and is currently operated under a prorogation regime.

Pursuant to the decrees adopted by ADM: (a) VLTs and related gaming systems must be connected to a control system and control network which is operated by an authorized network system operator; (b) the games played on the VLTs must be capable of remote monitoring for regulatory and tax purposes; (c) the VLTs must comply with testing and commissioning requirements, as well as with specific operating parameters. In addition, ADM sets forth minimum and maximum costs per game, as well as maximum win for VLT games, and the minimum payout to be paid to players.

Payment for games may be made by coins, tickets, pre-paid credit cards, and smart-cards.

Pursuant to the ADM Decree No. 30011 of July 27, 2011, VLTs can only be installed in bingo halls, betting agencies during sporting events, agencies for totalizer and fixed-odds betting on horse races, in gaming shops with the primary business activity of marketing public gaming products, public gaming rooms specifically established for the conduct of lawful gaming that provide a separate area for games reserved for underage players, and establishments dedicated exclusively to VLTs and AWP. VLTs can be installed in these premises only on the condition that the premises hold the specific gaming license in accordance with the Italian regulatory framework.

ADM provides that the maximum number of VLTs that can be installed and operated on any of these premises must be limited by reference to a proportion of the premises' surface area and/or to the total number of AWP or other betting machines hosted.

As outlined in the summary chart below, the Italian Budget Law of 2020 provided that, starting from January 1, 2020, the PREU on VLTs is equal to 8.5% and has been increased to 8.6% starting from January 1, 2021. In addition, the Italian Budget Law of 2020 provided that the minimum payout ratio for VLTs is equal to 83%, which may be amended from time to time according to applicable law.

	PREU	Payout
2015	5.00%	85.00%
2016	5.50%	85.00%
2017 (January 1 – April 23)	5.50%	85.00%
2017 (April 24 – December 31)	6.00%	85.00%
2018 (January 1 – September 30)	6.00%	85.00%
2018 (September 1 – December 31)	6.25%	85.00%
2019 (January 1 – April 30)	7.50%	84.00%
2019 (May 1 – December 31)	7.90%	84.00%
2020	8.50%	83.00%
2021	8.60%	83.00%
2022	8.60%	83.00%
2023	8.60%	83.00%
2024	8.60%	83.00%
2025	8.60%	83.00%
2026 (January 1—to date)	8.60%	83.00%

In addition, as from January 15, 2020, a new tax levied (*Ritenuta Addizionale*) at 20% will be applied on the quota of winnings exceeding €200 wagered on VLTs.

Mandatory advertisements have to be placed on VLTs and machines and in gaming halls where VLTs are located to warn about the risks of gambling addiction pursuant to the Dignity Decree. Also, starting from January 1, 2020, only VLTs equipped with an electronic system for age control (*i.e.*, health insurance card (*tessera sanitaria*) reader system) can be operated to prevent minors from playing. Accordingly, on July 2019 and December 2019, the ADM issued two Decrees concerning the technical rules for the production and operation of the VLTs providing, among other things, that VLTs must be designed and manufactured with an electronic system for age control to prevent minors from playing. VLTs that are not equipped with the said health insurance card reader system shall be removed from gaming halls and a monetary fine equal to €10,000 per gaming machine is applied.

VLT and AWP Concessions

Gamenet and LVR hold two of the eleven current concessions awarded for the management of legal games of chance using AWP and VLTs and all the directly or indirectly related activities and functions (together the “**ADI Concessions**” and each an “**ADI Concession**”), as regulated under the TULPS. The agreements relating to the ADI Concessions were originally entered into respectively between Gamenet and LVR and the ADM on March 20, 2013 and they expired on March 19, 2022, and are currently operated under a prorogation regime. As a result of the last prorogation granted by the Italian Budget Law of 2025, the current expiration date is December 31, 2026.

With respect to the activities governed by the ADI Concession, the concessionaire must: (i) comply with and fulfil all requirements set out under the rules and regulations governing the individual public gaming activities awarded by means of the ADI Concession, the ADM and TULPS provisions and other applicable laws and regulations;

(ii) comply with all disclosure obligations under applicable gaming laws and regulations regarding lawful and safe gambling by consumers; (iii) ensure compliance with prohibitions on gambling by minors, taking into account that such compliance obligations also bind third parties carrying out, on behalf of the concessionaire, activities covered by the ADI Concession; (iv) fulfil anti-mafia and anti-money laundering obligations; (v) comply, for the entire duration of the ADI Concession, with the requirements regarding the initial selection procedure, showing that they continue to be satisfied, and providing the ADM with the details of parties who hold, directly or indirectly, more than 2% of the company's total capital holdings or assets; (vi) notify the ADM of the number of ADIs that they wish to install; (vii) enter into contracts for the installation of the ADIs; (viii) only install the ADIs into authorized premises, and ensure their correct function; (ix) comply with the prohibition on installing AWP and VLTs in excess of the maximum amount provided by the ADM for each concessionaire (the ADM evaluates such thresholds also in case of transfer to another ADI concessionaire); (x) ensure compliance of the telecommunication network with the applicable requirements; (xi) guarantee the investments provided under the agreements; (xii) give prior notice to the ADM of any change in the composition of its corporate bodies; and (xiii) acknowledge all the ADM's exclusive rights to industrial ownership and the right to use and gain financial benefit from the intellectual works the concessionaire created to carry out the activities governed by the ADI Concessions.

The ADI Concession also sets out a “concentration cap” applicable to each concessionaire aimed at preventing the formation of dominant positions. Pursuant to such provision, each ADI concessionaire cannot hold more than (i) 25% of all the AWP connected to the telematics network; and (ii) 25% of all the authorized VLTs.

The concessionaire's duties with respect to the main financial obligations provided under the ADI Concession include the following: (i) pay to ADM the one off amount due in connection with the assigned number of VLT rights as well as the amount due on any newly issued AWP license (*Nulla Osta Esercizio*); (ii) keep its indebtedness ratio (*rapporto di indebitamento*), calculated as Net Financial Position over Total Shareholders Equity) under the value established by the applicable regulation for the entire duration of the ADI Concession; (iii) distribute its profits, including extraordinary distributions, only after having fulfilled all the required investment obligations; (iv) maintain the financial soundness requirements set forth in the MEF 2011 Decree; (v) pay the amounts owed to the other members of the AWP/VLT value chain with whom it has contractual relationship; (vi) collect the amounts wagered and process any PREU payments; (vii) ensure the timely and correct payment of winnings to the consumers; (viii) if the obligations provided under the agreements are breached, pay the ADM the penalties due; (ix) provide the guarantees to the ADM as provided for under the agreements; (x) notify the ADM of any funding and guarantees issued – when permitted pursuant to the applicable regulation – in favor of its controlling entity, subsidiaries and/or sister companies in a timely manner and, in any case, no later than ten days from when the event occurs; and (xi) pay bi-monthly to the ADM the concession fee equal to a percentage of the amounts wagered.

With respect to the exercise of the activities carried out in accordance with the ADI Concession, the concessionaire has the right to receive a payment, calculated on the basis of the amounts collected through the ADIs, after taxes and payment of the amounts due to the ADM and third parties with whom the concessionaire has contractual relations for the operation of AWP and VLTs as well as to pay net of winnings to customers.

The concessionaire may only enter into contracts with respect to its concessions with: (i) authorized managers (*gestori AWP*); (ii) tradespersons (*esercenti AWP*) who are authorized to run arcades; (iii) managers (*gestori di sala VLT*) authorized to run arcades; and (iv) other parties otherwise authorized to carry out ancillary activities to those set forth under the terms of the concession. These contracts must contain the minimum contents specified in the agreement.

In addition, the concessionaire must: (i) notify the ADM of any change to its corporate structure exceeding 2% of its capital or corporate assets; (ii) request prior authorization for any transaction that could result in any changes in the concessionaires to the parties, including but not limited to mergers or de-mergers (not including the sale and share placement on a regulated financial market); (iii) comply with the prohibition on the partial or total transfer, direct or indirect, of the ownership of the ADI Concession unless otherwise authorized by the ADM in accordance with the agreement; and (iv) guarantee that the entity controlling their majority (pursuant to art. 2359 of the Italian Civil Code) holds net assets amounting to no less than the threshold provided by applicable regulations.

The ADM may revoke the ADI Concession for reasons of public interest with a determination order, providing reasons. In addition to the other examples provided in the agreement, the ADM may order the revocation of the ADI Concession if the concessionaire: (i) breaches ADI provisions in a serious and repeated manner or the

applicable law regulating the repression of irregular, unlawful or unlicensed gambling; (ii) breaches the obligations or duties, including communication obligations or duties, provided under the agreements; (iii) does not pay the amounts due in accordance with the procedures and time limits provided in the agreements; (iv) loses one of the essential requirements provided by the selection procedure and applicable law; and (v) does not provide the necessary guarantees within the time limits indicated.

At the end of the ADI Concession, or if it is revoked, the concessionaire must transfer all the assets comprising the telecommunication network to the ADM on a gratuitous basis, including all the studies, the automated procedures and the documentation used to carry out the obligations provided under the ADI Concession. This transfer will be carried out in joint consultation with the ADM. Any charges related to transfer of the telecommunication network will be borne by the concessionaire.

ADI Concessions Fee and Concessionaire Remuneration

The ADI Concessions require the concessionaire to pay an annual concession fee to the ADM equal to 0.3% of the total amount wagered. The ADI Concessions also require the concessionaire to make a security deposit with the ADM of 0.5% of the bets for each AWP and VLT for which a clearance (*nulla osta*) or a serial number is provided by the ADM to guarantee the level of the service and verify the overall number of machines installed. The 0.5% deposit is returned to the concessionaires in the subsequent year (usually within the first six months of the year), upon fulfillment of certain conditions and in proportion to the level of compliance achieved as provided by the ADI Concessions.

Requirement that Written Formal Contracts with Certain Retail Partners and Managers Are Executed and Submitted to the ADM upon Request

Pursuant to the agreement governing the ADI Concession, concessionaires are required to execute formal contracts with each of their third party retail partners, including owners and operators of AWP and VLTs and gaming hall managers. Any such third party (i) has to be included in the list held by the ADM pursuant to Decree of the Italian Ministry of Finance no. 31857 dated September 9, 2011, and (ii) has to provide copies thereof to the ADM upon request. The ADM required all concessionaires to comply with such requirements by September 20, 2013. A concessionaire's failure to comply with this requirement could result in the ADM imposing the sanctions provided for under applicable law in case of commercial relationships maintained with persons not enrolled in the list as well as the administrative penalties envisaged in the agreement, up to 11% of the actual compensation owed to the concessionaire for the network connection services provided for AWP and VLTs in the year in which such violations occurred or are alleged to have occurred.

Reorganization of the gaming sector and new calls for tender

The Italian Stability Law of 2016, the Italian Budget Law of 2020, and the Tax Decree provided that new public tender procedures for the awarding of new concessions for the betting sector, the remote exercise and collection of bets and games, AWP-Rs, and VLTs, shall have been launched by ADM in anticipation of the expiry of the relevant concessions in force at the time. However, such new public tender procedures have not been launched as of the Date of this Offering Memorandum, nor has ADM yet enacted any regulatory implementing acts detailing the terms and conditions of such procedures.

In addition, the abovementioned provisions are anyway expected to be repealed upon adoption of the acts implementing Law 111/2023, which delegates to the Italian Government the implementation of a general tax reform and the reorganization of a significant portion of the existing laws and regulations on gaming and betting. Pursuant to the principles and criteria established by Law No. 111/2023, the Government's intervention, through one or more legislative decrees, shall be aimed, among others, at ensuring effective protection of public faith, order and security, the balancing of general public interests, such as public health, with economic interests, as well as the prevention of money laundering and the elimination of criminal activities in the gaming and betting sector.

As of the date of this Offering Memorandum, the Italian Government has adopted Legislative Decree No. 41 of March 25, 2024 (the "**Legislative Decree No. 41/2024**"), setting forth provisions on the reorganization of the remote gaming sector. Legislative Decree No. 41/2024 repeals the abovementioned provisions of the Italian Budget Law of 2020 relating to remote gaming, and requires ADM to publish a call for tender for the award of concessions related to the collection of remote gaming remote gaming. Through its resolution dated December 17, 2024, ADM launched a tender of the awarding of new remote gaming concessions. Bidders were allowed to

submit their offers by May 30, 2025. The original deadline set by Legislative Decree 41/2024 was September 17, 2025, and it was subsequently postponed to November 12, 2025, by ADM Decree No. 504068 of July 24, 2025, to allow the completion of the tender procedures. Subsequently, through ADM Decree No. 594211 dated September 17, 2025, the New GAD Concessions have been awarded and came into effect on November 13, 2025, following the payment of the required upfront fee.

Furthermore, Legislative Decree No. 41/2024 sets forth certain general requirements and conditions which shall be included in ADM's call for tenders. Such requirements include, among others: (i) the payment of a one-off fee, amounting to €7 million for each concession requested, with a maximum of five concessions that may be requested by each group of companies; and (ii) payment of an annual concession fee of 3% of the concessionaire's net margin, due from the date of the execution of the concession agreement. The net margin is calculated by subtracting the amount of winnings paid and related taxes from the total betting collection. The one-off fee mentioned under (i) above represents a significant increase compared to the last GAD call for tenders (which required the payment of a one-off fee amounting to €200,000). In this respect, the Technical Report accompanying the draft of the said Legislative Decree 41/2024 states that "the one-off fee has almost tripled in line with the trend in online betting, which increased by 100% between 2019 and 2022 and shows an estimated further growth of 30% by the end of 2023 compared to 2019, with bets rising from €36.4 billion in 2019 to an estimated €83.5 billion in 2023. This trend is expected to continue in the years to come.

According to Legislative Decree No. 41/2024, provisions relating to games on physical network will be contained in subsequent legislative decrees, to be issued by August 29, 2026, as provided by Law 111/2023, last amended by Law No. 120 of August 8, 2025.

MANAGEMENT

Lottomatica Board of Directors

In accordance with Article 13 of the by-laws in force, Lottomatica is managed by the Lottomatica Board of Directors. Pursuant to Lottomatica's by-laws, the members of the Lottomatica Board of Directors are appointed by the shareholders of Lottomatica at ordinary shareholders' meetings using a slate voting mechanism and applying the criterion ensuring a balance between genders, pursuant to applicable laws and regulations, up to a three-year term expiring on the date of the ordinary shareholders meeting called to approve the financial statements in relation to the last financial year of their term. Guglielmo Angelozzi, Laurence Lewis Van Lancker, John Paul Maurice Bowtell, Alessandro Fiumara, Catherine Renee Anne Guillouard, Nadine Farida Faruque, Augusta Iannini, Marzia Mastrogiacomio, Francesco Giammaria, Tiziana Togna and Fabrizio Virtuani hold their office under the approval by the Issuer's shareholders' meeting of the financial statements for the year ended on December 31, 2028.

On February 27, 2023, the Lottomatica Board of Directors, in compliance with the recommendations on corporate governance contained in the Corporate Governance Code, resolved to establish, effective as of first trading date of Lottomatica's shares on Euronext Milan, the following internal committees:

- a control and risks committee, pursuant to Articles 1 and 6 of the Corporate Governance Code, by approving the committee's operating rules (the “**Control and Risks Committee**”);
- an appointments and remuneration committee, pursuant to Articles 4 and 5 of the Corporate Governance Code, by approving the committee's operating rules (the “**Appointments and Remuneration Committee**”);
- a related party transactions committee, pursuant to the Related Party Regulation (*Regolamento Parti Correlate*) adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 22144 on December 22, 2021, by approving the committee's operating rules (the “**Related Party Transactions Committee**”); and
- an ESG committee, by approving the committee's operating rules.

The following table sets forth the names and titles of the members of the Lottomatica Board of Directors:

Name	Title
Guglielmo Angelozzi ^(**)	Executive Chairman and Chief Executive Officer
Laurence Lewis Van Lancker	Chief Financial Officer and Deputy Chief Executive Officer
John Paul Maurice Bowtell ^{(*)(***)}	Director
Alessandro Fiumara ^(*)	Director
Catherine Renee Anne Guillouard ^{(*)(***)}	Director
Nadine Farida Faruque ^{(*)(***)}	Director and Lead Independent Director
Augusta Iannini ^{(*)(**)}	Director
Marzia Mastrogiacomio ^{(*)(***)}	Director
Francesco Giammaria ^{(*)(***)}	Director
Tiziana Togna ^{(*)(***)}	Director
Fabrizio Virtuani ^{(*)(***)}	Director

(*) Non-executive Director.

(**) Appointed: (i) General Manager of the Group on September 13, 2017. Between August 1, 2014 and September 13, 2017—General Manager of Lottomatica, (ii) CEO of Lottomatica from August 1, 2014, (iii) CEO of the Issuer from February 9, 2023, and (iv) Executive Chairman of the Issuer from July 2, 2025.

(***) Independent Director.

The business address of each member of the Lottomatica Board of Directors is our registered address at Via degli Aldobrandeschi 300, 00163 Rome, Italy.

Set out below are brief biographies of the members of our Lottomatica Board of Directors:

Guglielmo Angelozzi started his journey in Lottomatica in August 2014 as Chief Executive Officer of the Group. On July 2, 2025, Guglielmo Angelozzi was appointed also as Chairman of Lottomatica. Also, within the entertainment sector, Mr. Angelozzi has been Chairman for three years of the trade association of gaming concessionaires ACADI, (formerly part of Confindustria Servizi Innovativi e Tecnologici, now in Confindustria) and has held various roles at IGT. Before entering the gaming industry, Mr. Angelozzi worked at the management consulting firm Bain & Company – where he managed numerous projects in Media, ICT, Pharma, and Entertainment sectors – and previously at Accenture. He graduated with honors in Engineering from the University of Bologna and obtained a Master of Business Administration from SDA Bocconi in Milan.

Laurence Lewis Van Lancker started his journey in Lottomatica in September 2021, where currently serves as Chief Financial Officer and deputy CEO of the Group. Before joining the Group, he was at Credit Suisse from 2006 to 2021, last in his role as co-head of technology, media and telecom investment banking for EMEA and, prior to that, he was head of Credit Suisse's TMT M&A practice and Gaming franchise in EMEA. Mr. Van Lancker also worked at Value Partners Management Consulting in Italy from 2000 to 2004. He graduated in Electronic Engineering at La Sapienza University, Rome and obtained a Master in Business Administration from IE Business School.

John Paul Maurice Bowtell is an experienced director with highly relevant industry experience, having spent eight years in the gaming sector serving as Chief Financial Officer for GVC Holdings Plc, one of Europe's largest gaming businesses, after the acquisition of Ladbrokes Coral Group Plc, where for three years he was the president at subsidiary Eurobet, one of Italy's largest gaming businesses. Prior to that, Mr. Bowtell was Chief Financial Officer of First Choice Holidays PLC and became Chief Financial Officer of TUI Travel PLC after its merger with First Choice Holidays PLC in 2007. He previously held a number of senior positions with Centrica, WHSmith and Forte. Mr. Bowtell has been a Non-Executive Director of a number of listed and non-listed companies and is currently a senior advisor to Alchemy, a special situations private equity fund, where he chairs a number of their businesses. He is a chartered accountant and holds an M.A. from Cambridge University.

Alessandro Fiumara joined the Group in 2021, where he currently serves as Managing Director Digital and Betting as well as a chairman and CEO of GBO, CEO of GBO Italy, CEO of PWO, chairman of Giocaonline and chairman and CEO of Betflag. Before joining the Group, he covered several roles in IGT Group since 2012, working in the gaming market across different countries, including the head of strategic planning and control, director of industrial planning and director of the CEO Office. In 2017, Mr. Fiumara started working in the sports betting business in IGT, taking care of product development, marketing and retail. He became the head of sports betting in 2019 and the CEO of Scommesse in 2020. Prior to IGT, Mr. Fiumara spent two years in the strategy and business development department of PosteMobile, the MVNO of Poste Group, and seven years in business consulting in McKinsey & Company and Bain & Company. He graduated cum laude with a degree in Business Administration from LUISS University of Rome in 2003.

Catherine Renee Anne Guillaouard started her career at the Ministry of Finance, French Treasury working for the Africa Zone Department – CFA and later in the Office of Banking Affairs. She joined Air France and held various senior executive positions including CFO between 2005-2007. She also held the position of Chief Financial Officer and member of the Group Executive Committee at Eutelsat, a leading and global operator of communication via satellites. Subsequently, Mrs. Guillaouard joined Rexel as Chief Financial Officer. From May 2014 to February 2017, she was Deputy Chief Executive Officer. Appointed in 2017 by decree of the President of the French Republic, she has been, up to September 2022, Chairwoman and CEO of RATP group, a French public industrial and commercial body at the head of one of the major industrial groups active in the public transport sector. Previously, she has been a board member of Technicolor, Aéroport de Paris, Engie and KPN. Since 2016, Mrs. Guillaouard is a board member of Airbus S.E. (member of the Audit Committee and of the Ethics, Compliance, Sustainability Committee). Mrs. Guillaouard has been appointed in May 2023 to the board of Air Liquide S.A. (chair of the audit committee). She has been appointed chairperson of Ingenico S.A. board on September 30, 2022 and in November 2024, Mrs. Guillaouard has been appointed member of the board of directors of Arrive S.A., both non listed corporations.

Nadine Faruque started her career as a lawyer in private practice in 1990 as an associate with a leading law firm in New York before joining Baer & Karrer in Zurich, Switzerland in September 1992 where she was a senior

associate/partner elect, covering M&A, capital markets, banking and financial institutions. In March 1998, Ms. Faruque joined Merrill Lynch International in London, where she held various senior roles in the Office of General Counsel, including General Counsel and Head of Continental Europe. In October 2008, Ms. Faruque took the role of General Counsel and Group Compliance Officer of the Unicredit Group where she was a member of the Unicredit Group management board as well as the Group Executive, Group Risk and Group Credit committees before joining Deutsche Bank AG Frankfurt in December 2014 as Global Head of Compliance and member of the Group Executive Committee, the Group Risk Committee, Group Reputational Risk Committee, and the Global Incident Management Committee. Following her departure from Deutsche Bank, Ms. Faruque became a member of the Supervisory Board and the Risk Committee of Luminor AB from January 2019 to July 2019 and has been an industrial adviser of EQT Partners for compliance and regulatory matters on specific projects. Between April 2020 and April 2026, Ms. Faruque served as a member of the Board of Directors and Risks and Control Committee of Banco BPM S.p.A. Ms. Faruque also serves on the Advisory Board of the MIB (Master of International Business) of the Università Cattolica in Milan. Ms. Faruque graduated from the University of Bern School of Law and holds the title of *Fuersprecher* and an LLM (Masters of Law) from Duke University School of Law (North Carolina). Ms. Faruque is admitted to the Swiss as well as the New York Bar. Currently, Ms. Faruque is the Chairwoman of the Appointments and Remuneration Committee, member of the ESG Committee and, as of July 2, 2025, Lead Independent Director of Lottomatica.

Augusta Iannini served as judge in Italy. During her career within the judicial system she has held numerous relevant positions, including those of investigating judge and judge for preliminary investigations. She has also served in the Ministry of Justice as Deputy Chief of the Cabinet, Director General of Criminal Justice, and Head of the Department of Justice Affairs. She was also Head of the Legislative Office at the Ministry of Justice from June 2008 until June 2012. From 2012 to 2020, she served as vice president of the Data Protection Authority where she served as Vice President. She is author of numerous papers and attended several conferences. In 2009 she was awarded the Bellisario Prize for Justice. She holds positions as a member of boards of companies, among which SNAM S.p.A. and member of Board of Directors of Lottomatica Foundation.

Marzia Mastrogiacomio is a business executive with over 25 years' experience with multinational and national companies in different industries for complexity and stakeholders: FMCG, Financial and Payment Services, Regulated Markets and Concessions cooperating with Public Administrations. She was CEO of two public gaming concessionaires part of the IGT Group where she was responsible for "Lotto" and "Gratta & Vinci" businesses. In recent years, after taking a specific training at business schools of Cambridge and Berkeley, Ms. Mastrogiacomio has been mastering Sustainability, Innovation and Digital Transformation impacts and opportunities for corporations. She is strategic consultant with specific focus on the integration of ESG issues in business strategies, organizations, and corporate operational processes.

Francesco Giammaria is an experienced lawyer, with a focus on advising employers such as, among others, banks, pension funds and industrial companies in labor law disputes. Mr. Giammaria is the founding partner and managing partner of *Pessi e Associati*, an Italian employment law firm specializing in corporate defence and assistance. He has experience serving on the board of several listed and private Italian companies, including currently as a member of the board of directors of SOL S.p.A. and Laura Biagiotti S.p.A. and as a member of the supervisory board pursuant to LD 231/2001 of Italgas Reti S.p.A. Mr. Giammaria graduated cum laude from the University of Rome "La Sapienza" with a degree in Law and received a specialization in Trade Union, Labor and Social Security Law, with honors, from the School of Specialization at the University of Rome "La Sapienza."

Tiziana Togna, after graduating in Business and Economics, began and continued her entire career at CONSOB. Throughout her professional activity, she held numerous prominent positions across the various areas of competence of the Authority, including Head of the Inspection Division and the Intermediaries Division. From 2019 to 2023, she served as Deputy General Director (*Vicedirettore Generale*), with delegated responsibilities for the coordination of intermediaries, issuers, and corporate governance. From 2020 to 2022, she also performed the duties of General Director (*Direttore generale facente funzioni*). Since 2024, she has been a member of the technical working group on issuers established at the Ministry of Economy and Finance (MEF), in charge of analyzing and exploring issues related to the comprehensive reform of capital markets regulations. Starting from October 2025, she serves as a non-executive and independent member of the Board of Directors of Mediobanca S.p.A., as well as a member of the Technical and Scientific Advisory Board established at the Ministry of Economy and Finance (MEF), tasked with carrying out activities of research, study and analysis on the financial capital markets system, including in relation to other European markets, with a view to identifying strategic areas of intervention for the enhancement and development of the capital markets. As of January 2026, Tiziana Tonga has been collaborating as Of Counsel with the law firm Inzitari & Partners Fabiani.

Fabrizio Virtuani is a Contract Professor at the Luiss Business School in the subjects of Digital Transformation, Technological Innovation, ICT Management, Artificial Intelligence and Cybersecurity, in Master in Management and Technology, in Master in Big Data, in Master in Cybersecurity, in Master in Information Technology and Artificial Intelligence and he was Scientific Coordinator of the Master in Management and Technology - Major in M&A Strategy. Mr. Virtuani has significant experience as President, CEO and C-level Executive in national and international companies and is particularly knowledgeable in the domains of Digital Transformation, Technological Innovation, Cybersecurity, Artificial Intelligence, Information Systems Management and Telecommunication Technologies. Mr. Virtuani was Chief Executive Officer of Innova, Director of Innovation, Technology and Information Systems of the Tea Group, President and CEO of Lottomatica Betting and Senior Vice President Digital & Betting of Lottomatica (IGT Group, now Brightstar Lottery), Director of the Information Technology function of the Poste Italiane Group, CEO of PosteMobile, as well as Chairman of the Global Cyber Security Center Foundation and Chairman of the Board of Postecom S.p.A. Previously, Mr. Virtuani worked at Bain & Company (Italy) as Associate Partner and at Italtel-Siemens as Marketing and Planning Manager of the Business Unit radiomobile systems. He holds a degree in Electronic Engineering from the *Politecnico di Milano*.

Powers and Responsibilities

Pursuant to its by-laws, the management of Lottomatica's business is the exclusive responsibility of the Lottomatica Board of Directors, who may perform all acts that they consider necessary for the achievement of Lottomatica's corporate purpose, except for those actions reserved by law or the by-laws for the shareholders' meeting. In particular, the Lottomatica Board of Directors has the ability to take all actions it deems appropriate to achieve the objectives of Lottomatica. Subject to the limitations of applicable Italian law, the board may delegate its powers to an executive committee or one or more directors.

Pursuant to its by-laws, meetings of the Lottomatica Board of Directors require a quorum of the majority of directors. Resolutions are generally adopted by a simple majority of directors present at the meeting.

The chairman of the Lottomatica Board of Directors and, within the limit of the powers granted to them, the executive directors, have the power to bind Lottomatica in dealings with third parties and to represent it in court proceedings.

Senior Management

The following table sets forth the names and titles of the members of the senior managers of the Group.

Name	Title
Guglielmo Angelozzi	Chairman and Chief Executive Officer
Laurence Lewis Van Lancker	Chief Financial Officer and Deputy CEO
Alessandro Fiumara	Managing Director Digital and Betting
Gennaro Schettino	Chief External Relations & Communication Officer
Giuseppe Marra	Chief Legal Officer

The following is biographical information for the senior management of the Group.

Guglielmo Angelozzi, see “—Lottomatica Board of Directors.”

Laurence Lewis Van Lancker, see “—Lottomatica Board of Directors.”

Alessandro Fiumara, see “—Lottomatica Board of Directors.”

Gennaro Schettino joined the Group in 2015, where he currently serves as Chief External Relations & Communication Officer. He is currently the chairman of the board of directors of Gamenet, GBO Italy and Lottomatica Gaming and Managing Director of Lottomatica Gaming. Mr. Schettino is also Chairman of AGIC (Italian Association for Gaming and Entertainment under Concession). From 2013 to 2015, he was Head of External Relations VP Director for IGT-Lottomatica. From 2004 to 2013 and from 1987 to 1999, Mr. Schettino worked for La Repubblica as Editor in Chief. Prior to that, he served as External Relations VP Director for Alitalia and as journalist and Editor for ANSA and La Repubblica. Mr. Schettino graduated with a degree in Economics and Social Sciences from Bocconi University in Milan in 1980.

Giuseppe Marra is a lawyer with over 20 years of experience in the public gaming sector. Throughout his career, he has developed expertise in concessions, relations with the Italian Customs and Monopolies Agency, regulatory compliance, and administrative proceedings related to the management of public gaming. Mr. Marra joined the Group in October 2018, following the acquisition of GoldBet, where he had served as Legal Director since June 2015. In March 2020, Mr. Marra was appointed Head of Business Legal and, in May 2021, Chief of Business Legal, assuming responsibility for Regulatory Compliance, Antitrust, Anti-Money Laundering, Quality and Procurement and for the legal functions of the areas of Gaming Machines & Retail and Betting & Online, with cross-functional oversight across all Group businesses. Since March 2025, Mr. Marra has served as Chief Legal Officer and Secretary of the Board of Directors of Lottomatica, with overall responsibility for the legal and corporate function, regulatory oversight and compliance processes. Mr. Marra also serves as Head of the permanent “Public Affairs” Working Group of AGIC (*Associazione Gioco da Intrattenimento in Concessione*) which is part of Confindustria and includes, in addition to Lottomatica, other leading licensed gaming operators. Mr. Marra began his professional career at Studio Legale Lanna, focusing on civil, commercial and administrative litigation, bankruptcy and corporate law, as well as corporate contracts and public gaming regulation. Mr. Marra previously served in the Italian State Police. Mr. Marra graduated in law from the University of Naples Federico II.

Compensation

The aggregate compensation paid to the members of the board of directors and senior management of Lottomatica amounted to €7.4 million for the year ended on December 31, 2025.

Management Equity Plan

The Group has also established a management equity plan, which is linked to performance, to ensure our management team’s interests are aligned with our interests, to foster our management stability and ultimately to enable us to effectively plan and successfully implement our strategies. Pursuant to such management equity plan, certain members of management have invested in various classes of shares (including preference shares) of Gamma Topco.

Stock Option Plan

On April 20, 2026, the shareholders meeting of Lottomatica approved also a stock option plan, which provides for the assignment, for a single multi-year cycle of three years, of option rights granting the right to certain members of management, identified by the board of directors of Lottomatica from time to time, to subscribe the ordinary shares of Lottomatica (the “SOP”). The Board of Directors of Lottomatica is expected to approve the implementation of the SOP, subject to the opinion of the Board of Statutory Auditors for the matters within its competence.

The SOP has the following objectives: (i) align the interests of the beneficiary of the SOP with those of the shareholders and investors of the Group and with the strategic plan of the Group as a whole; and (ii) incentivize the long-term retention of those members of management benefitting from the SOP.

Pursuant to the SOP, the beneficiaries, identified by the Board of Directors among the executive Directors and the senior management team (the “**Beneficiaries**”), are entitled to receive free of charge, and up to a certain number, option rights, granting the right to subscribe the shares of Lottomatica according to a 1:1 ratio (i.e. each option grants the right to subscribe 1 (one) share) at a determined price (the “**Options**”), provided that the Beneficiaries are still employees or directors of Lottomatica or its subsidiaries (the “**Relationship**”) at the time of the exercise of the Options.

The Options are granted under a single grant cycle and the right to exercise the Options is subject to a three-year vesting period (the “**Vesting Period**”). Certain performance conditions (the “**Performance Targets**”) need to be met by the Beneficiaries in order for the Options to vest. For the 2026-2028 period, the Performance Targets are as follows: (i) Operating Cash Flow per shares (85%) and (ii) ESG targets, including those relating to the gender pay gap, responsible gaming, G4 certification and increased participation in non-mandatory training (15%). The Options granted to the Beneficiaries may be exercised after the end of the relevant Vesting Period at a price equal to €20.58, as determined by the Board of Directors on March 2, 2026, after consulting the Appointments and Remuneration Committee and based on the arithmetic average of the official prices recorded by Lottomatica’s shares on Euronext Milan in the 30 days prior to the approval of the proposed SOP by the Board of Directors.

The SOP includes a kick factor that allows the Beneficiaries to receive additional options (the “**Additional Options**”) in order to reach a total dilution of (i) 2.5% of Lottomatica’s shares in the event that Lottomatica’s share price exceeds or equals €35 for more than 30 consecutive calendar days or (ii) 3.5% of Lottomatica’s share capital in the event that Lottomatica’s share price exceeds or equals €35 for more than 30 consecutive calendar days and the internal rate of return (“**IRR**”) equals or exceeds 40%.

The shares resulting from this exercise will be subject to lock-up undertakings as follows: (i) 25% of the Shares received by each Beneficiary will be locked-up until April 2030 and (ii) 25% of the Shares received by each Beneficiary will be locked-up until April 2031. Moreover, the Additional Shares will also be subject to lock-up undertakings as follows: (i) 50% of the Additional Shares received by each Beneficiary will be locked-up until April 2029, (ii) 25% of the Additional Shares received by each Beneficiary will be locked-up until April 2030 and (iii) 25% of the Additional Shares received by each Beneficiary will be locked-up until April 2031.

Once Options have vested and become exercisable, the Options will remain exercisable for up to 5 years from the grant date of the Options. Options not exercised will be revoked.

The SOP provides that, in case of: (i) change of control of Lottomatica; (ii) a launch of a takeover and/or exchange bid regarding the shares, (iii) a delisting of the shares from the Euronext Milan market and (iv) the occurrence of other particular circumstances, the Beneficiaries are entitled to request the early assignment of the shares underlying both the Options and the Additional Options, and the maximum number of Additional Options to be granted regardless of whether the conditions required for have been met.

Short-Term Incentive Plan – MBO

Certain Group managers have a short-term incentive plan, payable in cash, providing for additional remuneration, based on the achievement of certain Group and/or specific performance KPIs.

Board of Statutory Auditors

Pursuant to applicable Italian law, Lottomatica has appointed the Board of Statutory Auditors whose objective is to oversee Lottomatica’s compliance with applicable law and with its by-laws, monitor the implementation of best practices, and assess the adequacy of the internal controls and accounting reporting systems at Lottomatica, as well as the adequacy of the supply of information to its subsidiaries.

In accordance with Article 24 of the by-laws in force, the Board of Statutory Auditors comprises three statutory auditors and two alternate auditors. Members of the Board of Statutory Auditors are appointed by the shareholders of Lottomatica at ordinary shareholders’ meetings using a slate voting mechanism and applying the criterion ensuring a balance between genders, pursuant to applicable laws and regulations for a three-year term expiring on the date of the ordinary shareholders’ meeting called to approve the financial statements for the third financial year of their term. At least one of the auditors and one of the alternate auditors must be selected among legal auditors registered with the relevant special registry. Members of the Board of Statutory Auditors may be removed only for a valid reason and with the approval of an Italian court.

All members of the Board of Statutory Auditors were appointed by the shareholders’ meeting held on April 20, 2026, and will hold their office until the approval by the shareholders’ meeting of the financial statements for the year ended on December 31, 2028.

The business address of each member of the Board of Statutory Auditors is our registered address at Via degli Aldobrandeschi 300, 00163 Rome, Italy.

SHAREHOLDERS

As of April 15, 2026, FMR LLC holds, directly or indirectly, approximately 9.2% of the Issuer's shares, Capital Research and Management Company holds, directly or indirectly, approximately 5.0% of the Issuer's shares and approximately 79.3% of the Issuer's shares are held by other public stockholders. As of April 10, 2026, we owned approximately 16.4 million shares, equal to approximately 6.5% of the Issuer's shares. The shares of the Issuer are listed on Euronext Milan.

On June 18, 2025, as authorized by the Shareholders' Meeting of the Company held on April 30, 2025 (the "**Granting Date**") and the resolution adopted by the Board of Directors on May 6, 2025, we announced the launch of a share buyback program to acquire a maximum of 25 million shares, representing 10% of our outstanding share capital. The shares so acquired will contribute to our obligations under our share incentive plans in place from time to time and remunerate shareholders through the cancellation of treasury shares. The buyback program has a duration set for 18 months starting from the Granting Date.

At our Annual General Meeting held on April 20, 2026, we revoked the authorization to implement the share buyback program granted on April 30, 2025, and obtained shareholder authorization to implement a new buyback program that would permit the repurchase of up to 12.5% of our outstanding share capital over the ensuing 18-month period.

RELATED PARTY TRANSACTIONS

The following is a description of material related party transactions, to which the Issuer, or the Group, has been a party. Management believes that all such transactions have been effected at arm's length and upon market terms and rates, i.e., in line with conditions that would have applied between non-related parties.

You should refer to the Consolidated Financial Statements and the related notes thereto appearing elsewhere in this Offering Memorandum for a discussion of certain intra-group transactions.

The transactions that the Group entered into with related parties (hereafter “Related Parties” and/or “**Related Party Transactions**”), identified in accordance with the criteria defined in IAS 24—Related Party Disclosures, are mainly attributable to commercial, administrative and financial relationships. These operations are part of normal business management, within the typical activity of each interested party, and are regulated at market conditions.

Although the Related Party Transactions are performed under normal market conditions, there is no guarantee that, if they were concluded between or with third parties, such third parties would have negotiated and entered into such contracts, or performed the operations provided for therein, under the same conditions and using the same methods.

Since December 31, 2025, the Group has not entered into any Related Party Transactions that were unusual in their characteristics or significant in their amounts, other than those of an on-going nature and/or described below.

For information related to the remuneration of members of our corporate bodies and senior management, see “*Management*.” For further information on Related Party Transactions, see Note 10 to the Consolidated Financial Statements.

DESCRIPTION OF CERTAIN FINANCING AND GUARANTEE ARRANGEMENTS

The following summary of our significant indebtedness does not purport to be complete and is subject to, and qualified by, the underlying documents. Unless otherwise defined in this Offering Memorandum or unless the context requires otherwise, terms defined in the Revolving Credit Facility Agreement and the Intercreditor Agreement will have the same meanings when used in this section.

May 2024 Fixed Rate Notes and May 2025 Notes

Overview

May 2024 Fixed Rate Notes

On May 29, 2024, Lottomatica issued €500.0 million of senior secured fixed rate notes due 2030 (the “**May 2024 Fixed Rate Notes**”) under an indenture dated as of May 29, 2024 (the “**May 2024 Notes Indenture**”), between, among others, Lottomatica, The Law Debenture Trust Corporation p.l.c., as trustee and noteholders’ representative (*rappresentante comune*) pursuant to articles 2417 and 2418 of the Italian Civil Code, Deutsche Bank AG, London Branch, as paying agent and transfer agent, Deutsche Bank Luxembourg S.A., as registrar for the May 2024 Fixed Rate Notes, and UniCredit S.p.A., as the security agent and as security representative (*rappresentante*) pursuant to and for the purposes set forth under article 2414-bis, 3rd para. of the Italian Civil Code. The May 2024 Fixed Rate Notes will rank *pari passu* with the Notes offered hereby, in accordance with the Intercreditor Agreement. Lottomatica used the proceeds from the May 2024 Notes, together with cash on hand, to (i) refinance certain indebtedness and (ii) pay certain costs, fees and expenses in connection therewith.

May 2025 Notes

On May 13, 2025, Lottomatica issued €1,100 million of senior secured fixed rate notes due 2031 (the “**May 2025 Notes**”) under an indenture dated as of May 13, 2025 (the “**May 2025 Indenture**”), between, among others, The Law Debenture Trust Corporation p.l.c., as trustee and noteholders’ representative (*rappresentante comune*) pursuant to articles 2417 and 2418 of the Italian Civil Code, Deutsche Bank AG, London Branch, as paying agent and transfer agent, Deutsche Bank Luxembourg S.A., as registrar for the May 2025 Notes, and UniCredit S.p.A., as the security agent and as security representative (*rappresentante*) pursuant to and for the purposes set forth under article 2414-bis, 3rd para. of the Italian Civil Code. The May 2025 Notes will rank *pari passu* with the Notes offered hereby, in accordance with the Intercreditor Agreement. Lottomatica used the proceeds from the May 2025 Notes to (i) refinance certain indebtedness and (ii) pay certain costs, fees and expenses in connection therewith.

Interest Rate

May 2024 Fixed Rate Notes

The May 2024 Fixed Rate Notes bear interest at a rate per annum of 5.375% and are payable, in cash, semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2024.

May 2025 Notes

The May 2025 Notes bear interest at a rate per annum of 4.875% and are payable, in cash, semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2025.

Maturity and Redemption

May 2024 Fixed Rate Notes

The May 2024 Fixed Rate Notes will mature on June 1, 2030.

At any time prior to June 1, 2026, the Issuer will be entitled, at its option, to redeem all or a portion of the May 2024 Fixed Rate Notes upon not less than 10 nor more than 60 days’ notice by paying a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the relevant “make-whole” premium.

At any time on or after June 1, 2026, the Issuer may redeem all or a portion of the May 2024 Fixed Rate Notes, upon not less than 10 nor more than 60 days' notice, at the principal amount of such notes plus (i) 50% of the coupon prior to June 1, 2027, (ii) 25% of the coupon thereafter and prior to June 1, 2028 and (iii) par thereafter, in each case plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

At any time prior to June 1, 2026, upon not less than 10 nor more than 60 days' notice, the Issuer may also redeem from time to time during each twelve-month period commencing on the issue date of the May 2024 Fixed Rate Notes up to 10% of the original aggregate principal amount of the May 2024 Fixed Rate Notes at a redemption price equal to 103% of the principal amount of the May 2024 Fixed Rate Notes redeemed plus accrued and unpaid interest and additional amounts, if any.

May 2025 Notes

The May 2025 Notes will mature on January 31, 2031.

At any time prior to May 15, 2027, the Issuer will be entitled, at its option, to redeem all or a portion of the May 2025 Notes upon not less than 10 nor more than 60 days' notice by paying a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the relevant "make-whole" premium.

At any time on or after May 15, 2027, the Issuer may redeem all or a portion of the May 2025 Notes, upon not less than 10 nor more than 60 days' notice, at the principal amount of such notes plus (i) 50% of the coupon prior to May 15, 2027, (ii) 25% of the coupon thereafter and prior to May 15, 2028 and (iii) par thereafter, in each case plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

At any time prior to May 15, 2027, the Issuer may also redeem from time to time during each twelve-month period commencing on the Issue Date up to 10% of the original aggregate principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes redeemed plus accrued and unpaid interest and additional amounts, if any; provided that the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision.

Security

Security interests have been granted and are in place in relation to the May 2024 Fixed Rate Notes and the May 2025 Notes over: (i) receivables in respect of certain material intercompany loans in respect of which Lottomatica is a creditor; (ii) material bank accounts of Lottomatica; (iii) the shares in Lottomatica Gaming held by Lottomatica and (iv) the shares in GBO held by Lottomatica.

Covenants and Events of Default

The May 2024 Notes Indenture and May 2025 Notes Indenture contain a number of covenants which, among other things, restrict, subject to certain exceptions, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make restricted payments, including paying dividends or making other distributions, making investments and prepaying or redeeming subordinated indebtedness or equity;
- create or incur certain liens;
- sell, lease or transfer certain assets;
- enter into arrangements that restrict dividends or other payments to us;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries; and

- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis; and enter into certain other transactions and activities.

Each of these covenants is subject to significant exceptions and qualifications. In addition, the May 2024 Notes Indenture and May 2025 Notes Indenture impose certain requirements as to future subsidiary guarantors. The May 2024 Notes Indenture and the May 2025 Notes Indenture also contain certain customary events of default.

Governing Law

The May 2024 Notes Indenture and the May 2025 Notes Indenture are governed by New York law.

Revolving Credit Facility Agreement

Agreement Overview and Structure

On May 3, 2023, the Issuer as original borrower and original guarantor, the lenders party thereto, UniCredit S.p.A. as agent and as security agent entered into the Revolving Credit Facility Agreement.

The Revolving Credit Facility Agreement originally provided for a revolving credit facility up to an aggregate principal amount of €350,000,000 on a committed basis in addition to an incremental guarantee facility provided by Deutsche Bank S.p.A. and established pursuant to the incremental facility notice dated May 3, 2023 in an aggregate principal amount of €50,000,000 available for bank guarantees (the “**Incremental Guarantee Facility**”). On December 14, 2023, Lottomatica, as incremental facility borrower, the lenders party thereto, UniCredit S.p.A., as agent and as security agent, entered into an incremental facility notice, which established an additional €50,000,000 incremental revolving commitments (the “**Incremental Facility**”).

On April 2, 2025, the Group executed an amendment and restatement agreement (as further amended on April 23, 2025), relating to the Revolving Credit Facility Agreement, pursuant to which the lenders under the Revolving Credit Facility Agreement agreed to extend its termination date to the date falling three months prior to the stated maturity date of the May 2025 Notes at their first issuance, with a springing maturity (if earlier) to the date falling three months prior to the stated maturity date of any May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes as at the date of the Revolving Credit Facility Amendment (as defined below) if the applicable May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes have not been refinanced in full by such date, along with certain amendments to the calculation methodology and cure rights relating to, and consequences of a breach of, the financial covenant, the lowering of the interest rate margin applicable to the Revolving Credit Facility and certain other amendments including increasing the total Revolving Credit Facility commitments by an aggregate principal amount of €47.25 million to €447.25 million (excluding the Incremental Guarantee Facility) (the “**Revolving Credit Facility Amendment**”). The Revolving Credit Facility Amendment took effect on May 13, 2025.

The Revolving Credit Facility may be utilized by any current or future borrower under the Revolving Credit Facility Agreement in euro or certain other currencies by the drawing of cash advances or the issue of bank guarantees and similar instruments (including letters of credit and performance bonds) and by way of ancillary facilities. Subject to certain exceptions, loans may be borrowed, repaid and re-borrowed at any time.

Borrowings under the Revolving Credit Facility are available to be used for the general corporate and working capital purposes of the Group. The Incremental Guarantee Facility may be used solely for the issuance of bank guarantees and counter-guarantees to backstop existing or new guarantees.

All utilizations under the Revolving Credit Facility are subject to customary conditions (such as absence of events of default and the repetition of certain representations).

Guarantors

The Issuer is the original borrower and the original guarantor under the Revolving Credit Facility. A mechanism is included in the Revolving Credit Facility Agreement to enable certain of the Issuer’s subsidiaries to accede as a borrower and/or a guarantor under the Revolving Credit Facility subject to certain conditions. The Revolving Credit Facility also requires that each company in the Group that is necessary to ensure that a customary guarantor coverage test is met becomes a guarantor (subject to agreed security principles).

Maturity

The Revolving Credit Facility matures on the date falling three months prior to the stated maturity date of the May 2025 Notes at their first issuance, with a springing maturity (if earlier) to the date falling three months prior to the stated maturity date of any May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes as at the date of the Revolving Credit Facility Amendment (as defined above) if the applicable May 2024 Fixed Rate Notes and May 2024 Floating Rate Notes have not been refinanced in full by such date. See “*Summary—The Revolving Credit Facility Amendment*.”

Interest Rate and Fees

The interest rate on cash advances under the Revolving Credit Facility is the rate per annum equal to the aggregate of the applicable margin and EURIBOR, or in relation to cash advances in other currencies, such benchmarks as established or as determined in accordance with the Revolving Credit Facility. The initial margin under the Revolving Credit Facility is 2.50% (following the Revolving Credit Facility Amendment), which is subject to adjustment based on the Consolidated Senior Secured Debt Ratio (as defined in the Revolving Credit Facility Agreement) of Lottomatica and its subsidiaries.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility to (and including) the last day of the availability period for the applicable Revolving Credit Facility at a rate equal to 30% of the applicable interest rate margin.

Guarantees issued under the Incremental Guarantee Facility are subject to a guarantee fee equal to 1.7% per annum of the amount of each outstanding guarantee fee, which guarantee fee may be reduced if the Consolidated Senior Secured Debt Ratio (as defined in the Revolving Credit Facility Agreement) is within a certain range. The guarantee fee is payable semi-annually in advance.

Security

The Revolving Credit Facility is secured by (i) receivables in respect of certain material intercompany loans in respect of which Lottomatica is a creditor; (ii) material bank accounts of Lottomatica; (iii) the shares in Lottomatica Gaming held by its shareholder Lottomatica; (iv) the shares in GBO held by its shareholder Lottomatica; (v) the shares in Gamenet held by its shareholder Lottomatica Gaming; (vi) the shares in GBO Italy held by its shareholder GBO and (vii) the shares in LVR held by its shareholder Lottomatica Gaming.

Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the collateral will be required to be applied to repay indebtedness outstanding under the Revolving Credit Facility in priority to the Existing Notes and the Notes offered hereby.

Representations and Warranties, Covenants and Events of Default

The Revolving Credit Facility Agreement contains certain customary representations and warranties (with certain representations and warranties being repeated), subject to certain customary materiality, knowledge and other qualifications, exceptions and baskets.

The Revolving Credit Facility Agreement contains certain affirmative and negative covenants customary for transactions of this type, all of which are subject to customary materiality, knowledge or other qualifications, exceptions and baskets, including, among others, negative covenants that are currently substantially the same as the negative covenants applicable to the Existing Notes (subject to customary adjustments).

The Revolving Credit Facility Agreement provides for some of the same events of default, with certain customary adjustments, currently substantially the same as the Existing Notes. In addition, the Revolving Credit Facility provides for certain customary events of default, all of which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods.

Pursuant to the Revolving Credit Facility Amendment, the information undertakings, negative covenants, events of default and definitions, in each case as set out in the relevant schedules to the Revolving Credit Facility Agreement that are expressed to be interpreted in accordance with the law of the State of New York, will be substantially aligned with the corresponding provisions applicable to the Notes.

Financial Covenant

The Revolving Credit Facility contains a financial covenant providing that the Issuer shall ensure that the Consolidated Senior Secured Debt Ratio (as defined in the Revolving Credit Facility Agreement and to be calculated, at each testing date, as the ratio between (i) consolidated senior secured indebtedness for borrowed money minus cash and cash equivalents and (ii) EBITDA) in respect of each testing period shall not exceed 5.22:1, which shall not be tested unless the aggregate outstanding amount of all loans under the Revolving Credit Facility Agreement (subject to certain exceptions and deductions as set out in the Revolving Credit Facility Agreement) exceeds 40% of the greater of (x) the Total Revolving Facility Commitments (as defined in the Revolving Credit Facility Agreement and the Revolving Credit Facility Amendment) at the date of the Revolving Credit Facility Agreement and (y) the Total Revolving Facility Commitments outstanding on such a financial quarter. A breach of the financial covenant does not constitute a default or an event of default under the Revolving Credit Facility Agreement, but while the breach is continuing, the Issuer cannot request new drawings under the Revolving Credit Facility.

Governing Law

The Revolving Credit Facility Agreement is governed by English law provided that the information undertakings, negative covenants, events of default and New York law definitions listed in the relevant schedules to the Revolving Credit Facility Agreement are interpreted in accordance with the law of the State of New York.

Intercreditor Agreement

To establish the relative rights of the Senior Secured Parties (as defined below), the Future Second Lien Creditors (as defined below), the Future Unsecured Creditors (as defined below), the Issuer, any future Guarantors, the guarantors in respect of the Existing Notes (if any) and any obligor in respect of the Revolving Credit Facility or other Super Senior Lender Liabilities (as defined below), Future Pari Passu Debt (as defined below, and including the Notes), Future Second Lien Debt (as defined below) and Future Unsecured Debt (as defined below) (collectively, the “**Debtors**”), the Intragroup Lenders (as defined below) and the Shareholder Subordinated Lenders (as defined below), the relevant parties entered into an intercreditor agreement (the “**Intercreditor Agreement**”) dated as of July 23, 2020. On May 3, 2023, the Revolving Facility became a Credit Facility under the Intercreditor Agreement. On May 23, 2024, and May 13, 2025, respectively, the May 2024 Notes and the May 2025 Notes (redefined in this description as the “**Senior Secured Notes**”) became Pari Passu Debt under the Intercreditor Agreement.

The obligations under the Notes will become Future Pari Passu Debt under the Intercreditor Agreement upon the accession of the Trustee in such capacity on or around the Issue Date.

By accepting a Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and shall be deemed to have authorized the Trustee (the “**Senior Secured Notes Trustee**”) to accede to and enter into the Intercreditor Agreement on its behalf.

The following description is a summary of certain provisions, among others, that are contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Senior Secured Notes. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines certain rights of the holders of the Notes. Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Revolving Credit Facility Agreement, the May 2024 Notes Indenture and/or the May 2025 Notes Indenture (each a “**Future Pari Passu Debt Document**”) and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

Capitalized terms used and not defined herein shall have the meaning given to them in the Intercreditor Agreement.

Overview

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain debt (including guarantee obligations) of the Issuer and certain of its subsidiaries in respect of Revolving Credit Facility Liabilities and certain other Super Senior Lender Liabilities, the Senior Secured Note Liabilities, Future Pari Passu Liabilities, the Priority Arranger Liabilities,

the Priority Creditor Representative Liabilities, the Super Senior Hedging Liabilities, the Pari Passu Hedging Liabilities, Future Second Lien Liabilities, Future Unsecured Liabilities, the Non-Priority Arranger Liabilities, the Non-Priority Creditor Representative Liabilities, the Intra-Group Liabilities and the Shareholder Liabilities (each of the foregoing as defined below);

- the relative ranking of certain security granted by certain members of the Group (as defined below);
- when payments can be made in respect of certain indebtedness of the Group;
- when enforcement action (including acceleration and/or demand for payment and certain similar actions) (“**Enforcement Action**”) can be taken, including in respect of the Transaction Security (as defined below);
- provisions relating to the making of any acceleration or demand for payment in respect of the Notes;
- the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events;
- the requirement to turnover amounts received from enforcement of the Transaction Security and certain guarantees, and the equalization of certain losses;
- when the Transaction Security and any guarantee(s) issued by certain Debtors will be released to permit an enforcement sale;
- the circumstances in which creditors’ claims (including noteholders’ claims against the Issuer) might be required to be transferred to third parties or released to assist in enforcement; and
- the order for applying proceeds from the enforcement of the Transaction Security, certain guarantees and other amounts received by the Security Agent.

Parties

The initial senior secured parties (together the “**Senior Secured Parties**”) include, among others, the agent under the Revolving Credit Facility (the “**Senior Agent**”), the Security Agent, the arrangers of the Revolving Credit Facility, and the Senior Secured Notes Trustee. The lenders under the Revolving Credit Facility acceded to the Intercreditor Agreement on May 3, 2023 (the “**RCF Lenders**”).

The Intercreditor Agreement also allows for accession by (1) creditors of future loan or bond indebtedness (that are not subordinated in right of payment to any Super Senior Liabilities (as defined below) or Senior Secured Notes Liabilities) incurred by the Issuer and/or the Debtors which is permitted, under the terms of the Revolving Credit Facility documents, the documentation governing any other Super Senior Lender Liabilities and the Senior Secured Notes documents, to share in the Transaction Security shared by the Senior Secured Parties (including the Notes) (the “**Future Pari Passu Debt**”) and (2) (A) hedge counterparties party to certain interest rate or foreign exchange hedging agreements that are secured on a super senior basis (the “**Super Senior Hedging Agreements**”) (the “**Super Senior Hedging Banks**”) by virtue of being designated as such and (B) hedge counterparties party to hedging exposure with respect to any Super Senior Lender Liabilities, any Senior Secured Note Liabilities or any Future Pari Passu Debt, other than the Super Senior Hedging Agreements (the “**Pari Passu Hedging Agreements**”) (the “**Pari Passu Hedging Banks**” and, together with the Super Senior Hedging Banks, the “**Hedging Banks**”). Holders of Future Pari Passu Debt and such Hedging Banks are also Senior Secured Parties.

The Intercreditor Agreement also allows for accession by creditors of future loan or bond indebtedness incurred by the Issuer and/or the Debtors which is permitted under the terms of the finance documents relating to the Revolving Credit Facility, the documentation governing any other Super Senior Lender Liabilities and the Senior Secured Notes documents, to share in the Transaction Security shared by the Senior Secured Parties on a junior ranking basis, and provided further that such future indebtedness complies with agreed parameters for the relevant class of such future indebtedness set out in the finance documents relating to the Revolving Credit Facility. Any such future indebtedness that is:

- (1) subordinated to the debt owing to the Senior Secured Parties (the “**Senior Secured Debt**”) and complies with agreed parameters for second lien debt set out in the finance documents relating

to the Revolving Credit Facility shall be “**Future Second Lien Debt**” for the purposes of the Intercreditor Agreement. Holders of Future Second Lien Debt are “**Future Second Lien Creditors;**” and

- (2) subordinated to the Senior Secured Debt, ranked after the Future Second Lien Debt in terms of any recoveries from Transaction Security which such future indebtedness is permitted to share and complies with agreed parameters for unsecured debt set out in the finance documents relating to the Revolving Credit Facility shall be “**Future Unsecured Debt**” for the purposes of the Intercreditor Agreement. Holders of Future Unsecured Debt are “**Future Unsecured Creditors.**”

There will be a single Security Agent appointed to act at all times on behalf of all Senior Secured Parties, Future Second Lien Creditors and Future Unsecured Creditors.

Neither the Issuer nor any of its Restricted Subsidiaries (each a member of the “**Group**”) nor any shareholder of a member of the Group which is not otherwise party to (1) a document creating security in favor of the Senior Secured Parties, Future Second Lien Creditors or the Future Unsecured Creditors or (2) the debt documents thereby secured, will be party to the Intercreditor Agreement save for:

- (i) any shareholder of the Issuer in respect of any existing or future loan made to the Issuer (each a “**Shareholder Subordinated Lender**”) (and the Intercreditor Agreement contains subordination provisions and restrictions relating to the receivables owing from the Issuer to any Shareholder Subordinated Lender (the “**Shareholder Liabilities**”)), and
- (ii) certain members of the Group that lend to a Debtor (each an “**Intragroup Lender**”) that will in certain circumstances accede to the Intercreditor Agreement with respect to the loans or indebtedness owing from such Debtor to such member of the Group in respect of intra- group loans (the “**Intra-Group Liabilities**”). The Intercreditor Agreement contains subordination provisions relating to any Intra-Group Liabilities. However, Debtors will not be prohibited from incurring, amending or making payments in respect of any Intra-Group Liabilities until an acceleration event under the Revolving Credit Facility or the Senior Secured Notes Indenture (or other relevant debt) is continuing.

Ranking and Priority

Priority of Indebtedness

The Intercreditor Agreement provides that the present and future moneys, debt, liabilities and obligations (“**Liabilities**”), as the case may be, in respect of the Revolving Credit Facility (including, for the avoidance of doubt, the Incremental Guarantee Facility) (the “**Revolving Credit Facility Liabilities**”) and other Super Senior Lender Liabilities, the Senior Secured Notes (the “**Senior Secured Notes Liabilities**”), the Future Pari Passu Debt (including the Notes) (the “**Future Pari Passu Liabilities**”), the amounts owing to the Super Senior Hedging Banks under the Super Senior Hedging Agreements (the “**Super Senior Hedging Liabilities**”) and the amounts owing to the Pari Passu Hedging Banks under the Pari Passu Hedging Agreements (the “**Pari Passu Hedging Liabilities**”) and certain costs and expenses of the Senior Secured Notes Trustee (the “**Senior Secured Trustee Liabilities**”), the arrangers of Senior Secured Debt that accede to the Intercreditor Agreement (the “**Priority Arranger Liabilities**”) and the creditor representatives of Senior Secured Debt that accede to the Intercreditor Agreement (the “**Priority Creditor Representative Liabilities**”) will rank equally (without preference among them) in right and priority of payment and in priority to the liabilities of the Debtors, as the case may be, in respect of the Future Second Lien Debt (the “**Future Second Lien Liabilities**”), Future Unsecured Debt (the “**Future Unsecured Liabilities**”), the arrangers other than Priority Arranger Liabilities (the “**Non-Priority Arranger Liabilities**”) and the creditor representatives other than the Priority Creditor Representative Liabilities (the “**Non-Priority Creditor Representative Liabilities**”), the Intra-Group Liabilities and the Shareholder Liabilities.

The Future Second Lien Liabilities, the Future Unsecured Liabilities, the Non-Priority Arranger Liabilities and the Non-Priority Creditor Representative Liabilities will rank equally (without preference among them) in right and priority of payment, and in priority to the liabilities of the Debtors, as the case may be, in respect of the Intra-Group Liabilities and the Shareholder Liabilities. The Intra-Group Liabilities will rank in right and priority of payment senior to the Shareholder Liabilities.

Priority of Security

The Intercreditor Agreement shall provide that the Transaction Security shall rank and secure the following liabilities in the following order (and subject to the proceeds of such security being distributed in accordance with the Payments Waterfall, as defined below):

- **first**, the Revolving Credit Facility Liabilities and other Super Senior Lender Liabilities, the Super Senior Hedging Liabilities, the Pari Passu Hedging Liabilities, the Senior Secured Notes Liabilities, the Future Pari Passu Liabilities, the Priority Arranger Liabilities, the Priority Creditor Representative Liabilities and the Senior Secured Trustee Liabilities; and
- **second**, the Future Second Lien Liabilities, the Future Unsecured Liabilities, the Non-Priority Arranger Liabilities and the Non-Priority Creditor Representative Liabilities,

in each case to the extent that the Transaction Security is stated to secure such Liabilities.

If security is to be granted for Future Pari Passu Debt (including the Notes) then, to the extent such Future Pari Passu Debt cannot be secured on a *pari passu* basis with the Senior Secured Debt without existing security first being released, the parties to the Intercreditor Agreement (the “**Parties**”) agree that such Future Pari Passu Debt will (to the extent permitted by applicable law) be secured pursuant to the execution of additional security documents securing the same assets subject to the relevant security on a second-or lesser- ranking basis and such Future Pari Passu Debt will nonetheless be deemed and treated for the purposes of the Intercreditor Agreement to be secured by such security *pari passu* with Senior Secured Debt which would otherwise have the same ranking as contemplated above and any amounts to be applied towards such Future Pari Passu Debt shall be applied accordingly. In the event that it is not possible to permit the recreation of additional security documents as referred to above, no amendments or release of security under the existing security documents shall be permitted unless permitted under the documents thereby secured (including, for the avoidance of doubt, the retaking of any such security as required by the relevant secured document), or if not so permitted under a specific document, without the consent of the required creditors under that document.

If security is to be granted for Future Second Lien Debt then, to the extent such Future Second Lien Debt cannot be secured on a second ranking basis behind the Senior Secured Debt and/or on a *pari passu* basis with other Future Second Lien Debt without existing security first being released, the Parties agree that such Future Second Lien Debt will (to the extent permitted by applicable law) be secured pursuant to the execution of additional security documents securing the same assets subject to the relevant security on a lesser-ranking basis and such Future Second Lien Debt will nonetheless be deemed and treated for the purposes of the Intercreditor Agreement to be secured by such security as contemplated above and any amounts to be applied towards such Future Second Lien Debt shall be applied accordingly. In the event that it is not possible to permit the recreation of additional security documents as referred to above, no amendments or release of security under the existing security documents shall be permitted unless permitted under the documents thereby secured (including, for the avoidance of doubt, the retaking of any such security as required by the relevant secured document), or if not so permitted under a specific document, without the consent of the required creditors under that document.

If security is to be granted for Future Unsecured Debt then, to the extent such Future Unsecured Debt cannot be secured on a subordinated basis to the Senior Secured Debt and/or on a *pari passu* basis with other Future Unsecured Debt without existing security first being released, the Parties agree that such Future Unsecured Debt will (to the extent permitted by applicable law) be secured pursuant to the execution of additional security documents securing the same assets subject to the relevant security on a lesser-ranking basis and such Future Unsecured Debt will nonetheless be deemed and treated for the purposes of the Intercreditor Agreement to be secured by such security as contemplated above and any amounts to be applied towards such Future Unsecured Debt shall be applied accordingly. In the event that it is not possible to permit the recreation of additional security documents as referred to above, no amendments or release of security under the existing security documents shall be permitted unless permitted under the documents thereby secured (including, for the avoidance of doubt, the retaking of any such security as required by the relevant secured document), or if not so permitted under a specific document, without the consent of the required creditors under that document provided that in no event shall any security be granted to secure the Future Unsecured Liabilities unless such security is not prohibited by the Senior Secured Debt documents, the Future Pari Passu Debt documents or any Future Second Lien Debt documents to be granted in favor of the Future Unsecured Liabilities.

Equivalent provisions to the three paragraphs above are included in the Intercreditor Agreement in respect of additional credit facilities that are to benefit from a similar position under the terms of the Intercreditor Agreement to that of the Revolving Credit Facility. See the section entitled “General” below.

Payments and Prepayments; Senior Secured Debt

The Debtors may make payments and prepayments in respect of the Revolving Credit Facility and other Super Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Future Pari Passu Liabilities at any time in accordance with their terms, subject in certain circumstances to compliance with any conditions relating thereto described in the Revolving Credit Facility Agreement provided that following an acceleration event under the Revolving Credit Facility, other Super Senior Lender Liabilities debt document, the Senior Secured Notes Liabilities or the Future Pari Passu Debt Liabilities, payment in respect of such liabilities may only be made by members of the Group (and received by the creditors) in accordance with the Payments Waterfall.

Payments and Prepayments; Subordination of the Future Second Lien Debt

Prior to the discharge of all Senior Secured Debt, no Debtor may make payments in respect of the Future Second Lien Liabilities without the consent of the Majority Super Senior Creditors (as defined below) and, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents (including the Indenture) is continuing, the Majority Senior Secured Parties (as defined below) except for, among others, the following:

- (1) if:
 - (a) the payment is of:
 - (i) any of the principal or interest (including capitalized interest) amount of the Future Second Lien Liabilities which (1) is not prohibited from being paid by a Revolving Credit Facility or other Super Senior Lender Liabilities finance document, the Senior Secured Notes Indenture or any Future Pari Passu Debt finance document (including the Indenture) or (2) is paid on or after the final maturity date of the Future Second Lien Liabilities in the form of notes; or
 - (ii) any other amount (which is not an amount of principal or capitalized interest and default interest) on the Future Second Lien Liabilities accrued due and payable in cash in accordance with the terms of the relevant debt documents for the Future Second Lien Debt, including all additional amounts payable as a result of the tax gross up provisions relating to the Future Second Lien Liabilities and amounts in respect of currency indemnities in the relevant debt documents for the Future Second Lien Debt;
 - (b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Future Second Lien Liabilities (a “**Second Lien Payment Blockage Notice**”) is outstanding; and
 - (c) no payment event of default under the Revolving Credit Facility or other Super Senior Lender Liabilities debt documents, and no payment event of default of €200,000 (or its equivalent in other currencies) or more in respect of the Senior Secured Notes Liabilities or Future Pari Passu Debt Liabilities, has occurred and is continuing (a “**Senior Payment Default**”); or
- (2) the payment is in accordance with a provision in a Future Second Lien Debt document which is substantially equivalent to the illegality provisions, or provisions related to the right to repay individual creditors in certain circumstances, in each case, set out in the Revolving Credit Facility Agreement, and no acceleration event under the Revolving Credit Facility, other Super Senior Lender Liabilities debt documents, the Senior Secured Notes Liabilities or Future Pari Passu Debt Liabilities has occurred;
- (3) costs, commissions, taxes, premiums, amendment, consent and/or waiver fees and expenses incurred in respect of (or reasonably incidental to) the Future Second Lien Liabilities (including

in relation to reporting or listing requirements or any refinancing) in compliance with the Intercreditor Agreement, the Revolving Credit Facility or other Super Senior Lender Liabilities debt documents, the Senior Secured Notes documents and any Future Pari Passu Debt documents; provided that the aggregate of the foregoing in respect of amendment, consent and/or waiver fees and expenses does not exceed, as a percentage of the principal amount of the Future Second Lien Liabilities (or affected principal amount), the aggregate of any amendment, consent and/or waiver fees and expenses paid in relation to the Super Senior Liabilities and/or the Senior Secured Liabilities (calculated as a percentage of the principal amount of Super Senior Liabilities and/or the Senior Secured Liabilities (or affected principal amount));

- (4) for so long as an event of default under the finance documents in respect of the Senior Secured Debt (a “**Senior Default**”) is continuing, all or part of the Future Second Lien Liabilities being released or otherwise discharged solely in consideration for the issue of shares in any holding company of the Issuer (each a “**Future Second Lien Debt for Equity Swap**”), provided that (A) no cash or cash equivalent payment is made in respect of the Future Second Lien Liabilities by a member of the Group in consideration of such issuance (other than as would be otherwise permitted by another of the paragraphs in this section) and (B) any liabilities owed by a member of the Group to another member of the Group, the Shareholder Subordinated Lenders, the Intragroup Lenders or any other holding company of the Issuer that arise as a result of any such Future Second Lien Debt for Equity Swap are subordinated to the Super Senior Liabilities and Senior Secured Liabilities pursuant to the Intercreditor Agreement, and the Senior Secured Parties are granted Transaction Security in respect of those liabilities;
- (5) amounts due under the Future Second Lien Debt documents to the Future Second Lien Debt Representative (as defined below); or
- (6) commercially reasonable work fees and professional fees, costs and expenses for restructuring advice and valuations incurred by the Future Second Lien Debt Representative not covered in (5) above subject to an aggregate cap of €1,000,000 until the discharge of all the Senior Secured Debt.

Prior to the discharge of all the Senior Secured Debt, if a Senior Payment Default has occurred and is continuing, payments in respect of the Future Second Lien Liabilities (other than those consented to by the Majority Super Senior Creditors and, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents is continuing, the Majority Senior Secured Parties (as defined below) and certain specified exceptions) are suspended.

Prior to the discharge of all the Senior Secured Debt, if a Senior Default (other than a Senior Payment Default) has occurred and is continuing, and the creditor representative of the Future Second Lien Creditors (the “**Future Second Lien Debt Representative**”) has received a Second Lien Payment Blockage Notice from either the Senior Agent (or the creditor representative of other Super Senior Lender Liabilities) or the Senior Secured Notes Trustee or the representative of the Future Pari Passu Debt (including, as applicable, the Trustee) (as the case may be) (the “**Relevant Representative**”), from the date such Relevant Representative delivers a notice specifying the relevant Senior Default, payments in respect of the Future Second Lien liabilities (other than those consented to by the Majority Super Senior Creditors and, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents is continuing, the Majority Senior Secured Parties (as defined below) and certain specified exceptions) are suspended until the earliest of:

- (i) the date on which there is a waiver, remedy or cure of such Senior Default;
- (ii) the date falling 120 days after the receipt by the Future Second Lien Debt Representative of the Second Lien Payment Blockage Notice;
- (iii) the repayment and discharge of all obligations in respect of the Senior Secured Debt;
- (iv) the date on which the Relevant Representative which issued the Second Lien Payment Blockage Notice (and, if at such time an event of default is continuing in relation to the Senior Secured Debt (other than the Senior Secured Debt in respect of which the notice was given), the Relevant Representative(s) in respect of that other Senior Secured Debt) notify/ies (amongst others) the

Future Second Lien Debt Representative that the Second Lien Payment Blockage Notice is cancelled;

- (v) the date on which the Security Agent or Future Second Lien Debt Representative takes any Enforcement Action against a member of the Group which it is permitted to take in accordance with the Intercreditor Agreement;
- (vi) if a Future Second Lien Standstill Period (as defined below) is in effect at any time after delivery of a Second Lien Payment Blockage Notice, the date on which the Future Second Lien Standstill Period expires;
- (vii) provided no Senior Payment Default is continuing, the originally scheduled maturity date of the Future Second Lien Debt issued in the form of notes; or
- (viii) the date on which the relevant event of default is no longer continuing and, if the relevant Senior Secured Liabilities have been accelerated, such acceleration has been rescinded.

Unless the Future Second Lien Debt Representative waives this requirement, (i) no Second Lien Payment Blockage Notice may be served by a Relevant Representative unless 360 days have elapsed since the immediately prior Second Lien Payment Blockage Notice and (ii) no Second Lien Payment Blockage Notice may be served in respect of a Senior Default more than 60 days after the date that the Relevant Representative received notice of that Senior Default.

Only one Second Lien Payment Blockage Notice may be served with respect to the same event or set of circumstances and no such notice may be served by a Relevant Representative in respect of a Senior Default which had been notified to it at the time an earlier such notice was issued.

If a Second Lien Payment Blockage Notice ceases to be outstanding and/or the Senior Payment Default ceases to be continuing, the relevant debtor may then make those payments it would have otherwise been entitled to pay under the Future Second Lien Debt, and if it does so promptly, any event of default under the Future Second Lien Debt caused by such delayed payment shall be waived and any notice commencing a Future Second Lien Standstill Period which may have been issued as a result of such non-payment shall be waived. A Senior Payment Default is remedied by the payment of all amounts then due.

Payments and Prepayments; Subordination of the Future Unsecured Debt

Prior to the discharge of all Senior Secured Debt and all Future Second Lien Debt, no Debtor may make payments in respect of the Future Unsecured Liabilities without the consent of the Majority Super Senior Parties (as defined below) and, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents is continuing, the Majority Senior Secured Parties (as defined below) and the Majority Future Second Lien Creditors (as defined below) except for, among others, the following:

- (1) if:
 - (a) the payment is of:
 - (i) any of the principal or interest (including capitalized interest) amount of the Future Unsecured Liabilities which (1) is not prohibited from being paid by a Revolving Credit Facility or other Super Senior Lender Liabilities finance document, the Senior Secured Notes Indenture, any Future Pari Passu Debt finance document or any Future Second Lien Debt finance document or (2) is paid on or after the final maturity date of the Future Unsecured Liabilities in the form of notes; or
 - (ii) any other amount (which is not an amount of principal or capitalized interest and default interest) on the Future Unsecured Liabilities accrued due and payable in cash in accordance with the terms of the relevant debt documents for the Future Unsecured Debt, including all additional amounts payable as a result of the tax gross up provisions relating to the Future Unsecured

Liabilities and amounts in respect of currency indemnities in the relevant debt documents for the Future Unsecured Debt;

- (b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Future Unsecured Liabilities (an “**Unsecured Payment Blockage Notice**”) is outstanding; and
 - (c) no Senior Payment Default or no payment event of default of €200,000 (or its equivalent in other currencies) or more in respect of the Future Second Lien Debt Liabilities, is continuing (a “**Future Second Lien Payment Default**”), has occurred and is continuing; or
- (2) the payment is in accordance with a provision in a Future Unsecured Debt document which is substantially equivalent to the illegality provisions, or provisions related to the right to repay individual creditors in certain circumstances, in each case, set out in the Revolving Credit Facility Agreement, and no acceleration event under the Revolving Credit Facility, other Super Senior Lender Liabilities debt documents, the Senior Secured Notes Liabilities, the Future Pari Passu Debt Liabilities or the Future Second Lien Debt Liabilities has occurred;
- (3) costs, commissions, taxes, premiums, amendment, consent and/or waiver fees and expenses incurred in respect of (or reasonably incidental to) the Future Unsecured Liabilities (including in relation to reporting or listing requirements or any refinancing) in compliance with the Intercreditor Agreement, the Revolving Credit Facility or other Super Senior Lender Liabilities debt documents, the Senior Secured Notes documents, the Future Pari Passu Debt documents and the Future Second Lien Debt documents; provided that the aggregate of the foregoing in respect of amendment, consent and/or waiver fees and expenses does not exceed, as a percentage of the principal amount of the Future Unsecured Liabilities (or affected principal amount), the aggregate of any amendment, consent and/or waiver fees and expenses paid in relation to the Super Senior Liabilities and/or the Senior Secured Liabilities and/or the Future Second Lien Liabilities (calculated as a percentage of the principal amount of the Super Senior Liabilities and/or the Senior Secured Liabilities and/or the Future Second Lien Liabilities (or affected principal amount));
- (4) for so long as a Senior Default is continuing, all or part of the Future Unsecured Liabilities being released or otherwise discharged solely in consideration for the issue of shares in any holding company of the Issuer (each a “**Future Unsecured Debt for Equity Swap**”), provided that (A) no cash or cash equivalent payment is made in respect of the Future Unsecured Liabilities by a member of the Group in consideration of such issuance (other than as would be otherwise permitted by another of the paragraphs in this section) and (B) any liabilities owed by a member of the Group to another member of the Group, the Shareholder Subordinated Lenders, the Intragroup Lenders or any other holding company of the Issuer that arise as a result of any such Future Unsecured Debt for Equity Swap are subordinated to the Super Senior Lender Liabilities, the Senior Secured Liabilities and the Future Second Lien Liabilities pursuant to the Intercreditor Agreement, and the Senior Secured Parties and the Future Second Lien Creditors are granted Transaction Security in respect of those liabilities;
- (5) amounts due under the Future Unsecured Debt documents to the Future Unsecured Debt Representative (as defined below); or
- (6) commercially reasonable work fees and professional fees, costs and expenses for restructuring advice and valuations incurred by the Future Unsecured Debt Representative not covered in (5) above subject to an aggregate cap of €1,000,000 until the discharge of all the Senior Secured Debt and all the Future Second Lien Debt.

Prior to the discharge of all the Senior Secured Debt and all the Future Second Lien Debt, if a Senior Payment Default or a Future Second Lien Payment Default has occurred and is continuing, payments in respect of the Future Unsecured Liabilities (other than those consented to by the Majority Super Senior Creditors, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents is continuing, the Majority Senior Secured Parties and the Majority Future Second Lien Creditors and certain specified exceptions) are suspended.

Prior to the discharge of all the Senior Secured Debt and all the Future Second Lien Debt, if either (x) a Senior Default (other than a Senior Payment Default) or (y) an event of default under the finance documents in respect of the Future Second Lien Debt (a “**Future Second Lien Default**”) (other than a Future Second Lien Payment Default) has occurred and is continuing, and the creditor representative of the Future Unsecured Creditors (the “**Future Unsecured Debt Representative**”) has received an Unsecured Payment Blockage Notice from the Relevant Representative, from the date such Relevant Representative delivers a notice specifying the relevant Senior Default or Future Second Lien Default (as applicable), payments in respect of the Future Unsecured Liabilities (other than those consented to by the Majority Super Senior Creditors, if following a Distress Event (as defined below) or when an event of default under the Senior Secured Notes Indenture or an event of default under the Future Pari Passu Debt documents is continuing, the Majority Senior Secured Parties and the Majority Future Second Lien Creditors and certain specified exceptions) are suspended until the earliest of:

- (i) the date on which there is a waiver, remedy or cure of such Senior Default or Future Second Lien Default (as applicable);
- (ii) the date falling 179 days after the receipt by the Future Unsecured Debt Representative of the Unsecured Payment Blockage Notice;
- (iii) the repayment and discharge of all obligations in respect of the Senior Secured Debt and the Future Second Lien Debt;
- (iv) the date on which the Relevant Representative which issued the Unsecured Payment Blockage Notice (and, if at such time an event of default is continuing in relation to the Senior Secured Debt (other than the Senior Secured Debt in respect of which the notice was given) or in relation to the Future Second Lien Debt (other than the Future Second Lien Debt in respect of which the notice was given) (as applicable), the Relevant Representative(s) in respect of that other Senior Secured Debt or Future Second Lien Debt (as applicable)) notify/ies (amongst others) the Future Unsecured Debt Representative that the Unsecured Payment Blockage Notice is cancelled;
- (v) the date on which the Security Agent or Future Unsecured Debt Representative takes any Enforcement Action against a member of the Group which it is permitted to take in accordance with the Intercreditor Agreement;
- (vi) if a Future Unsecured Standstill Period (as defined below) is in effect at any time after delivery of a Unsecured Payment Blockage Notice, the date on which the Future Unsecured Standstill Period expires;
- (vii) provided no Senior Payment Default or Future Second Lien Payment Default is continuing, the originally scheduled maturity date of the Future Unsecured Debt issued in the form of notes; or
- (viii) the date on which the relevant event of default is no longer continuing and, if the relevant Senior Secured Liabilities or Future Second Lien Liabilities (as applicable) have been accelerated, such acceleration has been rescinded.

Unless the Future Unsecured Debt Representative waives this requirement, (i) no Unsecured Payment Blockage Notice may be served by a Relevant Representative unless 360 days have elapsed since the immediately prior Unsecured Payment Blockage Notice, (ii) no Unsecured Payment Blockage Notice may be served in respect of a Senior Default more than 60 days after the date that the Relevant Representative received notice of that Senior Default, and (iii) no Unsecured Payment Blockage Notice may be served in respect of a Future Second Lien Default more than 60 days after the date that the Relevant Representative received notice of that Future Second Lien Default.

Only one Unsecured Payment Blockage Notice may be served with respect to the same event or set of circumstances and no such notice may be served by a Relevant Representative in respect of a Senior Default or a Future Second Lien Default (as applicable) which had been notified to it at the time an earlier such notice was issued.

If an Unsecured Payment Blockage Notice ceases to be outstanding and/or the Senior Payment Default and/or the Future Second Lien Payment Default has ceased to be continuing (by being waived by the relevant creditors/creditor’s representative or remedied), the relevant debtor may then make those payments it would have

otherwise been entitled to pay under the Future Unsecured Debt, and if it does so promptly, any event of default under the Future Unsecured Debt caused by such delayed payment shall be waived and any notice commencing a Future Unsecured Standstill Period which may have been issued as a result of such non-payment shall be waived.

Restrictions on Enforcement by the Future Second Lien Debt; Standstill

Prior to the discharge of all the Senior Secured Debt, neither the Future Second Lien Debt Representative nor the holders of the Future Second Lien Debt may take Enforcement Action with respect to the Future Second Lien Debt without the prior consent of or as required by an Instructing Group (as defined below), except if:

- (a) an event of default under the debt documents for the Future Second Lien Debt is continuing;
- (b) the Senior Agent and the other representatives of the Senior Secured Debt have received notice of the specified event of default from the Future Second Lien Debt Representative;
- (c) a Future Second Lien Standstill Period (as defined below) has expired; and
- (d) the relevant event of default is continuing at the end of the Future Second Lien Standstill Period,

provided that no such Enforcement Action may be taken if the Security Agent is taking Enforcement Action or acting in accordance with the instructions of an Instructing Group to take steps for Enforcement and such proposed Enforcement Action in relation to the Future Second Lien Debt Documents might reasonably be likely to adversely affect such Enforcement Action or Enforcement by the Security Agent.

A “**Future Second Lien Standstill Period**” shall mean the period starting on the date that the Future Second Lien Debt Representative serves an enforcement notice on the Senior Agent, the Senior Secured Notes Trustee and the representative of any other Super Senior Lender Liabilities or Future Pari Passu Debt until the earliest of:

- (a) in the case of:
 - (i) a non-payment of principal, fees or interest representing the Future Second Lien Liabilities, 90 days after such date;
 - (ii) a non-payment of any other amount representing the Future Second Lien Liabilities, 120 days after such date; and
 - (iii) any other event of default under the debt documents for the Future Second Lien Debt, 150 days after such date;
- (b) the date on which the Security Agent takes Enforcement Action, provided that (i) the Future Second Lien Debt Representative and holders of Future Second Lien Debt may only take the same Enforcement Action against the same entity as is taken by the Security Agent and may not take any other Enforcement Action against any other member of the Group and (ii) Enforcement Action for purposes of this paragraph (b) shall not include action taken to preserve or protect any security as opposed to realize it;
- (c) the date on which an insolvency event occurs in respect of a particular Debtor owing any Future Second Lien Debt against whom Enforcement Action is to be taken;
- (d) the date on which a default under the Future Second Lien Debt in the form of notes occurs for failure to pay principal at the original scheduled maturity of the Future Second Lien Debt; and
- (e) the expiration of any other Future Second Lien Standstill Period which was outstanding at the date that the current Future Second Lien Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

If an event of default ceases to be continuing then (provided the relevant parties are made aware of such fact) any relevant enforcement process (including any requirement of consultation relating to enforcement) relying solely on that event of default shall cease to continue.

Restrictions on Enforcement by the Future Unsecured Debt; Standstill

Prior to the discharge of all the Senior Secured Debt and all the Future Second Lien Debt, neither the Future Unsecured Debt Representative nor the holders of the Future Unsecured Debt may take Enforcement Action with respect to the Future Unsecured Debt without the prior consent of or as required by an Instructing Group (as defined below), except if:

- (a) an event of default under the debt documents for the Future Unsecured Debt is continuing;
- (b) the Senior Agent and the other representatives of the Senior Secured Debt and the Future Second Lien Debt have received notice of the specified event of default from the Future Unsecured Debt Representative;
- (c) a Future Unsecured Standstill Period (as defined below) has expired or is otherwise terminated; and
- (d) the relevant event of default is continuing at the end of the Future Unsecured Standstill Period, provided that no such Enforcement Action may be taken if the Security Agent is taking Enforcement Action or acting in accordance with the instructions of an Instructing Group to take steps for Enforcement and such proposed Enforcement Action in relation to the Future Unsecured Debt documents might reasonably be likely to adversely affect such Enforcement Action or Enforcement by the Security Agent.

A “**Future Unsecured Standstill Period**” shall mean the period starting on the date that the Future Unsecured Debt Representative serves an enforcement notice on the Senior Agent and the other representatives of the Senior Secured Debt and the representative of any Future Second Lien Debt until the earliest of:

- (a) 179 days after such date;
- (b) the date on which the Security Agent takes Enforcement Action, provided that (i) the Future Unsecured Debt Representative and holders of Future Unsecured Debt may only take the same Enforcement Action against the same entity as is taken by the Security Agent and may not take any other Enforcement Action against any other member of the Group and (ii) Enforcement Action for purposes of this paragraph (b) shall not include action taken to preserve or protect any security as opposed to realize it;
- (c) the date on which an insolvency event occurs in respect of a particular Debtor owing any Future Unsecured Debt against whom Enforcement Action is to be taken;
- (d) the date on which a default under the Future Unsecured Debt in the form of notes occurs for failure to pay principal at the original scheduled maturity of the Future Unsecured Debt; and
- (e) the expiration of any other Future Unsecured Standstill Period which was outstanding at the date that the current Future Unsecured Standstill Period commenced (other than as a result of a cure, waiver or permitted remedy thereof).

If an event of default ceases to be continuing then (provided the relevant parties are made aware of such fact) any relevant enforcement process (including any requirement of consultation relating to enforcement) relying solely on that event of default shall cease to continue.

Enforcement by Holders of Senior Secured Debt

Prior to the date upon which all amounts (actual or contingent) owing under the Revolving Credit Facility and other credit facilities that are Super Senior Lender Liabilities are fully discharged and paid in full and all commitments thereunder are irrevocably cancelled (the “**Credit Facility Lender Discharge Date**”), the Security Agent will (subject as further set out below and other than in certain limited circumstances specified in the Intercreditor Agreement where the Security Agent will act on the instructions of the Majority Future Second Lien Creditors (as defined below) or the Majority Future Unsecured Creditors (as defined below)) act on the instructions of (i) the RCF Lenders, the lenders of such other Super Senior Lender Liabilities and the Super Senior Hedging Banks whose super senior credit participations represent more than 66 2/3% of the aggregate super senior

credit participations of all such persons and their relevant representatives (the “**Majority Super Senior Creditors**”) and (ii) to the extent the relevant matter is prohibited under the Senior Secured Notes documents or the Future Pari Passu Debt documents, the holders of the Senior Secured Notes, the holders of Future Pari Passu Debt and the Pari Passu Hedging Banks whose aggregate senior secured credit participations represent more than 50% of the aggregate senior secured credit participations of all such creditors (the “**Majority Senior Secured Parties**”), in each case subject to the consultation period referred to below and provided that such instructions are consistent with the security enforcement principles set forth below.

Following the Credit Facility Lender Discharge Date but prior to the date upon which all Senior Secured Debt is discharged and paid in full and all commitments thereunder are irrevocably cancelled (the “**Senior Secured Debt Discharge Date**”), the Security Agent will act on the instructions of the Majority Senior Secured Parties (other than in certain limited circumstances specified in the Intercreditor Agreement where the Security Agent will act on the instructions of the Majority Future Second Lien Creditors (as defined below) or the Majority Future Unsecured Creditors (as defined below)).

Following the Senior Secured Debt Discharge Date but prior to the date upon which all Future Second Lien Debt is discharged and paid in full and all commitments thereunder are irrevocably cancelled (the “**Future Second Lien Discharge Date**”), the Security Agent will act on the instructions of the Majority Future Second Lien Creditors (as defined below). Following the Future Second Lien Discharge Date the Security Agent will act on the instructions of the Majority Future Unsecured Creditors (as defined below). In each of the scenarios outlined in the above two paragraphs, the relevant parties giving instructions to the Security Agent shall be the “**Instructing Group**.” Each Primary Creditor (other than certain creditor representatives), Shareholder Subordinated Lender and Intragroup Lender will agree in the Intercreditor Agreement that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent (acting as directed by an Instructing Group provided that such instructions have been given in accordance with the restrictions in the Intercreditor Agreement).

Consultation

Prior to the Credit Facility Lender Discharge Date and prior to giving any instructions to the Security Agent, to commence enforcement of all or part of the Transaction Security and/or the requesting of a distressed disposal and/or the release or disposal of claims or Transaction Security on a distressed disposal, and the taking of any other actions consequential on (or necessary to effect) the enforcement of the Transaction Security (“**Enforcement**”), the relevant representative of the Senior Secured Debt (or, to the extent that the Future Second Lien Creditors are permitted to do so, the Future Second Lien Debt Representative or, to the extent that the Future Unsecured Creditors are permitted to do so, the Future Unsecured Debt Representative) shall notify the Security Agent, and the Senior Secured Debt representatives that the applicable Transaction Security has become enforceable. As soon as reasonably practicable after receipt of such a notice instructing the Security Agent to solicit instructions to enforce Transaction Security or take other Enforcement Action given by the Majority Super Senior Creditors and/or the Majority Senior Secured Parties and/or Majority Future Second Lien Creditors (as defined below) and/or Majority Future Unsecured Creditors (as defined below) (as applicable), the Security Agent shall distribute such notice to the relevant addressees promptly upon receipt, following which, the Senior Agent or creditor representative of other Super Senior Lender Liabilities (acting on the instructions of the Majority Super Senior Creditors), the Senior Secured Notes Trustee (acting on instructions of the holders of the Senior Secured Notes in accordance with the provisions of the Indenture and the Intercreditor Agreement) and the representative of the holders of Future Pari Passu Debt will consult in good faith with each other and the Security Agent for a period of 15 days from the date such notice is received by such persons (or such shorter period as the relevant parties may agree) with a view to coordinating the instructions to be given by an Instructing Group and agreeing an enforcement strategy (the “**Consultation Period**”).

No such consultation shall be required (and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of the Consultation Period, in each case provided such instructions comply with the Security Enforcement Principles set forth below (“**Qualifying Instructions**”)) where:

- (a) any of the Transaction Security has become enforceable as a result of an insolvency event affecting the Issuer, any Debtor or (prior to the discharge of the Revolving Credit Facility) any subsidiary that is a “**Material Company**” under the Revolving Credit Facility (as applicable) (each a “**Relevant Company**”); or

- (b) the Instructing Group or, as applicable, the Majority Super Senior Creditors or the Majority Senior Secured Parties determine in good faith (and notifies each other representative agent of the other Senior Secured Parties and the Security Agent) that any delay caused by such consultation could reasonably be expected (A) to reduce the amount likely to be realized to a level such that (following application thereof in accordance with the Payment Waterfall described below) the payments then due and payable under the Revolving Credit Facility to the RCF Lenders, and the lenders, ancillary lenders and issuing banks under any other credit facility that ranks on a consistent basis with the Revolving Credit Facility (together, the “**Super Senior Lender Liabilities**”) and to the Super Senior Hedging Banks in respect of the Super Senior Hedging Liabilities (together, the “**Super Senior Liabilities**”) would not be discharged in full or (B) to have a material adverse effect on the ability to effect an Enforcement or a Distressed Disposal and, in each case any instructions will be limited to those necessary to protect or preserve the interests of the Senior Secured Parties, or Super Senior Creditors, on behalf of which the relevant Instructing Group is acting and the Security Agent shall act in accordance with the instructions first received.

If following the Consultation Period, the Majority Super Senior Creditors and/or the Majority Senior Secured Parties have agreed on an enforcement strategy, the Security Agent shall be instructed to implement the same.

Subject to the paragraph below, in the event that conflicting instructions (and for these purposes silence is deemed to be a conflicting instruction) are received from either Instructing Group by the end of the Consultation Period (which have not been resolved), the Security Agent shall enforce the Transaction Security and/or refrain from enforcing the Transaction Security and/or take the relevant other Enforcement Action in accordance with the instructions provided by the Majority Senior Secured Parties, in each case provided such instructions are Qualifying Instructions and the terms of all instructions received by the Majority Super Senior Creditors during the Consultation Period shall be deemed revoked.

If prior to the Credit Facility Lender Discharge Date:

- (a) the Super Senior Liabilities have not been repaid in full in cash within six months of the end of the Consultation Period (or within six months of the event of default giving rise to the right to commence an Enforcement if no such Consultation Period is required);
- (b) the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within six months of the end of the Consultation Period (or within six months of the event of default giving rise to the right to commence an Enforcement if no such Consultation Period is required); or
- (c) an insolvency event has occurred with respect to a Relevant Company and the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action at that time with respect to such Relevant Company,

then the Security Agent shall thereafter follow any instructions that are subsequently given by the Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions and the Security Agent shall be entitled to assume that any instructions for enforcement given to it are Qualifying Instructions) to the exclusion of those given by the Majority Senior Secured Parties (to the extent conflicting with any instructions previously given by the Majority Senior Secured Parties).

Security Enforcement Principles

Unless otherwise provided in the Intercreditor Agreement, enforcement of the Transaction Security must be conducted in accordance with the “Security Enforcement Principles,” which are summarized as follows:

- (a) It shall be the priority and over-riding aim of any enforcement of the Transaction Security to maximize, so far as is consistent with a prompt and expeditious realization of value from enforcement of the Transaction Security, and in a manner consistent with the Intercreditor Agreement, the recovery by the RCF Lenders and the lenders of other Super Senior Lender Liabilities, the Hedging Banks, the holders of the Senior Secured Notes, the holders of the Future Pari Passu Debt, the holders of the Future Second Lien Debt (to the extent the Transaction Security is expressed to secure such debt) and the holders of the Future Unsecured

Debt (to the extent the Transaction Security is expressed to secure such debt) (the “**Security Enforcement Objective**”) subject to applicable law.

- (b) The Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors, the Senior Secured Notes Required Holders (as defined below), the Future Pari Passu Debt Required Holders (as defined below) and (to the extent relating to the definition of “Security Enforcement Objective” or paragraph (a) above) the Majority Future Second Lien Creditors.
- (c) Without prejudice to the Security Enforcement Objective, the Transaction Security will, subject to applicable law, be enforced and other action as to Enforcement will be taken such that either (1) all proceeds of Enforcement are received by the Security Agent in cash (or substantially all cash) for distribution in accordance with the Payments Waterfall; or (2) sufficient proceeds of Enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise).
- (d) On (i) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds a threshold (or its equivalent); or (ii) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists, the Security Agent shall (unless such enforcement or sale is made pursuant to a public auction, a public offering or process supervised by a court of law which makes a determination as to value) obtain an opinion from a reputable internationally recognized investment bank or international accounting firm or other reputable, third-party professional firm that is regularly engaged in providing valuations of businesses or assets similar or comparable to those charged under the Transaction Security to be enforced (a “**Financial Advisor**”) to opine as expert (A) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Objective and maximize recovery, (B) that the proceeds received from enforcement is fair from a financial point of view after taking into account all relevant circumstances, and (C) that such sale is otherwise in accordance with the Security Enforcement Principles, provided that the provider of such opinion may limit its liability in respect of such opinion to the amount of its fees in respect of such engagement.
- (e) The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement.

Turnover

The Intercreditor Agreement also provides that if any Primary Creditor (as defined below) receives or recovers the proceeds of any enforcement of any Transaction Security except in accordance with the “*—Application of Proceeds/Waterfall*” described below, that it will (subject to certain prior actual knowledge qualifications in the case of the Senior Secured Notes Trustee):

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities owed to such creditor (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

In addition, the Intercreditor Agreement also provides that if any creditor under the Revolving Credit Facility or other Super Senior Lender Liabilities, Senior Secured Notes creditor, Future Pari Passu Debt creditor, Future Second Lien Creditor or Future Unsecured Creditor receives or recovers the proceeds of any guarantee of the Revolving Credit Facility or other Super Senior Lender Liabilities, Senior Secured Notes, Future Pari Passu Debt, Future Second Lien Debt and/or Future Unsecured Debt (the “**Senior Guarantee Liabilities**”) except in

accordance with the “*Application of Guarantee Proceeds/Waterfall*” described below, that it will (subject to certain prior actual knowledge qualifications in the case of the Senior Secured Notes Trustee):

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities owed to such creditor (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

In addition, the Intercreditor Agreement also provides that if any Future Second Lien Creditor, Future Unsecured Creditor, Shareholder Subordinated Lender or Intragroup Lender receives or recovers any payment or distribution not permitted under the Intercreditor Agreement or applied other than in accordance with the “*Application of Proceeds/Waterfall*” described below, that it will (subject to certain prior actual knowledge qualifications in the case of the Senior Secured Notes Trustee):

- in relation to receipts or recoveries not received or recovered by way of set-off, (i) hold an amount of that receipt or recovery equal to the relevant liabilities owed to such creditor (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities owed to such creditor to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds/Waterfall

All amounts received or recovered by the Security Agent in connection with the realization or Enforcement of all or any part of the Transaction Security or otherwise paid to the Security Agent in accordance with the Intercreditor Agreement for application in accordance with the following payments waterfall (the “**Payments Waterfall**”):

- **first**, in payment of the following amounts in the following order (i) *pari passu* and pro rata to any sums owing to the Senior Secured Notes Trustee and Security Agent (or any receiver or delegate) in respect of their costs and expenses and then (ii) *pari passu* and pro rata to each other creditor representative to the extent not included in (i) above in respect of their costs and expenses;
- **secondly**, *pari passu* and pro rata, in or towards payment of all costs and expenses incurred by the holders of Super Senior Lender Liabilities and the Super Senior Hedging Banks in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **thirdly**, *pari passu* and pro rata (i) to the creditor representatives of the Revolving Credit Facility and other Super Senior Lender Liabilities on behalf of the RCF Lenders, the creditor representatives and the arrangers of the other Super Senior Lender Liabilities for application towards the discharge of all Super Senior Lender Liabilities, and (ii) to the Super Senior Hedging Banks in respect of amounts then due and payable under any Super Senior Hedging Agreements;
- **fourth**, *pari passu* and pro rata to the Senior Secured Notes Trustee (and/or the representative of any Future Pari Passu Creditors (including the Trustee)) for application towards any unpaid costs and expenses incurred by or on behalf of any holders of Senior Secured Notes or holders of Future Pari Passu Debt (including the Notes) in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;

- **fifth**, *pari passu* and pro rata (i) to the Senior Secured Notes Trustee on behalf of the holders of the Senior Secured Notes for application towards the discharge of all Senior Secured Notes Liabilities, (ii) to the representative of the holders of Future Pari Passu Debt on behalf of such holders of Future Pari Passu Debt for application towards the discharge of all Future Pari Passu Liabilities and (iii) to the Pari Passu Hedging Banks in respect of amounts then due and payable under any Pari Passu Hedging Agreements;
- **sixth**, (to the extent such Transaction Security secures such Liabilities) *pari passu* and pro rata in or towards payment to the Future Second Lien Debt Representative of all costs and expenses incurred by the holders of Future Second Lien Debt in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **seventh**, (to the extent such Transaction Security secures such Liabilities) *pari passu* and pro rata in or towards payment to the Future Second Lien Representative on behalf of the holders of Future Second Lien Debt for application towards the discharge of all amounts then due and payable to the holders of Future Second Lien Debt at that time;
- **eighth**, (to the extent such Transaction Security secures such Liabilities) *pari passu* and pro rata in or towards payment to the Future Unsecured Debt Representative of all costs and expenses incurred by the holders of Future Unsecured Debt in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **ninth**, (to the extent such Transaction Security secures such Liabilities) *pari passu* and pro rata in or towards payment to the Future Unsecured Debt Representative on behalf of the holders of Future Unsecured Debt for application towards the discharge of all amounts then due and payable to the holders of Future Unsecured Debt at that time; and
- **tenth**, after the final discharge date, to any relevant Debtor or such other person as may be entitled thereto.

Application of Guarantee Proceeds/Waterfall

All amounts from time to time received or recovered by the Security Agent in respect of Senior Guarantee Liabilities will be paid to the Security Agent for application in accordance with the following guarantee payments waterfall:

- **first**, in payment of the following amounts in the following order: (i) *pari passu* and pro rata to any sums owing to the Senior Secured Notes Trustee and Security Agent (or any receiver or delegate) in respect of their costs and expenses and then (ii) *pari passu* and pro rata to each creditor representative of the holders of the Senior Secured Notes, holders of the Future Pari Passu Debt and holders of Future Second Lien Debt to the extent not included in (i) above in respect of their costs and expenses;
- **secondly**, *pari passu* and pro rata to (i) the creditor representatives of the Revolving Credit Facility and other Super Senior Lender Liabilities on behalf of the RCF Lenders, the creditor representatives and the arrangers of the other Super Senior Lender Liabilities for application towards the discharge of all Super Senior Lender Liabilities; (ii) the Hedging Banks in respect of amounts then due and payable under any Hedging Agreements; (iii) the Senior Secured Notes Trustee on behalf of the holders of the Senior Secured Notes for application towards the discharge of all Senior Secured Notes Liabilities and (iv) each creditor representative of the holders of Future Pari Passu Debt on behalf of such holders of Future Pari Passu Debt it represents for application towards the discharge of all Future Pari Passu Liabilities;
- **thirdly**, *pari passu* and pro rata to each Future Second Lien Debt Representative on behalf of the holders of Future Second Lien Debt it represents for application towards the discharge of all amounts then due and payable to the holders of Future Second Lien Debt at that time;
- **fourthly**, *pari passu* and pro rata to each Future Unsecured Debt Representative on behalf of the holders of Future Unsecured Debt it represents for application towards the discharge of all amounts then due and payable to the holders of Future Unsecured Debt at that time; and

- **fifthly**, after the final discharge date, to any relevant Debtor or such other person as may be entitled to it.

Payments made in breach of any of the above sections will be held in trust by the relevant recipient and turned over to the Security Agent for application in accordance with the “—*Turnover*” paragraph above.

Acceleration

If an event of default occurs under the Revolving Credit Facility or other Super Senior Lender Liabilities, the Senior Secured Notes, Future Pari Passu Debt, Future Second Lien Debt or Future Unsecured Debt, then any decision to accelerate the Revolving Credit Facility or other Super Senior Lender Liabilities or Senior Secured Notes or Future Pari Passu Debt or Future Second Lien Debt or Future Unsecured Debt and, subject as provided below, to take any other Enforcement Action will be determined in accordance with the provisions of the Revolving Credit Facility or other Super Senior Lender Liabilities documents or the Senior Secured Notes Indenture or in accordance with the terms of the Future Pari Passu Debt or Future Second Lien Debt or Future Unsecured Debt (as applicable). The Intercreditor Agreement contains provisions requiring each representative of any Future Pari Passu Debt creditors, Future Second Lien Creditors or Future Unsecured Creditors, the Senior Agent or agent with respect to other Super Senior Lender Liabilities, the Senior Secured Notes Trustee and the Hedging Banks to notify the other representatives of the Senior Secured Parties, the Future Second Lien Creditors, the Future Unsecured Creditors and the Hedging Banks of any event of default or any instructions to accelerate the Revolving Credit Facility or other Super Senior Lender Liabilities, liabilities under the Hedging Agreements, Senior Secured Notes, Future Pari Passu Debt, Future Second Lien Debt or Future Unsecured Debt (as applicable).

Non-Distressed Disposal

In circumstances where a disposal or certain other specified transactions are not being effected pursuant to a Distress Event (as defined below) (a disposal effected pursuant to a Distress Event being a “**Distressed Disposal**”) and are otherwise permitted by the terms of the Senior Secured Notes Indenture and the debt documents for the Future Pari Passu Debt, the Future Second Lien Debt and the Future Unsecured Debt and the finance documents for the Revolving Credit Facility and other Super Senior Lender Liabilities, the Intercreditor Agreement provides that the Security Agent is authorized (i) to release the Transaction Security (and in connection with such release, execute any related documents); and (ii) if the relevant asset consists of shares in the capital of a Debtor, to release the Transaction Security or any other claim in respect of the liabilities secured by the Transaction Security over the assets of that Debtor and the shares in and assets of any of its subsidiaries.

Distressed Disposal

Where a Distressed Disposal of an asset is being effected or an appropriation (or similar process) of the shares in the capital of a member of the Group (other than the Issuer) by the Security Agent (or any Receiver or Delegate) which is effected (to the extent permitted under the relevant Transaction Security Document and applicable law) by enforcement of the Transaction Security (an “**Appropriation**”), the Intercreditor Agreement provides that the Security Agent is authorized: (i) to release the Transaction Security, or any other claim over that asset; (ii) if the asset subject to a Distressed Disposal or Appropriation consists of shares in the capital of a Debtor, to release (a) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities or guarantee liabilities to the Senior Secured Parties, Future Second Lien Creditors or Future Unsecured Creditors or others or otherwise in connection with the Transactions (“**Primary Liabilities**”) or other liabilities it may have to Shareholder Subordinated Lenders, Intragroup Lenders or Debtors (“**Other Liabilities**”); (b) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets, and any holding company of that Debtor over any shares, loans, claims or other rights in or against that Debtor; and (c) any other claim of a Shareholder Subordinated Lender, Intragroup Lender, or another Debtor over that Debtor’s assets or over the assets of any subsidiary of that Debtor; (iii) if the asset subject to a Distressed Disposal or Appropriation consists of shares in the capital of any holding company of a Debtor, to release (a) that holding company and any subsidiary of that holding company from all or any part of its Primary Liabilities and Other Liabilities; (b) any Transaction Security granted by any subsidiary of that holding company over any of its assets and any holding company of that holding company over any shares, loans, claims or other rights in or against that holding company; and (c) any other claim of a Shareholder Subordinated Lender, Intragroup Lender or another Debtor over the assets of any subsidiary of that holding company; and (iv) if the asset subject to a Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or a holding company of a Debtor, to provide, for (1) the transfer of liabilities to another Debtor and/or (2) the disposal, to third parties, of creditor’s claims against that Debtor or holding company (which may include claims against the Issuer).

If the Instructing Group is constituted by the Majority Senior Secured Parties (or a Distressed Disposal is conducted pursuant to their instructions), Super Senior Liabilities may not be released or disposed of unless sufficient cash proceeds are received from the relevant Distressed Disposal and applied towards the irrevocable discharge in full of all Super Senior Liabilities.

If before the Future Second Lien Discharge Date, and provided that the Issuer or any guarantor of Future Second Lien Debt has outstanding Future Second Lien Liabilities, a Distressed Disposal is being effected such that Future Second Lien Liabilities owed by such guarantors and the Transaction Security over the shares in or assets of the Issuer or any such guarantor will be released, it is a further condition to the release that either:

- (i) the Future Second Lien Debt Representative has approved the release on the instructions of the Majority Future Second Lien Creditors; or
- (ii) each of the following conditions are satisfied:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);
 - (B) all present and future obligations owed to the Senior Secured Parties under the Senior Secured Debt documents by a member of the Group all of whose shares that are pledged in favor of the Senior Secured Parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of or transferred concurrently with such sale or disposal (and such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security granted by a member of the Group in respect of the liability owed to the Senior Secured Parties under the Senior Secured Debt documents in respect of the assets that are so sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; and
 - (C) such sale or disposal is made:
 - (I) pursuant to a public auction or public offering in which the Future Second Lien Creditors have a right to participate (including as part of a consortium and as prospective buyers and/or financiers); or
 - (II) in circumstances where (x) the Security Agent considers that a sale or disposal pursuant to a public auction is not reasonably practicable taking into account all relevant circumstances or (y) following an attempted sale or disposal pursuant to a public auction, the highest final bid or offer received by the Security Agent pursuant to the public auction is less than par value of the outstanding Senior Secured Liabilities, where an internationally recognized investment bank or an internationally recognized firm of accountants selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale, provided that the liability of such investment bank or internationally recognized firm of accountants in giving such opinion may be limited to the amount of its fees in respect of such engagement.

If before the discharge date of all Future Unsecured Debt, and provided that the Issuer or any guarantor of Future Unsecured Debt has outstanding Future Unsecured Liabilities, a Distressed Disposal is being effected such that Future Unsecured Liabilities owed by such guarantors will be released, it is a further condition to the release that either:

- (i) the Future Unsecured Debt Representative has approved the release on the instructions of the Majority Future Unsecured Creditors; or
- (ii) each of the following conditions are satisfied:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);

- (B) all present and future obligations owed to the Senior Secured Parties under the Senior Secured Debt documents and to any Future Second Lien Creditors under the Future Second Lien Debt documents, in each case by a member of the Group all of whose shares that are pledged in favor of the Senior Secured Parties are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of or transferred concurrently with such sale or disposal (and such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security granted by a member of the Group in respect of the liability owed to the Senior Secured Parties under the Senior Secured Debt documents and to any Future Second Lien Creditors under the Future Second Lien Debt documents, in each case in respect of the assets that are so sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; and
- (C) such sale or disposal is made:
 - (I) pursuant to a public auction or public offering in which the Future Unsecured Creditors have a right to participate (including as part of a consortium and as prospective buyers and/or financiers); or
 - (II) in circumstances where (x) the Security Agent considers that a sale or disposal pursuant to a public auction is not reasonably practicable taking into account all relevant circumstances or (y) following an attempted sale or disposal pursuant to a public auction, the highest final bid or offer received by the Security Agent pursuant to the public auction is less than par value of the outstanding Senior Secured Liabilities and the Future Second Lien Liabilities, where an internationally recognized investment bank or an internationally recognized firm of accountants selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale, provided that the liability of such investment bank or internationally recognized firm of accountants in giving such opinion may be limited to the amount of its fees in respect of such engagement.

The Intercreditor Agreement may also provide for a mechanism whereby, in circumstances where such liabilities would otherwise be released, such liabilities may instead, upon notice, be transferred to another Debtor.

Application of Proceeds of a Distressed Disposal

The net proceeds of a Distressed Disposal (and the net proceeds of any disposal of liabilities) shall be paid to the Security Agent (as the case may be) for application in accordance with the provisions set forth under “—*Application of Proceeds/Waterfall*” as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities or Appropriation has occurred, as if the disposal of liabilities, or any reduction in the secured obligations resulting from that Appropriation, had not occurred.

Voting and Amendments

Voting in respect of the Revolving Credit Facility and other Super Senior Lender Liabilities, the Senior Secured Notes, Future Pari Passu Debt, Future Second Lien Debt and/or Future Unsecured Debt will be in accordance with the relevant documents.

Except for amendments of a minor, technical or administrative nature which may be effected by the Security Agent and the Issuer and subject to the paragraph below, amendments to or waivers and consents under the Intercreditor Agreement shall require the written agreement of:

- (a) the Majority Super Senior Creditors;
- (b) the Senior Secured Notes Required Holders and the Future Pari Passu Debt Required Holders;

- (c) the Future Second Lien Creditors whose aggregate second lien credit participations represent more than 66 2/3% (or if there is at any time there is any Future Second Lien Debt not in the form of loans outstanding, 50%) of the aggregate second lien credit participations of all such creditors (the “**Majority Future Second Lien Creditors**”);
- (d) the Future Unsecured Creditors whose aggregate unsecured credit participations represent more than 66 2/3% (or if there is at any time there is any Future Unsecured Debt not in the form of loans outstanding, 50%) of the aggregate unsecured credit participations of all such creditors (the “**Majority Future Unsecured Creditors**”);
- (e) the Security Agent; and
- (f) the Issuer,

provided that to the extent an amendment, waiver or consent only affects certain classes of secured party, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of secured party, only written agreement from the affected class or classes shall be required.

Notwithstanding the paragraph immediately above, an amendment or waiver relating to provisions dealing with (i) ranking and priority, (ii) turnover of receipts, (iii) redistribution, (iv) enforcement of Transaction Security, (v) disposal proceeds, (vi) application of proceeds, (vii) amendments, (viii) certain provisions relating to the instructions to and exercise of discretion by the Security Agent, (ix) the order of priority or subordination under the Intercreditor Agreement, and (x) the definition of “Instructing Group” shall not be made without the written consent of:

- (a) the RCF Lenders and the lenders of any other Super Senior Lender Liabilities;
- (b) the Senior Secured Notes Trustee (in accordance with the terms of the Senior Secured Notes Indenture);
- (c) the representative of the holders of Future Pari Passu Debt;
- (d) each Hedging Bank (to the extent that the amendment or waiver would adversely affect such Hedging Bank);
- (e) the Future Second Lien Debt Representative (to the extent that the amendment or waiver would adversely affect such Future Second Lien Creditors);
- (f) the Future Unsecured Debt Representative (to the extent that the amendment or waiver would adversely affect such Future Unsecured Creditors); and
- (g) the Issuer.

Definitions

The Intercreditor Agreement shall provide that:

- (a) “**Future Pari Passu Debt Required Holders**” means, in respect of any direction, approval, consent or waiver, the Future Pari Passu Creditors holding in aggregate a principal amount of Future Pari Passu Debt which is not less than the principal amount of Future Pari Passu Debt required to vote in favor of such direction, consent or waiver under the terms of the relevant documents or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding Future Pari Passu Debt, in accordance with the relevant Future Pari Passu Debt documents;
- (b) “**Primary Creditors**” means the Super Senior Creditors, the Senior Secured Notes Creditors, the Future Pari Passu Creditors, the Hedging Banks, the Future Second Lien Creditors and the Future Unsecured Creditors;

- (c) “**Senior Secured Notes Required Holders**” means, in respect of any direction, approval, consent or waiver, the holders of the Senior Secured Notes holding in aggregate a principal amount of Senior Secured Notes which is not less than the principal amount of Senior Secured Notes required to vote in favor of such direction, consent or waiver under the terms of the Senior Secured Notes Indenture or, if the required amount is not specified, the holders holding at least the majority of the principal amount of the then outstanding Senior Secured Notes (as applicable);
- (d) “**Transaction Security**” means the security created or expressed to be created under or pursuant to the Transaction Security Documents; and
- (e) “**Transaction Security Documents**” means: (i) as defined (or equivalent term) in the Revolving Credit Facility, any other document governing any other credit facility that are Super Senior Lender Liabilities and/or a document governing any Future Pari Passu Debt; (ii) any other document entered into at any time by any member of the Group creating any security in favor of the secured parties as security for any of the secured obligations; and (iii) any security granted under any covenant for further assurance in any of the documents set out in paragraphs (i) and (ii) above, which in each case, to the extent legally possible is created in favor of (A) the Security Agent as trustee for the secured parties in respect of their liabilities; or (B) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as trustee for the secured parties, the secured parties in respect of their liabilities or the Security Agent under a parallel debt structure for the benefit of the secured parties.

Option to Purchase

Following:

- (a) any notice that the Transaction Security has become enforceable; or
- (b) either (i) an acceleration of the Revolving Credit Facility or other Super Senior Lender Liabilities, the Senior Secured Notes, the Future Pari Passu Debt, the Future Second Lien Debt or the Future Unsecured Debt, or (ii) the enforcement of any Transaction Security (a “**Distress Event**”),
- (c) then the holders of the Senior Secured Notes and Future Pari Passu Debt shall have an option (subject to certain terms and conditions set out in the Intercreditor Agreement) to purchase all (but not part) of the relevant lenders’ (or their affiliates) commitments under the Revolving Credit Facility and other Super Senior Lender Liabilities and all the Super Senior Hedging Liabilities at par plus accrued interest and all other amounts owing under the Revolving Credit Facility and other Super Senior Lender Liabilities and Hedging Agreements, with such purchase to occur all at the same time.

Following any notice that the Transaction Security has become enforceable or a Distress Event, each of the holders of the Future Second Lien Debt shall have an option (subject to certain terms and conditions set out in the Intercreditor Agreement) to purchase all (but not part) of the Senior Secured Debt at par plus accrued interest and all other amounts owing in respect of such Senior Secured Debt, with such purchase to occur all at the same time.

Following any notice that the Transaction Security has become enforceable or a Distress Event, each of the holders of the Future Unsecured Debt shall have an option (subject to certain terms and conditions set out in the Intercreditor Agreement) to purchase all (but not part) of the Senior Secured Debt and the Future Second Lien Debt at par plus accrued interest and all other amounts owing in respect of such Senior Secured Debt and Future Second Lien Debt, with such purchase to occur all at the same time.

Hedging

All scheduled and certain other payments permitted under a Hedging Agreement (other than close out payments (or payments when a scheduled payment from the hedging counterparty is due and unpaid)) are permitted payments for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement contains provisions in relation to the circumstances in which a Hedging Bank may take Enforcement Action in relation to its hedging, together with other customary rights and obligations.

General

The Intercreditor Agreement contains provisions dealing with:

- (a) close-out rights for the Hedging Liabilities;
- (b) permitted payments (including without limitation, the repayment of Intragroup Liabilities and Shareholder Liabilities and the payment of permitted distributions in each case to the extent permitted under the terms of the finance documents relating to the Senior Secured Debt, the Future Second Lien Debt and the Future Unsecured Debt);
- (c) incurrence of Future Pari Passu Debt, Future Second Lien Debt or Future Unsecured Debt that will allow certain creditors and agents with respect to such Future Pari Passu Debt, Future Second Lien Debt or Future Unsecured Debt, as the case may be, to accede to the Intercreditor Agreement and benefit from, and be subject to, the provisions of the Intercreditor Agreement (including, without limitation, protections and permissions associated with the payment of amounts to the Senior Secured Notes Trustee) so long as not prohibited under the Revolving Credit Facility or other Super Senior Lender Liabilities documents or the Senior Secured Notes Indenture and in compliance with the agreed parameters for such class of debt (if any) and the Future Second Lien Debt and Future Unsecured Debt shall be subject to the relevant subordination provisions under the Intercreditor Agreement;
- (d) the ability to incur additional credit facilities benefiting from the equivalent position under the terms of the Intercreditor Agreement as the Revolving Credit Facility (to the extent such additional credit facilities are allowed under the terms of the Revolving Credit Facility to share in the Transaction Security with the rights and obligations equivalent to that of the RCF Lenders and which is permitted by the terms of the finance documents relating to Senior Secured Notes to rank senior to the Senior Secured Notes Liabilities with respect to the proceeds of any Enforcement of the Transaction Security);
- (e) payments received by creditors which are not permitted by the Intercreditor Agreement shall be required to be held on trust for the Security Agent and provided to the Security Agent for application in accordance with the Payments Waterfall;
- (f) the appointment of the Security Agent and its related rights and obligations, together with the rights and obligations of any notes trustee of debt which is the subject of the Intercreditor Agreement; and
- (g) certain rights and obligations of ancillary lenders and issuing banks under the Revolving Credit Facility documents and other Super Senior Lender Liabilities documents.

Governing Law

The Intercreditor Agreement is governed by and will be construed in accordance with English law.

Big Easy Intercompany Loan

On May 11, 2021, Lottomatica (formerly, Lottomatica S.p.A.), as lender, and Big Easy, as borrower, entered into an intercompany loan (the “Big Easy Intercompany Loan”) in the aggregate principal amount of €11,500,000.00. The amounts received pursuant to such Big Easy Intercompany Loan were used by Big Easy to, among others, repay and cancel (i) its indebtedness under the loan made available by IGT Lottery S.p.A. and (ii) general corporate purpose. The Big Easy Intercompany Loan bears interest at a rate equal to three-months EURIBOR (with zero floor) plus a margin of 5.68% and an additional margin of 1.50% (both calculated on the amount of the loan utilized and not cancelled).

The receivables in respect of the Big Easy Intercompany Loan are assigned by way of security by Lottomatica (formerly, Lottomatica S.p.A. and, following the completion of the Lottomatica Merger, the Issuer) to secure the

May 2024 Fixed Rate Notes, the May 2025 Notes and the Revolving Credit Facility and such assignment by way of security will be extended to secure the Notes. The Big Easy Intercompany Loan is governed by Italian law.

GBO Intercompany Loan

On November 17, 2022, Lottomatica (formerly, Lottomatica S.p.A.), as lender, and GBO, as borrower, entered into an intercompany loan (as subsequently amended and restated pursuant to certain amendment agreements entered into on, respectively, November 6, 2023, May 6, 2024, June 25, 2024, September 19, 2025 and February 27, 2026 by and between the same parties, the “**First GBO Intercompany Loan**”) in the aggregate principal amount of €350,000,000.00. The amounts received pursuant to such First GBO Intercompany Loan were used by GBO to, among others, finance the Betflag Acquisition. The First GBO Intercompany Loan bears interest at a rate equal to a margin of 5.30% per annum and an additional margin of 0.50% per annum plus 0.75% of spread in case of election of capitalization of interest by GBO (all calculated on the amount of the loan utilized and not cancelled). On April 22, 2024, Lottomatica (formerly, Lottomatica S.p.A.), as lender, and GBO, as borrower, entered into an intercompany loan (as subsequently amended and restated pursuant to the amendment agreements entered into on June 25, 2024, September 19, 2025 and February 27, 2026, the “**Second GBO Intercompany Loan**” and, together with the First GBO Intercompany Loan, the “**GBO Intercompany Loans**”) in the aggregate principal amount of €500,000,000.00. The amounts received pursuant to such Second GBO Intercompany Loan were used by GBO to, among others, finance the PWO Acquisition. The Second GBO Intercompany Loan bears interest at a rate equal to a margin of 5.30% per annum and an additional margin of 0.50% per annum plus 0.75% of spread in case of election of capitalization of interests by GBO (all calculated on the amount of the loan utilized and not cancelled).

The receivables in respect of the GBO Intercompany Loans are assigned by way of security by Lottomatica (formerly, Lottomatica S.p.A. and, following the completion of the Lottomatica Merger, the Issuer) to secure the May 2024 Fixed Rate Notes, the May 2025 Notes and the Revolving Credit Facility and such assignment by way of security will be extended to secure the Notes. The GBO Intercompany Loans are governed by Italian law.

Bank Guarantees

Bank Guarantees to the ADM on behalf of Gamenet issued by UniCredit

In connection with Gamenet’s VLT and AWP concession, UniCredit S.p.A. (“**UniCredit**”) has issued two bank guarantees in favor of the ADM in order to guarantee, among others, the payment of PREU, the concession fee and the deposit due by Gamenet in favor of the ADM (together, the “**Gamenet UniCredit Guarantees**”). The guarantees are recalculated on an annual basis in an amount equal to one-twelfth of the amount of PREU, the concession fee and the deposit accrued during the previous year. The aggregate amount of such guarantees is equal to €31.4 million as of December 31, 2025.

Pursuant to the Gamenet UniCredit Guarantees, UniCredit may not object against a request of enforcement by the ADM. The Gamenet UniCredit Guarantees can be enforced up to five years after the term of the concession underlying the guarantee. If ADM enforces the Gamenet UniCredit Guarantees, we are required to reinstate the guarantee within 90 days from the date of the ADM’s request.

Bank Guarantees to the ADM on behalf of Gamenet issued by Deutsche Bank S.p.A.

On June 6, 2023, in connection with Gamenet’s VLT and AWP concession, Deutsche Bank S.p.A. has issued a bank guarantee in favor of the ADM in order to guarantee, among others, the payment of PREU, the concession fee and the deposit due by Gamenet in favor of the ADM. The guarantee is recalculated on an annual basis in an amount equal to one-twelfth of the amount of PREU, the concession fee and the deposit accrued during the previous year. The amount of such guarantee is equal to €22.3 million as of December 31, 2025.

Bank Guarantees to the ADM on behalf of GBO Italy issued by UniCredit

On May 6, 2021, Gamenet, GoldBet (now GBO Italy) and UniCredit, among others, signed an agreement (as amended and supplemented from time to time and as amended and restated on May 3, 2023 and on April 2, 2025, the “**Guarantee Facility Agreement**”), based on which, among other things, UniCredit undertook to make available to Gamenet, GBO Italy (formerly, GoldBet) and LVR certain guarantee facilities, for an aggregate amount equal to the lesser of €161 million and €225 million minus outstanding guarantees and minus commitments under the Revolving Credit Facility Agreement (the “**Guarantee Facilities**”), for the purpose of (i)

regulation the existing guarantees issued by UniCredit in favor of ADM under the same facility agreement and (ii) making available to Gamenet, GBO Italy and LVR and any additional borrowers as agreed therein, certain guarantee facilities for the issuance of future guarantee in favor of ADM.

Without prejudice any extensions provisions agreed therein, the termination date of Guarantee Facility Agreement will expire on December 31, 2031.

The Guarantee Facilities are secured by the pledge over the balance of the bank account of Gamenet mentioned above, and confirmed and extended to new obligations arising from the Guarantee Facility Agreement on May 10, 2021, on May 3, 2023 and on February 5, 2025. In addition the obligations of GBO Italy arising from the Guarantee Facility Agreement are guaranteed by Gamenet.

No objections can be made by UniCredit against a request of enforcement by the ADM. The GBO Italy Unicredit Guarantees are valid until December 31, 2027, covering the entire duration of the concessions (which as of the date of this Offering Memorandum expire on December 31, 2026) and the one year period of mandatory management provided for therein.

Bank Guarantees to the ADM on behalf of GBO Italy issued by Deutsche Bank S.p.A

As a consequence of the Lottomatica Business Acquisition, completed on May 10, 2021, the existing guarantees issued by certain financial institutions in the interest of Scommesse (now, GBO Italy) have been replaced by new guarantees.

Deutsche Bank S.p.A. issued two bank guarantees in favor of the ADM in order to guarantee the obligations of Scommesse (now, GBO Italy) arising from Scommesse's retail betting concession number 4032 (now 4098) and Scommesse's online concession number 15017. The retail betting concession bank guarantee in favor of the ADM is valid for the entire duration of the concession (December 31, 2026 plus one year), while the online concession bank guarantee is valid until December 17, 2025 plus one year period of mandatory management provided for therein. The aggregate amount of such guarantees was equal to €24.0 million as of December 31, 2025.

Insurance Guarantees to the ADM on behalf of GBO Italy

As of December 31, 2025 the obligations of GBO Italy arising from the online concession 15226 and from an agreement (the "**72000 Agreement**") with the ADM concerning sports and horse racing betting activities (*Schema di Disciplinare per la Raccolta delle Scommesse*), were guaranteed by certain guarantees issued by AXA Assicurazioni S.p.A. ("**Axa**") and Revo Insurance ("**Revo**") for amounts of €46.5 million and €10.0 million, respectively in connection with the 72000 Agreement, while with respect to the online concession 15226, Revo issued a guarantee equal to €7.3 million. The guarantees relating to the 72000 Agreement are valid for the entire duration of the relevant concession (December 31, 2026) and for one year thereafter. The guarantee relating to the online concession 15226 is valid until December 17, 2025 and for one year thereafter. Pursuant to the terms of these guarantees, GBO Italy is required to reimburse Axa and Revo for any sum being paid to the ADM (including as principal, interest or other expenses).

As of the date of this Offering Memorandum, the unilateral co-obligation letters entered into by Lottomatica to counter guarantee the guarantees issued by Axa, and Revo equaled to €63.7 million.

Atradius Credit Insurance ("**Atradius**") issued two insurance guarantees in favor of the ADM in order to guarantee, (in conjunction with the guarantee issued by other financial institutions), the obligations of GBO Italy arising from GBO Italy's retail betting concession number 4098 (the "**GBO Italy Atradius Guarantee**"). The GBO Italy Atradius Guarantees are valid for the entire duration of the GBO Italy concession and for the one year period of mandatory management provided for therein, extended until December 31, 2026 (plus one year) to allow GBO Italy to continue operating under the expired concession until a new betting concession is granted. The aggregate amount of such guarantees was equal to €24.9 million as of December 31, 2025.

Insurance Guarantees to the ADM on behalf of LVR

Revo issued an insurance guarantee in favor of the ADM in order to guarantee, among others, the payment of PREU, the concession fee and the deposit due by LVR in favor of the ADM. The guarantee is recalculated on an annual basis in an amount equal to one-twelfth of the amount of PREU, the concession fee and the deposit accrued during the previous year. The amount of such guarantee is equal to €47.6 million as of December 31, 2025.

On June 14, 2023 Atradius issued an insurance guarantee in favor of the ADM in order to guarantee, among others, the payment of PREU, the concession fee and the deposit due by LVR in favor of the ADM. The guarantee is recalculated on an annual basis in an amount equal to one-twelfth of the amount of PREU, the concession fee and the deposit accrued during the previous year. The amount of such guarantee is equal to €14.9 million as of December 31, 2025.

On June 15, 2023 Axa issued an insurance guarantee in favor of the ADM in order to guarantee, among others, the payment of PREU, the concession fee and the deposit due by LVR in favor of the ADM. The guarantee is recalculated on an annual basis in an amount equal to one-twelfth of the amount of PREU, the concession fee and the deposit accrued during the previous year. The amount of such guarantee is equal to €25.0 million as of December 31, 2025.

Insurance Guarantees to the ADM on behalf of PWO

On October 15, 2024 Axa issued an insurance guarantee in favor of ADM in order to guarantee the obligations of PWO arising under betting agreement no. 72002, for an amount equal to €26.0 million as of December 31, 2025. This guarantee is valid for the entire duration of the concession (which expires on December 31, 2026) and for one year thereafter.

In addition, Atradius issued an insurance guarantee in favor of the ADM in order to guarantee the obligations of PWO arising under betting agreement no. 72002, retail betting concession 4584 and online concession 15242, for a total amount equal to €38.9 million as of December 31, 2025. The retail concession guarantee is valid for the entire duration of the concessions (December 31, 2026) and for one year thereafter, while the online concession guarantee was valid until December 31, 2025 and for one year thereafter. The amount of the Axa and Atradius guarantees is equal to €64.9 million as of December 31, 2025.

Insurance Guarantees to the ADM on behalf of GBO Italy, PWO, Betflag, Totosi

On October 21, 2025 Revo issued five new guarantees in favor of ADM in order to guarantee the obligations of GBO Italy, PWO, Betflag and Totosi, arising under the New GAD Concessions: (i) two to GBO Italy; (ii) one to Betflag; (iii) one to PWO and (iv) one to Totosi. These guarantees amounted to €3.7 million each as of December 31, 2025. The new GAD Concessions guarantees are valid for the entire duration of the concession (November 13, 2034) and for 5 years thereafter. The Issuer counter-guarantees the abovementioned guarantees.

Other Indebtedness

Cash Pooling Arrangements

In order to improve the allocation of financial resources and optimize current treasury flows among Group companies, a centralized cash pooling system has been implemented at the level of the Issuer.

DESCRIPTION OF THE NOTES

General

In this description, the term “Issuer” refers only to Lottomatica Group S.p.A. and not to any of its Subsidiaries, and the terms “we,” “our,” “us” and “the Company” each refer collectively to the Issuer and its consolidated Subsidiaries. For purposes of this Description of the Notes, the €765,000,000 of senior secured fixed rate notes due 2032 are referred to as the “notes.” The notes will be issued pursuant to a notes indenture (the “**Indenture**”), to be dated as of the Issue Date, among, *inter alios*, the Issuer, The Law Debenture Trust Corporation p.l.c., as trustee (the “**Trustee**”) and common representative (*rappresentante comune*) of the holders of the notes pursuant to articles 2417 and 2418 of the Italian Civil Code, Deutsche Bank AG, London Branch, as principal paying agent and transfer agent, Deutsche Bank Luxembourg S.A., as registrar and listing agent for the notes, and UniCredit S.p.A., as the security agent (the “**Security Agent**”) and legal representative (*mandatario con rappresentanza*) under the Indenture and as representative (*rappresentante*) pursuant to and for the purposes set forth under article 2414-bis, 3rd para. of the Italian Civil Code (in such capacity, the “**Security Representative**”). Copies of the Indenture (and any supplemental indentures) may be obtained from the Issuer upon request after the Issue Date. The notes will be issued in private transactions that are not subject to the registration requirements of the Securities Act, and the Indenture will not be qualified under or subject to and will not incorporate (by reference or otherwise) any of the provisions of, the U.S. Trust Indenture Act of 1939, as amended. Application has been made for the notes to be listed on the Official List of the Luxembourg Stock Exchange and for the notes to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the “**Euro MTF Market**”). In addition, application has been made to obtain a secondary listing of the notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”). There can be no assurance that the notes will remain listed on the Euro MTF Market and/or will be, or will remain, listed and admitted to trading on the Euronext Access Milan Market.

On May 29, 2024, the Issuer issued €500.0 million of 5.375% senior secured notes due 2030 (the “**May 2024 Fixed Rate Notes**”) and €400 million of senior secured floating rate notes due 2031 (the “**May 2024 Floating Rate Notes**”) under an indenture dated as of May 29, 2024 (the “**May 2024 Notes Indenture**”). On May 13, 2025, the Issuer issued €1,100.0 million of 4.875% senior secured notes due 2031 (the “**May 2025 Notes**”) and, together with the May 2024 Fixed Rate Notes, the “**Existing Notes**”) under an indenture dated as of May 13, 2025 (the “**May 2025 Notes Indenture**”) and, together with the May 2024 Notes Indenture, the “**Existing Notes Indentures**”).

The proceeds from the issuance of the notes will be used (i) to fund the full redemption of the May 2024 Floating Rate Notes and pay any accrued and unpaid interest thereon; (ii) for general corporate purposes, which may include the announced share buyback or potential future bolt-on acquisitions and (iii) to pay certain fees, costs and expenses incurred in connection with the Transactions (as defined below).

See “*Use of Proceeds*.”

For the avoidance of doubt, the notes will be issued pursuant to the Indenture and will not be an additional series of either of the Existing Notes, and the Indenture will not be a supplemental indenture to either of the Existing Notes Indentures.

The following summary of certain provisions of the Indenture, the Intercreditor Agreement, the Security Documents and the notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture, the Intercreditor Agreement, the Security Documents and the notes, including the definitions of certain terms therein. Capitalized terms used in this “*Description of the Notes*” section and not otherwise defined herein have the meanings set forth in the Indenture.

The Issuer will issue the notes with an initial aggregate principal amount of €765,000,000. Following the Issue Date, the Issuer may issue additional notes from time to time as described below under “*—Additional Notes*.”

Brief Description of the Notes and the Guarantees

The notes will be, upon issuance:

- general, senior secured obligations of the Issuer;

- secured as set forth under “—*Security; the Collateral*”;
- equal in right of payment to all of the Issuer’s existing and future Indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including the Existing Notes;
- effectively junior to any existing and future Indebtedness of the Issuer that will receive proceeds from any enforcement action over the Collateral on a priority basis, including the obligations under the Credit Agreement;
- effectively subordinated to all existing and future secured Indebtedness of the Issuer that is secured by assets that do not secure the notes, to the extent of the value of the assets securing such Indebtedness;
- structurally subordinated to all indebtedness and other liabilities of the Issuer’s existing and future Subsidiaries that do not guarantee the notes; and
- senior in right of payment to any of the Issuer’s future Subordinated Indebtedness.

The Guarantees of each Guarantor in respect of the notes will be:

- a general, senior secured obligation of such Guarantor;
- secured as set forth under “—*Security; the Collateral*”;
- equal in right of payment to all of such Guarantor’s existing and future Indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to such Guarantor’s Guarantee;
- effectively junior to any existing and future Indebtedness of the Issuer that will receive proceeds from any enforcement action over the Collateral on a priority basis, including its guarantee under the Credit Agreement;
- effectively subordinated to all existing and future secured Indebtedness of such Guarantor that is secured by assets that do not secure its Guarantee, to the extent of the value of the assets securing such Indebtedness;
- structurally subordinated to all indebtedness and other liabilities of such Guarantor’s existing and future Subsidiaries that do not Guarantee the notes as set forth under “—*Future Guarantees*”; and
- senior in right of payment to any of such Guarantor’s future Subordinated Indebtedness.

Pursuant to the Intercreditor Agreement, the notes will constitute “Future Pari Passu Debt” and therefore rank *pari passu* with the Existing Notes in accordance with the Intercreditor Agreement. See “*Description of Certain Financing and Guarantee Agreements—Intercreditor Agreement.*”

Although the Indenture will limit the Incurrence of Indebtedness and the issuance of Disqualified Stock by the Issuer and its Restricted Subsidiaries and the issuance of Preferred Stock by the Issuer’s Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. Under certain circumstances, the Issuer and its Restricted Subsidiaries may be able to incur substantial amounts of Indebtedness, and such Indebtedness may be secured Indebtedness. The Indenture will not limit the amount of Indebtedness that any direct or indirect parent company of the Issuer may incur or the incurrence of liabilities that do not constitute Indebtedness. See “*Risk Factors—Risks Related to Our Indebtedness—We may incur additional indebtedness, which could increase our risk exposure from debt and could decrease your share in any proceeds distributed in connection with any insolvency or other winding-up of such subsidiaries,*” “—*Certain Covenants—Liens*” and “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.*”

Security; the Collateral

Pursuant to the Security Documents to be entered into on or shortly after the Issue Date, subject to the Agreed Security Principles, certain limitations under applicable law and any other terms and conditions of the Indenture, including the release provisions contained therein, the notes will be secured initially by security over (collectively,

the “**Issue Date Collateral**” and together with any other security interests that may in the future be granted to secure obligations under the notes, any Guarantee and the Indenture, the “**Collateral**”):

- (i) material bank accounts of the Issuer;
- (ii) receivables in respect of certain material intercompany loans owed to the Issuer;
- (iii) all of the issued share capital of Lottomatica Gaming S.p.A. held by the Issuer; and
- (iv) all of the issued share capital of GBO S.p.A held by the Issuer.

All Collateral shall be subject to the operation of the Agreed Security Principles, certain significant limitations pursuant to applicable laws, and any Permitted Collateral Liens. See also “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral*” and “*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*”

Notwithstanding the foregoing, guarantees and security may be limited or capped and certain assets will not be pledged in relation to the notes (or the Liens not perfected), in accordance with the Agreed Security Principles, including (without limitation):

- if providing such security or guarantee would be prohibited or limited by general mandatory legal or statutory limitations, regulatory restrictions, financial assistance (including under Article 2358 and/or 2374 of the Italian Civil Code), corporate benefit, fraudulent preference, foreign exchange laws or regulations (or analogous restrictions), transfer pricing, earnings stripping, controlled foreign corporation, thin capitalization, exchange control and capital maintenance rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar matters or providing such guarantee or security would be outside the applicable pledgor’s capacity or conflict with fiduciary duties of directors or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in material risk of personal or criminal liability of any director or officer of the Issuer or any of its Subsidiaries after the use of reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome such prohibitions or obstacles (to the extent reasonably practicable), it being understood and agreed that as a result of this paragraph no guarantees shall be required by any member of the Group (excluding the Issuer) on the Issue Date;
- if the time and cost of providing the guarantee or security is not proportionate to the benefit accruing to the holders of the notes. In particular, it is acknowledged that the Issuer and/or Guarantor will not opt (where possible) for the *Imposta Sostitutiva* regime pursuant to article 15 and subsequent of Italian Presidential Decree no. 601/1973, as amended and supplemented from time to time. Accordingly, Italian security that requires payment of an *ad valorem* registration tax on the amount of the secured obligations will not be taken unless it can be executed by way of exchange of correspondence or minimized upon execution (including by converting quotas of Italian limited companies into shares or through a cap to the secured obligations agreed between the Security Agent and the Issuer, each acting reasonably). Non-Italian security that requires payment of an *ad valorem* registration tax on the amount of the secured obligation will not be taken if tax duty cannot be minimized upon execution (including through a cap to the secured obligations agreed between the security agent and the Issuer, each acting reasonably);
- if a class of assets includes material and immaterial assets and the cost involved in creating security over the immaterial assets is not proportionate to the benefit, only the material assets in that category will be subject to security;
- if in certain jurisdictions it may be either impossible or impractical or disproportionately costly or would unduly disrupt the business of the Group to grant a guarantee or create security over certain categories of assets, guarantee will not be granted and/or security will not be taken over such assets;
- if any assets or member of the Group are subject to legal requirements, contracts, leases, licenses or any other third party arrangements which may prevent those assets from being charged or such member of the Group from providing a guarantee provided that the relevant member of the Group will use commercially reasonable endeavors (for a specified period of time) to obtain any necessary consent to charging any such assets or providing a guarantee if the Security Agent (acting in good faith) specifies prior to the date of the security

document that a relevant asset or guarantee is material and the Issuer is satisfied that such endeavors will not involve placing relationships with third parties in jeopardy, or otherwise, will be excluded from any relevant security;

- if providing such security or granting such guarantee requires consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Issuer or any of its Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain conditions being met) such consent cannot be obtained after the use of reasonable endeavors (but without adverse impact on relationships with third parties);
- if providing such security or granting such guarantee would have a material adverse effect (as determined in good faith by the Issuer) on the ability of the Issuer or any Subsidiary to conduct its operations and business in the ordinary course as otherwise not prohibited by the Indenture, or materially adversely affects the tax arrangements of the Issuer or such Subsidiary, and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this principle provided that the relevant member of the Group shall use reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle;
- if security over such assets or guarantee from such person is required to support acquired indebtedness to the extent such indebtedness is not restricted by the Indenture, or if the terms of the documentation governing such acquired indebtedness prevents the granting of such security or guarantee;
- if the time and cost (including material adverse tax consequences or adverse effects on interest deductibility and stamp duty, registration taxes, notarization and registration fees) of providing a guarantee or security (and the terms or perfection of such security) is disproportionate to the benefit of obtaining such guarantee or security;
- no member of the Group will be required to grant security or guarantees if they are not wholly-owned by the Issuer or another member of the Group or to the extent that to do so is not within their legal capacity or where to do so would conflict with the fiduciary duties of directors or contravene any legal prohibition, contractual restriction or regulatory condition or would result in (or in a risk of) personal or criminal liability on the part of any director or officer, provided that the relevant entity shall use commercially reasonable endeavors to overcome any such obstacle;
- the Group will not be liable for any fees, costs, taxes, expenses or other amounts payable in connection with any re-taking, re-registration, re-notarization or other requirement for perfection, presentation, novation or protection of security or guarantees on transfers or assignments by the holders of the notes;
- if the maximum guaranteed or secured amount may be restricted or limited to minimize fees and duties where the benefit of increasing the guarantee or secured amount is disproportionate to the level of such fees and duties;
- any Security Document shall only be required to be notarized or notarially certified if required by law in order for the relevant security to become effective or admissible in evidence or for the document to bear a “certified date” as a matter of Italian law and where possible, the transaction security documents governed by Italian law will be executed by way of exchange of correspondence (*scambio di corrispondenza commerciale*), or outside Italy, in order to minimize any documentary tax cost connected with their execution;
- if the assets are located outside a jurisdiction in which the Issuer or a Guarantor is incorporated (the “**Security Jurisdictions**”);
- all security interests (other than as set forth in subclause (ii) below) shall be governed by the law of, and secure only assets located in, the jurisdiction of incorporation of the applicable grantor of the security interest; and no action in relation to security interests (including any perfection step, further assurance step, filing or registration) will be required in jurisdictions where the grantor of the security interest is not incorporated; and (ii) security interests over shares shall be governed by the jurisdiction of incorporation of the issuer of those shares to the extent such jurisdiction is a Security Jurisdiction;

- in the case of security from or guarantees over, or over assets of, any joint venture, non-wholly owned subsidiary or similar arrangement, any minority interest or any entity that is not wholly-owned;
- if certain supervisory board, works council, regulator or regulatory board (or another external body's) consent may be required to enable the provision of a guarantee or security;
- certain notifications, deliverables and other notices will only be provided at the request of the Security Agent after the notes are accelerated (subject to certain exceptions);
- in the case of assets subject to security which is a Permitted Lien; and
- no control agreements or control, lockbox or similar arrangements will be required with respect to any deposit accounts, securities accounts and commodities accounts or other assets.

Each Security Document should contain a clause which records that: (i) if there is a conflict between the Security Document and the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement then (to the extent permitted by law and to the extent it would not prejudice the creation, priority, perfection, validity or enforceability of the Security created under the transaction security documents) the provisions of the Indenture, the Intercreditor Agreement or Additional Intercreditor Agreement, as applicable, shall take priority over the provisions of the Security Document; and (ii) notwithstanding any provision of a Security Document, but without prejudice to the creation or perfection of the relevant security, the terms of the Security Documents shall not operate or be construed so as to prohibit or restrict something which would otherwise be permitted under the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement.

The Collateral also secures liabilities under the Credit Agreement, the Existing Notes, hedging agreements, any additional notes and certain other future indebtedness on a *pari passu* basis with the notes; provided that certain obligations (including (i) certain priority Hedging Obligations and Bank Products and (ii) Obligations in respect of the Credit Agreement) are designated under the Intercreditor Agreement as having super senior priority and will receive proceeds from the enforcement of the Collateral and certain distressed disposals in priority to holders of the notes pursuant to the Intercreditor Agreement. See "*Description of Certain Financing and Guarantee Agreements—Intercreditor Agreement.*"

Subject to certain conditions, including compliance with the covenant described under "*Certain Covenants—Impairment of Security Interest,*" the Collateral may also secure other Indebtedness, including on a basis junior to, *pari passu* with or senior to the notes, and the Issuer and its Restricted Subsidiaries are permitted to grant security over the Collateral in connection with future issuances of their Indebtedness or Indebtedness of the Issuer and its Restricted Subsidiaries, including any additional notes, in each case, as permitted under the Indenture and the Intercreditor Agreement. Any proceeds received upon the enforcement over any Collateral, after the liabilities in respect of Indebtedness designated as super senior have been discharged from such recoveries, will be applied *pro rata* in payment of all liabilities in respect of obligations under the Indenture and the notes and any other *Pari Passu* Indebtedness incurred and secured by the Collateral on a *pari passu* basis. See "*Description of Certain Financing and Guarantee Agreements—Intercreditor Agreement*" and "*Certain Covenants—Liens*" below.

The Liens over the property and the other assets constituting the Collateral securing the notes and Guarantees will be released automatically in any of the circumstances contemplated by the release provisions contained in the Indenture, the Intercreditor Agreement or the Security Documents, and the Security Agent shall take any necessary action reasonably requested in writing by the Issuer to the extent necessary to effectuate any such release of the Collateral subject to customary protections and indemnifications. Upon request of the Issuer and upon receipt of an Officer's Certificate and Opinion of Counsel stating that all conditions precedent in respect of such release have been satisfied, the Security Agent shall execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release to evidence the release of the Collateral permitted to be released pursuant to the Indenture, the Intercreditor Agreement and the Security Documents. At the request and expense of the Issuer, the Security Agent shall execute and deliver an appropriate instrument evidencing such release (in the form provided by the Issuer and agreed by the Security Agent). Each of the following releases shall occur automatically without the consent of the holders, and without any action on the part of the Security Agent, unless action is required by it to effectuate the release in accordance with the terms of the preceding sentence:

- if a Guarantor is released from its Guarantee pursuant to the Indenture;

- if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary;
- other than with respect to the pledge of shares of the Issuer, upon a disposition not prohibited under the Indenture;
- other than with respect to the pledge of shares of the Issuer, upon the release of the security interest securing such Collateral under the Credit Agreement (other than in connection with discharge of the obligations thereunder) or in accordance with the covenant described under “—*Certain Covenants—Liens*” if the Indebtedness that gave rise to the obligation to grant the Lien over such Collateral in favor of the notes is released;
- other than with respect to the pledge of shares of the Issuer, in connection with a reorganization otherwise permitted by the Indenture;
- upon the defeasance or discharge of the notes as provided in “—*Defeasance*” or “—*Satisfaction and Discharge*,” in each case, in accordance with the terms of the Indenture;
- as described under “—*Amendment, Supplement and Waiver*”;
- as described under “—*Impairment of Security Interest*”;
- as provided for in the Intercreditor Agreement or any Additional Intercreditor Agreement;
- upon the full and final payment and performance of all financial obligations of the Issuer under the Indenture and the notes;
- in connection with, or to facilitate and/or implement, a Permitted Reorganization or a Permitted CoC Transaction; and
- as otherwise permitted in accordance with the Indenture.

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see “—*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations*” and “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral—The Guarantees (if any) and the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.*”

Security Documents

Under the Security Documents, security will be granted (or confirmed and extended, as the case may be) over the Collateral to secure, *inter alia*, the payment when due of the Issuer’s payment obligations under the notes and the Indenture. The Security Documents will be entered into among, *inter alios*, the relevant security provider, the Security Agent for itself and as agent for the secured parties (and with respect to the Security Documents governed by Italian law, also as Security Representative (as defined below) and legal representative (*mandatario con rappresentanza*)), and, with respect to the Security Documents governed by Italian law, the Trustee acting for itself and in its capacity as the Trustee, under the Indenture and also as Noteholders’ Representative (if appointed) (as defined below) The Security Agent also acts in the name and on behalf of the lenders under the Credit Agreement and the counterparties under certain Hedging Obligations, if any, in relation to the security interests in favor of such parties.

The Indenture and the Intercreditor Agreement will provide or provides, as applicable, that, to the extent permitted by the applicable laws, only the Security Agent (including in its role as Security Representative) will have the right to enforce the Security Documents on behalf of the Trustee (including in its role as Noteholders’ Representative, if appointed) and the Holders. As a consequence of such contractual provisions and since the Holders are not a party to the Security Documents, the Holders will not, individually or collectively, be entitled

to take enforcement action in respect of the Collateral securing the notes, except through the Trustee under the Indenture (including in its role as Noteholders' Representative, if appointed), who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide to the Security Agent (including in its role as Security Representative) instructions received from the Holders pursuant to the Indenture in respect of the Collateral.

The Indenture will provide that, subject to the terms thereof and of the Intercreditor Agreement, the notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the notes and the Indenture have been discharged. However, please see the section entitled "*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral.*" The validity and enforceability of the Security Interests will be subject to, *inter alia*, the limitations described in "*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral*" and "*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*"

The Security Documents will provide that the rights under the Security Documents and the Indenture must be exercised by the Security Agent. The Holders may only act through the Trustee (including in its role as Noteholders' Representative), who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide to the Security Agent (including in its role as Security Representative) instructions received from the Holders pursuant to the Indenture in respect of the Collateral.

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the security interest created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the security interest or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. See "*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral.*"

Enforcement of Security Interests

The Indenture and the Intercreditor Agreement will restrict or restricts, as applicable, the ability of the Holders or the Trustee to enforce the security interests. These limitations are described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*" The ability to enforce may also be restricted by similar arrangements in relation to future indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Credit Agreement, the holders of the Existing Notes, the Holders, the counterparties to Hedging Obligations secured by the Collateral and the Trustee (including in its role as Noteholders' Representative) have, and by accepting a note, each Holder will be deemed to have, appointed the Security Agent to act as its agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. Furthermore, each Holder by accepting a note will have deemed to have appointed the Security Agent as *mandatario con rappresentanza* pursuant to article 1704 of the Italian Civil Code and as security representative (*rappresentante per le garanzie*) pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code to act on its behalf. The creditors under the Credit Agreement, the holders of the Existing Notes, the Holders, the counterparties to Hedging Obligations secured by the Collateral or part of the Collateral, as applicable, and the Trustee have, and by accepting a note, each Holder will be deemed to have, authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, confirmation, extension, renewal, replacement, release or discharge expressed to be executed by the Security Agent in its name and on its behalf.

Impairment of Security Interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders of the notes, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders of the notes and the other beneficiaries described in the Security Documents, any Lien over any of the Collateral that is prohibited by the covenant entitled "*Certain Covenants—Liens*";

provided, that the Issuer and any Restricted Subsidiary may Incur any Lien over any of the Collateral that is not prohibited by the covenant entitled “—*Certain Covenants—Liens*,” including Permitted Collateral Liens, and the Collateral may be discharged, transferred or released in any circumstances not prohibited by the Indenture, the Intercreditor Agreement or the applicable Security Document.

Notwithstanding the foregoing, nothing in this covenant shall restrict the discharge and release of any Lien in accordance with the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement or pursuant to the incurrence of Permitted Collateral Liens or any action expressly permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by a substantially concurrent retaking of a Lien of at least equivalent ranking over the same assets) to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; (iv) effect a Permitted Change of Control; or (v) make any other change thereto that does not adversely affect the holders of the notes in any material respect as determined by the Issuer in good faith and evidenced by an Officer’s Certificate delivered to the Trustee and the Security Agent; *provided, however*, that (except where permitted by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Security Agent and holders of other Indebtedness Incurred in accordance with the Indenture), no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by a substantially concurrent retaking of a lien of at least equivalent ranking over the same assets), unless contemporaneously with such amendment, extension, renewal, restatement, supplement or modification or release (followed by a substantially concurrent retaking of a Lien of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee and the Security Agent, from an Independent Financial Advisor or investment bank of international standing which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by a substantially concurrent retaking of a Lien of at least equivalent ranking over the same assets), (2) a certificate from the principal financial or accounting officer of the Issuer or the Board of Directors which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement, or release, or (3) an Opinion of Counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee and the Security Agent, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by a substantially concurrent retaking of a Lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, modified or released and replaced are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject.

In the event that the Issuer and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such actions without the need for instructions from the holders of the notes.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the Incurrence of any Indebtedness by the Issuer or any of its Restricted Subsidiaries (i) that is not prohibited by the Indenture to be Incurred pursuant to the covenant described under the caption “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” and either to share in the Collateral or any Lien or to rank *pari passu* or junior in right of payment to the notes and *pari passu* or junior in right of payment to any Guarantee (or, in the case of Indebtedness which ranks super senior with respect to the proceeds from enforcement over the Collateral and certain distressed disposals in accordance with the definition of “Permitted Collateral Liens,” to provide for such super senior status with respect to enforcement recoveries and certain distressed disposals), or (ii) the proceeds of which are used, in whole or in part, to refinance the notes or Indebtedness referred to in the foregoing clause (i), the Trustee and the Security Agent shall, at the request and cost of the Issuer and without the consent of the holders of the notes, enter into one or more intercreditor agreements or deeds with the Issuer, the relevant Restricted Subsidiaries and the holders of such Indebtedness (or their representatives) (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “Additional Intercreditor Agreement”), on substantially similar

terms as the Intercreditor Agreement (or terms that are not materially less favorable to the holders of the notes), including substantially similar terms as applies to sharing of the proceeds of security and enforcement of security, priority and release of security and guarantees; provided that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or adversely affect the rights, duties, liabilities, indemnifications or immunities of the Trustee or the Security Agent under the Indenture or the Intercreditor Agreement. As used herein, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

In relation to the Intercreditor Agreement, the Trustee (and the Security Agent, if applicable) shall consent on behalf of the holders of the notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the notes thereby.

The Indenture will also provide that, at the written direction of the Issuer and without the consent of holders of the notes, the Trustee and the Security Agent shall from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement: (1) to cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) to increase the amount or types of Indebtedness covered by any such Intercreditor Agreement that may be Incurred by the Issuer or its Restricted Subsidiaries that is subject to any such Intercreditor Agreement (provided that such Indebtedness is Incurred not in violation of the Indenture), (3) to add Guarantors or other Restricted Subsidiaries to the Intercreditor Agreement, (4) to further secure the notes (including additional notes permitted to be Incurred in compliance with the Indenture), (5) to make provision for pledges of the Collateral to secure additional notes or to implement any Permitted Collateral Liens, (6) to facilitate a reorganization otherwise permitted by the Indenture, (7) as permitted by the terms of the Intercreditor Agreement or (8) to make any other change to any such agreement that does not adversely affect the holders of notes in any material respect. The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the notes then outstanding, except as otherwise permitted below under “—*Amendment, Supplement and Waiver*” or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, indemnifications or immunities under the Indenture or any Intercreditor Agreement.

The Indenture will also provide that each Holder, by accepting a note, shall be deemed (i) to have agreed to and accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), (ii) to have appointed, authorized and instructed the Trustee and the Security Agent as applicable to enter into, and give effect to the provisions of, the Intercreditor Agreement and any Additional Intercreditor Agreement (and any amendment, restatement or modification thereto as contemplated above), on each Holder’s behalf and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith, (iii) to have agreed to, and accepted, the appointment of the Trustee also as common representative (*rappresentante comune*) of the Holders pursuant to articles 2417 and 2418 of the Italian Civil Code; (iv) to have agreed to, and accepted, the appointment of the Security Agent as security representative (*rappresentante per le garanzie*) of the Holders for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code, (v) authorized the Security Agent and the Trustee, as applicable, to act in its name and on its behalf to enter into the Security Documents and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith and (vi) agreed and acknowledged that the Security Agent will administer the Collateral in accordance with the Intercreditor Agreement, the Indenture and the Security Documents.

Please see the sections entitled “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral—Holders of the Notes will not receive proceeds from enforcement of the Collateral until after certain super senior creditors are repaid and may not control certain decisions regarding the Collateral*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available to the holders of the notes upon request and will be made available for inspection during normal business hours on any Business Day upon prior written request at the office of the Issuer.

Methods of Receiving Payments on the Notes

Principal, interest and premium, if any, and Additional Amounts, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; provided that all such payments

with respect to the notes represented by one or more Global Notes registered in the name of or held by a nominee of Euroclear or Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof (being the common depositary or its nominee for Euroclear and Clearstream). For so long as the notes are Global Notes, the Issuer will make each interest payment to holders of record in the notes at the close of business (in the relevant clearing system) on the Business Day immediately before the due date for such payment. If the due date for any payment in respect of any notes is not a Business Day, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day, and will not be entitled to any further interest or other payment as a result of any such delay.

Principal, interest and premium, if any, and Additional Amounts, if any, on any certificated securities (“**Definitive Registered Notes**”) will be payable at the specified office or agency of a Paying Agent in London, United Kingdom as specified in the Indenture. In addition, interest payments on the Definitive Registered Notes may be paid by bank transfer to the persons entitled thereto as shown on the register for the Definitive Registered Notes. To the extent Definitive Registered Notes have been issued, the Issuer will make each interest payment to the holders of record of such notes on the Business Day immediately preceding April 30 and October 31.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a “**Paying Agent**” and, collectively, the “**Paying Agents**”). The Principal Paying Agent will be Deutsche Bank AG, London Branch (the “**Principal Paying Agent**”).

The Issuer will also maintain one or more registrars (each, a “**Registrar**” and, collectively, the “**Registrars**”) for the notes. The Registrar for the notes will be Deutsche Bank Luxembourg S.A., and such Registrar shall have offices in Luxembourg so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require. The Registrar will maintain a register on behalf of the Issuer for so long as the notes remain outstanding reflecting ownership of the notes outstanding from time to time (the “**Register**”). The Registrar will send a copy of the Register to the Issuer on the Issue Date. The Issuer will also maintain a transfer agent (the “**Transfer Agent**”). The Transfer Agent for the notes will be Deutsche Bank AG, London Branch. The Paying Agent will make payment on, and the transfer agent will facilitate transfers of, notes on behalf of the Issuer.

The Issuer may change the Principal Paying Agent, Registrar or Transfer Agent without prior notice to the holders of the notes. For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or transfer agent in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.luxse.com). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the notes.

Issuance, Transfer and Exchange

The notes will initially be issued in the form of registered notes in global form without interest coupons, in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.

The notes will be issued as follows:

- notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**144A Global Notes**”). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.
- notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Notes**”). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

The 144A Global Notes and the Regulation S Global Notes are collectively referred to as the “**Global Notes.**” Ownership of interests in the Global Notes (“**Book-Entry Interests**”) will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Notice to Investors.*” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

A holder of the notes may transfer or exchange the notes in accordance with the Indenture. Upon any transfer or exchange, the Registrar may require a holder of the notes, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a noteholder to pay any Taxes required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any note (i) selected for redemption, (ii) for a period of 15 days prior to the sending of a notice of redemption or (iii) to be redeemed or tendered and not withdrawn in connection with a Change of Control Offer.

Book-Entry Interests in the 144A Global Note of a given series may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note of the same series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act. Book-Entry Interests in the Regulation S Global Note of a given series may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the 144A Global Note of the same series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued in respect of the notes, they will be issued only in minimum denominations of €100,000 aggregate principal amount and integral multiples of €1,000 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Notice to Investors.*”

Subject to the restrictions on transfer referred to above, notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in aggregate principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of any Definitive Registered Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of such Definitive Registered Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of such Definitive Registered Notes to be redeemed in part;

- (3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Definitive Registered Notes; or
- (4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer.

The Issuer, the Trustee, the Registrar, the Transfer Agent and the Paying Agent will be entitled to treat the registered holder of a note as the owner of it for all purposes.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, the Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Terms of the Notes

The notes will be senior secured obligations of the Issuer and will mature on April 30, 2032.

Interest on the notes

Each note will bear interest at a rate per annum of 4.625% and will be payable, in cash, semi-annually in arrears to holders of record at the close of business on the Business Day immediately preceding each interest payment date on April 30 and October 31 of each year, commencing October 31, 2026. The notes will bear interest from the Issue Date.

Interest will be computed on the basis of a 360-day year comprised of twelve 30 day months. The Interest payable on the notes will in no event be higher than the maximum rate permitted by applicable law. The rights of holders of beneficial interests in the notes to receive the payments on such notes will be subject to applicable procedures of Euroclear and Clearstream, as applicable.

Additional Notes

From time to time, subject to compliance with the covenants described under the headings “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” and “—*Certain Covenants—Liens*,” the Issuer is permitted to issue additional notes, which shall have terms substantially identical to the notes except in respect of any of the following terms which shall be set forth in an Officer’s Certificate delivered by the Issuer to the Trustee (“**additional notes**”):

- (1) the title of such additional notes;
- (2) the aggregate principal amount of such additional notes;
- (3) the date or dates on which such additional notes will be issued;
- (4) the rate or rates (which may be fixed or floating) at which such additional notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;
- (5) the currency or currencies in which such additional notes shall be denominated and the currency in which cash or government obligations in connection with such series of additional notes may be payable;
- (6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such additional notes may be redeemed, in whole or in part;

- (7) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such additional notes shall be issued and redeemed; and
- (8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such additional notes.

At the Issuer's election, additional notes may be established in one or more supplemental indentures to the Indenture in lieu of an Officer's Certificate.

Such additional notes may, at our election, be treated, along with all other notes, as a single class for the purposes of the Indenture, including, without limitation, with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "notes" shall be deemed to include references to the notes initially issued on the Issue Date as well as any additional notes. Additional notes may also be designated to be the same series as the notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such initial notes. However, in order for any additional notes to have the same ISIN, CUSIP or Common Code, as applicable, as the notes of the relevant series initially issued on the Issue Date, such additional notes must be issued with no more than de minimis original issue discount or be fungible with the initial notes for Italian income tax purposes and U.S. federal income tax purposes.

Optional Redemption

On and after April 30, 2028, the Issuer may redeem the notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice sent electronically or mailed by first-class mail to each holder's registered address or provided otherwise in accordance with the procedures of Euroclear or Clearstream, as the case may be, at the following redemption prices (expressed as a percentage of the principal amount), plus accrued and unpaid interest, if any, plus Additional Amounts, if any, to but excluding the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on April 30 of the years set forth below:

Period	Redemption Price
2028	102.31250%
2029	101.15625%
2030 and thereafter	100.00000%

In addition, at any time prior to April 30, 2028, the Issuer may redeem the notes at its option, in whole at any time or in part from time to time, upon not less than 10 nor more than 60 days' prior notice sent electronically or mailed by first-class mail to each holder's registered address or provided otherwise in accordance with the procedures of Euroclear or Clearstream at a redemption price equal to 100% of the principal amount of the notes redeemed plus the Applicable Premium and accrued and unpaid interest, if any, to but excluding the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption on the applicable redemption date.

Notwithstanding the foregoing, at any time and from time to time prior to April 30, 2028, the Issuer may redeem in the aggregate up to 40% of the original aggregate principal amount of the notes (calculated after giving effect to any issuance of any additional notes) in an aggregate amount not exceeding the net cash proceeds of one or more Equity Offerings by the Issuer or any direct or indirect parent of the Issuer, to the extent the amount of the net cash proceeds thereof are contributed to the common or preferred equity capital (other than Disqualified Stock) of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of the principal amount thereof) of 104.62500% plus accrued and unpaid interest, if any, to but excluding the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, *however*, that at least 50% of the original aggregate principal amount of the notes issued on the Issue Date (calculated after giving effect to any issuance of additional notes) remain outstanding immediately after each such redemption unless all notes are redeemed substantially concurrently; and provided, *further*, that such redemption shall occur within 180 days after the date

on which any such Equity Offering is consummated upon not less than 10 nor more than 60 days' notice provided to each holder of notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

At any time prior to April 30, 2028, upon not less than 10 nor more than 60 days' prior notice sent electronically or mailed by first-class mail to each holder's registered address or provided otherwise in accordance with the procedures of Euroclear or Clearstream, the Issuer may at its option from time to time redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the notes (calculated after giving effect to any issuance of any additional notes) at a redemption price equal to 103% of the principal amount of the notes redeemed plus the Additional Amounts, if any, and accrued and unpaid interest, if any, to but excluding the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); it being understood that the foregoing shall be subject to the option to Carry Forward Amount and Carry Back Amount as set forth under "*Certain Covenants—Financial Calculations*."

General

In connection with any redemption of notes (including with funds in an aggregate amount not exceeding the amount of the net cash proceeds of an Equity Offering, Incurrence of Indebtedness, Change of Control or other transaction), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including the completion of any related Equity Offering or other transaction. In addition, if such redemption or notice is subject to the satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed (without the need for a new redemption notice) until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the redemption date, or by the redemption date so delayed and/or that such notice may be rescinded at any time by the Issuer if the Issuer determines in its sole discretion that any or all of such conditions will not be satisfied (or waived). For the avoidance of doubt, if any redemption date shall be delayed as contemplated by this paragraph and the terms of the applicable notice of redemption, such redemption date as so delayed may occur, subject to the applicable procedures of Euroclear or Clearstream, at any time after the original redemption date set forth in the applicable notice of redemption and after the satisfaction (or waiver) of any applicable conditions precedent, including, without limitation, on a date that is less than 10 days after the original redemption date or more than 60 days after the applicable notice of redemption. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Subject to applicable federal and state securities laws, the Issuer or its affiliates may at any time and from time to time purchase notes or our other indebtedness. Any such purchases may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as the Issuer or any such affiliates may determine, which may be more or less than the consideration for which the notes offered hereby are being sold.

If the Issuer effects an optional redemption of the notes, it will, for so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the notes that will remain outstanding immediately after such redemption.

Neither the Trustee, any Paying Agent, the Registrar, the Transfer Agent, nor any of their respective agents shall have any responsibility or liability for any actions taken or not taken by Euroclear or Clearstream.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the notes or by or on behalf of the Guarantors under or with respect to any Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law or by the relevant taxing authority's interpretation or administration thereof. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Issuer or any Guarantor is then incorporated, established or resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax or (2) any jurisdiction from or through which payment on any such note or Guarantee is made by or on behalf of the Issuer or any Guarantor (including, without

limitation, the jurisdiction of any Paying Agent for the notes) or any political subdivision or governmental authority thereof or therein having the power to tax (each, a “**Tax Jurisdiction**”), is required by law or by the relevant taxing authority’s interpretation or administration thereof to be made from any payments made by or on behalf of the Issuer under or with respect to the notes or by or on behalf of the Guarantors under or with respect to any Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, if any, the Issuer or the relevant Guarantor, as applicable, will, subject to Optional Redemption for Tax Reasons, pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received in respect of such payments by each holder of the notes after such withholding or deduction (including any withholding or deduction from such Additional Amounts) will not be less than the respective amounts that would have been received by each holder in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable for or on the account of:

- (1) any Taxes that would not have been imposed or withheld but for the existence of any actual or deemed present or former connection between the holder of the relevant notes (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, nominee, partnership, limited liability company or corporation) or the beneficial owner of the relevant notes and the relevant Tax Jurisdiction (including, without limitation, being or having been resident for tax purposes in, or being or having been a citizen, resident or national thereof or being or having been incorporated therein, present or engaged in a trade or business or maintaining a permanent establishment therein or having a place of management present or deemed present, or being physically present therein), other than any connection arising solely from the acquisition, ownership or holding of any note or the enforcement or receipt of payment under or in respect of any note, the Indenture or any Guarantee; or
- (2) any Taxes imposed or withheld as a result of the failure of a holder or beneficial owner of the relevant notes to comply with any written request, made to that holder or the holder on behalf of that beneficial owner in writing at least 15 days before any such withholding or deduction would be payable, by the Issuer or any of the Guarantors: (a) to provide timely or accurate information, documents or other evidence concerning the nationality, domicile, establishment, residence or identity of such holder or beneficial owner, or (b) to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirements, which, in each of cases (a) and (b), is required or imposed by a statute, treaty, regulation or officially published administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes, but, in each case, only to the extent that the holder or beneficial owner is legally eligible to provide such declaration, certification, documentation or other information; or
- (3) any Taxes, to the extent such Taxes are imposed or withheld as a result of the presentation of any note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder of the notes (except to the extent that such holder would have been entitled to Additional Amounts on account of such Taxes had the note been presented on the last day of such 30-day period); or
- (4) any estate, inheritance, gift, sale, transfer, capital gains, excise, wealth, net worth, personal property or similar Tax; or
- (5) any Taxes to the extent such Taxes are on account of imposta sostitutiva (pursuant to Italian Legislative Decree No. 239 of April 1, 1996, as amended or supplemented from time to time (“Legislative Decree No. 239”) and any related implementing regulations, and pursuant to Italian Legislative Decree No. 461 of November 21, 1997 (“Legislative Decree No. 461”) and any related implementing regulations)) and any related implementing regulations; provided that:
 - (i) Additional Amounts shall be payable in circumstances where the procedures required under Legislative Decree No. 239 or Legislative Decree No. 461 in order to benefit from an exemption from imposta sostitutiva have not been complied with due solely to the actions or omissions of the payor or their agents; and

- (ii) for the avoidance of doubt, no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are on account of imposta sostitutiva if the holder becomes subject to imposta sostitutiva after the Issue Date by reason of amendments to the list of countries which allow for a satisfactory exchange of information with Italy, currently provided for by Italian Ministerial Decree dated September 4, 1996, as subsequently amended, or by reason of the approval of the ministerial Decree to be issued under art. 11 par. 4 let c) of Legislative Decree No. 239, as subsequently amended or superseded, providing for a new list of countries which allow for a satisfactory exchange of information with Italy, whereby such Holders country of residence does not appear on the aforesaid amended or new list (the “**White List**”); or
- (6) any Taxes to the extent that such Taxes result from payment to a non-Italian resident legal entity or a non-Italian resident individual which is an entity or individual resident in a country which does not appear on the White List; or
- (7) any Tax which is payable otherwise than by deduction or withholding from a payment made under or with respect to the notes or any Guarantee; or
- (8) any Tax imposed or withheld on or with respect to any payment if such holder of the notes is not the beneficial owner of such payment, to the extent that the beneficial owner of the payment would not have been entitled to Additional Amounts with respect to such payment had such beneficial owner been the holder of such note; or
- (9) [reserved]; or
- (10) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any regulations promulgated thereunder, any official interpretations thereof, any fiscal or regulatory legislation, rules or official practices adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing sections of the Code or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or
- (11) any combination of items (1) through (10) above.

In addition to the foregoing, the Issuer and the Guarantors will pay (and reimburse the holder of the notes for) any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies imposed by a Tax Jurisdiction on the execution, delivery, registration or enforcement of any of the notes, the Indenture or any Guarantee (other than on or in connection with a transfer of the notes other than (i) a transfer of the notes to the Issuer or the depository or (ii) the initial sale by the Initial Purchasers) or any other document or instrument referred to therein or the receipt of any payments of principal, or interest with respect to the notes (limited, solely in the case of Taxes attributable to the receipt of any payment with respect thereto, to any such Taxes that are not excluded under clauses (1) through (3) and (5) through (6) and (8) through (11) or any combination thereof in the immediately preceding paragraph of this section entitled “*Additional Amounts*,” as applicable).

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the notes or any Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee and the Paying Agent on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall deliver such Officer’s Certificate to the Trustee and the Paying Agent as promptly as practicable thereafter) an Officer’s Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer’s Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

The Issuer or the relevant Guarantor or any other applicable withholding tax agent will make all withholdings and deductions in the minimum amount required by law to be made by them and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Issuer or the relevant Guarantor

will furnish to the Trustee, within a reasonable time after the date that the payment of any Taxes so deducted or withheld is made, an Officer's Certificate attaching copies of Tax receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity. The Trustee will accept such Officer's Certificate as conclusive evidence, without further inquiry, of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the notes. Such copies or such other evidence of payment shall be made available to the holders of the notes upon reasonable written request.

Whenever the Indenture, the notes or this "*Description of the Notes*" mentions the payment of amounts based on the principal amount, interest or any other amount payable under, or with respect to, any of the notes or any Guarantee, such mention shall be deemed to include, without duplication, the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is then incorporated, organized, engaged in business or resident for tax purposes or any jurisdiction from or through which payment is made by or on behalf of such person on the notes (or any Guarantee) and any political subdivision or governmental authority thereof or therein having the power to tax.

Redemption at Maturity

On April 30, 2032, the Issuer will redeem the notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional Redemption for Tax Reasons

The Issuer may redeem the notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the holders of the notes (which notice will be irrevocable and distributed to holders in the same manner as described in "*Optional Redemption*"), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the notes on the relevant record date to receive interest due on an interest payment date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the notes or any Guarantee, the Issuer or any Guarantor is or would be required to pay Additional Amounts (but, in the case of the relevant Guarantor, only if such amount payable cannot be paid by the Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or the relevant Guarantor cannot avoid any such payment obligation by taking reasonable measures available to it, including the appointment of a different paying agent (provided that changing the jurisdiction of the Issuer or Guarantor is not a reasonable measure for purposes of this section), as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations, protocols, official guidance or rulings promulgated thereunder) of a Tax Jurisdiction affecting taxation which change or amendment is announced and becomes effective on or after the date of this Offering Memorandum (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on the date of this Offering Memorandum, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Indenture); or
- (2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations, official guidance, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment, application or interpretation is announced and becomes effective on or after the date of this Offering Memorandum (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on the date of this Offering Memorandum, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Indenture) (each of the foregoing clauses (1) and (2), a "**Change in Tax Law**").

Notices of redemption for taxation reasons will be published in accordance with the procedures described under “*Selection and Notice*”. The Issuer will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obligated to make such payment or withholding if a payment in respect of the notes or Guarantees were then due, and unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, sending of any notice of redemption of the notes pursuant to the foregoing, the Issuer will deliver to the Trustee an Opinion of Counsel stating that there has been such Change in Tax Law which would entitle the Issuer to redeem the notes hereunder. In addition, before the Issuer publishes or sends notice of redemption of the notes as described above, it will deliver to the Trustee an Officer’s Certificate to the effect that the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it.

The Trustee will accept such Officer’s Certificate and Opinion of Counsel as conclusive evidence, without further inquiry, of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the notes.

The foregoing provisions will apply mutatis mutandis to the laws and official positions of any jurisdiction in which any successor to the Issuer or a Guarantor (as appropriate) is organized or otherwise considered to be a resident for tax purposes or any political subdivision or taxing authority or agency thereof or therein. The foregoing provisions will survive any termination, defeasance or discharge of the Indenture.

Mandatory Redemption

The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the notes.

Selection and Notice

In the case of any partial redemption, selection of the notes for redemption will be made by the Paying Agent or the Registrar in accordance with the procedures of Euroclear or Clearstream, as applicable; provided that no such selection shall result in a holder of notes with a principal amount of notes less than the minimum denomination for the notes as set forth in “—*Issuance, Transfer and Exchange*.” If any note is to be redeemed in part only, the notice of redemption relating to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. On and after the redemption date, interest will cease to accrue on notes or portions thereof called for redemption so long as the Issuer has deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest (if any) on, the notes to be redeemed. Neither the Trustee, the Paying Agent nor the Registrar will be liable for any selections made in accordance with this paragraph.

So long as any notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant notes shall to the extent and in the manner permitted by such rules be posted on the official website of the Luxembourg Stock Exchange (www.luxse.com).

Future Guarantees

In accordance with the Agreed Security Principles and certain significant limitations pursuant to applicable laws, the notes will not be guaranteed by any Person on the Issue Date.

Subject to the terms of the Intercreditor Agreement, the Agreed Security Principles and certain significant limitations pursuant to applicable laws and any limitation referred to in the relevant documentation that will be executed in the context of the accession of the relevant Guarantor, including any supplemental indenture to the Indenture (including, among others, limitations arising due to corporate benefit rules), after the Issue Date, each of the Issuer’s Restricted Subsidiaries that becomes a Borrower or a Guarantor (each as defined in the Credit Agreement) under the Credit Agreement, is expected to, subject to the limitations described under “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral*.” and “*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*,” provide a guarantee in relation to the notes or to the benefit of holders of the notes on a senior secured basis for

the performance and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of the obligations of the Issuer under the Indenture and the notes, whether for payment of principal of, premium, if any, or interest on, the notes, expenses, indemnification or otherwise (all such obligations guaranteed by such Guarantors being herein called the “**Guaranteed Obligations**”).

Each Guarantee will be subject to the Agreed Security Principles, certain significant limitations pursuant to applicable laws and contractually limited as it relates to its Guarantor, to reflect limitations under the Agreed Security Principles and applicable law with respect to, among other things, maintenance of share capital, legal or corporate benefit, thin capitalization, tax issues, fraudulent conveyance, financial assistance and other legal restrictions applicable to such Guarantor and its shareholders, directors and general partners. See “—*Security; the Collateral.*” By virtue of these limitations, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the notes or could even be equal to or reduced to zero. See “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral,*” “*Risk Factors—The insolvency laws of Italy may not be as favorable to holders of the Notes as U.S. insolvency laws or those of another jurisdiction with which you may be familiar*” and “*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations.*”

Each Guarantee will be a continuing guarantee and, subject to the next succeeding paragraph, shall:

- (1) remain in full force and effect until payment in full of all the Guaranteed Obligations;
- (2) be binding upon each such Guarantor and its successors; and
- (3) inure to the benefit of and be enforceable by the Trustee, the holders of the notes and their successors, transferees and assigns.

A Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

- (a) the sale, disposition, exchange or other transfer (including through merger, consolidation, amalgamation, dividend, distribution or otherwise) of the Capital Stock of such Guarantor if after such sale, disposition or other transfer, such Guarantor is no longer a Restricted Subsidiary, or the sale, disposition or other transfer of all or substantially all the assets of such Guarantor, in each case if such sale, disposition, exchange or other transfer is made in a manner not in violation of the Indenture;
- (b) (i) the Issuer designating such Guarantor to be an Unrestricted Subsidiary in accordance with the definition of “Unrestricted Subsidiary” or (ii) such Guarantor becoming an Excluded Subsidiary in accordance with the definition of “Excluded Subsidiary” (unless such subsidiary continues to provide a guarantee under the Credit Agreement);
- (c) the release or discharge of the guarantee by such Guarantor under the Credit Agreement;
- (d) in the case of any Restricted Subsidiary that is required to guarantee the notes pursuant to the covenant described under “—*Certain Covenants—Future Guarantors,*” the release or discharge of any Indebtedness that triggered such Guarantor’s obligation to guarantee the notes, provided that no other Indebtedness is at the time guaranteed by the Guarantor that would result in the requirement that the Guarantor provide a Guarantee pursuant to the same covenant;
- (e) the Issuer’s exercise of its legal defeasance option or covenant defeasance option as described under “—*Defeasance,*” or if the Issuer’s obligations under the Indenture are discharged in accordance with the terms of the Indenture, including as described under “—*Satisfaction and Discharge*”;
- (f) in connection with, or to facilitate and/or implement, a Permitted Reorganization or a Permitted CoC Transaction;
- (g) the merger or consolidation of such Guarantor with and into the Issuer or another Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation or dissolution of such Guarantor following the transfer of all or substantially all of its assets to the Issuer or another Guarantor;

- (h) as described under “—*Amendment, Supplement and Waiver*”;
- (i) as provided for in the Intercreditor Agreement and/or any Additional Intercreditor Agreement;
- (j) pursuant to or as contemplated by “*Merger, Consolidation or Sale of All or Substantially All Assets*”;
- (k) upon the release or discharge of all other Guarantees by such Guarantor of Indebtedness of the Issuer or any other Guarantor;
- (l) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the notes; or
- (m) the occurrence of a Covenant Suspension Event; provided that following a Reversion Date, if any, each Guarantor shall be reinstated to the extent and within the timeframe required under “—*Certain Covenants—Future Guarantors*.”

Unless a Subsidiary is a Guarantor, claims of creditors of such Subsidiary, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiary, generally will have priority with respect to the assets and earnings of such Subsidiary over the claims of creditors of the Issuer, including the holders of the notes. The notes, therefore, will be structurally subordinated to holders of indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of any Subsidiary of the Issuer that is not a Guarantor.

Upon any occurrence giving rise to a release as specified above and upon request of the Issuer, the Security Agent and, to the extent reasonably requested, the Trustee shall take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Guarantee in accordance with these provisions and will, at the cost and expense of the Issuer, execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Guarantee, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected without the consent of the holders of the notes or any other action or consent on the part of the Trustee. Neither the Issuer nor any Guarantor will be required to make a notation on the notes to reflect any such release, termination or discharge.

Change of Control

Upon the occurrence of any of the following events after the Issue Date (each, a “**Change of Control**”), each holder will have the right to require the Issuer to repurchase all or any part of such holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof (the “**Change of Control Payment**”), plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Issuer has previously or concurrently elected to redeem the notes as described under “—*Optional Redemption*”:

- (1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets (other than Capital Stock, debt or other securities of any Unrestricted Subsidiary) of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders, a Restricted Subsidiary or the IPO Entity; or
- (2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation, amalgamation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of the Issuer, or any direct or indirect parent of the Issuer that holds directly or indirectly an amount of Voting Stock of the Issuer such that the Issuer is a Subsidiary of such holding company unless the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate at least a majority of the members of the Board of Directors of

the Issuer (provided that, for purposes of this determination, to the extent any Person or group includes both Permitted Holders and non-Permitted Holders (any such Person or group, the “Subject Group”), and the Subject Group does not itself constitute a Permitted Holder, then the Voting Stock of the Issuer directly or indirectly beneficially owned by such Permitted Holders in such Subject Group shall not be treated as being beneficially owned by such Subject Group),

provided, further, that a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

Notwithstanding the foregoing: (A) the transfer of assets between or among the Issuer and its Restricted Subsidiaries shall not itself constitute a Change of Control, (B) a Person or group shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement and (C) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner and (D) any action to be taken by a member of the Group that is required as a condition in respect of any Permitted Acquisition by any relevant regulator or to comply with any applicable securities laws will not cause a Change of Control.

In addition, notwithstanding the foregoing, a transaction in which the Issuer or a parent entity of the Issuer becomes a subsidiary of another Person (such Person, the “**New Parent**”) shall not constitute a Change of Control if (a) the equityholders of the Issuer or such parent entity immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the Voting Stock of the Issuer or such New Parent immediately following the consummation of such transaction, substantially in proportion to their holdings of the equity of the Issuer or such parent entity prior to such transaction or (b) immediately following the consummation of such transaction, no Person, other than a Permitted Holder, the New Parent or any subsidiary of the New Parent, beneficially owns, directly or indirectly through one or more intermediaries, more than 50% of the voting power of the Voting Stock of the Issuer or the New Parent.

Within 30 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the notes as described under “—*Optional Redemption*,” the Issuer shall send electronically, mail by first-class mail or otherwise provide in accordance with the procedures of Euroclear or Clearstream, as applicable, a notice (a “**Change of Control Offer**”) to each holder with a copy to the Trustee describing:

- (1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of purchase (*subject* to the right of holders of record on a record date to receive interest on the relevant interest payment date);
- (2) the transaction or transactions constitute a Change of Control;
- (3) the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is sent, except that if a Change of Control Offer is made in advance of a Change of Control and conditioned upon such Change of Control as stated below, the expected repurchase date will be stated and may be based on a date relative to the closing of the transaction that is expected to result in the Change of Control and may be tolled until the closing of such transaction) (the “**Change of Control Payment Date**”); and
- (4) the instructions determined by the Issuer that a holder must follow in order to have its notes purchased.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all notes or portions thereof properly tendered pursuant to the Change of Control Offer;

- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all notes so tendered plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest if any, to, but excluding, the date of repurchase;
- (3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of notes or portions thereof being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

Holders electing to have any notes purchased shall be required to surrender the notes, with an appropriate form duly completed, to the Issuer at the address specified in the notice at least three Business Days prior to the purchase date. The holders shall be entitled to withdraw their election if the Issuer receives not later than two Business Days prior to the purchase date a facsimile transmission or letter setting forth the name of the holder, the principal amount of the notes which was delivered for purchase by the holder and a statement that such holder is withdrawing his election to have such notes purchased. Holders whose notes are purchased only in part shall be issued new notes equal in principal amount to the unpurchased portion of the notes surrendered.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described under the caption "*—Optional Redemption,*" unless and until there is a default in payment of the applicable redemption price.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, with a purchase date to occur upon, or within a specified period of time not to exceed 15 days after, the consummation of such Change of Control.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14(e)-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of such covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this paragraph by virtue of such compliance.

Debt agreements to which the Issuer or a Restricted Subsidiary is or becomes a party may prohibit the Issuer from purchasing any notes as a result of a Change of Control. In the event a Change of Control occurs at a time when the Issuer is prohibited from purchasing any notes, the Issuer could seek the consent of its lenders to permit the purchase of such notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, the Issuer will remain prohibited from purchasing the notes. In such case, the Issuer's failure to purchase tendered notes would constitute an Event of Default under the Indenture.

The Credit Agreement and the Existing Notes Indentures provide, the Indenture will provide, and future credit agreements or other debt agreements to which the Issuer or a Restricted Subsidiary becomes a party may provide, that certain change of control events with respect to the Issuer would constitute a default thereunder (including a Change of Control under the Indenture) or, in the case of the Existing Notes Indentures, may result in a default thereunder if the relevant issuer fails to make a timely change of control offer or comply with related repurchase obligations. If we experience a change of control that triggers a default under our Credit Agreement, the Existing Notes Indentures, or such other Indebtedness, we could seek a waiver of such defaults or seek to refinance our Credit Agreement, the Existing Notes or any other Indebtedness. In the event we do not obtain such a waiver or refinance the Credit Agreement, the Existing Notes and such other Indebtedness, such defaults could result in amounts outstanding under our Credit Agreement, the Existing Notes and such other Indebtedness being declared due and payable.

Notwithstanding the foregoing, in connection with any tender offer for the notes (including any Change of Control Offer), if holders of not less than 90% in aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the notes validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right upon not less than 10 days nor more than 60 days' prior notice; provided that such notice is given not more than 30 days following such tender offer expiration date, to redeem all notes that remain outstanding following such purchase at a redemption price in cash equal to the price offered to each other holder in such tender offer (provided that such price shall not be less than 100% of the principal amount), plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, to, but excluding, the date of redemption.

Our ability to pay cash to the holders of notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. See *“Risk Factors—Risks Related to Our Indebtedness— Future liquidity and cash flow difficulties could prevent the Issuer from repaying the Notes when due or repurchasing the Notes when it is required to do so pursuant to certain events constituting a change of control or otherwise, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.”*

The Change of Control purchase feature of the notes may in certain circumstances make it more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Initial Purchasers and us. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings, securitizations or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. See *“Risk Factors—Risks Related to Our Indebtedness— Future liquidity and cash flow difficulties could prevent the Issuer from repaying the Notes when due or repurchasing the Notes when it is required to do so pursuant to certain events constituting a change of control or otherwise, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.”*

The definition of “Change of Control” includes a disposition of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to certain Persons. Although there is a limited body of case law interpreting the phrase “substantially all” under New York law, which governs the Indenture, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Issuer and its Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control with respect to the notes has occurred and whether a holder of the notes may require the Issuer to make an offer to repurchase the notes as described above.

The provisions under the Indenture relating to the Issuer’s obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the notes.

If and for so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as soon as reasonably practicable after the Change of Control Payment Date in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (www.luxse.com).

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred and shall not be liable to any person for any failure to do so.

Permitted Change of Control

Notwithstanding any other provision in the Indenture or any Notes Document to the contrary, the Issuer shall have the right (in its sole and absolute discretion) at any time and from time to time to deliver to the Trustee and the Security Agent an Officer’s Certificate or other written notice, which may:

- (1) specify the name and registered address of a person (the “**New Group Holdco**”) which following the occurrence of a Permitted Change of Control is, or will be, the direct Parent of the Group and which, to the extent required by the Intercreditor Agreement, shall become a party thereto as a “Shareholder Creditor”;
- (2) state that the New Group Holdco will become the direct parent of the Issuer or, to the extent that the New Group Holdco becomes an indirect parent of the Issuer, specify the direct subsidiary of New Group Holdco which, subject to the Agreed Security Principles, will accede to the Indenture as a Guarantor (the “**New Parent Company**”) and become the top entity of the Group (such New Parent Company and its Restricted Subsidiaries, including the Issuer, becoming the “**New Group**”), with all provisions applicable to the Issuer and its Restricted Subsidiaries becoming references to the New Parent Company and its Restricted Subsidiaries; and
- (3) confirm if the New Group Holdco and/or any of its Subsidiaries has Indebtedness, whether incurred in connection with the Permitted Change of Control or otherwise, that will constitute Indebtedness of the Group (or the New Group, as applicable), including, without limitation, via debt pushdown (a “**CoC Debt Pushdown**”); *provided*, that, for the avoidance of doubt, such Indebtedness is permitted to be Incurred pursuant to the covenants described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” and “—*Certain Covenants—Limitations on Liens*” (“**Permitted CoC Indebtedness**”).

Each of the Issuer, the Guarantors (if any), the Trustee, Security Agent and any Agent shall be expressly authorized and permitted (and shall be required) to enter into any amendment to, release of, or replacement of any or supplementary Notes Document as required by the Issuer and/or take such other action and/or steps as is required by the Issuer in order to facilitate or reflect any of the matters contemplated in this “*Permitted Change of Control*” and any step, action, amendment, waiver, documentation or transaction to effect and consent to any Permitted CoC Transaction, *provided that* such amendment, release, replacement, supplement of any Notes Document or other action and/or steps (including any step, action, amendment, waiver, documentation or transaction to effect and consent to any Permitted CoC) will not impose any personal obligations on the Trustee, Security Agent and any Agent or adversely affect the rights, duties, liabilities, indemnifications or immunities of the Trustee, the Security Agent and any Agent under the Indenture, the Intercreditor Agreement and the other Notes Documents. The Trustee and the Security Agent are each irrevocably authorized, instructed and obliged by each Holder (without the requirement for any further authorization, consent, sanction or further confirmation) to execute any such amended, released, replacement or supplementary Notes Document and/or take other such action and/or steps on behalf of the Holders (and shall do so on the reasonable request of the Issuer).

For the purposes of satisfying any Relevant CoC Metric (including the Consolidated Total Debt Ratio) and making any other test or calculation under the Indenture in connection with a Permitted CoC Transaction, any such Relevant CoC Metric, test or other calculation shall be permitted to be tested or made, as applicable, on any Permitted CoC Test Date adjusted *pro forma* for any Indebtedness Incurred or repaid (whether occurring on, prior to or after (but in all circumstances, consequential to) the completion of a Permitted CoC Transaction), any proceeds arising in connection with a Permitted CoC Transaction so reducing Indebtedness, any shareholder injection, increase to balance sheet cash received by the Group or the New Group (as applicable) and/or the other provisions of the Indenture in connection with the Permitted CoC Transaction.

Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date (i) the notes have Investment Grade Ratings from two Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “**Covenant Suspension Event**”), the Issuer and its Restricted Subsidiaries will not be subject to the following covenants or provisions (collectively, the “**Suspended Covenants**”):

- (1) “—*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”;

- (2) “—*Merger, Consolidation or Sale of All or Substantially All Assets*”;
- (3) “—*Future Guarantors*”;
- (4) “—*Impairment of Security Interest*”; and
- (5) the last paragraph of the definition of Unrestricted Subsidiary.

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the “**Reversion Date**”) one or both of the relevant Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events.

The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to in this description as the “**Suspension Period**.” In the event of any such reinstatement on a Reversion Date, no action taken or omitted to be taken by the Issuer or any of its Restricted Subsidiaries prior to such Reversion Date (and no action taken or omitted to be taken following a Reversion Date in connection with honoring, complying with or otherwise performing or consummating any contractual commitments or obligations entered into during a Suspension Period) will give rise to a Default or Event of Default under the Indenture with respect to the notes; provided that all Indebtedness Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been Incurred or issued pursuant to clause (c) of the second paragraph of “—*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*.”

The Issuer shall provide an Officer’s Certificate to the Trustee indicating the occurrence of any Covenant Suspension Event or Reversion Date. The Trustee will have no obligation to (i) independently determine or verify if such events have occurred, (ii) make any determination regarding the impact of actions taken during the Suspension Period on the Issuer’s and its Subsidiaries’ future compliance with their covenants or (iii) notify the holders of the notes of any Covenant Suspension Event or Reversion Date.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

The Indenture will provide that:

- (1) the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and
- (2) the Issuer will not permit any of its Restricted Subsidiaries (other than a Subsidiary Guarantor) to issue any shares of Preferred Stock,

provided, however, that the Issuer and any of its Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any of the Issuer’s Restricted Subsidiaries may issue shares of Preferred Stock (any such Indebtedness or Disqualified Stock Incurred or issued pursuant to this proviso, the “**Ratio Debt**”), in each case if (a) other than in the case of Senior Secured Debt, either (x) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries as of the Applicable Test Date does not decrease or is at least 2.00 to 1.00 or (y) the Consolidated Total Debt Ratio of the Issuer and its Restricted Subsidiaries as of the Applicable Test Date does not increase or is no greater than 3.75 to 1.00 or (b) in the case of Senior Secured Debt, the Consolidated Senior Secured Debt Ratio of the Issuer and its Restricted Subsidiaries as of the Applicable Test Date does not increase or is no greater than 3.50 to 1.00, in each case, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred, at the beginning of such four-quarter period.

The foregoing limitations will not apply to (collectively, “**Permitted Debt**”):

- (a) the Incurrence by the Issuer or its Restricted Subsidiaries of Indebtedness under any Credit Agreement (and the issuance and creation of letters of credit, guarantees and bankers’ acceptances thereunder (with letters of credit, guarantees and bankers’ acceptances being deemed, for purposes of this clause (a), to have a principal amount equal to the face amount

thereof at the time of issuance)) in an aggregate principal amount not to exceed the greater of (A) 100% of EBITDA as of the Applicable Test Date and (B) €885 million; *provided*, that any Indebtedness incurred pursuant to this clause (a) may be refinanced at any time if such refinancing does not exceed the greater of (I) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to this clause (a) on the date of such refinancing and (II) the aggregate principal amount of the Indebtedness being refinanced at such time (together with an amount necessary to pay accrued and unpaid interest and fees, underwriting discounts and other fees and expenses, including any premium and defeasance costs, associated with such refinancing);

- (b) the Incurrence by (i) the Issuer and the Guarantors of Indebtedness represented by the notes (not including any additional notes) and the Guarantees (including any future Guarantees), and any proceeds loans related thereto and (ii) the Issuer of the Existing Notes (not including any additional notes thereunder) and the guarantees thereunder, and any proceeds loans related thereto;
- (c) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (a) and (b) of this paragraph);
- (d) (1) Indebtedness, Capitalized Lease Obligations, finance lease obligations, mortgage financings or purchase money obligations, in each case, Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries to finance, all or any part of the acquisition, purchase, lease, construction, rental payments, design, installation, repair, replacement or improvement of property (real or personal), vehicles, plant or equipment or other fixed or capital assets (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount, including all Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (d)(1), not to exceed the greater of (x) 35% of EBITDA as of the Applicable Test Date and (y) €310 million, outstanding at the time of Incurrence (minus (without double counting) amounts Incurred and outstanding under clause (m) in respect of Indebtedness originally Incurred under this clause (d)(1), but after deducting any additional Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to pay accrued and unpaid interest and fees, underwriting discounts and other fees and expenses, including any premium and defeasance costs, in connection therewith as permitted by such clause (m)), (2) Indebtedness, Capitalized Lease Obligations, finance lease obligations, mortgage financings or purchase money obligations, in each case, Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries to finance, all or any part of the acquisition, purchase, lease, construction, rental payments, design, installation, repair, replacement or improvement of property (real or personal), vehicles, plant or equipment and related assets used or useful in the business of the Issuer and its Subsidiaries (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) and (3) Indebtedness Incurred by the Issuer or a Restricted Subsidiary as a result of leases entered into by the Issuer or such Restricted Subsidiary or any direct or indirect parent of the Issuer in the ordinary course of business;
- (e) Indebtedness (x) in respect of any letters of credit, bankers' acceptance, bank guarantees, discounted bill of exchange or similar instruments supporting trade payables or the discounting or factoring of receivables, warehouse receipt or similar facilities, and reinvestment and reimbursement obligations related thereto; and (y) constituting reimbursement obligations with respect to letters of credit and bank guarantees, including letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding worker's compensation claims or similar obligations or any governmental requirements; provided that (in the case of (x) and (y)) upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are discharged or reimbursed within 60 days following such drawing;

- (f) Indebtedness incurred or arising from or in respect of agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, deferred purchase price, earnout or similar arrangements or obligations, in each case, entered into or Incurred or assumed in connection with any Investments, any New Projects or the acquisition or disposition of any business, assets or a Subsidiary of the Issuer not prohibited by the Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets, or Subsidiary for the purpose of financing such acquisition;
- (g) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or a Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary that holds such shares of Preferred Stock of a Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock;
- (h) Indebtedness or Disqualified Stock of (a) a Restricted Subsidiary to the Issuer or (b) the Issuer or any Restricted Subsidiary to any Restricted Subsidiary;
- (i) Hedging Obligations that are not Incurred for speculative purposes or in connection with the Transactions;
- (j) obligations (including reimbursement obligations with respect to letters of credit, bank guarantees, warehouse receipts and similar instruments) in respect of any regulatory, governmental or municipal body (or similar), performance, bid, appeal, completion and surety bonds, performance and completion guarantees, cost-overrun guarantees and similar obligations, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments provided by the Issuer or any of its Restricted Subsidiaries and liabilities incurred in the ordinary course of business or in connection with the cash management, cash pooling, tax and accounting operations of the Issuer and its Subsidiaries;
- (k) Indebtedness, Disqualified Stock or Preferred Stock in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (k), does not exceed the greater of (x) 75% of EBITDA as of the Applicable Test Date and (y) €665 million (minus amounts Incurred and outstanding under clause (m) in respect of Indebtedness originally Incurred under this clause (k), but after deducting any additional Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to pay accrued and unpaid interest and fees, underwriting discounts and other fees and expenses, including any premium and defeasance costs, in connection therewith as permitted by such clause (m));
- (l) any guarantee by the Issuer or any of its Restricted Subsidiaries of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness or other obligations by the Issuer or such Restricted Subsidiary is permitted under the terms of the Indenture; provided that if such Indebtedness is by its express terms subordinated in right of payment to the notes or the Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of such Guarantor with respect to such Indebtedness shall be subordinated in right of payment to such Guarantor's Guarantee with respect to the notes substantially to the same extent as such Indebtedness is subordinated to the notes or the Guarantee of such Restricted Subsidiary, as applicable;
- (m) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary or the Issuer that serves to refund, refinance, replace, exchange, renew, repay, extend or defease any Indebtedness (or unutilized commitments in respect of Indebtedness, only to the extent the committed amount (i) could have been Incurred on the date of initial Incurrence and was deemed Incurred at such time for the purposes of this covenant or (ii) could have been Incurred other than as Refinancing Indebtedness on the date of such replacement, refunding or refinancing), Disqualified Stock or Preferred Stock Incurred as permitted under the first paragraph of this covenant and clauses (b), (c), (d), (k), this clause (m), (p), (r), (s) and (x) of this paragraph or any Indebtedness,

Disqualified Stock or Preferred Stock Incurred to so refund, refinance, replace, exchange, renew, repay, extend or defease such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay accrued and unpaid interest and fees, underwriting discounts and other fees (including original issue discount) and expenses, including any premium (including tender premiums) and defeasance costs, in connection therewith (subject to the following proviso, “**Refinancing Indebtedness**”); *provided, however*, that such Refinancing Indebtedness:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a Stated Maturity which is no earlier than the earlier of the Stated Maturity of (i) the Indebtedness refunded, refinanced, replaced or defeased or (ii) the notes;
 - (2) to the extent such Refinancing Indebtedness refinances (x) Subordinated Indebtedness, such Refinancing Indebtedness is Subordinated Indebtedness, or (y) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock;
 - (3) is Incurred in an aggregate principal amount (or if issued with original issue discount an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness refunded, refinanced, replaced, exchanged, renewed, repaid, extended or defeased plus (y) the amount necessary to pay accrued and unpaid interest and fees, underwriting discounts and other fees and expenses, including any premium and defeasance costs Incurred in connection with such transaction;
 - (4) shall not include Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and
 - (5) may be Incurred from time to time after the termination, discharge or repayment of any such Indebtedness or prior to such termination, discharge or repayment so long as the proceeds are solely used for such purpose;
- (n) Indebtedness arising from (i) Bank Products and (ii) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; provided that in the case of this subclause (ii) such Indebtedness is extinguished within ten Business Days of its Incurrence;
- (o) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee or similar, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;
- (p) Contribution Indebtedness;
- (q) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (i) the financing of insurance premiums, (ii) take-or-pay obligations contained in supply arrangements, (iii) manufacturer, vendor financing, customer and supply arrangements in the ordinary course of business, (iv) obligations to reacquire assets or inventory in connection with customer financing arrangements in the ordinary course of business or consistent with past practice or industry norm; or (v) obligations under deferred compensation or other similar arrangements incurred by such Person in connection with the Transactions, New Projects or any other Investment or acquisition permitted under the indenture;
- (r) Indebtedness Incurred pursuant to factoring, securitizations, receivables financings or similar arrangements, including by a Special Purpose Securitization Subsidiary in a Permitted Securitization Financing (x) incurred in the ordinary course of business or (y) either (i) with respect to which recourse to the Issuer or any Restricted Subsidiary (other than the Special

Purpose Securitization Subsidiaries) in connection with such transactions is limited to the extent customary (as determined by the Issuer in good faith) for similar transactions in the applicable jurisdictions (including Standard Securitization Undertakings and, to the extent applicable, in a manner consistent with the delivery of a “true sale”/“absolute transfer” opinion with respect to any transfer by the Issuer or any Restricted Subsidiary (other than a Special Purpose Securitization Subsidiary)), or (ii) does not exceed the greater of (x) €225 million and (y) 25% of EBITDA as of the Applicable Test Date;

- (s) (x) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or any of its Restricted Subsidiaries Incurred to finance an acquisition (including a merger, consolidation or amalgamation) or other Investment permitted by the Indenture or (y) Acquired Indebtedness of the Issuer or any of its Restricted Subsidiaries, in the case of clause (x) only, in an aggregate principal amount not to exceed the sum of: (i) the greater of (A) €225 million and (B) 25% of EBITDA as of the Applicable Test Date, plus (ii) an additional aggregate principal amount or liquidation preference so long as, as of the Applicable Test Date, after giving effect to the transactions that result in such Incurrence or issuance, on a *pro forma* basis, either (a) the Issuer or a Restricted Subsidiary would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to the applicable Ratio Debt test set forth in the first paragraph of this covenant or (b) (I) other than in the case of Senior Secured Debt, either (1) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would not be less than immediately prior to such transactions or (2) the Consolidated Total Debt Ratio of the Issuer and its Restricted Subsidiaries would not be greater than immediately prior to such transactions or (II) in the case of Senior Secured Debt, the Consolidated Senior Secured Debt Ratio of the Issuer and its Restricted Subsidiaries would not be greater than immediately prior to such transactions (with any Indebtedness Incurred under subclause (i) hereof or under any other clause of Permitted Debt (except to the extent Incurred in reliance of the Consolidated Total Debt Ratio, the Consolidated Senior Secured Debt Ratio or the Fixed Charge Coverage Ratio pursuant to the terms of such other clause) on the date of determination of the Consolidated Total Debt Ratio, the Consolidated Senior Secured Debt Ratio or the Fixed Charge Coverage Ratio not being included in the calculation of such ratio under this subclause (ii), but not, for the avoidance of doubt, excluded from any such calculation made on any subsequent date and with the Issuer’s ability to Incur Indebtedness under subclause (ii) before utilizing subclause (i));
- (t) Indebtedness Incurred by the Issuer or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the notes;
- (u) guarantees (a) Incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees that, in each case, are non-Affiliates or (b) otherwise constituting Investments permitted under the Indenture;
- (v) Management Advances and Indebtedness issued by the Issuer or any of its Restricted Subsidiaries to or under or in connection with any agreement or instrument issued for the benefit of current or former employees, directors, officers, managers, operating advisors and consultants thereof or any Parent, their respective Immediate Family Members, in respect of any management equity, incentive, benefit or other similar arrangements, including to finance the purchase or redemption of Equity Interests, Subordinated Shareholder Debt or Indebtedness of the Issuer or any of its Restricted Subsidiaries or any Parent;
- (w) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;
- (x) Indebtedness consisting of local lines of credit, bilateral facilities, working capital or overdraft facilities or other operating facilities either (x) Incurred to finance the working capital needs of the Issuer and its Subsidiaries or (y) in an amount not to exceed the greater of (x) €225 million and (y) 25% of EBITDA as of the Applicable Test Date (minus amounts Incurred and outstanding under clause (m) in respect of Indebtedness originally incurred under this clause (x), but after deducting any additional Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to pay accrued and unpaid interest and fees, underwriting discounts and other

fees and expenses, including any premium and defeasance costs, in connection therewith as permitted by such clause (m));

- (y) customer deposits and advance payments received in the ordinary course of business or consistent with past practice or industry norm from customers;
- (z) any mandatory guarantee given by the Issuer or any of its Restricted Subsidiaries in respect of any pension schemes operated by the Issuer or any of its Subsidiaries;
- (aa) Indebtedness in respect of obligations of the Issuer or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money or any Hedging Obligations;
- (bb) Indebtedness of the Issuer or any Restricted Subsidiary to or on behalf of any joint venture (regardless of the form of legal entity) that is not a Restricted Subsidiary arising in the ordinary course of business or industry norm in connection with the cash management operations (including with respect to intercompany self-insurance arrangements) of the Issuer and its Restricted Subsidiaries;
- (cc) Guarantees of the obligations of joint ventures in an aggregate amount not exceeding the greater of (i) €270 million and (ii) 30% of EBITDA as of the Applicable Test Date;
- (dd) Letters of credit, guarantees, performance bonds or other similar instruments or obligations issued or relating to liabilities incurred in the ordinary course of business or in respect of any governmental requirement (including in connection with the requirements of concessions, licenses or other approvals from governmental authorities); and
- (ee) Indebtedness Incurred pursuant to Sale/Leaseback Transactions.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or is entitled to be Incurred as Ratio Debt, the Issuer shall, in its sole discretion, as of the Applicable Test Date, divide and/or classify, or at any later time re-divide and/or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant. With respect to clauses (d)(1), (k), (p), (r)(y)(ii), (s)(i), (x) and (cc) of the second paragraph of this covenant, if at any time the Issuer or a Restricted Subsidiary would be entitled to have Incurred any then outstanding item of Indebtedness as Ratio Debt, unless otherwise elected by the Issuer, such item of Indebtedness shall be automatically reclassified into an item of Indebtedness Incurred as Ratio Debt. Notwithstanding the foregoing, all Indebtedness Incurred or deemed Incurred under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred pursuant to clause (a) of the second paragraph of this covenant, and the Issuer shall not be permitted to reclassify all or any portion of such Indebtedness. The Issuer will also be entitled to divide, classify or reclassify an item of Indebtedness in more than one of the types permitted in the first and second paragraphs of this covenant without giving *pro forma* effect to the Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) Incurred pursuant to the second paragraph of this covenant when calculating the amount of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) that may be Incurred pursuant to the first paragraph of this covenant.

For purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Debt Facility, reborrowings of amounts previously repaid (including the Credit Agreement outstanding on the Issue Date), shall, at the option of the Issuer, only be deemed for purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent reborrowing thereof. Accrual of interest, the accretion of accreted value, the amortization of original issue discount or deferred financing costs, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of Disqualified Stock or Preferred Stock of the same class, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. For the avoidance of doubt, the outstanding principal amount of any particular Indebtedness shall be counted only once and guarantees of, or

obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; provided that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro equivalent principal amount of Indebtedness denominated in a currency other than euro shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower euro equivalent), in the case of revolving credit debt; provided that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the outstanding, in the case of term debt, or, if greater, committed principal amount of such Indebtedness being refinanced.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which the respective Indebtedness is denominated that is in effect on the date of the refinancing.

Financial Calculations

When calculating the availability under any Applicable Metric in the Indenture in connection with any Applicable Transaction, the date of determination shall be the Applicable Test Date and such Applicable Metric shall be calculated on a *pro forma* basis after giving effect to such Applicable Transaction as if it occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any such Applicable Metric is exceeded as a result of fluctuations in such Applicable Metric (including due to fluctuations in EBITDA of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such Applicable Metric will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder and (y) such Applicable Metric shall not be retested at the time of consummation of such transaction or related transactions; *provided, further*, that if the Issuer elects to have such determinations occur on any date prior to consummation of the relevant Applicable Transaction, any such transactions (including any Incurrence of Indebtedness (and the use of proceeds thereof) and Liens) shall be deemed to have occurred on such date and outstanding thereafter for purposes of calculating any Applicable Metric under the Indenture after such date and before the consummation of such transaction.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro transaction is made. No Default or breach under the Indenture shall arise merely as a result of any subsequent change in currency exchange rates.

In respect of any four full fiscal quarter period, exchange rates used in relation to an item of Consolidated Total Indebtedness may be, at the election of Issuer, (i) the weighted average exchange rates for that period, (ii) the exchange rate used in the relevant financial statements as of the last day of such period, (iii) the exchange rate as in effect on the date that Indebtedness was incurred or (iv) the exchange rate on the Issue Date; provided that, where applicable and at the election of the Issuer, any amount of Indebtedness will be stated so as to take into account the hedging effect of any currency hedging entered into in respect of or by reference to that Indebtedness.

Any Applicable Metric where an element is set by reference to a percentage of EBITDA shall be tested by reference to the applicable level of EBITDA of the Issuer and its Restricted Subsidiaries (unless otherwise specified) for the relevant 12-month period preceding the Applicable Reporting Date prior to the Applicable Transaction Date. Accordingly, any amounts incurred on the basis of such EBITDA based basket shall (provided that such amounts are, at the time of incurrence, duly and properly incurred in accordance with the relevant basket, test or permission) be treated as having been duly and properly incurred without the incurrence of an Event of

Default even in the event that such EBITDA based basket subsequently decreases by virtue of operation of that calculation. If (x) any restriction, basket, threshold or permission is determined by reference to the greater of a fixed amount (the “fixed component”) and a percentage of EBITDA (the “grower component”) and (y) the grower component of the applicable restriction, basket, threshold or permission exceeds the applicable fixed component at any time, the fixed component shall be deemed to be increased to the highest amount of the grower component reached from time to time and shall not subsequently be reduced as a result of any decrease in the grower component.

For any relevant Applicable Metric set by reference to a fiscal year, a calendar year, a four-quarter period or any other similar annual period (each an “**Annual Period**”):

- (i) at the option of the Issuer, the maximum amount so permitted under such Applicable Metric during such Annual Period may be increased by: (A) an amount equal to 100% of the difference (if positive) between the permitted amount in the preceding Annual Periods and the amount thereof actually used or applied by the Issuer and its Restricted Subsidiaries during such preceding Annual Periods (the “**Carry Forward Amount**”); and/or (B) an amount equal to 100% of the permitted amount in the following Annual Periods and the permitted amount in such following Annual Periods shall be reduced by such corresponding amount (the “**Carry Back Amount**”); *provided that*, for the avoidance of doubt, to the extent such Applicable Metric provides an alternative method of increasing the amount permitted by that Applicable Metric by applying unused capacity from prior periods or capacity from future periods (an “**Alternative Carry Forward/Back Provision**”), the Issuer may choose to apply either the provisions of this clause (i) or the applicable Alternative Carry Forward/Back Provision when calculating the Applicable Metric but Alternative Carry Forward/Back Provision may not be combined with the provisions of this clause (i); and
- (ii) to the extent that the maximum amount so permitted under such Applicable Metric during such Annual Period is increased in accordance with clause (i) above, any usage of such Applicable Metric during such Annual Period shall be deemed to be applied in the following order: (A) first, against the Carry Forward Amount; (B) second, against the maximum amount so permitted during such Annual Period prior to any increase in accordance with clause (i) above; and (C) third, against the Carry Back Amount.

In the event that any amount or transaction meets the criteria of more than one Applicable Metric, the Issuer may (in its sole discretion), subject to the limitations imposed under the third paragraph of the covenant described under “—*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*,” classify and reclassify that amount or transaction to a particular Applicable Metric and will only be required to include that amount or transaction in one of those Applicable Metrics (and, for the avoidance of doubt, an amount may at the option of the Issuer be split between different Applicable Metrics).

Limitation on Liens

The Indenture will provide that the Issuer will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or incur any Lien that secures obligations under any Indebtedness on any asset or property of the Issuer or any Restricted Subsidiary, except: (x) in the case of any asset or property that constitutes Collateral, Permitted Collateral Liens and (y) in the case of any asset or property that does not constitute Collateral, (i) Permitted Liens or (ii) Liens other than Permitted Liens; provided that with respect to clause (y)(ii) that (1) in the case of Liens securing Subordinated Indebtedness, the notes or the applicable Guarantee of a Guarantor, as the case may be, are secured, subject to the Agreed Security Principles, by a Lien on such property or assets that is senior in priority to such Liens; and (2) in all other cases, the notes or the applicable Guarantee of a Guarantor, as the case may be, are equally and ratably secured.

Notwithstanding the foregoing, any Lien securing the notes granted pursuant to the preceding paragraph shall be automatically and unconditionally released and discharged upon (a) the release by the holders of the Indebtedness described above of their Lien on the property or assets of the Issuer or any Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness (except upon foreclosure or default of such Indebtedness)), (b) any sale, exchange or transfer to any Person other than the Issuer or any Restricted Subsidiary of the property or assets secured by such Lien, or of all of the Capital Stock held by the Issuer or any Restricted Subsidiary in, or all or substantially all the assets of, any Restricted Subsidiary creating such Lien in each case in accordance with the terms of the Indenture, (c) payment in full of the principal of, and

accrued and unpaid interest, if any, on the notes, or (d) a defeasance or discharge of the notes in accordance with the procedures described below under “—*Defeasance*” or “—*Satisfaction and Discharge*.”

For purposes of determining compliance with this covenant, (A) a Lien (or any portion thereof) need not be permitted solely by reference to one category of permitted Liens (or any portion thereof) described in the definition of “Permitted Liens” or “Permitted Collateral Liens” or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens (or any portion thereof) described in the definition of “Permitted Liens” or “Permitted Collateral Liens” or pursuant to the first paragraph of this covenant, the Issuer may, in its sole discretion, divide, classify or reclassify, or later divide, classify or reclassify (as if Incurred at such later time), such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant, and as of the Applicable Test Date will be entitled to only include the amount and type of such Lien or such item of Indebtedness secured by such Lien (or any portion thereof) in one of the categories of permitted Liens (or any portion thereof) described in the definition of “Permitted Liens” or “Permitted Collateral Liens” or pursuant to the first paragraph of this covenant and, in such event, such Lien securing such item of Indebtedness (or any portion thereof) will be treated as being Incurred or existing pursuant to only such clause or clauses (or any portion thereof) or pursuant to the first paragraph hereof without giving *pro forma* effect to such item (or any portion thereof) when calculating the amount of Liens or Indebtedness (or any portion thereof) that may be Incurred pursuant to any other clause or paragraph (or any portion thereof) at such time.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “**Increased Amount**” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms or in the form of common stock, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or liquidation preference, any fees, underwriting discounts, accrued and unpaid interest, premiums and other costs and expenses incurred in connection therewith and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

Reports and Other Information.

For so long as any notes are outstanding, the Issuer will provide to the Trustee the following reports:

- (1) within 135 days after the end of the Reporting Entity’s fiscal year beginning with the fiscal year ending after the Issue Date, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Reporting Entity as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Reporting Entity for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Reporting Entity (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the fiscal year to which such annual report relates, unless such *pro forma* information has been provided in a previous report pursuant to clauses (2) or (3) below (*provided that such pro forma financial information will be provided only to the extent reasonably available without unreasonable expense, and, in the case of a material acquisition, the Reporting Entity may instead provide acquired company financials to the extent reasonably available without unreasonable expense*); (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources of the Reporting Entity, and a discussion of material commitments and contingencies, capital expenditures and critical accounting policies; (d) a description of the business, management and shareholders of the Reporting Entity, material affiliate transactions and material debt instruments (unless such contractual arrangements were described in a previous annual or quarterly report, in which case the Reporting Entity need describe only any material changes); and (e) a description of material risk factors and material recent developments (*provided that the information described in clauses (d) and (e) may be provided in the footnotes to the audited consolidated financial statements*);

- (2) within 90 days following the end of the first three fiscal quarters in each fiscal year of the Reporting Entity, beginning with the quarter ending after the Issue Date, all quarterly reports of the Reporting Entity containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year-to-date periods ending on the unaudited condensed balance sheet date, and the comparable prior year periods for the Reporting Entity, together with condensed footnote disclosure; (b) unaudited *pro forma* income statement information and balance sheet information of the Reporting Entity (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the fiscal quarter as to which such quarterly report relates (provided that such *pro forma* financial information will be provided only to the extent reasonably available without unreasonable expense, and in the case of a material acquisition, the Reporting Entity may instead provide acquired company financials to the extent reasonably available without unreasonable expense); (c) an operating and financial review of the financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources of the Reporting Entity, and a discussion of material changes between the current quarterly period and the corresponding period of the prior year; and (d) material recent developments; and
- (3) promptly after the occurrence of any acquisition, disposition or restructuring that is material to the Issuer and its Restricted Subsidiaries, taken as a whole, or any changes of the chief executive officer, executive chairman or chief financial officer at the Reporting Entity or change in auditors of the Reporting Entity or any other material event that the Issuer or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event;

provided, however, that the reports set forth in clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles or IFRS or (ii) include separate financial statements for Guarantors or non-Guarantor Subsidiaries of the Reporting Entity or include financial statements for any period other than the Reporting Entity's fiscal year or fiscal quarter.

For the purpose of clauses (1) and (2) above, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's *pro forma* consolidated revenue or EBITDA for the most recent four quarters for which annual or quarterly financial reports have been delivered to the Trustee or in respect of which financial information exists.

All financial statements and *pro forma* financial information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), and (2) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods. Following the Initial Public Offering, the requirements of clauses (1), (2) and (3) above shall be considered to have been fulfilled if the Issuer or the IPO Entity complies with the reporting requirements of Euronext Milan, organized and managed by Borsa Italiana S.p.A., or such other relevant stock exchange where the shares of the IPO Entity are listed.

Except as provided for above, no report need include separate financial statements for any Subsidiaries of the Issuer. At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Issuer, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

Substantially concurrently with the issuance to the Trustee of the reports specified in clauses (1) and (2) of the first paragraph of this covenant, the Issuer shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Issuer or the Reporting Entity or (ii) otherwise to provide substantially comparable availability of such reports (as determined by the Issuer in good faith) or (b) to the extent the Issuer determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish

such reports to the holders of the notes and, upon request, prospective purchasers of the notes. The Issuer will also make available copies of all reports required by clauses (1) through(3) of the first paragraph of this covenant, if and so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, to the extent and in the manner permitted by such rules, by posting such reports on the official website of the Luxembourg Stock Exchange (www.luxse.com).

In addition, so long as the notes remain outstanding and during any period during which the Reporting Entity is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer shall furnish to the holders of the notes and, upon their request, prospective purchasers of the notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The Issuer may satisfy its obligations and the requirements of this covenant with respect to financial information relating to the Issuer by furnishing financial information relating to any Parent (any such entity that provides such financial statements, information or other documents from time to time, the “**Reporting Entity**”) consolidating reporting at its level in a manner consistent with that described in this covenant; provided that such financial information is accompanied by consolidating information or some other form of reconciliation that explains in reasonable detail the differences between the information relating to such Reporting Entity and its Subsidiaries, on the one hand, and the information relating to the Issuer and its Subsidiaries, on the other hand.

All reports provided pursuant to this “—*Reports and Other Information*” covenant shall be made in the English language.

Future Guarantors. The Indenture will provide that, to the extent legally possible and subject to the Intercreditor Agreement and to the Agreed Security Principles, the Issuer will cause each Restricted Subsidiary (other than any Excluded Subsidiary) that is a Borrower or a Guarantor (as defined in the Credit Agreement) in respect of any Indebtedness Incurred under any Credit Agreement, to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will become a Guarantor under the Indenture within twenty (20) Business Days of the date that such guarantee has been granted pursuant to any Credit Agreement.

Notwithstanding the preceding paragraph, no Restricted Subsidiary shall be obligated to become a Guarantor to the extent and for so long as the Incurrence of such Guarantee of the notes is contrary to the Agreed Security Principles or any limitations applicable to the guarantee or could give rise to or result in (i) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules, retention of title claims or the laws, rules or regulations (or analogous restriction) of any applicable jurisdiction, (ii) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership) or (iii) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses.

Each Guarantee will be contractually limited as it relates to such Guarantor, to reflect limitations under the Agreed Security Principles and applicable law. See “—*Future Guarantees*” and “—*Security; the Collateral*.” By virtue of these limitations, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the notes or could even be reduced to zero. See “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral*” and “*Limitations on Validity and Enforceability of any Future Guarantees and the Security Interests and Certain Insolvency Law Considerations*.”

Each Guarantee shall be released in accordance with the provisions of the Indenture described under “—*Guarantees*.”

For the avoidance of doubt, this covenant shall only be applicable following the Issue Date.

Merger, Consolidation or Sale of All or Substantially All Assets

The Indenture will provide that the Issuer may not consolidate or merge with or into or wind up into (whether or not it is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (other than Capital Stock, debt or other securities of any Unrestricted Subsidiary but otherwise determined on a consolidated basis), in one or more related transactions, to any Person unless:

- (1) either (a) the Issuer is the surviving Person or (b) the Person formed by or surviving any such consolidation or merger or winding up (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited liability company or similar entity organized or existing under the laws of any member state of the European Union, the United Kingdom, any British Crown Dependency or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada or Switzerland (each a “**Permitted Jurisdiction**”) (the Issuer or such Person, as the case may be, being herein called the “**Successor Company**” for the purposes of this paragraph);
- (2) the Successor Company (if other than the Issuer) expressly assumes all the obligations of the Issuer under the Indenture and the notes, pursuant to supplemental indentures or other documents or instruments; and
- (3) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction) no Material Event of Default shall have occurred and be continuing.

The Successor Company (if other than the Issuer) will succeed to, and be substituted for, the Issuer under the Indenture and the notes and in such event the Issuer will automatically be released and discharged from its obligations under the Indenture and the notes.

Notwithstanding the foregoing clause (3) above, (a) the Issuer or any Restricted Subsidiary may consolidate with, merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Issuer or any Restricted Subsidiary or the IPO Entity, (b) the Issuer may merge or consolidate with an Affiliate incorporated or organized solely for the purpose of reincorporating or reorganizing the Issuer in another jurisdiction that is a Permitted Jurisdiction, so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby, (c) the Issuer may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Issuer or any Permitted Jurisdiction and (d) the Transactions may occur (any transaction described in this sentence, a “**Specified Merger/Transfer Transaction**”).

The Indenture will further provide that subject to certain limitations in the Indenture governing release of a Guarantee upon the sale or disposition of a Subsidiary Guarantor, each Subsidiary Guarantor will not, and the Issuer will not permit any Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person (herein called the “**Successor Guarantor**”) unless:

- (i) the surviving company (or company to which assets are transferred) in such liquidation, merger, sale, transfer or other disposition is the Issuer or a Guarantor; or
- (ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all of the properties and assets of the Guarantor (in each case other than to the Issuer or a Guarantor) in a transaction not otherwise prohibited or restricted by the Indenture; or
- (iii)
 - (1) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Guarantor or any of its Subsidiaries as a result of such transaction as having been Incurred by the Successor Guarantor or such Subsidiary at the time of such transaction) no Material Event of Default shall have occurred and be continuing; and
 - (2) the Successor Guarantor expressly assumes all the obligations of such Guarantor under the Indenture and the notes, pursuant to a supplemental indenture.

Subject to certain limitations described in the Indenture, the Successor Guarantor will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Guarantee, as applicable, and such Guarantor will automatically be released and discharged from its obligations under the Indenture and such Guarantor's Guarantee.

Notwithstanding the requirements set forth in the proceeding paragraphs of this covenant, (1) a Guarantor may merge or consolidate with an Affiliate (including the IPO Entity) incorporated or organized solely for the purpose of reincorporating or reorganizing such Guarantor in another jurisdiction that is a Permitted Jurisdiction, so long as the amount of Indebtedness of the Guarantor is not increased thereby, (2) a Subsidiary Guarantor may amalgamate, merge or consolidate with or into, or wind up into, liquidate, dissolve, or sell, assign, lease, convey, transfer or otherwise dispose of all or part of its properties or assets to a Restricted Subsidiary or the Issuer, and (3) a Subsidiary Guarantor may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor or any Permitted Jurisdiction.

This “—*Merger, Consolidation or Sale of All or Substantially All Assets*” covenant will not apply to (i) any transaction or arrangement pursuant to a Specified Merger/Transfer Transaction, (ii) a Restricted Subsidiary of the Issuer transferring all or part of its properties and assets to the Issuer or a Restricted Subsidiary of the Issuer in order to comply with any law, rule, regulation or order, recommendation or direction of, or agreement with, any regulatory authority having jurisdiction over the Issuer and/or any of its Restricted Subsidiaries, (iii) a Permitted Reorganization or (iv) a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and the Restricted Subsidiaries, including, for the avoidance of doubt, pursuant to Permitted Securitization Financings.

In the event of a conflict between the provisions set forth under “—*Permitted Change of Control*” and the provisions set forth in this “*Merger, Consolidation or Sale of All or Substantially All Assets*” covenant, the provisions set forth under “—*Permitted Change of Control*” shall prevail. All of the transactions described under the provisions set forth under “—*Permitted Change of Control*” (including the implementation of a Permitted CoC Transaction (including any intermediary steps or actions necessary to implement a Permitted CoC Transaction)) shall be expressly permitted under the provisions set forth in this “*Merger, Consolidation and Sale of All or Substantially All Assets*” covenant.

Defaults

An Event of Default will be defined in the Indenture as:

- (1) a default in any payment of interest or Additional Amounts, if any, on any note when the same becomes due and payable and such default continues for a period of 30 days;
- (2) a default in the payment of principal or premium, if any, of any note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer for 120 days after receipt of written notice given by the Trustee or the holders of not less than 30% in aggregate principal amount of the notes then outstanding (with a copy to the Trustee) to comply with any of its obligations, covenants or agreements contained in the provisions of the Indenture described in “*Certain Covenants—Reports and Other Information*,” provided that, for the avoidance of doubt, any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled “*Certain Covenants—Reports and Other Information*” or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture;
- (4) the failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after written notice given by the Trustee or the holders of not less than 30% in aggregate principal amount of the notes then outstanding (with a copy to the Trustee) to comply with its other obligations, covenants or agreements (other than a default referred to in clauses (1), (2) and (3) above) contained in the notes or the Indenture;

- (5) the failure by the Issuer or any Significant Subsidiary of the Issuer to pay any Indebtedness for borrowed money (other than Indebtedness owing to the Issuer or a Restricted Subsidiary or any Permitted Securitization Financing which is non-recourse to the Issuer and the Restricted Subsidiaries) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds the greater of (A) 19% of EBITDA as of the Applicable Test Date and (B) €170 million or its foreign currency equivalent;
- (6) certain events of bankruptcy or insolvency of the Issuer or a Significant Subsidiary of the Issuer (the “**bankruptcy provisions**”);
- (7) failure by the Issuer or any Significant Subsidiary of the Issuer to pay final and non-appealable judgments aggregating in excess of the greater of (A) 19% of EBITDA as of the Applicable Test Date and (B) €170 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the “**judgment default provision**”);
- (8) a material portion of the Guarantees with respect to the notes provided by the Guarantors cease to be in full force and effect (except as contemplated by the terms thereof) or shall be asserted in writing by any Guarantor not to be in effect or not to be legal, valid and binding obligations (other than in accordance with the terms thereof) and such Default continues for 30 days after written notice of such Default shall have been given by the Trustee;
- (9) [reserved]; or
- (10) unless such Liens have been released in accordance with the provisions of the Indenture, the Security Documents or the Intercreditor Agreement, the Liens in favor of the holders of the notes with respect to all or substantially all of the Collateral cease to be valid or enforceable and any such Default continues for 30 days.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is affected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

However, a Default under clause (3) or (4) will not constitute an Event of Default until the Trustee or the holders of at least 30% of the aggregate principal amount of outstanding notes notify the Issuer of the Default and the Issuer does not cure such default within (i) the time specified in clause (3) or (4) hereof after receipt of such notice or (ii) within 60 days, in case of a Default under clauses (5) or (7), after becoming aware of such Default; *provided* that a notice of Default may not be given with respect to a breach by the Issuer of its obligations, covenants or agreements pursuant to clause (3) or (4) above which occurred more than two years prior to such notice of Default. Any time period providing for the cure of any actual or alleged Default or Event of Default described under the first paragraph of this section may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

If an Event of Default (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) is continuing, the Trustee or the holders of at least 30% of the aggregate principal amount of outstanding notes by written notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest and Additional Amounts, if any, on the notes to be due and payable. Upon such a declaration, such principal and interest and Additional Amounts, if any, will be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on the notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders of the notes. Under certain circumstances, the holders of a majority in principal amount of outstanding notes may rescind any such acceleration with respect to the notes and its consequences.

For the avoidance of doubt, none of the transactions described under provisions set forth under “—*Permitted Change of Control*” (nor the implementation of a Permitted CoC Transaction (including any intermediary steps or actions necessary to implement a Permitted CoC Transaction)) shall constitute a Default or Event of Default under the Indenture, and each such transaction shall be expressly permitted hereunder.

In the event of any Event of Default specified in clause (5) of the first paragraph above, such Event of Default and all consequences thereof (including, without limitation, the declaration of acceleration of the notes) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the notes, if within 30 days after such Event of Default arose the Issuer delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, default, notice or action (as the case may be) giving rise to such Event of Default or (z) the default or acceleration that is the basis for such Event of Default has been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders of the notes unless such holders have offered to the Trustee indemnity and/or security and/or prefunding satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the notes unless:

- (1) such holder has previously given the Trustee written notice that an Event of Default is continuing,
- (2) holders of at least 30% of the aggregate principal amount of the outstanding notes have requested in writing that the Trustee pursue the remedy,
- (3) such holders have offered the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense,
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity and/or prefunding, and
- (5) the holders of a majority in principal amount of the outstanding notes have not given the Trustee a direction inconsistent with such written request within such 60-day period.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing of which a responsible officer of the Trustee has written notice, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs.

Subject to certain restrictions, the holders of a majority in principal amount of outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security and/or prefunding satisfactory to it against all losses and expenses caused by taking or not taking such action.

Any notice of Default under the first paragraph of this section, notice of acceleration with respect to an Event of Default under the first paragraph of this section or instruction to the Trustee to provide (i) a notice of Default under the first paragraph of this section or (ii) a notice of acceleration with respect to an Event of Default under the first paragraph of this section (a "**Noteholder Direction**") provided by any one or more Holders (each, a "**Directing Holder**") must be accompanied by a written representation from each such Holder to the Issuer and the Trustee that such Holder is not, or, in the case such Holder is Euroclear or Clearstream (as applicable, the "**Relevant Clearing System**") or the Relevant Clearing System's nominee, that such Holder is being instructed solely by beneficial owners that are not, Net Short (a "**Position Representation**"), which representation, in the case of a Noteholder Direction relating to a notice of Default shall be deemed repeated at all times until the resulting Event of Default is cured or otherwise ceases to exist or the notes are accelerated. Subject to mandatory provisions of Italian law and without prejudice to what is provided for in paragraph "*—Meeting of Holders of the Notes*" below, any Directing Holder that does not provide a Position Representation with a Noteholder Direction shall not be eligible to vote or direct its interest as a Holder. In addition, each Directing Holder must, at the time of providing a Noteholder Direction, covenant to provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Directing Holder's Position Representation within five Business Days of request thereof (a "**Verification Covenant**"). In any case in which the Holder is the Relevant Clearing System or the Relevant Clearing System's nominee, any Position

Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the notes in lieu of the Relevant Clearing System or the Relevant Clearing System's nominee.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the notes, the Issuer determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and the Issuer provides to the Trustee an Officer's Certificate (which shall be provided by the Issuer to the Holders) certifying that the Issuer (i) believes in good faith that there is a reasonable basis to believe a Directing Holder was at any relevant time in breach of its Position Representation or its Verification Covenant and (ii) has filed papers with a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Event of Default shall be automatically stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If such Officer's Certificate has been delivered to the Trustee, the Trustee shall refrain from acting in accordance with such Noteholder Direction until such time as the Issuer provides to the Trustee an Officer's Certificate stating that (i) a Directing Holder has satisfied its Verification Covenant, (ii) a Directing Holder has failed to satisfy its Verification Covenant or (iii) a court of competent jurisdiction rules that such Directing Holder was, at such time, not in breach of its Position Representation or its Verification Covenant, and during such time the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically stayed pending satisfaction of such Verification Covenant.

Any breach of the Position Representation shall result in such Directing Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Directing Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio, with the effect that such Event of Default shall be deemed never to have occurred, and any related acceleration rescinded, and the Trustee shall be deemed not to have received such Noteholder Direction or any notice of such alleged Default or Event of Default, shall not be permitted to act thereon and shall be restricted from accepting and acting on any future Noteholder Direction in relation to such Event of Default. If the Directing Holder has satisfied its Verification Covenant or a court of competent jurisdiction has ruled that such Directing Holder was, at such time, not in breach of its Position Representation or its Verification Covenant, then the Trustee shall be permitted to act in accordance with such Noteholder Direction. Notwithstanding the above, if such Directing Holder's participation is not required to achieve the requisite level of consent of Holders required under the Indenture to give such Noteholder Direction, the Trustee shall be permitted to act in accordance with such Noteholder Direction notwithstanding any action taken or to be taken by the Issuer (as described above). The Trustee shall be entitled to conclusively rely on any Noteholder Direction (*provided* that the relevant Position Representations are provided in accordance with the provisions of the preceding paragraph) or Officer's Certificate delivered to it in accordance with the Indenture without verification, investigation or otherwise as to the statements made therein.

Each Holder by accepting a Note acknowledges and agrees that the Trustee (and any Agent) shall not be liable to any party howsoever arising for acting or refraining to act in accordance with (i) the foregoing provisions, (ii) any Noteholder Direction, (iii) any Officer's Certificate or (iv) its duties under the Indenture, as the Trustee may determine in its sole discretion. The Trustee shall have no obligation (i) to monitor, investigate, verify or otherwise determine if a Holder has a Net Short position, (ii) to investigate the merits, validity, accuracy or authenticity of any Position Representation or Officer's Certificate, as the case may be, (iii) to inquire if the Issuer will seek action to determine if a Directing Holder has breached its Position Representation, (iv) to enforce any Verification Covenant, (v) to monitor any court proceedings undertaken in connection therewith, (vi) to monitor or investigate whether any Default or Event of Default has been publicly reported or (vii) to otherwise make any calculations, investigations or determinations with respect to any Net Short position or otherwise. The Trustee shall be entitled to rely on its rights, protections and benefits under the Indenture at all times, including without limitation for actions that are taken and subsequently stayed or annulled.

The holders of a majority in aggregate principal amount of the notes then outstanding by notice to the Trustee may on behalf of the holders of the notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Additional Amounts on, or the principal of, the notes.

The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after becoming aware of any events which constitute certain Defaults that are continuing, written notice of such events, their status and what action the Issuer is taking

or proposes to take in respect thereof, it being understood that the Indenture will provide that if a Default or an Event of Default occurs for a failure to deliver a required certificate in connection with another default (an “**Initial Default**”) then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action.

Notwithstanding the foregoing, a notice of Default, notice of acceleration or instruction to the Trustee to provide a notice of Default or notice of acceleration may not be given by the Trustee or holders of the notes (or any other action taken on the assertion of any Default) with respect to any action taken, and reported publicly or to holders of the notes, more than two years prior to such notice of Default, notice of acceleration or instruction to the Trustee to provide a notice of default or notice of acceleration (or other action).

Amendment, Supplement and Waiver

Subject to certain exceptions and in compliance with the provisions described under “—Meetings of Holders of Notes,” the Indenture, the notes, the Guarantees, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement (together, the “**Notes Documents**”) may be amended, supplemented or otherwise modified with the consent of the holders of at least a majority in aggregate principal amount of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such notes) and any existing or past default or compliance with any provisions of such documents may be waived with the consent of the holders of a majority in principal amount of the notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such notes); *provided*, in each case, that if any amendment, waiver or other modification will only affect one series of the notes then outstanding under the Indenture, only the consent of the holders of at least a majority in principal amount of the then outstanding notes of such series (and not the consent of at least a majority of all notes then outstanding), shall be required.

However, without the consent of the holders of at least 75% in aggregate principal amount of the notes affected then outstanding, an amendment, supplement or waiver may not:

- (1) reduce the percentage of the aggregate principal amount of notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the rate of or extend the time for payment of interest or Additional Amounts, if any, on any note;
- (3) reduce the principal of or extend the Stated Maturity of any note;
- (4) reduce the premium payable upon the redemption of any note or change the time at which any such premium is payable as described under “—*Optional Redemption*”;
- (5) make any note payable in money other than that stated in such note;
- (6) impair the contractual right of any holder to receive payment of principal of, premium, if any, and interest on such holder’s notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder’s notes;
- (7) expressly subordinate the notes or any Guarantee related thereto to any other Indebtedness of the Issuer or any Guarantor other than as contemplated by the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (8) make any change in the provision of the Indenture described under “—*Additional Amounts*” that adversely affects the right of any holder of such notes in any material respect or amends the terms of such notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer and the Guarantors agree to pay Additional Amounts, if any, in respect thereof;
- (9) release (i) all or substantially all of the security interests granted for the benefit of the holders in the Collateral or (ii) any Guarantee, in each case, other than pursuant to the terms of the

Security Documents or the Indenture, as applicable, and except as permitted by the Intercreditor Agreement; or

- (10) waive a Default or Event of Default in the payment of principal of, or interest, or Additional Amounts, if any, on, the notes (except a rescission of acceleration of the notes by the holders of at least a majority in aggregate principal amount of the then outstanding notes, and a waiver of the Default or Event of Default that resulted from such acceleration); or
- (11) make any change in the amendment or waiver provisions that require the holders' consent described in clauses (1) through (10) of this sentence,

provided that if any such amendment, supplement or waiver will only affect one series of notes then outstanding under the Indenture and does not or would not affect holders of the notes generally, then only the consent of the holders of not less than 75% in principal amount of the notes of such series then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of the notes) shall be required.

Notwithstanding the foregoing, without the consent of any holder of the notes, the Issuer, the Trustee and the Security Agent (if applicable) may amend any Notes Documents to:

- (1) cure any ambiguity, omission, mistake, defect or inconsistency, as set forth in an Officer's Certificate provided to the Trustee;
- (2) provide for the assumption by a Successor Company of the obligations of the Issuer under any of the documents referenced above, including, without limitation, to facilitate and/or implement a Permitted CoC Transaction, the other provisions set forth under "*—Permitted Change of Control*" and the transactions described therein;
- (3) provide for the additions of guarantees of the notes or Collateral or the assumption by a Successor Guarantor of the obligations of a Guarantor under any of the documents referenced above;
- (4) add to the covenants of the Issuer and its Restricted Subsidiaries for the benefit of the holders of the notes or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;
- (5) make any change that does not adversely affect the rights of any holder in any material respect or that would provide any additional rights or benefits to the holders of the notes or the Trustee;
- (6) provide for uncertificated notes in addition to or in place of certificated notes;
- (7) provide for the issuance of exchange notes or private exchange notes;
- (8) comply with the covenant relating to mergers, consolidations and sales of assets;
- (9) add or release a Guarantee with respect to the notes in accordance with the terms of the Indenture and comply with the provisions described under "*—Future Guarantees*" and provide evidence in respect thereof;
- (10) provide for the issuance of additional notes permitted to be Incurred under the Indenture;
- (11) conform the text of the Indenture, the notes, the Security Documents or the Guarantees to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of the Indenture, the notes, the Security Documents or the Guarantees;
- (12) evidence and provide for the acceptance of appointment by a successor trustee or security agent; provided that the successor trustee or security agent, as applicable, is otherwise qualified and eligible to act as such under the terms of any of the documents referenced above;

- (13) provide for the succession of any parties to the Indenture (and other amendments that are administrative or ministerial in nature) and any of the other documents referenced above;
- (14) provide for a reduction in the minimum denominations of the notes;
- (15) make any amendment to the provisions of the Indenture relating to the transfer and legending of the notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the notes; provided that compliance with the Indenture as so amended may not result in the notes being transferred in violation of the Securities Act or any applicable securities laws as determined in good faith by the Issuer;
- (16) provide for the assumption by one or more successors of the obligations of any of the Guarantors under any of the documents referenced above;
- (17) comply with the rules of any applicable securities depositary;
- (18) mortgage, pledge, hypothecate, grant, perfect or extend a security interest in favor of the Security Agent (for the benefit of the holders of the notes or the parties to the Credit Agreement), in any property which is required by the Security Documents, the Intercreditor Agreement or the Credit Agreement to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; provided that the granting of such security interest is not prohibited by the Indenture and the covenant described under “*Impairment of Security Interest*” is complied with;
- (19) add any Guarantee or collateral with respect to the notes; or
- (20) add, release, terminate, discharge or retake the security interests created by the Security Documents or any Guarantees as provided by the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement and provide evidence in respect thereof.

The consent of the holders of the notes is not necessary under the Indenture to approve the particular form of any proposed amendment, waiver or consent. It is sufficient if such consent approves the substance of the proposed amendment, waiver or consent. A consent to any amendment or waiver under the Indenture by any holder of notes given in connection with a tender of such holder’s notes will not be rendered invalid by such tender.

The Indenture also will provide that each holder, by accepting a note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices.

For so long as the notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will inform the Luxembourg Stock Exchange of any of the foregoing amendments, supplements and waivers and publish a notice of any of the foregoing amendments, supplements and waivers on the website of the Luxembourg Stock Exchange (www.luxse.com) to the extent required by, and in the manner permitted by, the rules of the Luxembourg Stock Exchange.

For so long as the notes are listed on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana and the rules of such exchange so require, the Issuer will inform the Italian Stock Exchange managed by Borsa Italiana of any of the foregoing amendments, supplements and waivers and publish a notice of any of the foregoing amendments, supplements and waivers on the website of the Italian Stock Exchange managed by Borsa Italiana (www.borsaitaliana.it) to the extent required by, and in the manner permitted by, the rules of the Italian Stock Exchange managed by Borsa Italiana.

Notwithstanding the foregoing, in order to effect an amendment authorized by clauses (3) and (9) above or as contemplated by the covenant described under “—*Certain Covenants—Future Guarantors*,” in each case in respect of the provision of a Guarantee for the benefit of the holders of the notes, a supplemental indenture

providing for the accession of such Guarantor shall be duly authorized and executed by the Issuer, such additional Guarantor and the Trustee (and no other party).

Meeting of Holders of the Notes

All meetings of Holders of the notes will be held in accordance with Italian applicable laws and regulations.

In addition to and without prejudice to the provisions described above under the caption “—*Amendment, Supplement and Waiver*,” in accordance with the provisions set forth under the Italian Civil Code, the Indenture will include provisions for the convening of meetings of the Holders of the notes to consider any matter affecting their interests, including, without limitation, the modification or abrogation by extraordinary resolution of any provisions of the notes or the Indenture. A meeting may be convened either (i) by the Board of Directors of the Issuer, (ii) by the Noteholders’ Representative (as defined below) (if appointed) or (iii) upon request by Holders of at least 5.0% of the aggregate principal amount of the outstanding notes.

In accordance with the Italian Civil Code, the vote required to pass a resolution by a meeting of the Holders of the notes will be (i) in the case of the first meeting, one or more persons that hold or represent Holders of more than one half of the aggregate principal amount of the outstanding notes, and (ii) in the case of the second and any further adjourned meeting, one or more persons that hold or represent Holders of at least two-thirds of the aggregate principal amount of the notes so present or represented at such meeting. Any such second or further adjourned meeting will be validly held if there are one or more persons present that hold or represent Holders of more than one-third of the aggregate principal amount of the outstanding notes; *provided, however*, that the Issuer’s bylaws may provide for a higher quorum (to the extent permitted under Italian law). Certain proposals, as set out under Article 2415 paragraph 1, item 2, and paragraph 3 of the Italian Civil Code (namely, the amendment of the economic terms and conditions of the notes) may only be approved by an extraordinary resolution passed at a meeting of Holders of the notes (including any adjourned meeting) by one or more persons present that hold or represent holders of not less than one-half of the aggregate principal amount of the outstanding notes.

With respect to the matters set forth under “—*Amendment, Supplement and Waiver*” as requiring the consent of the holders of at least 75% in aggregate principal amount of the notes, and to the extent permitted under Italian law, the Indenture will contractually increase the percentage of the aggregate principal amount of notes otherwise required by Article 2415 of the Italian Civil Code to pass an extraordinary resolution with respect to such matters from 50% to 75% of the aggregate principal amount of the outstanding notes. See “*Risk Factors—Risks Related to the Notes, any Future Guarantees and the Collateral—The Issuer may amend certain economic terms and conditions of the Notes without the prior consent of all the holders of the Notes with the vote of either 75% or 50% of the aggregate principal amount of the outstanding Notes.*” Any resolution duly passed at any such meeting shall be binding on all the holders of the notes, whether or not such holder was present at such meeting or voted to approve such resolution. To the extent provided by the Italian Civil Code, the resolutions passed by a meeting of Holders of the notes can be challenged by Holders pursuant to Articles 2377 and 2379 of the Italian Civil Code.

The Indenture will provide that the provisions described under this “—*Meeting of Holders of Notes*” will be in addition to, and not in substitution of, the provisions described under the caption “—*Amendment, Supplement and Waiver.*” As such and notwithstanding the foregoing, any amendment, supplement and/or waiver, in addition to complying with the provisions described under this “—*Meeting of Holders of the Notes*” must also comply with the other provisions described under “—*Amendment, Supplement and Waiver.*”

Security Representative and Noteholders’ Representative

Pursuant to the terms of the Indenture, the execution of the Indenture and the issuance and purchase of the notes on the Issue Date shall be deemed to constitute the authorization and agreement on behalf of the Holders of the notes of the initial appointment as of the Issue Date of the Security Agent, as security representative (*rappresentante per le garanzie*) pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code (the “**Security Representative**”) in order to create and grant in its favor security interests and guarantees securing and guaranteeing the notes and entitle it to exercise in the name and on behalf of the Holders of the notes all their rights (including any rights before any court and judicial proceedings) relating to such security interests and guarantees. Pursuant to the terms of the Indenture each Holder of the notes from time to time, by accepting a note, shall be deemed to have agreed to, and accepted, the appointment of the Security Agent as Security Representative.

Moreover, a representative of the Holders of the notes (*rappresentante comune*) (the “**Noteholders’ Representative**”) may be appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code by the Holders of the notes in order to represent the interests of the Holders of the notes pursuant to Article 2418 of the Italian Civil Code as well as to give effect to resolutions passed at a meeting of the Holders of the notes. Pursuant to the terms of the Indenture, the execution of the Indenture and the issuance and purchase of the notes on the Issue Date shall be deemed to constitute the authorization and agreement on behalf of the holders of the notes of the initial appointment as of the Issue Date of the Trustee as the Noteholders’ Representative. The Noteholders’ Representative remains appointed for a maximum period of three financial years but may be subsequently reappointed thereafter.

Italian Usury Law

Notwithstanding any provisions in the Indenture to the contrary, (x) the Issuer and each Guarantor (by signing the Indenture and any supplemental indenture, as applicable) and (y) each holder (by accepting a note) shall be deemed to have acknowledged, accepted and agreed that, if the remuneration applicable to the notes (including interest, default interest, fees, charges, expenses and other costs and any other form of compensation related to the notes (the “**Total Remuneration**”)) at any time exceeds the maximum remuneration permitted under Italian law no. 108 of March 7, 1996, as amended from time to time and related implementing rules and regulations (the “**Italian Usury Law**”), then the Total Remuneration shall immediately and automatically be reduced to the maximum admissible remuneration pursuant to the Italian Usury Law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, manager, authorized signatory, incorporator or holder of any equity interests in the Issuer or any Parent or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the notes, the Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the notes by accepting such note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws, under local contract and tort laws and/or under local company laws.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all outstanding notes of a series when:

- (1) either (a) all the notes of such series theretofore authenticated and delivered (except lost, stolen or destroyed notes of such series which have been replaced or paid and notes of such series for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the notes of such series not delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or an entity designated or appointed (as agent) by it for this purpose) funds in amount sufficient to pay and discharge the entire Indebtedness on the notes of such series not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the notes of such series to the date of deposit (in the case of notes of such series that have become due and payable) or to the date of maturity or redemption, as applicable, together with irrevocable instructions from the Issuer directing the Trustee (or an entity designated or appointed (as agent) by it for this purpose) to apply or cause to be applied such funds to the payment thereof at maturity or redemption, as the case may be; provided that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the indenture to the extent that an amount is deposited with the Trustee (or an entity designated or appointed (as agent) by it for this purpose) equal to the Applicable Premium, plus accrued and unpaid interest, in each case calculated as of the date of the notice of redemption for such series of notes, with any deficit as of the date of the redemption (and any such deficit will be set forth in a written notice delivered to the holders and the Trustee (or an entity

designated or appointed (as agent) by it for this purpose) at least two Business Days prior to the redemption date) only required to be deposited with the Trustee (or an entity designated or appointed (as agent) by it for this purpose) on or prior to the date of the redemption;

- (2) the Issuer and/or the Guarantors have paid all other sums payable under the Indenture; and
- (3) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which may be subject to customary assumptions and exclusions) stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of such Indenture with respect to such series of notes have been complied with; provided that any such counsel may rely on such Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1) and (2)).

Defeasance

The Issuer at any time may terminate all its obligations and all obligations of the Guarantors under the notes of a series and the Indenture ("**legal defeasance**") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary notes, registrations of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust). The Issuer at any time may terminate its obligations under certain covenants that are described in the Indenture, including the covenants described under "*Certain Covenants*," the operation of the cross-acceleration provision, the bankruptcy provisions and the judgment default provision, the guarantee provision and the security default provision described under "*Defaults*" and the undertakings and covenants contained under "*Change of Control*" and "*Merger, Consolidation or Sale of All or Substantially All Assets*" ("**covenant defeasance**"). If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Guarantor will be released from all of its obligations with respect to its Guarantee and will cease to be subject to the Indenture.

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option with respect to the notes of a series, payment of the notes of such series may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option with respect to the notes of a series, payment of the notes of such series may not be accelerated because of an Event of Default specified in clauses (3), (4) (with respect to any Default by the Issuer or any of its Restricted Subsidiaries with any of its obligations under the covenants described under "*Certain Covenants*"), (5), (6) (only with respect to a Significant Subsidiary of the Issuer), (7), (8) or (9) under "*Defaults*."

In order to exercise either defeasance option on the notes of a series, the Issuer must irrevocably deposit in trust (the "**defeasance trust**") with the Trustee (or an entity designated or appointed (as agent) by the Trustee for this purpose) money or euro-denominated European Government Obligations, which shall be delivered to the Trustee (or an entity designated or appointed (as agent) by it for this purpose), for the payment of principal, premium (if any) and interest on the notes of such series to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel, subject to customary assumptions and exclusions to the effect that the beneficial owners of the notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling received from or published by the Internal Revenue Service or a change in applicable U.S. federal income tax law); *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the indenture to the extent that an amount is deposited with the Trustee (or an entity designated or appointed (as agent) by it for this purpose) equal to the Applicable Premium, plus accrued and unpaid interest, in each case calculated as of the date of the notice of redemption, with any deficit as of the date of the redemption (and any such deficit will be set forth in a written notice delivered to the holders and the Trustee at least two Business Days prior to the redemption date) only required to be deposited with the Trustee (or an entity designated or appointed (as agent) by it for this purpose) on or prior to the date of the redemption. Notwithstanding the foregoing, the Opinion of Counsel required by the immediately preceding sentence with respect to a legal defeasance for the notes of a series need not be

delivered if all notes of such series not theretofore delivered to the Trustee for cancellation (x) are due and payable within one year or (y) have been or will become due and payable within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

Currency Indemnity

The sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the notes and Guarantees thereof is euro, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result.

In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the holder of a note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any holder of a note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note, any Guarantee or to the Trustee.

Concerning the Trustee and Certain Agents

The Law Debenture Trust Corporation p.l.c. is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has written notice, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Trustee, the Security Agent, Paying Agent, the Registrar and the Transfer Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries. If the Trustee, the Security Agent or any Agent becomes the holder, beneficial owner or pledgee of any notes, it may deal with the Issuer with the same rights it would have if it were not the Trustee, the Security Agent, the Paying Agent, the Registrar and the Transfer Agent.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the holders of a majority in principal amount of the then outstanding notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any holder who has been a *bona fide* holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to holders will be validly given if mailed to them at their respective addresses in the register of the holders, if any, maintained by the Registrar. For so long as any of the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, notices with respect to the notes will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange (www.luxse.com). For so long as any notes are represented by Global Notes, all notices to holders will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. Such notices may also be published on the website of the Luxembourg Stock Exchange (www.luxse.com), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Notwithstanding anything to the contrary in this “*Description of the Notes*,” the notice requirements in the Indenture will be subject to the applicable rules of Euroclear and Clearstream for so long as the notes are represented by Global Notes. To the extent the mandatory rules and procedures of Euroclear or Clearstream concerning the content, timing or procedure for delivering notices conflict with any requirements applicable to notices under the Indenture, a notice will be deemed to satisfy the requirements of the Indenture if it complies with such mandatory rules and procedures of Euroclear and Clearstream and otherwise complies with the applicable requirements under the Indenture.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; provided *that*, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such holder if so mailed within the time prescribed. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the notes will be prescribed ten years after the applicable due date for the payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the notes will be prescribed six years after the applicable due date for payment of interest.

Enforceability of Judgments

Since the substantial majority of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the notes or the Guarantees, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the notes and the Guarantees, the Issuer and each Guarantor will, in the Indenture, (a) in the case of the Issuer or a Guarantor not organized in the United States, appoint a Guarantor or other entity organized in the United States as its agent for service of process and (b) irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture, the notes and the Guarantees, and the rights and duties of the parties thereunder shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles to the extent the law of another jurisdiction would be applied thereby. The Intercreditor Agreement shall be governed by, and construed in accordance with, the laws of England and Wales. The Security Documents shall be governed by, and construed in accordance with, the laws of the applicable Security Jurisdiction.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full definition of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

“**Acquired Indebtedness**” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person (and not incurred in contemplation of such transaction), and
- (2) Indebtedness secured by a lien encumbering any asset acquired by such specified Person;

provided that any Indebtedness of such Person that is extinguished, redeemed, defeased, retired or otherwise repaid at the time of or within six months of consummation of the transaction pursuant to which such other Person becomes a Subsidiary of the specified Person, will not be Acquired Indebtedness or Indebtedness.

Acquired Indebtedness will be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of such assets.

“**ADM**” means *Agenzia delle Dogane e dei Monopoli*, formerly the *Amministrazione Autonoma dei Monopoli di Stato*, the Italian gaming regulatory authority, and any successor organization.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“**Agreed Security Principles**” means the agreed security principles appended to the Credit Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the notes in good faith by the Issuer.

“**Applicable Metric**” means any financial covenant or financial ratio or Incurrence-based permission, test, basket or threshold in the Indenture (including any financial definition or component thereof, any financial ratio, test, basket or threshold or permission based on the calculation of EBITDA, the Consolidated Senior Secured Debt Ratio, the Consolidated Total Debt Ratio or the Fixed Charge Coverage Ratio or the principal amount of the notes), any occurrence of any Change of Control, any Default, Event of Default or other relevant breach of the Indenture.

“**Applicable Premium**” means, with respect to any note on any applicable redemption date prior to April 30, 2028, the greater of:

- (1) 1.0% of the then outstanding principal amount of the note; and
- (2) the excess, if any, of:
 - (a) the present value at such redemption date of (i) the redemption price of the note at April 30, 2028 (such redemption price (expressed in percentage of the principal amount) being set forth in the applicable table appearing above under the caption “—*Optional Redemption*”) plus (ii) all required interest payments due on the note through April 30, 2028 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate plus 50 basis points; over
 - (b) the then outstanding principal amount of the note, as calculated by the Issuer. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or the Paying Agent.

“Applicable Reporting Date” means, as at any date of determination, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time):

- (1) the last day of the most recent fiscal quarter in respect of which a report or financial statements have been delivered pursuant to (x) clause (1) or (2) of the first paragraph of the covenant described under “—*Certain Covenants—Reports and Other Information*” or (y) prior to any such reports or financial statements having been delivered, the equivalent provisions under the Existing Notes Indentures; or
- (2) the last day of the most recent month for which the Issuer and its Subsidiaries have sufficient available information to be able to determine such Applicable Metric, with such Applicable Metric determined by reference to such available information.

“Applicable Test Date” means the Applicable Transaction Date or, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time), the Applicable Reporting Date prior to any Applicable Transaction Date.

“Applicable Transaction” means any Investment, acquisition, disposition, sale, merger, joint venture, consolidation or other business combination transaction, Incurrence, Change of Control, Permitted Change of Control, Permitted CoC Transaction, assumption, commitment, issuance, repayment, repurchase or refinancing of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, any creation of a Lien, any designation of a Restricted Subsidiary or Unrestricted Subsidiary or any other transaction for which an Applicable Metric has to be determined; *provided that*, if any such transaction (the “first transaction”) is being effected in connection with another such transaction (the “second transaction”), the second transaction shall also be an Applicable Transaction with respect to the first transaction.

“Applicable Transaction Date” means, in relation to any Applicable Transaction, at the Issuer’s election (which election the Issuer may revoke and re-make at any time and from time to time):

- (1) the date of any letter, definitive agreement, instrument, put option, scheme of arrangement or similar arrangement in relation to such Applicable Transaction (unilateral, conditional or otherwise);
- (2) the date that any commitment, offer, announcement, communication or declaration (unilateral, conditional, or otherwise) with respect to such Applicable Transaction is made or received;
- (3) the date that any notice, which may be revocable or conditional, of any repayment, repurchase or refinancing of any relevant Indebtedness is given to the holders of such Indebtedness;
- (4) the date of consummation, Incurrence, payment or receipt of payment in respect of the Applicable Transaction;
- (5) any other date determined in accordance with the Indenture; or
- (6) any other date relevant to the Applicable Transaction determined by the Issuer in good faith.

“April 2025 Offering Memorandum” means the offering memorandum dated April 24, 2025 relating to the offering of the May 2025 Notes by the Issuer.

“Bank Products” means any facilities or services related to cash management, cash pooling, treasury, depository, overdraft, BACS, CHAPS, daylight exposures, demand deposit, payroll, trust or operating account relationships, credit or debit card, purchase card, merchant card, electronic funds transfer, lockbox services, stop payment services, open credits, contingent obligation lines, letters of credit, the collection of cheques, deposits and direct debits, supply chain finance services (including the trade payable services and supplier accounts receivable and drafts/bills of exchange purchases) or other cash management and cash pooling arrangements.

“Board of Directors” means (as the case may be) the board of directors or managers, sole member, managing member or other governing body (or, if the relevant Person is a partnership, the board of directors or other governing body of the general partner of such Person) of (i) the Issuer, (ii) any Restricted Subsidiary or Parent which makes operational or management decisions with respect to the Issuer and its Restricted Subsidiaries, or

(iii) any duly authorized committee or senior management thereof exercising an executive or supervisory function in relation to the Issuer and its Restricted Subsidiaries. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“Bund Rate” means the rate per annum equal to the equivalent yield to maturity as of the earlier of (a) the date of the redemption notice and (b) the date on which such notes are defeased, satisfied and discharged or redeemed, of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date where:

- (1) **“Comparable German Bund Issue”** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to April 30, 2028 and that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the notes and of a maturity most nearly equal to April 30, 2028; provided, however, that, if the period from such redemption date to April 30, 2028, is less than one year, a fixed maturity of one year shall be used;
- (2) **“Comparable German Bund Price”** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;
- (3) **“Reference German Bund Dealer”** means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and
- (4) **“Reference German Bund Dealer Quotations”** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date.

“Business Day” means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in Milan, London or New York City.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock or shares;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Capitalized Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease or a finance lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with IFRS.

“Capitalized Software Expenditures” means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in conformity with IFRS, are or are required to be reflected as capitalized costs on the consolidated balance sheet of such Person and such Restricted Subsidiaries.

“Cash Contribution Amount” means the aggregate amount of cash contributions made to the capital of the Issuer or any Guarantor described in the definition of “Contribution Indebtedness.”

“Cash Equivalents” means:

- (1) U.S. dollars, Canadian dollars, Sterling, euros, the national currency of any member state of the European Union or such local currencies held by an entity from time to time in the ordinary course of business;
- (2) securities issued or directly and fully guaranteed or insured by the government of the United States, Canada, the United Kingdom, any country that is a member of the European Union or Switzerland or any agency or instrumentality thereof in each case with maturities not exceeding two years from the date of acquisition;
- (3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances, in each case with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of \$250 million in the case of U.S. banks and €100 million (or the non-euro currency equivalent thereof) in the case of non-U.S. banks, and whose long-term debt is rated with an Investment Grade Rating by Moody’s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);
- (4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least “P-1/A-1” or the equivalent thereof by Moody’s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;
- (6) readily marketable direct obligations issued by any state or commonwealth of the United States of America, Canada, the United Kingdom, any country that is a member of the European Union or Switzerland or any political subdivision of the foregoing having one of the two highest rating categories obtainable from either Moody’s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;
- (7) Indebtedness or Preferred Stock issued by Persons with a rating of “BBB-” or higher from S&P or “Baa3” or higher from Moody’s (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;
- (8) bills of exchange issued in the United States of America, Canada, the United Kingdom, any country that is a member of the European Union or Switzerland or any political subdivision of the foregoing eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (9) interests or investments in investment funds, investment companies, money market or enhanced high yield funds investing at least 95% of their assets in securities of the types described in clauses (1) through (8) above;
- (10) instruments equivalent to those referred to in clauses (1) through (9) above denominated in euro or Sterling or any other foreign currency comparable in credit quality and tenor to those referred

to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with (a) any business conducted by any Restricted Subsidiary organized in such jurisdiction or (b) any Investment in the jurisdiction where such Investment is made;

- (11) credit card receivables to the extent included in cash and cash equivalents on the consolidated balance sheet of such Person;
- (12) deposits in connection with the gaming business of the Issuer or its Subsidiaries in the ordinary course of business and consistent with past practice held by a bank or a trust company organized, or authorized to operate as a bank or trust company; and
- (13) to the extent not included in clauses (1) through (12) above, the amount of “current financial assets” as reported in the Issuer’s consolidated financial statements.

“**Conditional Gaming Payments**” means any payment obligations owed by the Issuer or any Restricted Subsidiary pursuant to any law, regulation or agreement under which a percentage of the income of any gaming machine must be paid out to a third party.

“**Consob**” means *Commissione Nazionale per le Società e la Borsa*.

“**Consolidated Interest Expense**” means, with respect to any specified Person for any period, the sum, without duplication, of:

- (1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (b) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to IFRS), (c) the interest component of Capitalized Lease Obligations as reasonably determined by the Issuer to be the rate of interest implicit in such Capitalized Lease Obligations in accordance with IFRS, and (d) net payments and receipts (if any) pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (i) pension liability interest cost, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with the Transactions or any other acquisition, (iii) penalties and interest relating to taxes, (iv) any accretion or accrued interest of discounted liabilities, (v) amortization or write-off of deferred financing fees, original issue discount, debt issuance costs, commissions, fees and expenses, (vi) any expensing of bridge, commitment and other financing fees and (vii) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Permitted Securitization Financing); *plus*
- (2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *less*
- (3) interest income for such period;

provided that, for purposes of calculating Consolidated Interest Expense, no effect shall be given (i) to the discount and/or premium resulting from the bifurcation of derivatives under IFRS and related interpretations as a result of the terms of the Indebtedness to which such Consolidated Interest Expense relates and (ii) any interest accrued or capitalized in respect of Subordinated Shareholder Debt.

“**Consolidated Net Income**” means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with IFRS; *provided, however*, that, without duplication:

- (1) any after-tax effect of extraordinary, non-recurring, non-operating or unusual gains, losses, income or expenses or charges (including all fees and expenses relating thereto), severance, relocation costs, consolidation and closing costs, integration costs, non-recurring and unusual expenses relating to opening, expansion, relocation, remodeling, or modernization of fixed

assets, plant or facility costs or losses, business optimization costs, transition costs, restructuring costs, costs relating to the undertaking or implementation of strategic initiatives, operating expense reductions and other operating improvements or synergies, rebranding costs, acquisition integration costs, opening costs, project start-up costs, recruiting costs, signing, retention or completion bonuses and curtailments or modifications to pension and post-retirement employee benefit plans, excess pension charges, litigation and arbitration costs, awards and settlements, any expenses related to any New Project, charges relating to unused facility, data center, warehouse or distribution center space, entry into new markets or distribution channels, closing and consolidation costs and any fees, expenses, costs or charges or change in control payments related to the Transactions or any acquisition (including (i) any costs relating to auditing prior periods, any transition-related expenses, and transaction expenses incurred before, on or after the Issue Date, (ii) any losses from the disruption of facilities, losses associated with temporary decreases in work volume and expenses related to maintaining underutilized personnel and facilities (to the extent such disruption of facilities, temporary decreases in work volume and/or underutilized personnel and facilities are the result of an extraordinary, exceptional, one-off, one-time, unusual or nonrecurring event or circumstance) and (iii) any losses arising from any natural disasters) and any earn out obligation expense incurred in connection with the Transactions or any acquisition or other Investment, in each case, shall be excluded;

- (2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;
- (3) any net after-tax effect of income or loss from disposed, abandoned, transferred, closed or discontinued operations or fixed assets and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations or fixed assets shall be excluded;
- (4) any net after-tax effect of gains or losses (including all fees and expenses relating thereto) attributable to business dispositions or asset dispositions or the sale or other disposition of any Capital Stock of any Person other than in the ordinary course of business, as determined in good faith by the Issuer, shall be excluded;
- (5) the Net Income (but not loss) for such period of any Person that is not a Restricted Subsidiary, or that is accounted for by the equity method of accounting (other than a Guarantor), shall be included only to the extent of the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash), or that could, in the reasonable determination of the Issuer, have been distributed to the specified referent Person or a Restricted Subsidiary of such Person;
- (6) [Reserved];
- (7) effects of adjustments (including the effects of such adjustments pushed down to the Issuer and its Restricted Subsidiaries) in any line item in such Person's consolidated financial statements (including any step-ups with respect to re-valuing assets and liabilities) pursuant to IFRS and related authoritative pronouncements resulting from the application in accordance with IFRS of purchase accounting in relation to the Transactions or any investment, acquisition, merger or consolidation (or reorganization or restructuring) or the depreciation, amortization or write-off of any amounts thereof, shall be excluded;
- (8) any net after-tax income (loss) from any acquisition, write-off, forgiveness or the early extinguishment of (i) Indebtedness, (ii) Hedging Obligations or (iii) other derivative instruments shall be excluded (including deferred financing costs written off and premiums paid);
- (9) any impairment charge or expense, asset write-off or write-down, including impairment charges or asset write-offs or write-downs or write-backs related to intangible assets, long-lived assets or investments in debt and equity securities or as a result of a change in law or regulations, in each case, pursuant to IFRS and the amortization of intangibles and other fair value adjustments arising pursuant to IFRS shall be excluded;

- (10) any (i) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options, restricted stock, profit interests or other similar rights of officers, directors, managers and employees, in each case of such Person or any Restricted Subsidiary or any Parent, (ii) any non-cash compensation charge or expense, including any such charge arising from pension obligations, grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock, profit interests or other rights, any cash charges associated with the rollover, acceleration or payout of Equity Interests by management of the Issuer, its Restricted Subsidiaries or any Parent, including any expense resulting from the application of IFRS and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the revaluation of any benefit plan obligation and (iii) income (loss) attributable to deferred compensation plans or trusts, shall, in each case be excluded; provided that any subsequent settlement in cash shall reduce Consolidated Net Income for the period in which such payment occurs;
- (11) any fees and expenses Incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, disposition, issuance or repayment of Indebtedness, Permitted Securitization Financing, Equity Offering, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transactions consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction shall be excluded;
- (12) accruals and reserves that are established or adjusted and not reversed within 12 months after the Issue Date (or within 12 months after the closing of any acquisition, disposition or Investment) that are so required to be established or adjusted as a result of such transactions in accordance with IFRS or as a result of adoption or modification of accounting policies shall be excluded;
- (13) any charges resulting from the application of IFRS as it relates to “business combinations,” “goodwill and other intangible assets,” “impairment or disposal of long-lived assets” or fair value measurements and disclosures shall be excluded;
- (14) non-cash interest expense resulting from the application of IFRS as it relates to recognition of debt with conversion options shall be excluded;
- (15) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt shall be excluded;
- (16) (a) any charge to the extent that a corresponding amount is received in cash under any agreement providing for reimbursement of such expense, (b) any charges with respect to any liability or casualty event, business interruption or product recall to the extent covered by one or more third parties pursuant to indemnification or reimbursement provisions or similar agreements or insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the third party or insurer and only to the extent that such amount is (i) not denied by the applicable third party or insurance carrier in writing within 270 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), costs and expenses with respect to liability or casualty events or business interruption or product recall shall be excluded and (c) amounts estimated in good faith to be received from insurance in respect of lost revenues or earnings in respect of liability or casualty events or business interruption or product recall shall be included (with a deduction for amounts actually received up to such estimated amount to the extent included in Net Income in a future period);
- (17) any deductions attributable to any non-controlling interests or minority interests shall be excluded (other than to the extent of dividends declared or paid during the relevant or prior period);
- (18) the following items shall be excluded:

- (a) any realized or unrealized net gain or loss (after any offset) resulting in such period from Hedging Obligations and the application of IFRS standards related thereto; and
- (b) any currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from hedge agreements for currency exchange risk);
- (19) non-cash charges for deferred tax asset valuation allowances shall be excluded;
- (20) any other costs, expenses or charges resulting from facility, branch, office or business unit closures or sales, including income (or losses) from such closures or sales, shall be excluded; and
- (21) any non-cash interest expense, including non-cash interest expense associated with Subordinated Shareholder Debt, and any non-cash interest income, in each case to the extent there is no associated cash disbursement or receipt, as the case may be, before the earlier of the maturity date of the notes and the date on which all the notes cease to be outstanding shall be excluded.

To the extent not already accounted for in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets.

“Consolidated Non-cash Charges” means, with respect to any specified Person for any period, the aggregate depreciation, amortization (including, without duplication, amortization of intangibles, amortization of Capitalized Software Expenditures, deferred financing fees, debt issuance costs, commissions, fees and expenses, expensing of any bridge, commitment or other financing fees, the non-cash portion of interest expense resulting from the reduction in the carrying value under purchase accounting of outstanding Indebtedness and commissions, discounts, yield and other fees and charges but excluding amortization of prepaid cash expenses that were paid in a prior period), non-cash impairment, non-cash compensation, non-cash rent and other non-cash expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Income for such period on a consolidated basis and otherwise determined in accordance with IFRS; *provided* that if any non-cash charges referred to in this definition represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA in such future period to such extent paid, but excluding from this proviso, for the avoidance of doubt, amortization of a prepaid cash item that was paid in a prior period.

“Consolidated Senior Secured Debt Ratio” as of any date of determination means the ratio of (1)(x) Consolidated Total Indebtedness for borrowed money of the Issuer and its Restricted Subsidiaries that is Senior Secured Debt minus (y) the aggregate amount of cash and Cash Equivalents (excluding Restricted Cash) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis as reflected on the balance sheet in accordance with IFRS minus (z) Excluded Transaction Debt, in each case of clauses (x) and (y) as of the Applicable Test Date to (2) the EBITDA as of the Applicable Test Date, in each case, with such *pro forma* adjustments to Consolidated Total Indebtedness, cash and Cash Equivalents (excluding Restricted Cash) and EBITDA as are appropriate and consistent with the provisions described under “—*Certain Covenants—Financial Calculations*” and the *pro forma* adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio.” For the purposes of determining the amount of Consolidated Total Indebtedness pursuant to clause (1) of this definition, the amount of revolving Indebtedness under the Credit Agreement and any other revolving credit facility shall be excluded to the extent borrowed for working capital purposes.

For the purposes of calculating the Consolidated Senior Secured Debt Ratio, the Issuer may elect, as of the Applicable Test Date to (A) give *pro forma* effect to the Incurrence of the entire committed amount of such Indebtedness, in which case such committed amount may thereafter be borrowed or reborrowed, in whole or in part, from time to time, without further compliance with the Consolidated Senior Secured Debt Ratio component of any provision hereunder, or (B) give *pro forma* effect to the Incurrence of the actual amount drawn under such revolving Indebtedness, in which case the ability to incur the amounts committed under such Indebtedness will be subject to the Consolidated Senior Secured Debt Ratio (to the extent being incurred pursuant to such ratio) at the time of each such Incurrence.

“Consolidated Total Debt Ratio” as of any date of determination means the ratio of (1)(x) Consolidated Total Indebtedness for borrowed money of the Issuer and its Restricted Subsidiaries minus (y) the aggregate amount of cash and Cash Equivalents (excluding Restricted Cash) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis as reflected on the balance sheet in accordance with IFRS minus (z) Excluded Transaction Debt, in each case of clauses (x) and (y) as of the Applicable Test Date to (2) the EBITDA as of the Applicable Test Date, in each case, with such *pro forma* adjustments to Consolidated Total Indebtedness, cash and Cash Equivalents (excluding Restricted Cash) and EBITDA as are appropriate and consistent with the provisions described under “—*Certain Covenants—Financial Calculations*” and the *pro forma* adjustment provisions set forth in the definition of “Consolidated Senior Secured Debt Ratio.” For the purposes of determining the amount of Consolidated Total Indebtedness pursuant to clause (1) of this definition, the amount of revolving Indebtedness under the Credit Agreement and any other revolving credit facility shall be excluded to the extent borrowed for working capital purposes.

“Consolidated Total Indebtedness” means, with respect to any specified Person as of any date of determination, the aggregate principal amount of Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on such date, determined on a consolidated basis, to the extent required to be recorded on a balance sheet in accordance with IFRS, consisting of Indebtedness for borrowed money (and excluding, for the avoidance of doubt, undrawn letters of credit, bank guarantees or performance bonds issued or relating to liabilities not for borrowed money, Bank Products, Hedging Obligations, Subordinated Shareholder Debt, factorings, Permitted Securitization Financings and other similar arrangements).

“Contingent Obligations” means, with respect to any specified Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Contribution Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount not greater than 100% of the aggregate amount of net cash proceeds received by the Issuer and its Restricted Subsidiaries from the issue or sale of Equity Interests of the Issuer or any Parent or cash contributions (other than Excluded Contributions) made to the capital of Issuer or in the form of Subordinated Shareholder Debt, or that becomes part of the capital of the Company through consolidation, amalgamation or merger achieved through the issuance of, or in exchange for, Equity Interests or Subordinated Shareholder Debt of the Company or any direct or indirect parent entity of the Company (which for the avoidance of doubt shall exclude intra-Group reorganizations resulting in increases to the capital of the Company through asset-value step ups), in each case, after the Original Issue Date; *provided* such amount at any time may be increased by the amount of “Restricted Payments” (as defined in the May 2025 Notes Indenture) that may be made under the May 2025 Notes Indenture at such time; *provided, further*, that (without prejudice to the rights of the Issuer and the Restricted Subsidiaries, including the right to divide and/or classify and/or reclassify as described in “—*Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”) such Contribution Indebtedness is so designated as Contribution Indebtedness pursuant to an Officer’s Certificate on the Incurrence date thereof.

“Credit Agreement” means (1) the super senior revolving facilities agreement entered into on May 3, 2023 by, among others, the Issuer (as borrower), the financial institutions named therein and UniCredit S.p.A. as agent and security agent, as amended, supplemented, refinanced or replaced from time to time (including by means of the Revolving Credit Facility Amendment), including any related notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case, as amended, supplemented,

modified, extended, replaced, renewed, restated, refunded, restructured, increased or refinanced in whole or in part from time to time, including (unless designated by the Issuer to not be included in the definition of “Credit Agreement”) any replacement, refunding or refinancing facility, agreement, indenture or debt facility that increases the amount borrowable or issuable thereunder or alters the maturity thereof or adds entities as additional borrowers, issuers or guarantors thereunder and whether by the same or any other agent, lender, group of lenders, or otherwise; and (2) whether or not the credit agreement referred to in clause (1) remains outstanding, if designated by the Issuer to be included in the definition of Credit Agreement, one or more additional Debt Facilities.

“**Debt Facilities**” means one or more credit facilities, debt facilities, loan agreements, indentures, financing trust deeds, commercial paper facilities, overdraft facilities, note purchase agreements or other financing arrangements (including, without limitation, the Credit Agreement), in each case with banks, lenders, purchasers, funds, investors, trustees, agents or other representatives of any of the foregoing, providing for revolving credit loans, term loans, capital market financings, securitizations or receivable financings, capital leases, letters of credit or other borrowings or other extensions of credit, including convertible or exchangeable debt instruments, Preferred Stock, Disqualified Stock, any related notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, replacements, renewals, restatements, refundings, restructurings, increases or refinancings thereof in whole or in part from time to time, including any replacement, refunding or refinancing facility, agreement or indenture that increases the amount borrowable or issuable thereunder or alters the maturity thereof or adds entities as additional borrowers, issuers or guarantors thereunder or otherwise alters the terms and conditions thereof and whether by the same or any other agent, lender, group of lenders or otherwise.

“**Default**” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“**Disqualified Stock**” means, with respect to any specified Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, in each case at the option of the holder thereof), or upon the happening of any event:

- (1) matures or is mandatorily redeemable (other than as a result of a change of control or asset sale) for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder thereof (other than as a result of a change of control or asset sale), in whole or in part,

in each case prior to 91 days after the earlier of the maturity date of the notes or the date the notes are no longer outstanding; *provided, however*, that only the portion of Capital Stock that so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided, further, however*, that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or the Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations; *provided, further, however* that any Capital Stock held by any future, current or former employee, director, manager, operating advisor or consultant (or their respective trusts, estates, investment funds, investment vehicles or immediate family members), of the Issuer, any of its Subsidiaries, any of its direct or indirect parent companies or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Directors (or the compensation committee thereof), in each case pursuant to any stockholders’ agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries; and *provided, further, however*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

“**EBITDA**” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period:

- (1) increased (without duplication) by:
- (a) provision for taxes based on income or profits or capital, including, without limitation, federal, state, municipal, foreign, franchise and similar taxes and foreign withholding taxes of such Person paid or accrued during such period deducted (and not added back) in computing Consolidated Net Income, including an amount equal to the amount of payments under any Tax Sharing Agreement and tax distributions actually made to the holders of Capital Stock of such Person or any direct or indirect parent of such Person in respect of such period, which shall be included as though such amounts had been paid as income taxes directly by such Person; *plus*
 - (b) consolidated Fixed Charges of such Person for such period (including (v) non-cash rent expense, (w) net losses or any obligations on Hedging Obligations or other derivative instruments, (x) bank fees, letter of credit fees and other financing fees and (y) costs of surety bonds in connection with financing activities, in each case to the extent included in Fixed Charges), together with items excluded from the definition of “Consolidated Interest Expense” pursuant to clauses (1)(i) through (vii) thereof, in each case, to the extent the same was deducted (and not added back) in calculating such Consolidated Net Income; *plus*
 - (c) Consolidated Non-cash Charges of such Person for such period to the extent such non-cash charges were deducted (and not added back) in computing Consolidated Net Income; *plus*
 - (d) (i) any expenses (including without limitation legal and professional expenses) or charges (other than depreciation or amortization expense) related to any Equity Offering, Investment, acquisition, New Project (including, for the avoidance of doubt, but not limited to, start-up costs, initial testing and registration costs in new markets, travel costs for employees engaged in activities relating to any or all of the foregoing and the allocation of general and administrative support in connection with any or all of the foregoing), disposition, recapitalization or the Incurrence, modification, redemption, retirement or repayment of Indebtedness permitted to be Incurred by the Indenture, including a refinancing thereof and any amendment or modification to the terms of any such transaction (whether or not successful), including such fees, expenses or charges related to the Transactions, in each case, deducted (and not added back) in computing Consolidated Net Income and (ii) any payments (A) pursuant to any Management Agreement or (B) for any Board of Director fees, other management, monitoring, advisory, consulting, financing, underwriting, placement services or in respect of other investment banking activities and other fees (including termination fees) and related indemnities, costs and expenses paid or accrued in such period to any member of the Board of Directors of the Issuer, any Permitted Holder or any Affiliate of a Permitted Holder, as applicable, including, without limitation, in connection with acquisitions or divestitures; *plus*
 - (e) the amount of any business optimization expense and other restructuring charge, loss, cost, reserve or expense (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory and equipment optimization programs, gaming business, casino, facility, branch, office or business unit closures, gaming business, casino, facility, branch, office, business unit, data center, warehouse or distribution center relocations or consolidations, unused warehouse, facility or store space costs, retention, severance, expansion, systems design, implementation or establishment costs, contract acquisition or termination costs, future lease commitments and excess pension charges) and Pre-Opening Expenses, in each case, deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs Incurred in connection with acquisitions and costs related to the closure and/or consolidation of facilities; *plus*
 - (f) any other non-cash charges, including any write offs or write downs, reducing Consolidated Net Income for such period (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (x) the

Issuer may elect not to add back such non-cash charge in the current period and (y) to the extent the Issuer elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); *plus*

- (g) the amount of cost savings, operating expense reductions, restructuring charges, operating improvements, revenue increases, revenue enhancements, expenses, synergies or other adjustments, similar initiatives or effects of synergies that are expected (in good faith) to be realized as a result of actions taken or expected to be taken after the date of any acquisition, disposition, divestiture, restructuring, new or revised contract, New Project or the implementation of a cost savings or other similar initiative, as applicable (calculated on a *pro forma* basis as though such cost savings, operating expense reductions, restructuring charges, operating improvements, revenue increases, revenue enhancements, expenses, synergies or other adjustments, similar initiatives or effects of synergies had been realized on the first day of such period as if such cost savings, operating expense reductions, restructuring charges, operating improvements, revenue increases, revenue enhancements, expenses, synergies or other adjustments, similar initiatives or effects of synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; provided that no cost savings, operating expenses, reductions, restructuring charges, operating improvements, revenue increases, revenue enhancements, expenses, synergies or other adjustments, similar initiatives or effects of synergies shall be added pursuant to this paragraph to the extent duplicative of any expenses or charges otherwise added to EBITDA, whether through a *pro forma* adjustment or otherwise, for such period (which adjustments may be incremental to the *pro forma* adjustments made pursuant to the second paragraph of the definition of “Fixed Charge Coverage Ratio”); *plus*
- (h) the amount of any fee, loss, charge, expense, cost, accrual, reserve or discount in connection with a Permitted Securitization Financing, including amortization of loan origination costs and amortization of portfolio discounts, to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*
- (i) the tax effect of any items excluded from the calculation of Consolidated Net Income pursuant to clauses (1), (2), (3) and (7) of the definition thereof; *plus*
- (j) adjustments and add-backs of the nature used in connection with the calculation of (i) “Pro Forma Run-Rate Adjusted EBITDA” (as defined in the November 2023 Offering Memorandum) for the *pro forma* twelve months ended September 30, 2023 included in the November 2023 Offering Memorandum, (ii) “Pro Forma Run-Rate Adjusted EBITDA” (as defined in the May 2024 Offering Memorandum) for the *pro forma* twelve months ended March 31, 2024 included in the May 2024 Offering Memorandum, (iii) “Pro Forma Run-Rate Normalized Adjusted EBITDA” (as defined in the April 2025 Offering Memorandum) for the *pro forma* year ended December 31, 2024 included in the April 2025 Offering Memorandum, (iv) “Run-Rate Adjusted EBITDA” (as defined elsewhere in this Offering Memorandum) for the *pro forma* year ended December 31, 2025 included in this Offering Memorandum and (v) Pro Forma Run-Rate Adjusted EBITDA, Run-Rate Adjusted EBITDA or Pro Forma Adjusted EBITDA (or any equivalent metric) included in any offering memorandum relating to the issuance or incurrence of any Indebtedness by the Issuer from time to time after the Issue Date; *plus*
- (k) earn out obligations incurred in connection with any permitted acquisition or other Investment permitted under the Indenture and paid or accrued during such period; *plus*
- (l) with respect to any joint venture that is not a Subsidiary and, solely to the extent relating to any net income referred to in clause (6) of the definition of “Consolidated Net Income,” an amount equal to the proportion of those items described in clauses (a) and (b) above relating to such joint venture corresponding to the Issuer’s and the

Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Subsidiary); *plus*

- (m) any net loss (or minus any gain) of such Person resulting from currency exchange risk Hedging Obligations to the extent added or deducted in computing Consolidated Net Income; *plus*
 - (n) any fines, penalties or similar amounts charged to the income statement for such period relating to ADM, other regulators or authorities or pursuant to court orders, judgments or decisions (excluding, for the avoidance of doubt, any taxes paid to ADM or similar authorities in the ordinary course of business); *plus*
 - (o) the amount of any loss attributable to a New Project, until the date that is 12 months after the date of completing the construction, acquisition, assembling, remodeling, refurbishment, modernization, expansion, relocation or creation of such New Project, as the case may be; provided that (a) such losses are reasonably identifiable and factually supportable and certified by a responsible financial or accounting officer of the Issuer and (b) losses attributable to such New Project after 12 months from the date of completing such construction, acquisition, assembling, remodeling, refurbishment, modernization, expansion, relocation or creation, as the case may be, shall not be included in this clause (o); *plus*
 - (p) non-operating expenses to the extent deducted (and not added back) in calculating Consolidated Net Income; *plus*
 - (q) costs associated with commencing Public Company Compliance to the extent deducted (and not added back) in calculating Consolidated Net Income; *plus*
 - (r) any costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, in each case, to the extent deducted (and not added back) in calculating Consolidated Net Income; *plus*
 - (s) any losses, costs and expenses (including costs and expenses which are attributable to revenue-generating activities where such activities are suspended or otherwise no longer generating revenue) and an adjustment corresponding to any other negative financial impact directly or indirectly attributable to COVID-19, any other pandemic, epidemic, outbreak, incident, disaster, supply chain disruption or similar such disruptions outside of the control of the Issuer and its Restricted Subsidiaries, in each case, to the extent reasonably identifiable and factually supportable, as determined by the Issuer in good faith; and
- (2) decreased by (without duplication) non-cash gains increasing Consolidated Net Income of such Person for such period (other than any non-cash gains increasing Consolidated Net Income pursuant to clause (1) through (20) of the definition of Consolidated Net Income), excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced EBITDA in any prior period.

For the purposes of determining "EBITDA," the calculation shall be made on a *pro forma* basis consistent with the basis for calculating the Fixed Charge Coverage Ratio. Unless otherwise specified, references to EBITDA refer to EBITDA of the Issuer and its Restricted Subsidiaries.

"Equity Contribution" means the aggregate investment in cash or in kind (directly or indirectly) in the Issuer by way of any subscription for shares issued by, and any capital contributions (including by way of premium and/or contribution to the capital reserves and on a cash or cashless basis) to, the Issuer (including by way of contribution of the proceeds of any Holdco Financing (including on a cashless basis) but excluding the proceeds of any Indebtedness of a Parent which is guaranteed by any member of the Group.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private sale of common Capital Stock or Preferred Stock of the Issuer or the IPO Entity, as applicable (other than Disqualified Stock), other than:

- (1) public offerings with respect to such Person’s common stock registered on Form S-4 or Form S-8;
- (2) issuances to any Subsidiary of the Issuer; and
- (3) any such public or private sale that constitutes an Excluded Contribution.

“Escrowed Proceeds” means the proceeds from the offering or issuance of any debt securities, loan facilities or other Indebtedness paid into an escrow account with an escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“euro” or “€” means the single currency unit of the Participating Member States.

“European Government Obligations” means any security that is (1) a direct obligation of the United Kingdom or any member state of the European Union as of the Issue Date, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contributions” means the net cash proceeds and Cash Equivalents or Fair Market Value of assets or property received by or contributed to the Issuer or the Guarantors after the Original Issue Date (other than amounts provided by or contributed to the Issuer or a Guarantor from or by the Issuer or a Restricted Subsidiary) from:

- (1) contributions to its common or preferred equity capital or in the form of Subordinated Shareholder Debt; and
- (2) the issuance or sale (other than to the Issuer or a Restricted Subsidiary or management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Equity Interests (other than Disqualified Stock) of the Issuer or any Parent,

in each case, designated as Excluded Contributions by the Issuer.

“Excluded Subsidiary” means any Subsidiary that is:

- (1) a non-Wholly Owned Subsidiary;
- (2) a joint venture;
- (3) a captive insurance company;
- (4) a not-for-profit Subsidiary;
- (5) a Special Purpose Securitization Subsidiary;
- (6) an Unrestricted Subsidiary;
- (7) an Immaterial Subsidiary; or
- (8) a Subsidiary incorporated in a jurisdiction which is not a Security Jurisdiction.

“Excluded Transaction Debt” means, collectively, the aggregate principal amount of all Indebtedness incurred under the Credit Agreement in connection with the Transactions and consisting of, or incurred on or prior to the Issue Date to fund the payment of, any original issue discount or upfront fees, costs, taxes or expenses in respect of the Indebtedness under the Credit Agreement and/or the notes.

“Existing Joint Ventures” means any joint venture of the Issuer or any of its Restricted Subsidiaries, in each case on the Issue Date.

“Fair Market Value” means, with respect to any Investment, asset, property or transaction, the price which could be negotiated in an arm’s length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction (as determined in good faith by the Issuer), which, in the case of an Investment shall be determined either, at the option of the Issuer, at the time of the Investment or as of the date of the definitive agreement with respect to such Investment, and without giving effect to any subsequent change in value.

“Fitch” means Fitch Ratings Inc. or any successor to the rating agency business thereof.

“Fixed Charge Coverage Ratio” means, with respect to any specified Person for any period, the ratio of the EBITDA of such Person for such period to the Fixed Charges of such Person for such period (excluding Fixed Charges in respect of Excluded Transaction Debt). In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, retires, extinguishes, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (for the purposes of this definition, the **“Calculation Date”**), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, retirement, extinguishment, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; provided, *however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness incurred on the Calculation Date pursuant to the provisions described in the definition of Permitted Debt or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds of Indebtedness incurred pursuant to the provisions described in the definition of Permitted Debt; *provided, further*, that the amount of Indebtedness outstanding under any revolving credit facility shall, for the purposes of calculating Consolidated Interest Expense, be determined based on the average daily balance outstanding during such period (and any such revolving Indebtedness incurred for working capital purposes shall be disregarded). Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) dispositions, consolidations, acquisitions and other Investments, operational changes, business realignment projects, cost saving initiatives or other initiatives, New Projects, restructurings, reorganizations, capital expenditures, constructions, repairs, replacements, improvements, equipment optimization programs or Irrevocable Repayments that have been made or implemented or determined to be made or implemented by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers, consolidations, amalgamations, fixed assets, plant or facility integration, opening, expansion, relocation, remodeling, or modernization or otherwise, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer) as if they (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period, and if since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into

the Issuer or any Restricted Subsidiary since the beginning of such period shall have made or determined to make any dispositions, consolidations, acquisitions and other Investments, operational changes, business realignment projects or initiatives, restructurings, reorganizations or Irrevocable Repayments that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such dispositions, consolidations, acquisitions and other Investments, discontinued operations, operational changes, business realignment projects, cost saving initiatives or other initiatives, New Projects, restructurings, reorganizations, capital expenditures, constructions, repairs, replacements, improvements, equipment optimization programs or Irrevocable Repayments had occurred (or such operational or cost savings had been realized) at the beginning of the applicable four-quarter period;

- (2) if, since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Issuer or any Restricted Subsidiary, that constitutes an event that is contemplated by the definition of “Specified Change of Control Event” (any such transaction, a “Specified Change of Control Transaction”), and, solely for the purpose of making the determination pursuant to “Specified Change of Control Event,” EBITDA for such period shall be calculated after giving *pro forma* effect thereto (including anticipated synergies and expenses and cost savings expected to be obtained from the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such synergies and expenses and cost savings) had occurred on the first day of such period;
- (3) the EBITDA attributable to discontinued operations, as determined in good faith by a responsible accounting or financial officer, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (4) the Fixed Charges attributable to discontinued operations, as determined in good faith by a responsible accounting or financial officer, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (5) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;
- (6) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;
- (7) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness); and
- (8) interest on a Capitalized Lease Obligation will be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the specified Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

For the purposes of this definition and the definitions of EBITDA, Fixed Charges and Consolidated Net Income, calculations will be as determined in good faith by a responsible financial or chief accounting officer (including in respect of anticipated cost savings and synergies) as though the full effect of synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer) of cost savings programs and synergies that have been initiated by the Issuer or its Restricted Subsidiaries as though such cost savings programs and synergies had been fully implemented on the first day of the relevant period. Any such *pro forma* calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer, to reflect all adjustments of the nature used in connection with the calculation of (i) “*Pro Forma Run-Rate Adjusted EBITDA*” (as defined in the November 2023 Offering Memorandum) for the *pro forma* twelve months ended September 30, 2023 included in the November 2023 Offering Memorandum, (ii) “*Pro Forma Run-Rate Adjusted*

EBITDA” (as defined elsewhere in the May 2024 Offering Memorandum) for the pro forma twelve months ended September 30, 2023 included in the May 2024 Offering Memorandum, (iii) “*Pro Forma Run-Rate Normalized Adjusted EBITDA*” (as defined in the April 2025 Offering Memorandum) for the pro forma year ended December 31, 2024 included in the April 2025 Offering Memorandum, (iv) “*Run-Rate Adjusted EBITDA*” (as defined elsewhere in this Offering Memorandum) for the *pro forma* year ended December 31, 2025 included in this Offering Memorandum and (v) Pro Forma Run-Rate Adjusted EBITDA, Run-Rate Adjusted EBITDA or Pro Forma Adjusted EBITDA (or any equivalent metric) included in any offering memorandum relating to the issuance or incurrence of any Indebtedness by the Issuer from time to time after the Issue Date.

“**Fixed Charges**” means, with respect to any specified Person for any period, the sum of:

- (1) Consolidated Interest Expense of such Person in respect of Indebtedness of such Person and its Restricted Subsidiaries for such period; and
- (2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

“**Group**” means, collectively, the Issuer and its Restricted Subsidiaries from time to time.

“**guarantee**” means, as to any specified Person, a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness of another Person. The amount of any guarantee shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

“**Guarantee**” means a guarantee of the notes pursuant to the Indenture. For the avoidance of doubt, there will be no Guarantees as of the Issue Date.

“**Guarantor**” means any Person that Incurs a Guarantee; provided that upon the release or discharge of such Person from its Guarantee in accordance with the Indenture, such Person ceases to be a Guarantor. For the avoidance of doubt, there will be no Guarantors as of the Issue Date.

“**Hedging Obligations**” means, with respect to any specified Person, the obligations of such Person from time to time under:

- (1) currency exchange, interest rate or commodity Swap Agreements, currency exchange, interest rate or commodity cap, floor or ceiling agreements and currency exchange, interest rate or commodity collar agreements; and
- (2) other agreements or arrangements designed to manage or protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

“**Holdco Financing**” means any debt or equity financing (howsoever borrowed, incurred or provided) provided to any Holding Company of the Issuer by any Person, including any vendor, shareholder of the Issuer (or their Affiliates) or third-party financing.

“**Holder**” or “**holder**” or “**noteholder**” means the Person in whose name a note is registered on the Registrar’s books, which shall initially be the respective nominee of Clearstream and Euroclear.

“**Holding Company**” means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

“**IFRS**” means International Financial Reporting Standards (formerly International Accounting Standards) as adopted by the European Union as in effect from time to time (for all other purposes of the Indenture); *provided*, that at any date after the Issue Date the Issuer may make an election to establish that IFRS shall mean IFRS as in effect on a date that is on or prior to the date of such election; *provided, further*, that, at any time after adoption of either IFRS as issued by the International Accounting Standards Board or U.S. GAAP by the Issuer (or the relevant Reporting Entity) for its financial statements and reports for financial reporting purposes, the Issuer (or the relevant Reporting Entity) may elect to apply IFRS as issued by the International Accounting Standards Board or U.S. GAAP, as applicable, for all purposes of the Indenture, and, upon any such election, references in the

Indenture to IFRS shall be construed to mean IFRS as issued by the International Accounting Standards Board or U.S. GAAP, as applicable, as in effect on the date of such election and thereafter from time to time; *provided* that (1) all financial statements and reports required to be provided after such election pursuant to the Indenture shall be prepared on the basis of IFRS as issued by the International Accounting Standards Board or U.S. GAAP, (2) from and after such election, all ratios, computations, calculations and other determinations based on IFRS contained in the Indenture shall be computed in conformity with IFRS as issued by the International Accounting Standards Board or U.S. GAAP, as applicable, with retroactive effect being given thereto assuming that such election had been made on the Issue Date, (3) such election shall not have the effect of rendering invalid any Incurrence of Indebtedness or Liens Incurred prior to the date of such election pursuant to the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to Incur €1.00 of additional Indebtedness) or “—*Certain Covenants—Liens*” if such Incurrence or other action was valid under the Indenture on the date made, Incurred or taken, as the case may be and (4) all accounting terms and references in the Indenture to accounting standards shall be deemed to be references to the most comparable terms or standards under IFRS as issued by the International Accounting Standards Board or U.S. GAAP, as applicable. The Issuer shall give written notice of any election to the Trustee and the holders of notes within 15 days of such election.

For the avoidance of doubt, (i) solely making an election (without any other action) referred to in this definition will not be treated as an Incurrence of Indebtedness or Liens, and (ii) nothing herein shall prevent the Issuer, any Restricted Subsidiary or Reporting Entity from adopting or changing its functional or reporting currency in accordance with IFRS, IFRS as issued by the International Accounting Standards Board or U.S. GAAP, as applicable; provided that such adoption or change shall not have the effect of rendering invalid any Incurrence of Indebtedness or Liens Incurred prior to the date of such adoption or change pursuant to the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” or “—*Certain Covenants—Liens*” (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to Incur €1.00 of additional Indebtedness) if such Incurrence or other action was valid under the Indenture on the date made, Incurred or taken, as the case may be.

“**Immaterial Subsidiary**” means any Subsidiary (other than a Significant Subsidiary) that (i) did not, as of the last day of the fiscal quarter of the Issuer most recently ended, have assets with a value in excess of 5.0% of the Total Assets or revenues representing in excess of 5.0% of total revenues of the Issuer and the Restricted Subsidiaries on a consolidated basis as of such date and (ii) taken together with all other Immaterial Subsidiaries, as of the last day of the fiscal quarter of the Issuer most recently ended, did not have assets with a value in excess of 10.0% of the Total Assets or revenues representing in excess of 10.0% of total revenues of the Issuer and the Restricted Subsidiaries on a consolidated basis as of such date.

“**Immediate Family Members**” means with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother in law, father in law, son in law and daughter in law (including adoptive relationships), the estates of such individual and such other individuals above and any trust, partnership or other *bona fide* estate planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor advised fund of which any such individual is the donor.

“**Incur**” means, with respect to any Indebtedness, issue, assume, guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary (subject to the provisions described under “—*Financial Calculations*”). The terms “**Incurred**” and “**Incurrence**” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“**Indebtedness**” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property, asset or business, which purchase price is due more than twelve months after the date of placing the

property in service or taking delivery or title thereto, except (i) any such balance that constitutes a trade payable, accrued expense or similar obligation to a trade creditor, (ii) any acquisition earn out obligations and (iii) liabilities accrued in the ordinary course of business or consistent with past practice, (d) in respect of Capitalized Lease Obligations and (e) representing any Hedging Obligations, other than Hedging Obligations that are Incurred in the normal course of business and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS; *provided* that Indebtedness of any Parent appearing upon the balance sheet of the Issuer solely by reason of push-down accounting under IFRS shall be excluded;

- (2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations described in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business or consistent with past practice or industry norm); and
- (3) to the extent not otherwise included, obligations described in clause (1) of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination, and (b) the principal amount of such Indebtedness of such other Person;

provided that (a) Bank Products and Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, (b) obligations under or in respect of Permitted Securitization Financings and factoring or similar arrangements which are non-recourse to the relevant Restricted Subsidiary except to the extent customary for such type of factoring or similar arrangements and for Standard Securitization Undertakings, (c) Obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred in the ordinary course of business or consistent with past practice, (d) Obligations associated with workers' compensation claims, employment and post-employment benefits and pension plans, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes, (e) in connection with the purchase by the Issuer or its Restricted Subsidiaries of any business, post-closing payment adjustments to which the seller may be entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing until 30 days after any such obligation becomes contractually due and payable, (f) deferred or prepaid revenues, (g) any Capital Stock (other than Disqualified Stock) and Subordinated Shareholder Debt, (h) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (i) premiums payable to, and advance commissions or claims payments from, insurance companies, (j) any asset retirement obligations, (k) obligations of such Person for the reimbursement of any obligor on any letter of credit or bank guarantee, bankers' acceptance, performance bond, advance payment bond, surety bond, completion or performance guarantee or similar transactions (to the extent that such letters, bonds, guarantees or similar credit transactions are not drawn upon, *provided* that, if any to the extent drawn upon, such obligations shall not be considered the incurrence of indebtedness if such obligation is satisfied within 30 days of incurrence), (l) all intercompany liabilities having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business or consistent with past practice or industry norm, (m) amounts owed to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the covenants described under "*—Merger, Consolidation or Sale of All or Substantially All Assets,*" (n) any joint and several liability or any netting or set-off arrangement arising in each case by operation of law as a result of the existence or establishment of a fiscal unity or any analogous arrangement in any other jurisdiction of which the Issuer or any Restricted Subsidiary is or becomes a member, operates in, has transactions or dealings in or otherwise has a presence in, (o) intercompany liabilities in connection with cash management, tax and accounting operations of the Issuer and its Restricted Subsidiaries, (p) obligations in respect of Third Party Funds, (q) deferred payments or similar amounts owed in respect of gaming taxes or concessions or other similar arrangements (or guarantees thereof by either the Issuer or a Restricted Subsidiary, or arranged or provided by a third party on behalf of the Issuer or a Restricted Subsidiary) and any Conditional Gaming Payments, (r) the principal amount of Escrowed

Proceeds for so long as such proceeds are in escrow, (s) non-interest bearing instalment obligations Incurred in the ordinary course of business that are not more than 120 days past due and any accrued expenses and trade payables, and (t) any capitalized or pay-in-kind interest (however so described or characterized), shall (in each case) not constitute Indebtedness.

For the avoidance of doubt and notwithstanding the above, the term “Indebtedness” excludes any accrued expenses or trade payables.

“**Independent Financial Advisor**” means an accounting, appraisal or investment banking firm or consultant, in each case of internationally or nationally recognized standing that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

“**Initial Public Offering**” means the Equity Offering of common stock of the Issuer on Euronext Milan, organized and managed by Borsa Italiana S.p.A., which closed on May 3, 2023.

“**Initial Purchasers**” means the initial purchasers listed in this Offering Memorandum under “*Plan of Distribution*.”

“**Intercreditor Agreement**” means the intercreditor agreement dated the July 23, 2020, between, among others, the Issuer, the administrative agent under the Credit Agreement, the trustee for the Existing Notes and the Security Agent, as amended from time to time, and to which the Trustee will accede, on behalf of the holders of the notes, on or around the Issue Date. See “*Description of Certain Financing and Guarantee Agreements—Intercreditor Agreement*.”

“**Investment Grade Rating**” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

“**Investment Grade Securities**” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S., Canadian, the United Kingdom, any country that is a member of the European Union or Switzerland government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities that have an Investment Grade Rating;
- (3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and
- (4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

“**Investments**” means, with respect to any specified Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees of loans), advances or capital contributions (excluding deposits, accounts receivable, trade credit, advances or extensions of credit to customers and vendors, commission, credit card, travel and similar advances to officers, directors, employees and consultants and any prepayments and other credits to suppliers or customers made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by IFRS to be classified on the balance sheet of (excluding the footnotes) of such Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of “Unrestricted Subsidiary”:

- (1) “Investments” shall include the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to:
 - (a) the Issuer’s “Investment” in such Subsidiary at the time of such redesignation; *less*

- (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and
- (2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Issuer.

For the avoidance of doubt, a guarantee by the Issuer or a Restricted Subsidiary of the obligations of another Person (the "**primary obligor**") shall not be deemed to be an Investment by the Issuer or such Restricted Subsidiary in the primary obligor to the extent that such obligations of the primary obligor are in favor of the Issuer or any Restricted Subsidiary, and in no event shall a guarantee of a lease or other business contract of the Issuer or any Restricted Subsidiary be deemed an Investment.

"**IPO Entity**" means the Issuer (and its successors).

"**Material Event of Default**" means an Event of Default under any of clauses (1), (2) or (6) of the first paragraph of the section "*Defaults*."

"**Irrevocable Repayment**" means any repayment, repurchase or refinancing of Indebtedness with respect to which an irrevocable notice of repayment (or similar irrevocable notice) has been delivered.

"**Issue Date**" means May 7, 2026.

"**Italian Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of March 16, 1942, as subsequently amended and supplemented.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement or any lease in the nature thereof); provided that in no event shall an operating lease or an agreement to sell be deemed to constitute a Lien.

"**Management Advances**" means loans, guarantees or advances made to or for the benefit of, or guarantees with respect to Indebtedness of or loans or advances made to or for the benefit of future, present or former directors, officers, managers, employees, operating advisors or consultants of the Issuer or any Restricted Subsidiary or any Parent (i) pursuant to management and employee contracts or in respect of travel, entertaining, tax, payroll, benefits or moving and other expenses or similar expenses incurred in the ordinary course of business or consistent with past practice or industry practice or in connection with any closing or consolidation of any facility or office; (ii) for the purpose of funding any such Person's purchase of Equity Interests or Subordinated Shareholder Debt (or similar obligations) in the Issuer or any Restricted Subsidiary or any Parent with the approval of the Board of Directors, including for the purchase of equity interests or indebtedness or pursuant to a management or employee equity or incentive plan, share option plan, unit trust, or other benefit plan or arrangement, and (iii) other loans, guarantees and advances to officers, directors, employees, operating advisors and consultants in an aggregate principal net amount not to exceed, at any one time outstanding, the greater of (x) €45 million and (y) 5% of EBITDA as of the Applicable Test Date.

"**Management Agreement**" means one or more management services agreements, as in effect on the Issue Date between the Issuer or any of its Affiliates and any other beneficial owner in the equity in the Issuer or any Parent as of the Issue Date, or a successor agreement between the Issuer or any of its Affiliates and such parties, as may be amended, supplemented or otherwise modified from time to time; provided that such amendments, supplements or modifications are not materially adverse to the noteholders taken as a whole as determined in good faith by the Issuer.

"**Management Group**" means the group consisting of the directors, executive officers, other management personnel and consultants or operating advisors of the Issuer or any Restricted Subsidiary or any Parent, as the case may be, on the Issue Date after giving effect to the Transactions together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any Parent, as applicable, was approved by a vote of a majority of the directors of the Issuer or any Parent, as applicable, then still in office who were either directors on the Issue Date after giving effect to the Transactions or whose election or nomination was previously so approved and (2) executive officers and other management personnel, consultant or operating advisor of the Issuer or any Parent, as applicable, hired at a time when the

directors on the Issue Date after giving effect to the Transactions together with the directors so approved constituted a majority of the directors of the Issuer or any Parent, as applicable.

“May 2023 Offering Memorandum” means the offering memorandum dated May 17, 2023 relating to the offering of, among others, the June 2023 Fixed Rate Notes by the Issuer.

“May 2024 Offering Memorandum” means the offering memorandum dated May 29, 2024 relating to the offering of the May 2024 Fixed Rate Notes and the May 2024 Floating Rate Notes by the Issuer.

“Moody’s” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof.

“Net Income” means, with respect to any specified Person, the net income (loss) attributable to such Person, determined in accordance with IFRS and before any reduction in respect of Preferred Stock dividends.

“Net Short” means a Holder or a beneficial owner of any notes (or any affiliate of such Person (*provided* that for purposes of this definition, affiliates shall not include Persons that are subject to customary procedures to prevent the sharing of confidential information between such Holders or beneficial owner and such Person and such Person is managed having independent fiduciary duties to the investors or other equityholders of such Person)) that, as a result of its interest in any total return swap, total rate of return swap, credit default swap or other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities), has a net short position with respect to the notes. For purposes of determining whether a Holder or a beneficial owner of any Notes has a “net short position” on any date of determination: (i) derivative contracts with respect to the notes and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in euro, (ii) notional amounts in other currencies shall be converted to the euro equivalent thereof by such Holder or beneficial owner in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (iii) derivative contracts in respect of an index that includes any of the Issuer or the Guarantors or any instrument issued or guaranteed by any of the Issuer or the Guarantors shall not be deemed to create a short position with respect to the notes or any Guarantee, so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner or its respective Affiliates and (y) the Issuer or the Guarantors and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index, (iv) derivative transactions that are documented using either the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (collectively, the **“ISDA CDS Definitions”**) shall be deemed to create a short position with respect to the notes or the Guarantees if such Holder or beneficial owner is a protection buyer or the equivalent thereof for such derivative transaction and (x) the notes or the Guarantees are a “Reference Obligation” under the terms of such derivative transaction (whether specified by name in the related documentation, included as a “Standard Reference Obligation” on the most recent list published by IHS Markit, if “Standard Reference Obligation” is specified as applicable in the relevant documentation or in any other manner), (y) the notes or the Guarantees would be a “Deliverable Obligation” under the terms of such derivative transaction or (z) any of the Issuer or the Guarantors (or any of its or their respective successors) is designated as a “Reference Entity” under the terms of such derivative transactions, and (v) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS Definitions shall be deemed to create a short position with respect to the notes and/or the Guarantees if such transactions are functionally equivalent to a transaction that offers the Holder or beneficial owner or its affiliates protection against a decline in the value of the notes or the Guarantees, or as to the credit quality of any of the Issuer or the Guarantors other than, in each case, as part of an index so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner and (y) the Issuer or the Guarantor and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index. Notwithstanding the foregoing, no Holder or beneficial owner of notes that is a regulated bank shall be deemed “Net Short” for any purpose under the Indenture.

“New Project” means (x) each gaming business, gaming activity, gaming jurisdiction, casino, plant, facility, branch, office, business unit, data center, warehouse or distribution center which is either a new gaming business, gaming activity, gaming jurisdiction, casino, plant, facility, branch, office, business unit, data center, warehouse or distribution center or an expansion, relocation, remodeling, refurbishment or substantial modernization of an existing gaming business, gaming activity, gaming jurisdiction, casino, plant, facility, branch, office, business unit, data center, warehouse or distribution center operated by the Issuer or the Restricted Subsidiaries and (y) each creation (in one or a series of related transactions) of a business unit, store, product line or service offering

or each expansion (in one or series of related transactions) of business into a new market or consumer base or through a new distribution method or channel, in each case, which is under development or otherwise in process.

“November 2023 Offering Memorandum” means the offering memorandum dated November 28, 2023 relating to the offering of, among others, the December 2023 Floating Rate Notes by the Issuer.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers’ acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

“Officer” means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, President, any Executive Vice President, Senior Vice President, Vice President or Assistant Vice President, the Controller, the Treasurer, the Assistant Treasurer or the Secretary of the relevant Person or any member of the Board of Directors or other individual designated as an “Officer” for purposes of the Indenture by the Board of Directors, as applicable.

“Officer’s Certificate” means a certificate signed by an Officer.

“Opinion of Counsel” means an opinion from legal counsel which is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or any Affiliate of the Issuer.

“Original Issue Date” means September 27, 2022.

“Parent” means any Person of which the Issuer at any time is or becomes a Subsidiary and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“Pari Passu Indebtedness” means: (a) with respect to the Issuer, the notes and any Indebtedness which ranks *pari passu* in right of payment to the notes (including the Existing Notes); and (b) with respect to any Guarantor, its Guarantee and any Indebtedness which ranks *pari passu* in right of payment to such Guarantor’s Guarantee.

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Paying Agent” means an office or agency maintained by the Issuer pursuant to the terms of the Indenture, where notes may be presented for payment.

“Permitted Acquisition” means any acquisition or Investment not prohibited by the Indenture.

“Permitted Change of Control” means (x) any Change of Control that constitutes a Specified Change of Control Event and (y) any Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture.

“Permitted CoC Costs” means all fees, costs and expenses incurred or payable by any Permitted Holder, direct or indirect Parent or shareholder of the Issuer, the Issuer or any of its Restricted Subsidiaries (or, in each case, any of their respective Affiliates) in connection with a Permitted Change of Control.

“Permitted CoC Test Date” means, in relation to any Relevant CoC Metric, at the election of the Issuer (in its sole and absolute discretion), either (i) the last date of (x) the most recently completed four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter (or fiscal year, if later) for which financial statements have been delivered to the Trustee pursuant to the covenant entitled “—*Certain Covenants—Reports and Other Information*” or (y) the most recently completed twelve consecutive months ending on the last day of a calendar month for which the Issuer has, in its sole determination, sufficient available information to determine such Relevant CoC Metric, in the case of (x) and (y) that is on or prior to the date of any Permitted Investor Agreement or (in the Issuer’s sole and absolute discretion) the closing date of any Permitted Change of Control or Permitted CoC Transaction, (ii) the date of any Permitted Investor Agreement (with the term “reference period” being construed accordingly), (iii) the closing date of any Permitted Change of Control or Permitted CoC Transaction (with the term “reference period” being construed accordingly) or (iv) otherwise as permitted by the provisions set forth under “—*Certain Covenants—Financial Calculations*.”

“Permitted CoC Transaction” means any step, action, amendment, waiver, documentation or transaction (or series thereof) which on consummation results in or effects or documents or is made in connection with a Permitted Change of Control, including any taken in connection with any reorganization, amalgamation, merger, acquisition, disposal or other transaction or step (and any intermediary steps and actions in connection therewith), including the insertion of a new Parent or other Affiliate of the Issuer or any member of the Group, and between any member of the Group and an Affiliate thereof, and/or between members of the Group; and/or are taken in connection with any incurrence, pushdown, release, refinancing, re-tranching, replacement, amendment of any Indebtedness, guarantees and Security Interest; and/or the designation of any New Parent Company and the accession of any Guarantor, in each case as the Issuer may require; or consider necessary or desirable (including to take into account, reduce, mitigate the incurrence of taxes, fees, other payments or adverse corporate or exit implications) to facilitate, implement or in connection with a Permitted Change of Control, the creation of the New Group, the Incurrence of Permitted CoC Indebtedness or otherwise to effect the provisions, steps and actions contemplated by the provisions set forth under “—*Permitted Change of Control*.”

“Permitted Collateral Liens” means any of the following Liens (including on the Collateral):

- (A) that are “Permitted Liens” other than “Permitted Liens” described in clauses (6), (18), (25), (26), (43) and (50) of the definition thereof;
- (B) securing Indebtedness or other obligations of the Issuer or a Restricted Subsidiary that are permitted to be Incurred under clauses (a), (b) (other than any additional notes), (d), (i), (k), (l) (in the case of (l), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (n)(i), (p), (s), (t) or (x) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”; *provided, however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable; *provided, further*, that Liens securing Indebtedness under clauses (a), (i) or (n)(i) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” may have priority in respect of the proceeds from the enforcement of the Collateral on terms not materially less favorable to the holders of the notes than those contained in the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (C) securing Indebtedness or other obligations incurred under the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*” and any Refinancing Indebtedness in respect of such Indebtedness; *provided, however*, that such Lien will not give an entitlement to be repaid with proceeds of enforcement of the Collateral in a manner which is inconsistent with the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable and Refinancing Indebtedness Incurred in respect of Indebtedness that was secured on a basis junior to the notes must also be secured on a basis that is junior to the notes;
- (D) securing Indebtedness or other obligations on a basis junior to the notes, or which is given in respect of Indebtedness which is, subordinated to the notes under the Intercreditor Agreement; *provided* that the holders of such Indebtedness (or their representative) accede to the Intercreditor Agreement or an Additional Intercreditor Agreement giving effect to such priority;
- (E) that secures Indebtedness or other obligations that do not exceed at any one time outstanding the greater of (x) €180 million and (y) 20% of EBITDA as of the Applicable Test Date;

provided that the secured parties (whether acting directly or through a respective creditor representative) to any Indebtedness referred to in clause (B) or (C) above, or any Refinancing Indebtedness thereof which, in each case is secured by Liens on the Collateral and such Indebtedness individually exceeds an aggregate principal amount of the greater of (x) €885 million and (y) 100% of EBITDA, will enter into the Intercreditor Agreement or an Additional Intercreditor Agreement to the extent required therein;

- (F) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (A) to (E),

“Permitted Holders” means, at any time, each of (i) the Management Group, (ii) any Person that, directly or indirectly, holds or acquires 100% of the total voting power of the Voting Stock of the Issuer, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any of the other Permitted Holders, holds more than 50% of the total voting power of the Voting Stock thereof, and any New Parent and its subsidiaries, (iii) any Person who is acting solely as an underwriter in connection with an Equity Offering, acting in such capacity and (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders specified in clauses (i), (ii) and (iii) above and that, directly or indirectly, hold or acquire beneficial ownership of the Voting Stock of the Issuer or a Permitted Holder specified in clause (iii) above (a **“Permitted Holder Group”**), so long as no Person or other “group” (other than Permitted Holders specified in clauses (i), (ii), (iii) and (iv) above) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by the Permitted Holder Group. Any Person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“Permitted Investor Agreement” means any commitment, put-option, acquisition agreement, share purchase agreement, sale and purchase agreement, stock purchase agreement, merger agreement or any other similar agreement or definitive documentation which is entered into in connection with a Permitted Change of Control.

“Permitted Liens” means, with respect to any specified Person:

- (1) (i) pledges or deposits and other Liens granted by such Person in the ordinary course of business or in connection with workmen’s compensation laws, health, disability or other employee benefits, payroll, taxes, employment or unemployment insurance and other types of social security laws or similar legislation, employee source deductions, goods and services taxes, sales taxes, municipal taxes, corporate taxes or taxes similar to any of the foregoing and pension fund obligations, or good faith deposits, prepayments or cash pledges to secure bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, performance and return of money bonds and other similar obligations Incurred in the ordinary course of business, or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure surety, stay, customs or appeal bonds or statutory bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Issuer or any Restricted Subsidiary;
- (2) Liens imposed or arising by operation of law, regulation, court order, judgment, attachment, injunction, security for costs, legal process or contract of similar effect, such as landlords’, carriers’, warehousemen’s, materialmen’s, repairmen’s, construction contractors’ and mechanics’ and other like Liens;
- (3) Liens for Taxes, assessments or other governmental charges (i) not overdue for more than 60 days or (ii) which are being contested in good faith by appropriate proceedings if appropriate reserves required pursuant to IFRS have been made in respect thereof or (iii) that are immaterial to the Issuer and its Restricted Subsidiaries taken as a whole;
- (4) Liens (i) in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements, or letters of credit or bankers’ acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person or other obligations of a similar nature Incurred in the ordinary course of its business or (ii) over goods and documents of title to goods arising in the ordinary course of letter of credit transactions entered into in the ordinary course of business or consistent with past practice or industry norm;

- (5) survey exceptions, encumbrances, leases, protrusions, easements or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person or consistent with past practice or industry norm;
- (6) (a) Liens on assets of a Subsidiary that is not a Subsidiary Guarantor securing Indebtedness of a Subsidiary that is not a Subsidiary Guarantor permitted to be Incurred pursuant to the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”; and (b) Liens Incurred to secure Obligations in respect of Indebtedness permitted to be Incurred pursuant to clauses (d) or (k) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”;
- (7) Liens existing on the Issue Date and any replacement, extension, continuation or renewal thereof and Liens incurred in connection with any Refinancing Indebtedness in replacement of any such Liens on substantially the same assets (and any refinancing thereof);
- (8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (9) Liens on assets or on property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer (including Liens created, incurred or assumed in connection with or in contemplation of such acquisition or transaction); *provided, however*, that such Liens may not extend to any other assets or property owned by the Issuer or any Restricted Subsidiary (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition on property of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);
- (10) Liens securing Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or a Restricted Subsidiary permitted to be Incurred in accordance with the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”;
- (11) Liens securing Hedging Obligations and any payment or close out netting or set-off arrangement as part of such Hedging Obligations;
- (12) Liens on inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of documentary letters of credit, bank guarantees or bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (13) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) in the ordinary course of business, consistent with past practice or industry norm or which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries (including rights granted to lessees related to quiet enjoyment and purchase rights at the end of such leasing arrangement);
- (14) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases, consignments or other obligations not constituting Indebtedness entered into by the Issuer and/or its Restricted Subsidiaries in the

ordinary course of business or purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements or similar public filings;

- (15) Liens in favor of the Issuer or any Restricted Subsidiary, as well as any related security interest over such Liens granted in favor of the Security Agent for the benefit of the secured parties;
- (16) Liens in respect of Permitted Securitization Financings that extend only to the assets subject thereto and Liens on the Equity Interests of Special Purpose Securitization Subsidiaries and Liens Incurred to secure obligations in respect of Indebtedness of the type permitted to be Incurred pursuant to clause (r) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,*” and Standard Securitization Undertakings;
- (17) pledges and deposits and other Liens made in the ordinary course of business to secure liability to insurance carriers under insurance or self-insurance arrangements;
- (18) Liens on the Equity Interests of, assets owned by, and Indebtedness of, Unrestricted Subsidiaries, Existing Joint Ventures, joint ventures or any other Person which is not a Guarantor of the notes;
- (19) grants of software and other technology licenses in the ordinary course of business;
- (20) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (21) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (22) Liens in respect of Bank Products or to implement cash pooling arrangements or arising under the general terms and conditions of banks with whom the Issuer or any Restricted Subsidiary maintains a banking relationship or to secure cash management and other banking services, netting and set-off arrangements, and encumbrances over credit balances on bank accounts to facilitate operation of such bank accounts on a cash-pooled and net balance basis (including any ancillary facility under any Credit Agreement or other accommodation comprising of more than one account) and Liens of the Issuer or any Restricted Subsidiary under the general terms and conditions of banks and financial institutions;
- (23) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer’s or such Restricted Subsidiary’s client at which such equipment is located;
- (24) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Permitted Lien; provided, *however*, that (x) such new Lien shall be limited to all or part of the same property (including any after acquired property to the extent it would have been subject to the original Lien) that secured the original Lien (plus proceeds or products of such property, improvements on such property, customary security deposits and any other assets pursuant to after-acquired property clauses to the extent such assets secured (or would have secured) the Indebtedness being refinanced, refunded, extended, renewed or replaced), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness at the time the original Lien became a Permitted Lien under the Indenture, and (B) an amount necessary to pay accrued and unpaid interest and any fees, costs and expenses, including any premium and defeasance costs, related to such refinancing, refunding, extension, renewal or replacement;
- (25) Liens securing obligations which obligations do not exceed the greater of (x) €665 million and (y) 75% of EBITDA as of the Applicable Test Date at any one time outstanding;

- (26) Liens securing Indebtedness permitted to be Incurred pursuant to clause (a) or (dd) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”;
- (27) Liens on and in relation to receivables, accounts receivable and related assets (including proceeds thereof being sold in factoring arrangements entered into in the ordinary course of business) or pursuant to any factoring, securitization or receivables financing arrangement permitted to be Incurred by the Indenture;
- (28) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooling, deposit or sweep accounts of the Issuer or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (29) Liens encumbering customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts Incurred in the ordinary course of business and not for speculative purposes;
- (30) Liens deemed to exist in connection with Investments in repurchase agreements permitted under “—*Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*”; provided that such Liens do not extend to any assets other than those assets that are the subject of such repurchase agreement;
- (31) restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements;
- (32) customary options, put and call arrangements, rights of first refusal and similar rights relating to interests and Investments in joint ventures, partnerships and similar investment vehicles;
- (33) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Issuer or any Restricted Subsidiary;
- (34) Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (ii) on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;
- (35) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code (or similar filings in other applicable jurisdictions) on items in the course of collection; (ii) attaching to a commodity trading account in the ordinary course of business; and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off, bankers’ Liens or similar rights and remedies as to deposit and other accounts) and which are within the general parameters customary in the banking industry (including, without limitation, any Lien arising by entering into standard banking arrangements);
- (36) Liens solely on any money deposits made in connection with any letter of intent or purchase agreement in connection with an Investment permitted hereunder;
- (37) customary Liens on and in respect of deposits required in connection with the purchase of property, equipment and inventory, in each case Incurred in the ordinary course of business;

- (38) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness; provided that such defeasance, discharge or redemption is permitted hereunder;
- (39) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or third party or arising from progress or partial payments by a third party relating to such property or assets;
- (40) Liens given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of the Issuer or a Restricted Subsidiary in the ordinary course of business; provided that such Liens do not materially interfere with the operations of the Issuer and its Restricted Subsidiaries, taken as a whole;
- (41) [Reserved];
- (42) Liens securing (i) the notes and the Guarantees and any proceeds loans related thereto and (ii) the Existing Notes (not including any additional notes thereunder), the guarantees thereunder and any proceeds loans related thereto and existing on the Issue Date;
- (43) Permitted Collateral Liens;
- (44) escrow arrangements and Liens over and in respect of amounts paid into or standing in an escrow, cash collateral or deposit account by any third party or the Issuer or any of its Restricted Subsidiaries and Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;
- (45) intercreditor arrangements and agreements to subordinate any interest of the Issuer or any Restricted Subsidiary;
- (46) Liens securing insurance premium financing arrangements; provided that such Liens are limited to the applicable unearned insurance premiums;
- (47) Liens (i) in favor of credit card companies pursuant to agreements therewith and (ii) in favor of customers;
- (48) in the case of real property that constitutes a leasehold interest, any Lien to which the fee simple or freehold interest (or any superior leasehold interest) is subject;
- (49) Liens (i) on inventory held by and granted to a local distribution company in the ordinary course of business and (ii) in accounts purchased and collected by and granted to a local distribution company that has agreed to make payments to the Issuer or any of its Restricted Subsidiaries for such amounts in the ordinary course of business; and
- (50) Liens in respect of Third Party Funds.

“Permitted Reorganization” means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganisation, winding up or corporate reconstruction involving the Issuer or any of the Restricted Subsidiaries (including any reorganization, step, action or other action contemplated by the provisions set forth under “—*Permitted Change of Control*”) (a **“Reorganization”**)) that is made on a solvent basis; provided that:

- (a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and the Restricted Subsidiaries; and
- (b) if any shares or other assets are charged under the Intercreditor Agreement, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the such charged shares or other assets (ignoring for the purposes of assessing such

equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods (or any similar or equivalent concept)).

“Permitted Securitization Documents” means all documents and agreements evidencing, relating to or otherwise governing a Permitted Securitization Financing.

“Permitted Securitization Financing” means (A) one or more transactions pursuant to which (i) Securitization Assets or interests therein are sold or transferred to or financed by one or more Special Purpose Securitization Subsidiaries, and (ii) such Special Purpose Securitization Subsidiaries finance (or refinance) their acquisition of such Securitization Assets or interests therein, or the financing thereof, by selling or borrowing against Securitization Assets and any Hedging Obligations or hedging agreements entered into in connection with such Securitization Assets or (B) one or more transactions pursuant to which Securitization Assets or interests therein are sold or otherwise transferred by the Issuer, a Restricted Subsidiary or a Special Purpose Securitization Subsidiary in the form of factoring agreements or other similar transactions customary with respect to Securitization Assets (including, for the avoidance of doubt, any Standard Securitization Undertakings).

“Person” means any natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint venture, association, joint stock company, trust, bank trust company, land trust, business trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Pre-Opening Expenses” means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred that are classified as “pre-opening rent,” “opening costs” or “pre-opening expenses” (or any similar or equivalent caption).

“Preferred Stock” means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

“Public Company Compliance” means compliance with (i) any requirements arising or arisen in connection with the listing of the shares the IPO Entity on Euronext Milan, organized and managed by Borsa Italiana S.p.A., or another recognized stock exchange or (ii) the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, the provisions of the Securities Act and the Exchange Act, and the rules of national securities exchange listed companies (in each case, as applicable to companies with equity or debt securities held by the public), including procuring directors’ and officers’ insurance, legal and other professional fees, and listing fees.

“Public Market” means any time after:

- (1) an Equity Offering or the Initial Public Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding ordinary shares or common equity of the IPO Entity has been distributed to investors other than the Permitted Holders or any other direct or indirect shareholders of the Issuer as of the Issue Date.

“Public Offering” means any offering, including the Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

“Rating Agency” means (1) each of Moody’s, Fitch and S&P and (2) if Moody’s, Fitch or S&P ceases to rate the notes for reasons outside of the Issuer’s control, a “nationally recognized statistical rating organization” as defined for purposes of Section 3(a)(62) of the Exchange Act selected by the Issuer or any Parent as a replacement agency for Moody’s, Fitch or S&P, as the case may be.

“Receivables Assets” means accounts receivable (including any bills of exchange), accounts, payment intangibles and other rights to payment and related assets and property (including proceeds thereof) from time to time originated, acquired or otherwise owned by the Issuer or any Subsidiary.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Permitted Securitization Financing or similar transaction to repurchase receivables arising as a result of a breach of a

representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defence, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“refinance” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms “refinances,” “refinanced” and “refinancing” as used for any purpose in the Indenture shall have a correlative meaning.

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Relevant CoC Metric” means any Applicable Metric in relation to testing and determining the occurrence of any Permitted Change of Control or determining the ability to Incur any Indebtedness and/or enter into any other transaction in connection with a Permitted Change of Control or a Permitted CoC Transaction.

“Restricted Cash” means bank deposits and other cash and Cash Equivalents relating to funds received from customers that are required to be segregated pursuant to regulatory requirements to safeguard client funds applicable to the Issuer or any of its Restricted Subsidiaries.

“Restricted Subsidiary” means, at any time any direct or indirect Subsidiary of the Issuer that is not then an Unrestricted Subsidiary; provided, *however*, that upon an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of “Restricted Subsidiary.”

“Revolving Credit Facility Amendment” has the meaning ascribed to it in this Offering Memorandum under *“Description of Certain Financing and Guarantee Arrangements—Revolving Credit Facility Agreement.”*

“Sale/Leaseback Transaction” means any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions the Issuer or any Restricted Subsidiary thereof sells substantially all of its right, title and interest in any property and, in connection therewith, the Issuer or a Restricted Subsidiary thereof acquires, leases or licenses back the right to use all or a material portion of such property.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor to the rating agency business thereof.

“SEC” means the U.S. Securities and Exchange Commission or any successor thereto.

“Secured Indebtedness” means Indebtedness that is secured by a Lien.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Securitization Assets” means any of the following assets (or interests therein) from time to time originated, acquired or otherwise owned by the Issuer or any Restricted Subsidiary or in which the Issuer or any Restricted Subsidiary has any rights or interests, in each case, without regard to where such assets or interests are located:

- (1) Receivables Assets,
- (2) franchise fee payments and other revenues related to franchise agreements,
- (3) royalty and other similar payments made related to the use of trade names and other intellectual property, business support, training and other services,
- (4) revenues related to distribution and merchandising of the products of the Issuer and the Restricted Subsidiaries,

- (5) rents, real estate taxes and other non-royalty amounts due from franchisees,
- (6) intellectual property rights relating to the generation of any of the foregoing types of assets,
- (7) parcels of or interests in real property, together with all easements, hereditaments and appurtenances thereto, all improvements and appurtenant fixtures and equipment, incidental to the ownership, lease or operation thereof,
- (8) any Equity Interests of any Special Purpose Securitization Subsidiary or any Subsidiary of a Special Purpose Securitization Subsidiary and any rights under any limited liability company agreement, trust agreement, shareholders agreement, organization or formation documents or other agreement entered into in furtherance of the organization of such entity,
- (9) any inventory, equipment, contractual rights with unaffiliated third parties, website domains and associated property and rights necessary for a Special Purpose Securitization Subsidiary to operate in accordance with its stated purposes,
- (10) any rights and obligations associated with gift card or similar programs and
- (11) any other assets and property (or proceeds of such assets or property) to the extent capable of being included in securitization transactions of the relevant type in the applicable jurisdictions (as determined by the Issuer in good faith).

“Security Documents” means the security agreements, pledge agreements, debentures, share charges, account charge and any other instrument and document, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

“Senior Secured Debt” means Consolidated Total Indebtedness for borrowed money of the Issuer and its Restricted Subsidiaries that is secured by a Lien on the Collateral on a basis *pari passu* with or senior to the Liens that secure the notes and constitutes “Senior Secured Liabilities” under the Intercreditor Agreement.

“Significant Subsidiary” means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Issuer’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of the Total Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;
- (2) the Issuer’s and its Restricted Subsidiaries’ proportionate share of the Total Assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the Total Assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Issuer’s and its Restricted Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year;

provided, in no event shall a Special Purpose Securitization Subsidiary constitute a Significant Subsidiary.

“Similar Business” means any business, service or other activity engaged in by the Issuer, any Restricted Subsidiaries of the Issuer, or any Parent on the Issue Date and any business, service or other activities that are reasonably similar, ancillary, complementary or related to, or a natural outgrowth, reasonable extension, development or expansion of, the businesses in which the Issuer and the Restricted Subsidiaries are engaged on the Issue Date or any business that, in the good faith business judgment of the Issuer, constitutes a reasonable diversification of business conducted by the Issuer and its Subsidiaries.

“Special Purpose Securitization Subsidiary” means (i) a direct or indirect Subsidiary of the Issuer established in connection with a Permitted Securitization Financing for the acquisition of Securitization Assets or interests therein and/or Equity Interests in other Special Purpose Securitization Subsidiaries, and which is organized in a manner (as determined by the Issuer in good faith) intended to reduce the likelihood that it would be substantively

consolidated with the Issuer or any of its Restricted Subsidiaries (other than Special Purpose Securitization Subsidiaries) in the event the Issuer or any such Restricted Subsidiary becomes subject to a proceeding under insolvency law and (ii) any Subsidiary of a Special Purpose Securitization Subsidiary.

“Specified Change of Control Event” means the occurrence of any event that would otherwise constitute a Change of Control pursuant to the definition thereof; provided that immediately thereafter and giving *pro forma* effect thereto, the Consolidated Total Debt Ratio would have been equal to or less than 3.75 to 1.00; *provided*, further, that when calculating the Consolidated Total Debt Ratio for the purposes of this definition, the Issuer shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios as described under the caption “—*Certain Covenants—Financial Calculations*,” and the date of determination of the Consolidated Total Debt Ratio of the Issuer shall, upon such election by the Issuer, be the date of the definitive agreements in respect of such event with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Fixed Charge Coverage Ratio after giving effect to such event and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability for such event to qualify as a Specified Change of Control Event. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance and other arrangements entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a receivables or securitization financing or for such type of factoring or similar arrangement including, without limitation, those relating to the servicing of the assets of a Special Purpose Securitization Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity” means, with respect to any security or other Indebtedness, the date specified in such security or instrument governing such Indebtedness as the fixed date on which the final payment of principal of such security or other Indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security or other Indebtedness upon the happening of a contingency).

“Subordinated Indebtedness” means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms contractually subordinated in right of payment to the notes, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms contractually subordinated in right of payment to its Guarantee.

For purposes of the Indenture, no Indebtedness will be deemed to be subordinated in right of payment to any other Indebtedness solely by virtue of being a party to the Intercreditor Agreement or by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of being secured by persons who are not Guarantors, or due to the fact that the holders (or an agent, trustee or representative thereof) of any Indebtedness have entered into intercreditor arrangements giving one or more of such holders priority over the other holders in the collateral held by them.

“Subordinated Shareholder Debt” means, collectively, (i) any funds or Fair Market Value of assets or property provided to the Issuer by a Parent or Permitted Holder in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, including, for the avoidance of doubt, any preferred equity or subordinated loans to be issued by a Parent, in connection with the Transactions, and (ii) any investment by a member of the Management Group pursuant to a management equity plan, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however*, that such Subordinated Shareholder Debt:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition);
- (2) does not require, prior to the first anniversary of the Stated Maturity of the notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the notes;
- (4) does not provide for or require any security interest or encumbrance over any asset of, or any guarantee by, the Issuer or any of its Restricted Subsidiaries; and
- (5) is subordinated in right of payment to the notes, either pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement, or pursuant to the terms of its governing documents.

“Subsidiary” means, with respect to any Person, (1) any corporation, partnership, limited liability company, unlimited liability company, association, joint venture or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“Subsidiary Guarantor” means any Subsidiary of the Issuer that Incurs a Guarantee; provided that upon the release or discharge of such Person from its Guarantee in accordance with the Indenture, such Subsidiary ceases to be a Subsidiary Guarantor.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Issuer or any of the Subsidiaries shall be a Swap Agreement.

“Tax” means any tax and any duty, levy, impost, assessment or other governmental charge in the nature of a tax (including penalties, interest, collection duties and any other additions thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax). **“Taxes”** and **“Taxation”** shall be construed to have corresponding meanings.

“Tax Sharing Agreement” means any tax sharing or profit and loss pooling or similar agreement with customary arm’s length terms entered into with any Parent and/or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time and any tax grouping or tax consolidation arrangement (including as between any Parent, the Issuer, any Guarantor, any Restricted Subsidiaries and any other person with whom any Parent, the Issuer, any Guarantor or any Restricted Subsidiaries file a consolidated tax return or with which any such Person is part of a group for tax purposes) or any tax advantageous group contribution made pursuant to applicable legislation (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent to enable a Parent to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a Parent under any profit and loss pooling agreement).

“Third Party Funds” means any accounts or funds, or any portion thereof, received by the Issuer or any of its Subsidiaries as agent on behalf of third parties in accordance with a written agreement that imposes a duty upon the Issuer or one or more of its Subsidiaries to collect and remit those funds to such third parties.

“Total Assets” means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of the Issuer and its Restricted Subsidiaries (giving *pro forma* effect to any acquisitions or dispositions of assets or properties that have been made by the Issuer or any of its Restricted Subsidiaries subsequent to the date of such balance sheet, including through mergers or consolidations).

“Transaction Documents” means the Indenture, the notes (including any additional notes permitted to be Incurred under the Indenture), Debt Facilities, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Security Documents and any other document entered into in connection with the aforementioned documents (including in each case any exchange notes and any guarantees thereof) or in order to give effect to the Transactions.

“Transactions” means all the transactions as described in the Offering Memorandum, including the offering of the notes and the use of proceeds therefrom, including the repayment or redemption of certain indebtedness and the payment of any related fees and expenses.

“Trustee” means the respective party named as such in the Indenture until a successor replaces it and, thereafter, means the successor.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction in the United States of America, to the extent it may be required to apply to any item or items of Collateral.

“Unrestricted Subsidiary” means:

- (1) any direct or indirect Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Issuer may designate any direct or indirect Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed direct or indirect Subsidiary of the Issuer or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein but not including the Issuer) to be an Unrestricted Subsidiary unless at the time of such designation such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Restricted Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated (in each case at the time of designation).

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, *however*, that immediately after giving effect to such designation:

- (x) (1) the Issuer or a Restricted Subsidiary could Incur €1.00 of additional Indebtedness as Ratio Debt; or (2) either (I) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than or equal to such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation or (II) the Consolidated Total Debt Ratio for the Issuer and its Restricted Subsidiaries would be less than or equal to such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation; and
- (y) no Event of Default shall have occurred as a result of such designation.

“U.S. GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession.

“Voting Stock” of any Person as of any date means the Capital Stock of such Person that is at the time outstanding and normally entitled to vote in the election of the board of directors of such Person.

“Wholly Owned Restricted Subsidiary” means any Wholly Owned Subsidiary that is a Restricted Subsidiary.

“Wholly Owned Subsidiary” of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors’ qualifying shares or shares or interests required

to be held by foreign nationals or other third parties to the extent required by applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes sold within the United States to QIBs in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Rule 144A Global Notes**”).

The Notes sold outside the United States in reliance on Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Regulation S Global Notes**” and, together with the Rule 144A Global Notes, the “**Global Notes**”).

On the Issue Date, the Global Notes will be deposited with, or on behalf of, a common depository (the “**Common Depositary**”) for the accounts of Euroclear Bank SA/NV, as operator of the Euroclear system (“**Euroclear**”), and Clearstream Banking S.A. (“**Clearstream**”) and registered in the name of the nominee of the Common Depositary. Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Ownership of interests in the Rule 144A Global Notes (the “**Rule 144A Restricted Book-Entry Interests**”) and ownership of interests in the Regulation S Global Notes (the “**Regulation S Book-Entry Interests**”) and, together with the Rule 144A Restricted Book-Entry Interests, the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream, or persons that hold interests through such participants or otherwise in accordance with applicable transfer restrictions set out in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of certificated Notes.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their respective participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certificated form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of Notes for any purpose.

So long as the Notes are held in global form, the Common Depositary for Euroclear and/or Clearstream (or its nominees), as applicable, will be considered the sole holders of Global Notes for all purposes under the Indenture. In addition, participants in Euroclear and/or Clearstream must rely on the procedures of Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

None of the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream (or their respective nominee), as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The Common Depositary will surrender such Global Note to the Principal Paying Agent for a cancellation or, in the case of a partial redemption, the Common Depositary will request the Principal Paying Agent to mark down, endorse and return the applicable Global Note to reflect the reduction in the principal amount of such Global Note as a result of such partial redemption. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants’ accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; *provided, however*, that, subject to applicable procedures of

Euroclear and Clearstream, no Book-Entry Interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional interest, if any) to the Principal Paying Agent who will make payment to or to the order of the Common Depositary or its nominee for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their customary procedures. The Issuer will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under “*Description of the Notes—Additional Amounts.*” If any such deduction or withholding is required to be made, then, to the extent described under “*Description of the Notes—Additional Amounts,*” the Issuer will pay additional amounts as may be necessary in order that the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent or any of their respective agents will treat the registered holders of the Global Notes (*i.e.*, the Common Depositary (or its nominee)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent nor any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

Except as may otherwise be agreed between Euroclear and/or Clearstream and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euros.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. Neither the Issuer nor the Trustee nor the Initial Purchasers nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the “**Definitive Registered Notes**”), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of Euroclear and Clearstream and their respective direct or indirect participants, which rules and procedures may change from time to time.

The Global Notes will bear a legend to the effect set forth in “*Transfer Restrictions*.” Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers as discussed in “*Transfer Restrictions*.”

Transfers of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to the transfer restrictions contained in the legend appearing on the face of the Rule 144A Global Note, as set forth in “*Transfer Restrictions*.”

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A or any other exemption (if available) under the Securities Act.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Restricted Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

The Notes represented by the Global Notes are expected to be listed on the Luxembourg Stock Exchange’s Euro MTF Market. Transfers of interests in the Global Notes between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures, which rules and operating procedures may change from time to time.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent, nor any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive Definitive Registered Notes if:

- Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue as depository for the Global Notes, and the Issuer fails to appoint a successor;
- Euroclear or Clearstream so requests following an event of default under the Indenture; or
- the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an event of default under the Indenture.

Euroclear has advised the Issuer that upon request by an owner of a Book-Entry Interest, its current procedure is to request that the Issuer issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will issue Definitive Registered Notes (subject to receipt of the same from the Issuer), registered in the name or names and issued in any approved denominations, requested by or on behalf of

Euroclear and/or Clearstream, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend set forth in “*Transfer Restrictions*,” unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Transfer Agent and any of their respective agents shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than €100,000 and in integral multiples of €1,000, in excess thereof, will be issued. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes. Holders of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, the Issuer will issue and the Trustee (or its authenticating agent) will authenticate a replacement Definitive Registered Note if the Trustee’s and the Issuer’s requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and the Issuer to protect the Issuer, the Trustee, the Principal Paying Agent or the Registrar appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for the expenses of replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer in its discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the Indenture and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See “*Transfer Restrictions*.”

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish a notice of any issuance of Definitive Registered Notes in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Payment of principal, any repurchase price, premium and interest on Definitive Registered Notes will be payable at the office of the Principal Paying Agent in Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require.

Global Clearance and Settlement under the Book-Entry System

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional euro bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the Business Day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any

Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving Notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same Business Day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next Business Day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common codes numbers for the Notes are set out under "*Listing and General Information*."

Information Concerning Euroclear and Clearstream

The following description of the operations and procedures of Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Neither the Issuer, Trustee nor the Initial Purchasers nor their respective agents take any responsibility for these operations and procedures and the Issuer urges investors to contact the systems or their participants directly to discuss these matters.

The Issuer understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream also interface with domestic securities markets in several countries. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Euroclear and Clearstream have no record of or relationship with persons holding through their account holders. Since Euroclear and Clearstream only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The Issuer understands that, under existing industry practices, if either the Issuer or the Trustee requests any action by owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give or take any action that a holder is entitled to give or take under the Indenture, Euroclear and Clearstream would authorize participants owning the relevant Book-Entry Interest to give or take such action, and such participants would authorize indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

CERTAIN TAX CONSIDERATIONS

OECD Common Reporting Standards

The Organization for Economic Co-operation and Development (“**OECD**”) has developed a common reporting standard (“**CRS**”) to achieve a comprehensive and multilateral automatic exchange of information on a global basis. A number of jurisdictions (including Italy) signed the OECD’s multilateral competent authority agreement (“**Agreement**”) to automatically exchange information under the CRS.

The CRS requires certain financial institutions to report information regarding certain accounts (which may include the Notes credited to such accounts) to their local tax authority and follow related due diligence procedures. A jurisdiction that has signed the Agreement may provide this information to other jurisdictions that have signed the Agreement.

Consequently, holders of the Notes may be requested to provide certain information and certifications to any financial institution resident in a jurisdiction that has signed the Agreement (including Italy) through which payments on the Notes are made.

The holders of Notes who are in any doubt as to their position should consult their professional advisors on the individual impact of CRS on their position.

Certain Italian Tax Considerations

The statements herein regarding Italian taxation are based on the laws and published practices of the Italian tax authorities in effect in Italy as of the date of this Offering Memorandum and are subject to any changes in law and interpretation occurring after such date, which changes could be made on a retroactive basis.

The following is a summary only of the material Italian tax consequences of the purchase, ownership and disposition of Notes for Italian resident and non-Italian resident beneficial owners only and it is not intended to be, nor should it be constructed to be, legal or tax advice. The following summary assumes that the Issuer is resident only in Italy for tax purposes (without a permanent establishment abroad) and that the Notes will be listed on the Official List of the Luxembourg Stock Exchange upon their issuance. The following summary does not purport to be a comprehensive description of all tax considerations which may be relevant to make a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to additional or special rules. Prospective purchasers of the Notes are advised to consult their own tax advisors concerning the overall tax consequences of their acquiring, holding and disposing of Notes and receiving payments on interest, principal and/or other amounts under the Notes, including, in particular, the effect of any state, regional and local tax laws.

The Issuer will not update the following summary to reflect changes in laws and if any such changes occur the information in this summary could become invalid.

Tax Treatment of the Notes Issued by the Issuer

Certain Italian Tax considerations on Interest

Italian Legislative Decree No. 239 of April 1, 1996, as amended and supplemented (“**Decree 239**”) sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter, for the purposes of the discussion under “*Certain Italian tax considerations*” collectively referred to as “**Interest**”) deriving from Notes falling within the category of bonds (*obbligazioni*) and securities similar to bonds (*titoli simili alle obbligazioni*), pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented (“**Decree 917**”), issued, *inter alia*, (a) by companies resident in Italy for tax purposes whose shares are listed on a regulated market or on a multi-lateral trading platform of EU Member States or of States party to the European Economic Area Agreement (“**EEA State**”) included in the list of countries and territories that allow an adequate exchange of information as contained (i) in the Decree of Minister of Economy and Finance of September 4, 1996, as subsequently amended or supplemented or replaced (the “**White List**”), or (ii) once effective, in any other decree or regulation that will be issued in the future under the authority of Article 11(4)(c) of Decree 239 to provide the list of such countries and territories (the “**New White List**”), including any country or territory that will be deemed listed therein for

the purpose of any interim rule or (b) by companies resident in Italy for tax purposes if the Notes are listed upon issuance on a regulated market or on a multi-lateral trading platform of an EEA State included in the White List.

The provisions of Decree 239 only apply to Notes issued by Issuer to the extent that they qualify as bonds or debentures similar to bonds pursuant to Article 44 of Decree 917. For these purposes, under Article 44(2)(c) of Decree 917, bonds and debentures similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the issuer to actually pay, at maturity (or at any earlier full redemption of the securities), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the issuer or of the business in connection with which they are issued, and do not provide for a remuneration which is entirely linked to profits of the Issuer, or other companies belonging to the same group or to the business in respect of which the Notes have been issued.

From January 1, 2027, the provisions currently included in Decree 239 (i.e. Articles 1-9 and 11) will be transposed, with no changes with respect to what is relevant in this issuance, into the consolidated law on payments and collection (i.e. Legislative Decree No. 33 of 24 March 2025 under Articles 62-71 of the latter).

Italian Resident Noteholders

Holders of the Notes not engaged in an entrepreneurial activity

Where an Italian resident beneficial owner of the Notes (a “**noteholder**”) is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;
- (b) a non-commercial partnership (*società semplice*), pursuant to Article 5 of Decree 917 (other than a *società in nome collettivo* or *società in accomandita semplice* or *similar partnership*);
- (c) a non-commercial private or public institution (other than Italian undertaking for collective investment); or
- (d) an investor exempt from Italian corporate income taxation; the interest derived from the Notes, and accrued during the relevant holding period, is subject to a withholding tax (referred to as “*imposta sostitutiva*”), levied at a rate of 26 percent, unless the relevant noteholder holds the Notes in a discretionary investment portfolio managed by an authorized intermediary and, under certain conditions, has validly opted for the application of the “*Risparmio gestito*” regime provided for by Article 7 of Italian Legislative Decree No. 461 of November 21, 1997 (“Decree 461”) (see “*Certain Italian Tax Consideration on Capital Gains on the Notes Italian resident noteholders—Risparmio gestito regime*” below).

Subject to certain conditions and requirements (including a minimum holding period requirement) and several limitations (including amount and composition of the capital investment), Interest on the Notes may be exempt from income taxation if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Italian Budget Law of 2017 or in Article 1(211–215) of the Finance Act 2019, or in Article 13-bis of Law Decree-no. 124 of 26 October 2019 and Ministerial Decree of 30 April 2019, as amended and supplemented.

Noteholders engaged in an entrepreneurial activity

In the event that Italian-resident noteholders described under clauses (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be subject to *imposta sostitutiva* on a provisional basis and will then be included in the relevant noteholder’s annual income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due. Where a noteholder is an Italian resident company or similar commercial entity, a commercial partnership or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are timely deposited with an authorized intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. Interest must, however, be included in the relevant noteholder’s income tax return and is therefore subject to IRES and, in certain circumstances, depending on the “status” of the noteholder, also to IRAP.

Italian real estate investment funds and real estate SICAFs

Payments of Interest deriving from the Notes made to Italian real estate investment funds (“**RE Fund**”) and real estate close-ended investment companies (*società di investimento a capitale fisso*, or “**SICAF**”), provided that the Notes, together with coupons relating thereto, are timely deposited directly or indirectly with an Italian authorized financial intermediary (or permanent establishment in Italy of a non-resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Italian real estate investment fund.

However, a withholding or substitute tax at a rate of 26 percent will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions on, or the redemptions or sales of, the relevant units or shares. Subject to certain conditions, income realized by the RE Fund and real estate SICAF is attributed to the investor irrespective of its actual collection and in proportion to the percentage of ownership of units on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Where an Italian-resident noteholder is an open-ended or a closed-ended collective investment fund (“**Fund**”), an open ended investment company (*società di investimento a capitale variabile*, or “**SICAV**”) or a non-real estate SICAF established in Italy and either (i) the Fund, the SICAV or the non-real estate SICAF or (ii) their manager is subject to a form of supervision of the competent regulatory authority, and the Notes are timely deposited with an authorized intermediary, Interest accrued during the holding period on the Notes should not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF (as the case may be). The Fund, the SICAV or the non-real estate SICAF will not be subject to taxation on such management results. A 26 percent withholding tax will apply in certain circumstances to income realized by unitholders or shareholders (as applicable), in case of distributions, redemptions or sales of the relevant units or shares of the Fund, SICAV or non-real estate SICAF.

Pension funds

Where an Italian-resident noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of December 5, 2005) and the Notes are timely deposited with an authorized intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but will be included in the annual results of the pension fund accrued at the end of the relevant tax period, which will be subject to a 20 percent substitute tax.

Subject to certain conditions and requirements (including minimum holding period requirement) and several limitations (including amount and composition of the capital investment), Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Italian Budget Law of 2017 or in Article 1(211–215) of the Finance Act 2019, or in Article 13-bis of Law Decree-no. 124 of 26 October 2019 and Ministerial Decree of 30 April 2019, as amended and supplemented.

Enforcement of the imposta sostitutiva

Pursuant to Decree 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“**SIM**”), fiduciary companies, *società di gestione del Risparmio* (“**SGR**”), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an “**Intermediary**”).

An Intermediary must:

- (a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian resident financial Intermediary, and
- (b) participate, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying interest to a noteholder or, absent that, by the Issuer.

Non-Italian Resident Noteholders

Where the noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident noteholder is:

- (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy, included in the list White List (or in the New White List as defined above); or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) an “institutional investor”, whether or not subject to tax, which is established in a country which allows for a satisfactory exchange of information with Italy, as included in the White List (or in the New White List as defined above), even if it does not possess the status of a taxpayer in its own country of establishment; or
- (d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

In order to ensure gross payment, non-Italian resident noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest (non-Italian resident institutional investors not subject to tax are deemed to be beneficial owners of the payments of Interest by operation of law) and must timely deposit the Notes, together with the coupons relating to such Notes, directly or indirectly with:

- (a) an Italian or foreign bank or a financial institution (which could be a non-EU resident—the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the noteholder with a Second Level Bank (as defined below); or
- (b) an Italian resident bank or brokerage company (SIM), or a permanent establishment in Italy of a non-resident bank or a SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the “**Second Level Bank**”). Non-Italian resident organizations and companies, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian-resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree 239. In the event that a non-Italian resident noteholders deposits the relevant Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident noteholders is conditional upon:

- (a) the timely deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (b) the timely submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant noteholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by the Ministerial Decree dated December 12, 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was

previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in paragraph (b) above or Central Banks or entities also authorized to manage the official reserves of a State referred to in paragraph (d) above. Additional requirements are provided for “institutional investors” referred to in paragraph (c) above (see Circular No. 23/E of March 1, 2002 and No. 20/E of March 27, 2003).

The *imposta sostitutiva* will be applicable at the rate of 26 percent to interest paid to noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the relevant conditions.

Noteholders who are subject to the *imposta sostitutiva* may, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Certain Italian Tax Considerations on Capital Gains on the Notes

Italian-resident noteholders

Noteholders not engaged in an entrepreneurial activity

Where an Italian-resident noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (ii) a non-commercial partnership (*società semplice*) (iii) a non-commercial private or public institution, any capital gain realized by such noteholder from the disposal or redemption of the Notes would be subject to the *imposta sostitutiva* on capital gains provided for by Legislative Decree November 21, 1997, No. 461 as subsequently amended (the “**Decree 461**”), levied at a rate of 26 percent. Noteholders may set off any capital losses with their capital gains, subject to certain conditions.

In respect of the application of the *imposta sostitutiva* on capital gains, taxpayers may opt, under certain conditions, for any of the three regimes described below.

Tax declaration regime

Under the “tax declaration regime” (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realized by the Italian resident individual holding the Notes, during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realized in any tax year, net of any relevant incurred capital loss, in their annual tax return and pay the *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward and set off against capital gains realized in any of the four succeeding tax years.

Risparmio amministrato regime

As an alternative to the tax declaration regime, Italian-resident individual noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realized on each disposal or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:

- the Notes being deposited with an Italian bank, SIM or certain authorized financial intermediaries; and
- an express election for the *risparmio amministrato* regime being timely made in writing by the relevant noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realized on each disposal or redemption of the Notes (as well as in respect of capital gains realized upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the *imposta sostitutiva* to the Italian tax authorities on behalf of the noteholder, deducting a corresponding amount from the proceeds to be credited to the noteholder or using funds provided by the noteholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a disposal or redemption of the Notes may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth.

Under the *risparmio amministrato* regime, the noteholder is not required to declare the capital gains/losses in its annual tax return.

Risparmio gestito regime

In the *risparmio gestito* regime, any capital gains realized by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the Notes) to an authorized intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realized, at tax year-end, subject to a 26 percent substitute tax, to be paid by the managing authorized intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The noteholder is not required to declare the capital gains or losses realized in its annual tax return.

Subject to certain conditions and requirements (including minimum holding period requirement) and several limitations (including amount and composition of the capital investment), capital gains on the Notes may be exempt from any income tax (including *imposta sostitutiva* to the rate of 26 percent) if the Noteholder is an Italian resident individual not engaged in entrepreneurial activity and the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Italian Budget Law of 2017 or in Article 1(211–215) of the Finance Act 2019, or in Article 13-bis of Law Decree-no. 124 of 26 October 2019 and Ministerial Decree of 30 April 2019, as amended and supplemented.

Noteholders engaged in an entrepreneurial activity

Any gain obtained from the disposal or redemption of the Notes will be treated as part of taxable income (and, in certain circumstances, depending on the “status” of the noteholder, also as part of net value of the production for IRAP purposes) if realized by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected), a commercial partnership or an Italian-resident individual engaged in an entrepreneurial activity to which the Notes are connected.

Italian real estate investment funds and real estate SICAFs

Any capital gains realized by a noteholder which qualifies as an Italian RE Fund or as an Italian real estate SICAF are exempt from any income tax at the level of the RE Fund or real estate SICAF.

However, a withholding or substitute tax at a rate of 26 percent will apply, in certain circumstances, to income realized by unitholders or shareholders in the event of distributions on, or the redemptions or sales of, the relevant units or shares. Subject to certain conditions, income realized by the RE Fund and real estate SICAF is attributed to the investor irrespective of its actual collection and in proportion to the percentage of ownership of units on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realized by a noteholder which qualifies as a Fund, a SICAV or a non-real estate SICAF are not taxable at the level of such entities and will be included in the result of the relevant portfolio accrued at the end of the relevant tax period. A 26 percent withholding tax will apply in certain circumstances to income realized by unitholders or shareholders (as applicable), in case of distributions, redemptions or sales of the relevant units or shares of the Fund, SICAV or non-real estate SICAF.

Pension funds

Any capital gains realized by a noteholder which is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No 252 of December 5, 2005) will be included in the result of the pension funds accrued at the end of the relevant tax period, and subject to a 20 percent substitute tax.

Subject to certain conditions and requirements (including minimum holding period requirement) and several limitations (including amount and composition of the capital investment), income relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of

the Finance Act 2017 or in Article 1(211–215) of the Finance Act 2019, or in Article 13-bis of Law Decree-no. 124 of 26 October 2019 and Ministerial Decree of 30 April 2019, as subsequently amended.

Non-Italian Resident Noteholders

A 26% *imposta sostitutiva* on capital gains may, in certain circumstances, be payable, also by way of withholding by the Italian authorized financial intermediary involved in the holding of the Notes under certain circumstances, on capital gains realized on the disposal or redemption of the Notes by non-Italian resident noteholders without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23(1)(f)(2) of Decree 917, capital gains realized by non-Italian resident noteholders from the disposal or redemption of notes issued by an Italian resident issuer and traded on certain regulated markets in Italy or abroad are not subject to the *imposta sostitutiva* on capital gains, subject to timely filing of required documentation (in the form of a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries or permanent establishment in Italy of non-Italian resident intermediaries with which the Notes are deposited. Italian tax authorities have recently clarified (Italian Revenue Agency Circular Letter No. 32 of December 23, 2020) that the notion of multilateral trading facility (MTF) under EU Directive 2014/65/CE (so called MiFID II) can be assimilated to that of “regulated market” for income tax purposes; conversely, organized trading facilities (OTF), not falling in the definition of MTF under MiFID II, cannot be assimilated to “regulated market” for income tax purposes.

Capital gains realized by non-Italian resident noteholders from the disposal or redemption of Notes issued by an Italian-resident issuer, even if the Notes are not traded on a regulated market, are not subject to the *imposta sostitutiva*, provided that the beneficial owner is:

- (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy, as included in the White List (or in the New White List as defined above); or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) an “institutional investor”, whether or not subject to tax, which is established in a country which is included in the White List (or in the New White List as defined above), even if it does not possess the status of a taxpayer in its own country of establishment; or
- (d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorized financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in time with the authorized financial intermediary an appropriate self-declaration—complying with the requirements set forth by the Ministerial Decree of 12 December 2001—stating that they are resident, for tax purposes, in a country which is listed in the White List.

If the abovementioned conditions are not met, capital gains realized by non-Italian resident noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the disposal or redemption of Notes issued by an Italian-resident issuer and not traded on a regulated market may be subject to the *imposta sostitutiva*, also by way of withholding by the Italian authorized financial intermediary involved in the holding of the Notes under certain circumstances, at the current rate of 26 percent. However, noteholders may be able to benefit from an applicable double tax treaty with Italy providing that capital gains realized upon the sale or redemption of the Notes are taxed only in the country where the recipient is tax resident, provided that the relevant noteholder is entitled to treaty benefits and fulfills certain procedural requirements.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Intermediary, but non-Italian resident noteholders retain the right to waive its applicability.

Certain Reporting Obligations for Italian-Resident Noteholders

Pursuant to Law Decree No. 167 of June 28, 1990, as subsequently amended and supplemented, individuals, non-commercial entities and certain partnerships (in particular, *società semplici* or similar partnership in accordance with Article 5 of Decree 917) resident in Italy directly holding financial assets, including the Notes, outside Italy (without the intervention of an Italian-resident intermediary) are required to report, under certain conditions, in their Italian tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for tax the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding a €15,000 threshold throughout the year, which per se do not require such disclosure).

The requirement applies also where the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Law Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian Inheritance Tax and Gift Tax

Subject to certain conditions, transfer of Notes by reason of gift, donation or succession proceedings, or by earmarking of the Notes for special purposes (*vincoli di destinazione*), is subject to Italian inheritance tax and gift tax as follows:

- (a) 4 percent for transfers in favor of the spouse or direct relatives exceeding, for each beneficiary, a threshold of €1.0 million;
- (b) 6 percent for transfers in favor of siblings exceeding, for each beneficiary, a threshold of €0.1 million;
- (c) 6 percent for transfers in favor of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and
- (d) 8 percent for transfers in favor of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heirress and/or the donee is a person with a severe disability pursuant to Law n. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds €1.5 million. Further exemptions may apply in case of person with severe disabilities.

With respect to Notes listed on a regulated market, the value for inheritance tax and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth Tax—Direct Holding (IVAFE)

According to Article 13, para. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of October 26, 1972, as introduced by Article 19 of Decree No. 201, recently amended by Article 1, paragraph 710 of Law No. 160 of December 27, 2019, (as subsequently amended and supplemented), Italian-resident individuals, and certain non-business entities and non-business partnerships, holding financial assets—including the Notes—outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 percent (the level of tax being determined in proportion to the period of ownership). Starting from January

1, 2024, the wealth tax applies at a rate of 0.40% if the Notes are held in a State or territory with a privileged tax regime as listed in the Italian Ministerial Decree dated May 4, 1999, pursuant to the provisions of Law No. 213/2023.

The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, or in case the face or redemption values cannot be determined, on the purchase price of such financial assets held outside Italy. Taxpayers are permitted to deduct from the wealth tax a tax credit equal to any wealth taxes due and paid in the country where the financial assets are held (up to the amount of the Italian wealth tax due). According to art. 134 of Law Decree No. 34 of May 19, 2020, converted into law by Law No. 77 of July 17, 2020, the IVAFE should not exceed €14,000 if the Notes are held by Italian resident Noteholders who are not individuals.

Stamp Taxes and Duties—Holding through Financial Intermediary

According to Article 13(2-*bis*, 2-*ter*) of Decree No. 642 of October 26, 1972, as amended and supplemented from time to time, a 0.20 percent stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on May 24, 2012, the 0.20 percent stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investor who do not qualify as “client” according to the regulations issued by Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, on the nominal value or the redemption amount of any financial product or financial instrument (including the Notes). The stamp duty cannot exceed €14,000 if the Notes are held by noteholders other than individuals. Stamp duty applies both to Italian-resident noteholders and to non-Italian-resident noteholders, to the extent that the Notes are held with an Italian-based financial intermediary (and not directly held by the noteholders outside Italy, in which case wealth tax (see “—*Wealth Tax—Direct Holding (IVA FE)*”) applies to Italian-resident noteholders only).

Registration Tax

Contracts relating to the transfer of securities are subject to the registration tax as follows:

- (a) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of €200.00, and
- (b) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of €200.00 only in the case of use or voluntary registration or occurrence of the so-called “*enunciazione*.”

Payments by an Italian Resident Guarantor

If an Italian resident guarantor (if any), makes any payments in respect of interest on the Notes (or any other amounts due under the Notes other than the repayment of principal) it is possible that such payments may be subject to withholding tax at the applicable rate, subject to such relief as may be available under the provisions of any applicable double taxation treaty.

However, in accordance with an alternative interpretation, any such payment made by a Guarantor will be treated, in certain circumstances, as a payment by the Issuer and will thus be subject to the Italian “*imposta sostitutiva*” regime described under section “*Certain Italian Tax considerations on Interest*.”

Certain U.S. Federal Income Tax Considerations

The discussion below is a summary of current U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes. The following summary addresses only U.S. Holders (as defined herein) who purchase the Notes of the relevant series at their “issue price” (the first price at which a substantial amount of Notes of the relevant series is sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial

offering and hold the Notes as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This summary does not address the tax consequences to subsequent purchasers of the Notes.

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust (a) that is subject to the primary supervision of a U.S. court and one or more U.S. persons has the authority to control all of the substantial decisions of the trust or (b) that has made a valid election in effect under applicable U.S. Treasury Regulations (“**Treasury Regulations**”) to be treated as a U.S. person.

This summary is based upon provisions of the Code and Treasury Regulations, rulings and judicial decisions as well as the income tax treaty between the United States and Italy (the “**Treaty**”), all as of the date hereof, and all of which are subject to change (possibly with retroactive effect), so as to result in U.S. federal income tax consequences different from those summarized below. The discussion below does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including the impact of the unearned income Medicare contribution tax or the alternative minimum tax), nor does it address any tax consequences arising under U.S. federal estate and gift tax laws or under the laws of any state, local, non-U.S. or other taxing jurisdiction. In addition, this summary does not address tax consequences to U.S. Holders who may be subject to special tax treatment, such as dealers, traders that elect to mark to market, insurance companies, banks and other financial institutions, regulated investment companies, real estate investment trusts, grantor trusts, U.S. expatriates, tax-exempt entities, persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction, investors in partnerships or other pass-through entities for U.S. federal income tax purposes, holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, U.S. Holders holding Notes in connection with a trade or business outside the United States or U.S. Holders whose “functional currency” is not the U.S. dollar. If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. An entity or an arrangement treated as a partnership for U.S. federal income tax purposes that is considering holding the Notes and its partners are urged to consult their own tax advisors regarding the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of the Notes by the partnership in their particular circumstances. This summary also does not address different consequences that may apply to U.S. Holders acquiring Notes in this offering and who are also holding May 2024 Floating Rate Notes being redeemed. U.S. Holders who are also holding May 2024 Floating Rate Notes should consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes, and the redemption of their May 2024 Floating Rate Notes in their particular circumstances.

The summary of U.S. federal income tax consequences set out below is for general information only. Prospective investors should consult their own tax advisors concerning the particular U.S. federal income tax consequences to them of owning the Notes, as well as the consequences to them arising under the laws of any other taxing jurisdiction or due to changes in tax law.

Characterization of the Notes

In certain circumstances the Issuer may be obligated to make payments on the Notes in excess of stated interest and principal or earlier than such payments are otherwise due. The Issuer intends to take the position that these contingencies should not cause the Notes to be treated as contingent payment debt instruments (“**CPDIs**”) for U.S. federal income tax purposes. The Issuer’s position is binding on a U.S. Holder, unless the U.S. Holder discloses in the proper manner to the Internal Revenue Service (“**IRS**”) that it is taking a different position. Assuming such position is respected, U.S. Holders would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with their method of accounting for U.S. federal income tax purposes. If the IRS successfully challenged this position, and the Notes were treated as CPDIs, U.S. Holders could be required to accrue interest income at a rate higher than the stated interest rate on the Notes and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of the Notes.

Prospective investors are urged to consult their own tax advisors regarding the potential application to the Notes of the CPDI rules and the consequences thereof.

Stated Interest

Each payment of stated interest (including any amounts withheld and any Additional Amounts paid in respect of withholding taxes imposed on payments of interest on the Notes) will generally be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes.

The amount of income recognized by a cash basis U.S. Holder with respect to a payment of stated interest denominated in euros will be the U.S. dollar value of the interest payment based on the “**spot rate**” (as such term is defined in Treasury Regulations) on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. A cash basis U.S. Holder generally will not recognize exchange gain or loss on the interest payment but may recognize exchange gain or loss when it disposes of any euros it receives (as discussed below under “—*Disposition of Euros*”).

An accrual basis U.S. Holder may determine the amount of income recognized with respect to a payment of stated interest denominated in euros in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period or periods (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year). Under the second method, the accrual basis U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate on the last day of the portion of the accrual period within each taxable year). Additionally, if the interest payment is actually paid or received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the spot rate on the day of actual payment or receipt. Any such election will apply to all debt instruments held by the U.S. Holder from year to year and cannot be changed without the consent of the IRS.

An accrual basis U.S. Holder who receives a stated interest payment denominated in euros (including a payment attributable to accrued but unpaid interest upon the sale, retirement or other taxable disposition of a Note), may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) in respect of such accrual period and the U.S. dollar value of the amount of such stated interest payment previously accrued during such accrual period, regardless of whether the payment is in fact converted into U.S. dollars. Any such foreign currency exchange gain or loss generally will be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Foreign Tax Credit

Stated interest paid by the Issuer on the Notes (including any amounts withheld and any Additional Amounts paid in respect of withholding taxes imposed on payments on the Notes) will generally be considered income from sources outside the United States and, for purposes of the U.S. foreign tax credit rules, generally will be considered passive category income. Any non-U.S. withholding tax paid by or on behalf of a U.S. Holder at a rate not exceeding any applicable Treaty rate) may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations (including holding period and at risk rules). U.S. Treasury Regulations (“**FTC Regulations**”) have imposed additional requirements that must be met for a foreign tax to be creditable (in particular with respect to U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty). Guidance from the IRS provides temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the FTC Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, subject to applicable limitations, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. The rules relating to the determination of the foreign tax credit and deductibility of foreign taxes are complex, and U.S. Holders are urged to consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and source of income rules to income attributable to the Notes, including the effects of the Treaty and the FTC Regulations.

Original Issue Discount

The Notes may be issued with original issue discount (“**OID**”) for U.S. federal income tax purposes. Generally, OID on a Note is equal to the difference between the “stated redemption price at maturity” of such Note and its issue price (as defined above), if the stated redemption price at maturity of the note exceeds its issue price by more than a statutory de minimis amount (0.25% of the “stated redemption price at maturity” multiplied by the number of complete years from the issue date of the note to its maturity). The “stated redemption price at maturity” of a Note is equal to the sum of all payments on such note other than stated interest.

U.S. Holders generally will be required to include any OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. Holders will include any OID in income (as ordinary income) in advance of the receipt of cash attributable to such income.

Subject to the foreign currency rules discussed below, the amount of OID includible in income by a U.S. Holder is the sum of the “daily portions” of OID with respect to the Notes for each day during the taxable year or portion thereof in which such U.S. Holder holds such Note (“**accrued OID**”). A daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID that accrued in such period. The “accrual period” of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is equal to the product of the Note’s “adjusted issue price” at the beginning of such accrual period and its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period. OID allocable to the final accrual period is the difference between the amount payable at maturity (including payments of accrued interest) and the adjusted issue price at the beginning of the final accrual period.

The adjusted issue price of a Note at the start of any accrual period is equal to its issue price, increased by the accrued OID for each prior accrual period (and determined without regard to amortizable bond premium) and decreased by the amount of cash payments made on the Notes other than payments of stated interest. The yield to maturity of the Notes is the discount rate that, when used in computing the present value (as of the issue date) of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of such Note.

The accrual of OID on a Note will be computed in euros, and the amount of accrued OID determined for any accrual period will then be translated into U.S. dollars, regardless of the U.S. Holder’s method of accounting. The U.S. dollar value of euro denominated accrued OID will be determined by translating such amount at the average spot rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within each taxable year. A U.S. Holder may elect, however, to translate such OID into U.S. dollars at the spot rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, at the spot rate of exchange on the last day of the part of the period within each taxable year. Alternatively, if the last day of an accrual period is within five business days of the date of receipt of payment of the accrued OID, a U.S. Holder that has made the election described in the prior sentence may translate such accrued OID at the spot rate of exchange on the date of receipt of payment of the accrued OID. The above election will apply to other debt instruments held by an electing U.S. Holder and may not be changed without the consent of the IRS.

A U.S. Holder may recognize exchange gain or loss with respect to accrued OID on the date such OID is received. The amount of exchange gain or loss recognized will equal the difference, if any, between the U.S. dollar value of the euro payment received (translated at the spot rate of exchange on the date such OID is received) in respect of such accrual period and the U.S. dollar value of the OID that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars at such time. Any such exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense. The rules relating to the determination of the foreign tax credit (including the application of the FTC Regulations and the notice described above) are complex, and U.S. Holders are urged to consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances.

Subject to the discussion above regarding exchange gain or loss, the OID on the Notes will generally be treated as foreign source for purposes of computing the foreign tax credit allowable to a U.S. Holder and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. The rules regarding OID are

complex, accordingly, U.S. Holders should consult their own tax advisors regarding the application of the OID rules to the Notes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

On a sale, retirement or other taxable disposition of a Note, a U.S. Holder will generally recognize gain or loss equal to the difference between (i) the amount realized on the disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as stated interest income as described above to the extent not previously included in income by a U.S. Holder) and (ii) the U.S. Holder's adjusted tax basis in the Note, in each case as determined in U.S. dollars.

A U.S. Holder's adjusted tax basis in a Note will generally equal the "U.S. dollar cost" of the Notes to such holder increased by any previously accrued OID and decreased by any cash payments on the Note other than payments of stated interest. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale, retirement or other taxable disposition of Notes that are not paid in U.S. dollars.

Except as discussed below with respect to exchange gain or loss on a Note attributable to currency fluctuations, any gain or loss recognized by a U.S. Holder on a taxable disposition of a Note will generally be treated as U.S.-source capital gain or loss and will be long-term capital gain or loss if, at the time of the disposition, the Notes were held by the U.S. Holder for more than one year. In the case of an individual U.S. Holder, any long-term capital gain will generally be subject to preferential U.S. federal income tax rates. The deductibility of capital losses is subject to significant limitations. Because a U.S. Holder may use foreign tax credits only against the portion of United States federal income tax liability that is attributed to foreign source income in the same category, a U.S. Holder's ability to utilize a foreign tax credit with respect to any foreign tax imposed on any such sale or other taxable disposition, if any, may be significantly limited. Subject to the guidance described above, any Italian taxes on disposition gains are likely not creditable under the FTC Regulations. Moreover, U.S. Holders entitled to an exemption from Italian taxes on disposition gains pursuant to the Treaty or Italian law will not be able to credit Italian taxes imposed on disposition gains. Prospective investors should consult their own tax advisors as to the U.S. federal income tax implications of any non-U.S. taxes imposed on the sale, retirement or other taxable disposition of the Notes, including the creditability and deductibility of such taxes and the determination of the amount realized in their particular circumstances.

The gain or loss that a U.S. Holder realizes on the sale, retirement or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates will be taxable as ordinary income or loss and generally will be treated as U.S. source for U.S. foreign tax credit limitation purposes. Such exchange gain or loss will generally equal the difference, if any, between the U.S. dollar value of the purchase price of the Notes based on the spot rate of exchange on (i) the date of the disposition and (ii) the date on which the U.S. Holder acquired the Note. In addition, upon the sale, retirement or other taxable disposition of a Note, a U.S. Holder may realize exchange gain or loss attributable to amounts received with respect to accrued and unpaid stated interest and accrued OID, if any, which will be treated as discussed above under "*Payments of Stated Interest*" and "*Original Issue Discount*." However, a U.S. Holder will only realize exchange gain or loss upon the disposition of a Note (including any exchange gain or loss attributable to the principal amount of a Note and any exchange gain or loss attributable to accrued and unpaid stated interest and accrued OID) to the extent of the total gain or loss realized by such holder on the disposition. Prospective investors should consult their own tax advisors regarding the proper calculation of exchange gain or loss realized in connection with their acquisition and disposition of the Notes.

Disposition of Euros

Euros received as interest on a Note or upon the sale, retirement or other taxable disposition of a Note generally will have a tax basis equal to their U.S. dollar value at the time they are received. Any gain or loss recognized on a sale, retirement or other taxable disposition of the euros (including their use to purchase Notes or upon their exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Satisfaction and Discharge

If we were to obtain a discharge of the Indenture within one year of maturity or the redemption date with respect to all of the Notes then outstanding, as described herein under "*Description of the Notes—Satisfaction and Discharge*," such discharge would generally be deemed to constitute a taxable exchange of the Notes outstanding for other property. In such case, a U.S. Holder would be required to recognize capital gain or loss in connection

with such deemed exchange. In addition, after such deemed exchange, a U.S. Holder might also be required to recognize income from the property deemed to have been received in such exchange over the remaining life of the transaction in a manner or amount that is different than if the discharge had not occurred. U.S. Holders should consult their tax advisors as to the specific consequences arising from a discharge in their particular situations.

Reportable Transactions

Under the Treasury Regulations, certain “reportable transactions” (as defined in the regulations) are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Note or foreign currency (including foreign currency received in respect of a Note or to purchase the Notes) to the extent that such disposition results in a tax loss in excess of a threshold amount. Prospective investors should consult with their own tax advisor to determine the tax return obligations, if any, with respect to their acquisition, holding or disposition of the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Asset Disclosure

Individuals (which may include certain entities treated as individuals for the purposes of these rules) that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year (or such larger values as specified in the relevant rules) generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions.

U.S. Holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Backup Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments of principal and interest (including the accrual of OID, if any) on, or the proceeds from a sale, retirement or other taxable disposition of, a Note by a U.S. or U.S. connected paying agent or other U.S. or U.S. connected intermediary, unless the U.S. Holder is an exempt recipient, such as a corporation. Additionally, if a U.S. Holder fails to provide its taxpayer identification number, or in the case of interest payments, fails either to report in full dividend and interest income or to make certain certifications, it may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder’s U.S. federal income tax liability provided the required information is timely furnished to the IRS. U.S. Holders are urged to consult their own tax advisors regarding backup withholding and information reporting requirements relating to their ownership of the Notes.

Certain General Tax Considerations

Payments by a Guarantor, if any

If a Guarantor, if any, makes any payments in respect of interest on the Notes (or in respect of other amounts due under the Notes), it is possible that such payments may be subject to withholding tax imposed by the jurisdiction from which payment is made at varying applicable withholding tax rates, subject to such exemption or relief as may be available under the provisions of any applicable double taxation treaty, or to any other exemption or relief which may apply. It is not certain that such payments by a Guarantor will be eligible for such exemptions or reliefs or that there will be a practical way to obtain an exemption or relief.

CERTAIN CONSIDERATIONS FOR ERISA AND OTHER BENEFIT PLAN INVESTORS

General ERISA Considerations

ERISA and the Code impose certain duties on persons who are fiduciaries of investors acquiring the Notes with the assets of employee benefit plans subject to the provisions of Part 4 of Subtitle B of Title I of ERISA or plans subject to Section 4975 of the Code (such investors, “**Benefit Plan Investors**”) and prohibit certain transactions involving the assets of a Benefit Plan Investor and its fiduciaries or other interested parties. For example, in considering an investment in the Notes with the assets of a Benefit Plan Investor, the fiduciary of such Benefit Plan Investor should determine whether the investment is in accordance with the documents and instruments governing the Benefit Plan Investor and the applicable provisions of ERISA and the Code, including, without limitation, the prudence, diversification and delegation of control provisions of ERISA and the Code.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit Benefit Plan Investors from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, with respect to such Benefit Plan Investors, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. The fiduciary of a Benefit Plan Investor that causes it to engage in such a non-exempt transaction may also be subject to penalties and liabilities under ERISA and the Code. Accordingly, each Benefit Plan Investor will be deemed to make certain representations as to the application of ERISA and Section 4975 of the Code to its acquisition, holding and disposition of the Notes. See “*Transfer Restrictions*.”

Fiduciaries of Benefit Plan Investors should also consider that none of the Issuer, the Initial Purchasers or any of their respective affiliates or agents (the “**Transaction Parties**”) will act as a fiduciary to a Benefit Plan Investor with respect to the decision to acquire the Notes or is undertaking to provide impartial investment advice, or to provide advice in a fiduciary capacity, with respect to such decision. The decision to acquire the Notes must be made by the fiduciary of any such Benefit Plan Investor on an arm’s length basis. In addition, each Benefit Plan Investor acquiring the Notes must generally be represented by a fiduciary independent of the Transaction Parties that (i) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the Notes, and (ii) has exercised independent judgment in evaluating whether to invest the assets of such Benefit Plan Investor in the Notes.

Considerations for Other Benefit Plan Investors

Governmental plans, certain church plans, non-U.S. plans and other plans or arrangements not subject to ERISA or Section 4975 of the Code, while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws that include similar requirements. Any investor acquiring the Notes (or an interest therein) with the assets of such a plan will be deemed to make certain representations as to the application of such Similar Laws its acquisition, holding and disposition of the Notes. See “*Transfer Restrictions*.”

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any fiduciary proposing to use the assets of any of a Benefit Plan Investor or other plan investor subject to Similar Laws to acquire the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code and any applicable Similar Laws to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code or any applicable Similar Laws.

The sale of the Notes to a Benefit Plan Investor, any other plan investor subject to Similar Laws or to a person using assets of any such Benefit Plan Investor or other plan investor, is in no respect a representation by the Issuer or the Initial Purchasers that such an investment meets all relevant legal requirements with respect to investments by or is appropriate for such Benefit Plan Investors or other plan investors generally, or for any Benefit Plan Investor or other plan investor in particular.

PLAN OF DISTRIBUTION

The Initial Purchasers are Deutsche Bank Aktiengesellschaft, J.P. Morgan SE, Barclays Bank Ireland PLC, BNP PARIBAS, Goldman Sachs International, UniCredit Bank GmbH, Banca Akros S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. Subject to the terms and conditions set forth in a purchase agreement (the “**Purchase Agreement**”) entered into in connection with the Notes, the Issuer has agreed to sell the Notes to the Initial Purchasers and the Initial Purchasers have agreed, severally and not jointly, to purchase the Notes from the Issuer.

The Purchase Agreement provides that the Initial Purchasers are obligated, severally and not jointly, to purchase all the Notes, if any are purchased. In the event that an Initial Purchaser fails or refuses to purchase the Notes which it has agreed to purchase, the Purchase Agreement provides that the purchase commitments of the other Initial Purchasers may be increased up to a specified amount or that the Purchase Agreement may be terminated.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates, including in respect of sales into the United States. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to prospective investors and to reject orders in whole or in part.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the Offering price set forth on the cover page hereof.

The Purchase Agreement will provide that the Issuer will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. We have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell, issue or otherwise dispose of any debt securities issued by the Issuer or any of its subsidiaries that are substantially similar to the Notes for a period of 30 days after the Issue Date.

The Notes have not been and will not be registered under the Securities Act. The Initial Purchasers have represented, warranted and agreed that they will only offer or sell the Notes (i) in the United States to “qualified institutional buyers” within the meaning of Rule 144A; and (ii) outside the United States in offshore transactions to non-U.S. persons in compliance with Regulation S. Any offer or sale of Notes in the United States in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. Until 40 days after the commencement of this Offering, an offer or sale of Notes within the United States by a dealer (whether or not it is participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A. One or more of the Initial Purchasers may sell through affiliates or other appropriately licensed entities for sales of the Notes in jurisdictions where they are otherwise not permitted, including in respect of sales into the United States. To the extent certain of the Initial Purchasers are not U.S. registered broker-dealers under Section 15 of the U.S. Exchange Act and intend to effect any sales of the Notes in the United States, they will do so through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority and in compliance with all applicable federal or state securities laws of the United States. Banca Akros S.p.A. will effect offers and sales of the Notes solely outside the United States.

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by it in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- the offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) and that (i) it has not and will not offer, sell or deliver the Notes in the Republic of Italy to any natural persons nor to entities other than to qualified investors (*investitori qualificati*) as defined pursuant to Article 2, paragraph(e) of the Prospectus Regulation, Article 100 of the Italian Financial Act and Article 34-ter, paragraph 1, letter b) of Regulation No. 11971 of May 14, 1999 as amended (the “**Issuers Regulation**”) issued by the CONSOB or in circumstances which are exempt from the rules on public offers pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Italian Financial Act, and the implementing CONSOB regulations, including Article 34-ter, first paragraph, letter (b) of the Issuers Regulation; and (ii) it has not and will not issue, distribute or publish in the Republic of Italy any document relating to the Notes, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See “*Transfer Restrictions*.”

The Issuer has also agreed that it will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no public market. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit such Notes to trading on the Euro MTF Market in accordance with the rules and regulations of that exchange. In addition, application will also be made to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana. We cannot assure you that the Notes will be approved for listing or that such listings will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law after completing the Offering. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. We cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See “*Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—You may be unable to sell your Notes if a trading market for the Notes does not develop*.”

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be ten business days (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “**T +10**”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in one business day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the eight succeeding business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Stabilizing Manager may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the Offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed

in order to cover short positions. Penalty bids permit the Stabilizing Manager to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See *“Risk Factors—Risks Related to the Notes, Any Future Guarantees and the Collateral—You may be unable to sell your Notes if a trading market for the Notes does not develop.”*

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if commenced, may be discontinued at any time at the sole discretion of the Stabilizing Manager. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Notes and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and/or their respective affiliates have engaged, and may in the future engage, in lending, advisory, investment banking, corporate finance services, commercial banking transactions and/or other commercial dealings with, and may provide services to, us and our affiliates, in the ordinary course of business. In addition, in the ordinary course of their business activities, the Initial Purchasers and/or their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. In addition, the Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes. Such investments and securities activities may involve our securities and/or instruments or those of our affiliates. The Initial Purchasers and/or their respective affiliates that have a lending relationship with us may routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and/or their respective affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities, including, potentially, the Notes. Any such short positions could adversely affect future trading prices of the Notes and would bear the costs deriving from a possible (total or partial) cancellation of the bond hedging swaps. Certain affiliates or investment funds, separate accounts or other entities owned (in whole or in part), controlled, managed and/or advised by affiliates of the Initial Purchasers will act as administrative agent, collateral agent, bookrunner, arranger and lender and, as a result, will receive customary fees in connection therewith. The Initial Purchasers and/or their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Initial Purchasers may have received, and may expect to receive, customary fees and commissions for these transactions. For example, certain of the Initial Purchasers and/or their respective affiliates are arrangers and lenders with respect to the Revolving Credit Facility. Certain of the initial purchasers and/or their affiliates who hold our May 2024 Floating Rate Notes will receive a pro rata portion of the proceeds of this Offering to the extent such proceeds are used to redeem the May 2024 Floating Rate Notes. Certain of the Initial Purchasers and/or their respective affiliates might provide financing to entities of the Group pursuant to which they might issue bank guarantees in order to guarantee the performance of Group entities for certain obligations they have with the ADM. In addition, certain of the Initial Purchasers or their affiliates have entered and/or may enter into hedging arrangements with the Issuer and/or its affiliates. In connection with their services in such capacities, such Initial Purchasers or affiliates have received and/or will receive customary fees and commissions.

The Offering Memorandum in electronic format may be made available by e-mail or through other online services maintained by the Initial Purchasers or their respective affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The Initial Purchasers may agree with us to allocate a specific number of Notes for sale to online brokerage account holders. Any such allocation for online distributions will be made by the Initial Purchasers on the same basis as other allocations. Other than the Offering Memorandum in electronic format, the information on the Initial Purchasers' website and any information contained in any other website maintained by the Initial Purchasers is not part of the Offering Memorandum, has not been approved and/or endorsed by us or the Initial Purchasers and should not be relied upon by investors.

Notice to Prospective Investors in the EEA and the United Kingdom

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes in the EEA to retail investors, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) MiFID II; (ii) a customer within the meaning of the

Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Prospectus Regulation.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes in the UK to retail investors. For these purposes, a retail investor means a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of UK MiFIR nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024.

In the United Kingdom, this Offering Memorandum is being distributed only to, and is directed only at persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) and persons falling within Article 49(2) of the Order (all such persons together being referred to as “**relevant persons**”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. This Offering Memorandum has been prepared on the basis that any offer of the securities in the United Kingdom will be made pursuant to an exception under the Public Offers Regulation from the prohibition on offers to the public. This Offering Memorandum is not a prospectus for purposes of the Public Offers Regulation or an approved prospectus for the purposes of Section 85 of the FSMA.

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes described in this Offering Memorandum has led to the conclusion that: (i) the target market for such Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such Notes to eligible counterparties and professional clients are appropriate. The target market and distribution channel(s) may vary in relation to sales outside the EEA in light of local regulatory regimes in force in the relevant jurisdiction. Any distributor should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (for the purposes of this provision, a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels. For the purposes of this provision, the target market assessment is made by those of the Joint Bookrunners and Co-Managers who are manufacturers under the product governance rules set forth in COBS and UK MiFIR.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes offered hereby.

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States or any other jurisdiction, and, therefore unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of such state or other jurisdiction. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- (a) in the United States, to “qualified institutional buyers,” commonly referred to as “QIBs” as defined in Rule 144A under the Securities Act), in reliance on Rule 144A; and
- (b) outside the United States, to non-U.S. persons in offshore transactions in accordance with Regulation S (and only to investors who, (a) if resident in a Member State, are not retail investors, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in the Prospectus Regulation and (b) if resident in the United Kingdom, are not retail investors, defined as a person who is neither: (i) a professional client, as defined in point (8) of Article 2(1) of UK MiFIR nor (ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers Regulation.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

- (1) It understands and acknowledges that the Notes are being offered for resale in a transaction not involving a public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and, unless so registered, may not be offered, resold, pledged or otherwise transferred, except in compliance with the registration requirements of the Securities Act or any other applicable securities laws pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set out in paragraphs (4) and (5) below.
- (2) It is neither the Issuer’s “affiliate” (as defined in Rule 144 of the Securities Act), nor acting on its behalf and that either:
 - (a) it is a QIB, within the meaning of Rule 144A and is aware that any sale of these Notes to it will be made in reliance on Rule 144A, and such acquisition of Notes will be for its own account or for the account of another QIB; or
 - (b) (i) it is a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S; and (ii) if resident in a Member State or the United Kingdom, it is not a retail investor.
- (3) It acknowledges that none of the Issuer nor the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to the Issuer and its subsidiaries or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum. It has had access to such financial and other information concerning the Issuer and its subsidiaries and the Notes that it deems necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

- (4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act, or in any transaction not subject to the Securities Act.
- (5) It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the “**Resale Restriction Termination Date**”) that is, in the case of the Rule 144A Notes, one year after the later of the original issue date of such Notes, the original issue date of any additional notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes (or any predecessor thereto) or, in the case of the Regulation S Notes, 40 days after the later of the original issue date of such Notes (or, if later, the issue date of any additional notes) and the last date on which such Notes were first offered to persons other than distributors (as defined in Rule 902 of Regulation S), only (i) to the Issuer or a guarantor (if any); (ii) pursuant to a registration statement that has been declared effective under the Securities Act; (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A; (iv) to non-U.S. persons pursuant to offers and sales that occur outside the United States in offshore transactions in compliance with Regulation S; or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer’s and the Trustee’s rights prior to any such offer, sale or transfer (I) pursuant to clause (v) above to require the delivery of an opinion of counsel, certification and other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.
- (6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR THE REQUIREMENT TO PUBLISH A PROSPECTUS PURSUANT TO THE LUXEMBOURG LAW DATED JULY 16, 2019 ON PROSPECTUSES FOR SECURITIES, AS AMENDED, IMPLEMENTING REGULATION (EU) 2017/1129, OF JUNE 14, 2017, ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC.

THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”)) OR (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION”

PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTES, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”), WHICH IS [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR, IF LATER, THE ISSUE DATE OF ANY ADDITIONAL NOTES) AND THE DATE ON WHICH THIS NOTE WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S)] [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE)], ONLY (A) TO THE ISSUER OR THE GUARANTOR (IF ANY), (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO NON-U.S. PERSONS PURSUANT TO OFFERS AND SALES THAT OCCUR TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER’S AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “**U.S. PERSON**,” “**OFFSHORE TRANSACTION**” AND “**UNITED STATES**” HAVE THE MEANING GIVEN TO THEM BY REGULATION S.

BY ITS ACQUISITION OF THIS NOTE OR ANY INTEREST HEREIN, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AND COVENANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE AND HOLD THIS NOTE OR INTEREST THEREIN CONSTITUTES ASSETS OF ANY “**EMPLOYEE BENEFIT PLAN**” SUBJECT TO TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, (“**ERISA**”), ANY PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR

ARRANGEMENT SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUES CODE OF 1986, AS AMENDED (THE “**CODE**”), AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE “**PLAN ASSETS**” OF SUCH PLANS, ACCOUNTS OR ARRANGEMENTS OR A GOVERNMENTAL PLAN, NON-U.S. PLAN OR OTHER PLAN NOT SUBJECT TO THE FOREGOING, THAT IS SUBJECT TO PROVISIONS UNDER ANY SIMILAR LAWS (EACH SUCH PLAN, ACCOUNT OR ARRANGEMENT, A “**PLAN**”) OR (2)(I) THE ACQUISITION, HOLDING AND DISPOSITIONS OF THIS NOTE OR INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS, AND (II) NONE OF THE ISSUER, THE TRUSTEE, THE SECURITY AGENT, THE REGISTRAR, THE TRANSFER AGENT, THE INITIAL PURCHASERS, OR ANY OF THEIR RESPECTIVE AFFILIATES IS ACTING AS A FIDUCIARY TO ANY PLAN WITH RESPECT TO THE DECISION TO PURCHASE OR HOLD THIS NOTE OR IS UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE OR GIVE ADVICE IN A FIDUCIARY CAPACITY WITH RESPECT TO THE DECISION TO PURCHASE OR HOLD THIS NOTE.

A purchaser of Notes, will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (7) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on the transfer of such Notes.
- (8) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.
- (9) It acknowledges that the Transfer Agent or the Registrar will not be required to accept for registration or transfer any Notes acquired by it except upon presentation of evidence satisfactory to the Issuer, the Transfer Agent and the Registrar that the restrictions set out therein have been complied with.
- (10) It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
- (11) It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set out under “*Plan of Distribution*” and “*Notice to Certain European Investors*.”

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF ANY FUTURE GUARANTEES AND THE SECURITY INTERESTS, AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary of certain limitations on the validity and enforceability of the any future Guarantees and security interests being provided for the Notes, and a summary of certain insolvency law considerations in Italy. The description below is only a summary, and does not purport to be complete or to discuss all the limitations or considerations that may affect the validity and enforceability of the Notes, the Guarantee or security interests being provided for the Notes. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Issuer is incorporated under the laws of Italy, which is a Member State.

Pursuant to Recast Insolvency Regulation, which applies within the European Union, other than Denmark, the court which shall have jurisdiction to open the main insolvency proceedings in relation to a company (subject to certain exceptions) is the court of the Member State (other than Denmark) in which the relevant company's center of main interests (“COMI”) (as that term is used in Article 3(1) of the Recast Insolvency Regulation) is situated.

COMI is not a static concept and may change from time to time, but is determined for the purposes of deciding which court has competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition: moreover, the determination of where a debtor has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views. Article 3(1), second sentence, of the Recast Insolvency Regulation states that a company's COMI “shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties.” Under Article 3(1) of the Recast Insolvency Regulation there is, in most cases, a rebuttable presumption that a corporate debtor has its center of main interests in the Member State in which it has its registered office in the absence of proof to the contrary. The presumption only applies if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings. Recital 30 of the Recast Insolvency Regulation contains a number of examples of where a presumption as to COMI may be rebutted: for instance, where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In that respect, the factors that courts may take into consideration when determining the center of main interests of a debtor can include where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established.

If the center of main interests of a debtor, at the time an insolvency application is made, is located in a Member State (other than Denmark), only the courts of that Member State have jurisdiction to open the main insolvency proceedings in respect of the debtor under the Recast Insolvency Regulation and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the Recast Insolvency Regulation. Insolvency proceedings commenced in one Member State under the Recast Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary insolvency proceedings or territorial insolvency proceedings may be commenced in another Member State (other than Denmark).

If the center of main interests of a debtor, at the time an insolvency application is made, is in a Member State (other than Denmark), under Article 3(2) of the Recast Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary insolvency proceedings or territorial insolvency proceedings against that debtor only if such debtor has an “establishment” (as defined in Article 2(10) of the Recast Insolvency Regulation) in the territory of such other Member State. Secondary proceedings may be any insolvency proceeding listed in Annex A of the Recast Insolvency Regulation and, for the avoidance of doubt, are not limited to winding-up proceedings. Territorial proceedings are, in effect, secondary proceedings that are commenced prior to the opening of main insolvency proceedings. An “establishment” is defined to mean “any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets.” Accordingly, the opening of secondary insolvency proceedings or territorial insolvency proceedings in another Member State (other than Denmark) will also be possible if the debtor had an establishment in such Member State in the three-month period prior to the request for opening of main insolvency proceedings.

The effects of those secondary insolvency proceedings or territorial insolvency proceedings opened in that other Member State are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its center of main interests have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State (other than Denmark) where the debtor has an establishment where either (i) insolvency proceedings cannot be commenced in the Member State in which the debtor's center of main interests is situated under the conditions laid down by that Member State's law; or (ii) the opening of territorial insolvency proceedings is requested by (a) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested, or (b) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. When main insolvency proceedings are opened, territorial insolvency proceedings usually become secondary insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary insolvency proceedings or territorial insolvency proceedings have been commenced there. The insolvency practitioner appointed by a court in the Member State which has jurisdiction to commence main proceedings may exercise the powers conferred on it by the laws of that Member State in another Member State (other than Denmark) (such as to remove assets of the debtor from that other Member State). These powers are subject to certain limitations (e.g., the powers are available provided that no insolvency proceedings have been commenced in that other Member State nor any preservation measure to the contrary has been taken there further to a request to commence secondary proceedings in that other Member State where the debtor has assets).

In addition, the concept of "group coordination proceedings" has been introduced in the Recast Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies. Under Article 61 of the Recast Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group coordination proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan however is voluntary.

In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer.

Italy

Limitations on Granting Security Interests and Guarantees under Italian Law

Under Italian law, the entry into a transaction (including the creation of a security interest or the granting of a guarantee) by a company incorporated under Italian law must be permitted by the applicable laws and by its by-laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit, corporate authorization and certain other Italian mandatory provisions. If a security interest or a guarantee is being provided in the context of an acquisition, group reorganization, refinancing or restructuring, financial assistance issues may also be triggered.

Corporate Benefit

An Italian company entering into a transaction (including granting a guarantee or a security interest) must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. The concept of real and adequate benefit is not defined in the applicable legislation, is assessed and determined by a factual analysis on a case by case basis and its existence is a business decision of the directors and the statutory auditors, if any. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration. While corporate benefit for downstream guarantee or security (i.e., a guarantee or a security interest granted to secure financial obligations of direct or indirect subsidiaries of the relevant grantor) is usually self-evident, the validity and effectiveness of up-stream or

cross stream security or guarantee (*i.e.*, security or guarantee granted to secure financial obligations of the direct or indirect parent or sister companies of the relevant grantor) granted by an entity organized under the laws of Italy depend on the existence of a real and adequate benefit in exchange for the granted security interest or guarantee and may be challenged unless it can be proved that the grantor may derive adequate benefits or advantages from the granting of such guarantee or security. In particular, in case of an up-stream and cross-stream guarantee or security for the financial obligations of group companies, examples may include financial consideration in the form of access to cash flows through intercompany loans from other members of the group, while transactions featuring debt financings or distributions to shareholders are largely untested in Italian courts, and, therefore, limited guidance is provided as to whether and to what extent such transactions could be challenged for lack of corporate benefit and conflict of interest. Generally, the risk assumed by an Italian grantor of security or guarantor under a guarantee must not be disproportionate to the direct or indirect economic benefit to it.

As a general rule, absence of a real and adequate benefit could render the transaction (including granting a security interest or a guarantee entered into) by an Italian company *ultra vires* and potentially affected by a conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities may be imposed on the directors of an Italian grantor if a court holds that it did not act in the best interest of the grantor and that the acts carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over an Italian grantor or having knowingly received an advantage or profit from such improper control. Moreover, the transaction (including the security interest or guarantee granted by an Italian company) could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the Italian company.

The above principles on corporate benefit apply equally to up-stream, cross-stream and down-stream guarantees or security interests granted by Italian companies.

Upon certain conditions, the granting of guarantees may be considered as a restricted financial activity within the meaning of Article 106 of Italian Legislative Decree No. 385 of September 1, 1993 (the “**Italian Banking Act**”), whose exercise is exclusively demanded to banks and authorized financial intermediaries. Non-compliance with the provisions of the Italian Banking Act may, among others, entail the relevant guarantees being considered null and void. In this respect, Italian Legislative Decree No. 53 of April 2, 2015, implementing Article 106, paragraph 3, of the Italian Banking Act, states that the issuance of guarantees or the granting of security by a company for the obligations of another company which is part of the same group does not qualify as a restricted financial activity, whereby “group” includes controlling and controlled companies within the meaning of Article 2359 of the Italian Civil Code as well as companies which are under the control of the same entity. As a result of the above described rules, subject to the relevant guarantors and the guaranteed entity being part of the same group of companies, the provision of the guarantees would not amount to a restricted financial activity.

Financial Assistance

In addition, the granting of a security or a guarantee by an Italian company cannot include any liability which would result in unlawful financial assistance within the meaning of Article 2358 or 2474, as the case may be, of the Italian Civil Code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company. Financial assistance for refinancing indebtedness originally incurred for the purchase or subscription of its own shares or quotas or those of its direct or indirect parent company would also be a violation of financial assistance provisions. Any loan, guarantee or security given or granted in breach of these provisions is null and void. In addition, directors may be personally liable for failure to act in the best interests of the company.

Article 1938 of the Italian Civil Code

Pursuant to Article 1938 of the Italian Civil Code, if a guarantee granted by an Italian guarantor is issued to guarantee conditional or future obligations, the guarantee must be limited to a maximum amount. Such maximum amount should be expressly identified at the outset and expressed in figures (either in the guarantee deed or by reference to a separate document, such as the Indenture).

Limitations to the Guarantee and Collateral

In order to comply with the above corporate law requirements on corporate benefit and financial assistance, the maximum amount that any guarantor incorporated under the laws of Italy (if any) (the “**Italian Guarantor**”) may be required to pay in respect of its obligations as guarantor under the relevant Guarantee will be subject to limitations. By virtue of these limitations, the obligations of a guarantor incorporated under the laws of Italy under its Guarantee may be significantly less than amounts payable with respect to the Notes, or such Italian guarantor may have effectively no obligation under its Guarantee.

In particular, the maximum amount that any Italian Guarantor may be required to pay under the relevant Guarantee and/or security details will be subject to the Agreed Security Principles, certain limitations under applicable law and any limitation referred to in the relevant Security Document and/or the documentation that will be executed in the context of the accession of the relevant Italian Guarantor, including any supplement indenture to the Indenture.

The proceeds of the enforcement of said guarantees will be distributed amongst the guaranteed creditors (including, without, limitation, the holders of the Existing Notes or the Notes, as applicable) in accordance with the provisions of the Intercreditor Agreement.

Trust

The Collateral will be created and perfected in favor of the Security Agent acting in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code. Under such provision (introduced by Law No. 164 of November 11, 2014), the security interests and guarantees assisting bond issuances can be validly created in favor of the holders of the notes or in favor of a representative (*rappresentante*) of the holders of the Notes who will then be entitled to exercise in the name and on behalf of the holders all their rights (including any rights before any court and judicial proceedings) relating to the security interests and guarantees. However, there is no guidance or available case law on the exercise of the rights and enforcement of such security interest and guarantees by a *rappresentante* pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code also in the name and on behalf of the holders of the Notes which are neither directly parties to the Collateral nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries.

In addition, as the holders of the Notes are not direct parties to the Indenture, there is the risk that the appointment of the Security Agent in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code is not upheld by an Italian court and that therefore an Italian court may determine that the holders of the Notes at the time of enforcement are not secured by the security under the security documents and/or that the *rappresentante* cannot exercise the rights and enforce the Collateral also in the name and on behalf of the holders of the Notes. In addition, the provisions and the subject matter of paragraph 3 of Article 2414-bis, paragraph 3, of the Italian Civil Code are new and, as such, untested by Italian Courts and, therefore, even if the appointment of the *rappresentante* is upheld by an Italian Court, it cannot be excluded that an Italian Court may take a different view and interpretation and determine that, where the Collateral is granted in favor of the *rappresentante*, the holders of the Notes at the time of enforcement are not secured by the Collateral and/or cannot enforce that Collateral.

Furthermore, to date, the Italian courts have not considered whether a common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code may be validly appointed by means of a contractual arrangement (such as the Indenture) and the validity and enforceability of such appointment may not be upheld by a court.

Moreover, it is uncertain and untested in the Italian courts whether, under Italian law, a security interest can be created and perfected: (i) in favor of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents or are not specifically identified therein or in the relevant share certificates and corporate documents or public registries; and (ii) in favor of a “trustee,” since there is no established concept of “trust” or “trustee” under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of a “trustee” as trustee under security interests granted over Italian assets is uncertain under Italian law.

Certain Additional Considerations in Relation to Granting Security Interests

Italian corporate law (Articles 2497-*quinquies* and 2467 of the Italian Civil Code) provides for rules to protect creditors against “undercapitalized companies” and provides for remedies in respect thereof. In this respect, in case of a loan to a company made by (i) a person that, directly or indirectly, directs the company or exercises management and coordination powers over that borrowing company or (ii) any entity subject to the management and coordination powers of the same person or (iii) a quota holder in the case of a company incorporated in Italy as a *società a responsabilità limitata*, will be subordinated to all other creditors of that borrower and rank senior only to the equity in that borrower, if the loan is made when, taking into account the kind of business of the borrower, there was an excessive imbalance of the borrower’s indebtedness compared to its net assets or the borrower was already in a financial situation requiring an injection of equity and not a loan (“**undercapitalization**”). Any payment made by the borrower with respect to any such loan within one year prior to a bankruptcy declaration would be required to be returned to the borrower. The above rules apply to shareholders’ loans “made in any form” and scholars generally conclude that such provisions should be interpreted broadly and apply to any form of financial support provided to a company by its shareholders, either directly or indirectly.

As of the date hereof, there are several court precedents interpreting the provisions summarized above. Some of such precedents have held that article 2467 of the Italian Civil Code also applies to companies incorporated as *società per azioni*, hence potentially to the borrowers under the intercompany loans that are a *società per azioni*.

Therefore, upon the occurrence of the requirements provided for by the relevant provisions, Italian courts may apply such provisions of the Italian Civil Code to the Issuer’s relationship with Italian subsidiaries under the relevant intercompany loans. Accordingly, an Italian court may conclude that the obligations of any Italian subsidiary under any intercompany loan are subordinated to all its obligations towards other creditors. Should any of the obligations of any subsidiary under any intercompany loan or note be deemed subordinated to the obligations owed to other creditors by operation of law and senior only to the equity, the Issuer may not be able to recover any amounts under any intercompany loan or note granted to the Italian subsidiaries, which could have a material adverse effect on the Issuer’s ability to meet its payment obligations under the Notes.

Moreover, in circumstances where any obligations of an Italian subsidiary under any intercompany loans or notes is subordinated by operation of law, the ability of the holders of the Notes to recover under any Collateral created over such intercompany loans or notes or any guarantees and/or security interests granted by such Italian subsidiaries may be impaired or restricted.

Certain Limitations on Enforcement

The enforcement of security interests by creditors in Italy can be complex and time consuming, especially in a liquidation scenario, given that Italian courts maintain a significant role in the enforcement process in comparison to other jurisdictions with which the holders of the Notes may be familiar. The two primary goals of the Italian law are first, to maintain employment, and second, to liquidate the debtor’s assets for the satisfaction of creditors. These competing goals often have been balanced by the sale of businesses as going concerns and by ensuring that employees are transferred along with the businesses being sold.

Under Italian law, in the event that an entity becomes subject to insolvency proceedings, guarantees and security interests given by it or by way of a trust or parallel debt obligation could be subject to potential challenges by the appointed bankruptcy or judicial liquidation receiver or by other creditors under the rules of ineffectiveness or avoidance or clawback of (i) Italian bankruptcy law (*i.e.* Royal Decree No. 267 of March 16, 1942, as amended and supplemented from time to time, the “**Italian Bankruptcy Law**”) and/or (ii) Italian Insolvency Code and the relevant law on the non-insolvency avoidance or clawback of transactions made by the debtor during the suspect period. For a more detailed explanation of the terms, conditions and consequences of clawback actions in an insolvency scenario, see “—*Certain Italian Insolvency Laws Considerations—Bankruptcy proceedings (fallimento)*” and “*Hardening Period/Clawback and Fraudulent Transfer*” below. If challenged successfully, the guarantee or the security interest may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest or guarantee is voided, holders of the Notes could lose the benefit of the security interest or guarantee and may not be able to recover any amounts under the related security documents.

Furthermore, in the event that the limitations on the guarantee issued by an Italian guarantor apply and/or there are payment obligations under any Notes other than in respect of principal or interest, the noteholders could have a reduced claim against the relevant guarantor.

According to Italian law, the enforcement of any claims, obligations, security interest and rights in general may be subject to, among others, the following aspects:

- the enforcement of obligations may be limited by the insolvency proceedings listed below relating to or affecting the rights of creditors;
- an Italian court will not necessarily grant any specific enforcement or precautionary measures, the availability of which is subject to the discretion of the Court;
- with respect to contracts providing for mutual obligations (*contratti a prestazioni corrispettive*), each party can refuse to perform its obligation if the other party does not perform or does not offer to perform its own obligation thereunder, in accordance with and subject to the provisions of Article 1460 of the Italian Civil Code;
- claims arising under Italian law governed documents may become barred under the provision of Italian law concerning prescriptions and limitations by the lapse of time (*prescrizioni e decadenze*) or may be or become subject to a claim of set-off (*compensazione*) or to counterclaim;
- pursuant to Article 1241 of the Italian Civil Code concerning set-off of reciprocal obligations (*compensazione*), persons who have reciprocal debt obligations may set-off such obligations for the correspondent amount when both such debt obligations have as an object a pecuniary obligation or fungible assets of the same kind and are equally liquid and payable;
- where any party to any agreement or instrument is vested with discretion or may determine a matter in its opinion, Italian law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;
- the enforceability in Italy of obligations or contractual provisions governed by a foreign law may be limited by the application of Italian overriding mandatory provisions (*norme di applicazione necessaria*) and by the fact that the relevant provisions of foreign laws may be deemed contrary to Italian public policy principles and there is no case law setting out specific criteria for the application of such legal concepts under Italian law;
- there is some possibility that an Italian court could hold that a judgment on a particular agreement or instrument, whether given in an Italian court or elsewhere, would supersede such agreement or instrument to all intents and purposes, so that any obligation thereunder which by its terms would survive such judgment might not be held to do so;
- enforcement of obligations may be invalidated by reason of fraud or abuse of the law (*abuso del diritto*);
- the enforceability of an obligation pursuant to the terms set forth in any agreement or instrument may be subject to the interpretation of an Italian court which may carry out such interpretation pursuant to the provisions of Articles 1362 and following of the Italian Civil Code;
- any question as to whether or not any provision of any agreement or instrument which is illegal, invalid, not binding, unenforceable or void may be severed from the other provisions thereof in order to save those other provisions would be determined by an Italian court on the basis of the interpretation of intention of the parties, taking also into account the conduct of the parties following the execution of such agreement or instrument (Article 1419 of the Italian Civil Code);
- an Italian company, either directly or indirectly, cannot grant loans or provide security interest for the purchase or subscription of its own shares unless the strict requirements provided for the Italian Civil Code are satisfied;

- an Italian company must have a specific corporate interest in guaranteeing or securing financial obligations of its parent company or any other companies, whether related or unrelated, such interest being determined by the relevant company on a case-by-case basis;
- in case of bankruptcy (filed or pending before July 15, 2022) or a judicial liquidation, a receiver is appointed by the court to administer the proceeding under the supervision of the court and creditors' committee and creditors cannot start or continue individual foreclosure actions (including the enforcement of security interests) against the debtor (automatic stay). Furthermore, the sale of the relevant pledged assets is carried out by such receiver unless the pledgee is expressly authorized by the court or, in case of judicial liquidation, to have the pledged assets assigned at a fair market value returning any excess to the judicial liquidation estate;
- the preemption rights (*prelazione*) granted by a pledge extend to interest accrued in the year in which the date of the relevant seizure/attachment or adjudication in bankruptcy falls (or, in the absence of seizure/attachment, at the date of the notification of the payment demand (*precetto*) and extend, moreover, to interest accrued and to accrue thereafter, but only to the extent of legal interest and until the date of the forced sale occurred in the context of the relevant foreclosure proceeding or bankruptcy/judicial liquidation proceedings;
- in order to oppose an assignment to any third party, it will be necessary to notify such assignment to the relevant debtor or make such debtor to accept it by an instrument bearing an undisputable date (*data certa*); the priority of such assignment will be determined accordingly. One way of ensuring that a document has an indisputable date is that of ensuring that the execution of the relevant document by one of the parties to it is witnessed by a notary who states the date of witnessing on the document;
- there could be circumstances in which Italian law would not give effect to provisions concerning advance waivers or forfeitures;
- the effectiveness of terms exculpating a party from liability or duties otherwise owed is prevented by Italian law in the event of gross negligence (*colpa grave*), willful misconduct (*dolo*) or the violation of mandatory provisions;
- penalties and liquidated damages (*penali*) may be equitably reduced by a court;
- any obligation of an Italian company and/or any obligation secured or guaranteed by an Italian company, which is in violation of certain Italian mandatory or public policy rules (including, among others, any obligation to pay: (i) any portion of interest exceeding the thresholds of the interest rate permitted under the Italian law no. 108 of March 7, 1996 (*i.e.*, the Italian usury law), as amended from time to time and related implementing rules and regulations; and (ii) any portion of interest deriving from any compounding of interest which does not comply with Italian law, including Article 1283 of the Italian Civil Code, according to which, accrued and unpaid interest can be capitalized only after legal proceedings to recover the debt were started or in the event the interest were unpaid and capitalized for not less than six months based on an agreement executed after the relevant maturity date and Article 120 of the Italian Legislative Decree no. 385/1993 (*i.e.*, the Italian Banking Act)) may not be enforceable;
- if a party to an agreement is aware of the invalidity of that agreement and does not inform the other parties to that agreement of such invalidity, it is liable for the damages suffered by such other parties as a consequence of having relied upon the validity of the agreement;
- Italian courts do not necessarily give full effect to an indemnity for the costs of enforcement or litigation;
- a security interest does not prevent creditors of the relevant debtor other than the secured creditor from continuing enforcement or enforcement proceedings on the assets secured by the relevant pledge; and
- in case of bankruptcy (to the extent applicable after July 15, 2022) or judicial liquidation of the grantor of the pledge over quotas or shares, the assets secured by the pledge could be freely sold to any third party in the context of the relevant bankruptcy proceeding or in case of a judicial liquidation the pledged assets can also be assigned to secured creditors at a fair market value and, as a consequence, the proceeds would be set aside for the prior satisfaction of the pledgee but the pledge would be terminated and, therefore, the latter would lose entitlement to the voting rights on the pledged quotas/shares.

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to seek a claw-back action (*azione revocatoria ordinaria*) pursuant to Articles 2901 and following of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and
- that, in the case of non-gratuitous acts, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Certain Italian Insolvency Law Considerations

The insolvency laws of Italy may not be as favorable to investors' interests as those of other jurisdictions with which investors may be familiar. In Italy, courts play a central role in the insolvency process. Moreover, in court procedures may be materially more complex and the enforcement of security interests by creditors in Italy can be more time-consuming than in equivalent situations in jurisdictions with which holders of the Notes may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorized to carry out certain reserved activities nor it provides a comprehensive description of insolvency laws application where public companies are involved.

Insolvency laws and regulations have been replaced by a new crisis and insolvency code. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the "**Legislative Decree**"), which enacts a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters which came into force on July 15, 2022 (so called "*Code of Business Crisis and Insolvency*," as subsequently amended and supplemented and including Italian Legislative Decree No. 83 of June 17, 2022 implementing the EU Restructuring Directive, hereinafter, the "**Italian Insolvency Code**"). The Legislative Decree was published in the *Gazzetta Ufficiale* on February 14, 2019 no. 38—Suppl. Ordinario No. 6. The main innovations introduced by the Italian Insolvency Code include, *inter alia*: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis" (*crisi*); (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*) provided for by the same Italian Insolvency Code; (iv) a new set of rules concerning group restructurings; (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favor going concern proceedings; (vi) a new crisis settlement procedure (*composizione negoziata della crisi*); (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) the adoption of the definition of debtor's "center of main interest" as provided in the new set of rules concerning group restructurings; (ix) the introduction of the new restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) among the restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*); (x) the regulation of adequate measures and plans to early detect a crisis with specific criteria to be adopted by companies and (xi) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

Except for minor changes in some provisions of the Italian Civil Code, which already entered into force on March 16, 2019, in response to the COVID-19 pandemic, the entry into force of the Italian Insolvency Code has been initially postponed to September 1, 2021 by the "*Decreto liquidità*" (i.e., Law Decree of April 8, 2020, no. 23, published in the *Gazzetta Ufficiale* on April 8, 2020 and converted in law by the Italian Parliament by the Law of June 5, 2020, no. 40, published in the *Gazzetta Ufficiale* on June 6, 2020), and is now effective starting from July 15, 2022. Provisions under the Italian Bankruptcy Law (i.e. the Royal Decree No. 267 of March 16, 1942) continue to apply only to any filings for proposals of declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and any filings seeking for the sanctioning (*omologazione*) of debt

restructuring agreements (*accordo di ristrutturazione dei debiti*) or for the opening of a composition with creditors proceeding (*concordato preventivo*) filed or pending before July 15th, 2022 (i.e. the effective date of the Italian Insolvency Code).

The Italian Insolvency Code has been amended and supplemented by, among others, (i) the Italian Legislative Decree No. 147 of October 26, 2020 (as amended and supplemental by Legislative Decree No. 83 dated June 17, 2022), by Law Decree No. 69 of June 13, 2023 (as converted by Law No. 103 of August 10, 2023), by Legislative Decree No. 224 December 6, 2023, and, lastly, by Legislative Decree No. 136 of September 13, 2024 (so called “**Correttivo-ter Decree**”), providing the corrective interventions to the Italian Insolvency Code.

The Correttivo-ter Decree was published in the Italian Official Gazette on September 27, 2024 and, as provided thereunder, entered into force on September 28, 2024. Starting from September 28, 2024, the provisions of the Correttivo-ter Decree (which supplements and amends the Italian Insolvency Code) shall generally apply (unless otherwise provided) to all insolvency/restructuring proceedings (including negotiated crisis composition) pending as of September 28, 2024 as well as to those which will be started or opened after September 28, 2024. As an exception to such general rule, the Correttivo-ter Decree provides, *inter alia*, that: (i) the provisions under article 5, para. 9, lett. b), no. 3 of the decree shall apply only to negotiated composition for which filing is made after September 28, 2024; and (ii) the provisions under article 16, para. 6, article 17 para. 1 lett. a) and article 21, para. 4 of the decree shall apply only to arrangement proposals to Tax Authorities/Social Security Authorities (*proposte di transazione fiscale e previdenziale*) filed after September 28, 2024.

Considering the above, the following is a brief description of certain main aspects of insolvency law in Italy as it stands now and in particular of the Italian Insolvency Code (taking into account also the latest amendments introduced by the Correttivo-ter Decree).

Italian Insolvency Laws

Below is a brief description of the main provisions of the Italian Insolvency Code which, upon its entry into force (on July 15, 2022 and as amended from time to time), has superseded the Italian Bankruptcy Law.

The two primary aims of the Italian Insolvency Code are to liquidate the debtor’s assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors’ claims. The aim of the other Italian insolvency laws in force – i.e., the Legislative Decree No. 270 of 8 July 1999, as amended (“**Decree 270**”), and the Law Decree No. 347 of December 23, 2003, converted into law, with amendments, by Law No. 39 of February 18, 2004, as amended (“**Decree 347**”) — is to maintain employment. These competing aims often have been balanced by the sale of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold.

Under the Italian Insolvency Code, the judicial liquidation (*liquidazione giudiziale*) must be declared by a court, based on the insolvency (*insolvenza*) of a debtor upon a petition filed by the debtor itself, the bodies and authorities who exercise control or supervision thereto, one or more creditors and the public prosecutor. Insolvency, as defined under article 2, letter (b) of the Italian Insolvency Code, is defined as the state of the debtor, manifested by defaults and/or other external elements evidencing that the debtor is no longer able to regularly meet its obligations as they come due. This must be a permanent, and not a temporary status of insolvency, in order for a court to hold that a debtor is insolvent. The Italian Insolvency Code also introduced a specific concept of crisis, which is defined under article 2, letter (a) of the Italian Insolvency Code as the state of the debtor such that it is likely that insolvency will follow, which is manifested by the inadequacy of prospective cash flows to meet obligations in the following twelve months. Both insolvency and crisis are factual situations upon the occurrence of which different instruments provided for by the Italian Insolvency Code may be activated.

In cases where a debtor is facing financial difficulties or temporary cash shortfall and, in general, a state of crisis/financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the debtor, but which are susceptible of being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

The following debt restructuring and insolvency alternatives are available under Italian law for companies in a state of crisis and for insolvent debtors and, in certain cases, also to debtors experiencing an economic or financial imbalance such as to make it likely that a state of crisis and/or distress or their insolvency will occur.

Restructuring outside of a judicial process (accordi stragiudiziali)

Restructuring generally takes place through a formal judicial process because it is more favorable for the debtor and because informal out-of-court arrangements put in place as a result of an out-of-court restructuring are vulnerable to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions, and may trigger liabilities in the event of a subsequent judicial liquidation procedure. However, in cases where a company is solvent, but facing financial difficulties, it may be possible to enter into an out-of-court arrangement with its creditors, which may safeguard the existence of the company.

Composizione negoziata per la soluzione della crisi d'impresa pursuant to the Italian Insolvency Code

The negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi d'impresa*), was originally introduced in the Italian legal framework by Law Decree 118/2021 and has been subsequently incorporated into the Italian Insolvency Code. It is an out-of-court proceeding, but the court can be involved in the two following circumstances: (i) when the entrepreneur files a petition pursuant to article 18 of the Italian Insolvency Code requesting the competent court to confirm or modify the protective measures to the entrepreneur's assets (the “**Protective Measures**”) provided for pursuant to article 18 and 19 of the Italian Insolvency Code by the day following the publication of the request in the relevant Companies' Register (*Registro delle Imprese*) and the acceptance of the Expert (as defined below), and, if necessary, to enact the measures necessary to complete the negotiations (the “**Interim Measures**”), (ii) when the entrepreneur files a petition asking the court to authorize certain acts in line with the provisions set forth under article 22 of the Italian Insolvency Code, and (iii) when the entrepreneur files a petition for the sanctioning of the settlement agreement with the Italian Tax/social Authorities pursuant to article 23, paragraph 2-bis of the Italian Insolvency Code.

The *composizione negoziata per la soluzione della crisi d'impresa* is a proceeding aimed at facilitating the recovery of companies which “despite being in conditions of asset or economic and financial imbalance such as to make it likely that financial distress or insolvency will occur, have the potential to remain in the market, including through the sale of the business or a branch of it.”

According to article 12 of the Italian Insolvency Code, *composizione negoziata* can be started by any kind of debtors, including commercial and agricultural entrepreneurs, which are undergoing either a situation of crisis, insolvency or even only an imbalance with reference to their assets, their business and/or their financial situation, such that it is likely that a distress/crisis or insolvency will follow, provided that their restructuring and rebalancing (*risanamento*) seems reasonably achievable. As regards to small enterprises so called “*impresa minore*” (i.e. an enterprise meeting the requirements set forth under article 2, para. 1 (d) of the Italian Insolvency Code (i.e., an enterprise (i) having assets (*attivo patrimoniale*) in an aggregate amount not exceeding €0.3 million for each of the three preceding fiscal years, (ii) having gross revenues (*ricavi lordi*) in an aggregate amount not exceeding €0.2 million for each of the three preceding fiscal years, and (iii) having total indebtedness not exceeding (included debts not yet due) of €0.5 million)), according to article 25-*quater* of the Italian Insolvency Code, *composizione negoziata* can be started as well, but only if the enterprise is facing an imbalance with reference to its assets, business and/or financials, such that it is likely that a crisis or insolvency will follow, provided that its restructuring and rebalancing (*risanamento*) seems reasonably achievable.

Pursuant to article 17, paragraph 3, letter d) of the Italian Insolvency Code, inter alia, the entrepreneur or the enterprise filing for a *composizione negoziata* must (i) report about the existence of judicial liquidation or insolvency declaration petitions pending towards itself and (ii) certify that, inter alia, it has not filed petitions for any of the restructuring tools (*strumenti di regolazione della crisi o dell'insolvenza*) provided for under the Italian Insolvency Code, including pursuant to articles 44, paragraph 1, letter a), 74 and/or 54, paragraph 3, of the Italian Insolvency Code. A petition to access *composizione negoziata* cannot be filed (and if filed shall be rejected) in the event that (a) a petition to access a restructuring tool filed by the same entrepreneur is already pending or has been renounced in the prior 4 months (b) another petition for *composizione negoziata* has been dismissed (*archiviata*) in the prior year (reducible to 4 months upon certain conditions).

Pursuant to article 25 of the Italian Insolvency Code, the *composizione negoziata* may also apply to group of companies, which may commence one proceeding all together. At the end of the negotiations the relevant companies will be allowed to access to one of the agreements or tools provided forth under article 23 of the Italian Insolvency Code, both separately or as a whole group.

The *composizione negoziata* is commenced, on a voluntary basis only, by filing a petition for the appointment of a third party and independent expert with the Secretary General of the relevant Chamber of Commerce through a dedicated electronic platform (the “**Expert**” and the “**Platform**,” respectively). Pursuant to article 16 of the Italian

Insolvency Code, the person who acted as Expert in the context of such proceeding, shall not engage in professional relations with the relevant entrepreneur during the two years following the termination of the *composizione negoziata*, exception made for activities related to, or dependent on, the *composizione negoziata* itself.

The Expert is appointed within five (5) working days upon the filing of the petition and shall accept (or decline) the appointment in the following two (2) business days. The Expert is responsible for facilitating and managing the negotiations between the company, its creditors and any other interested parties, in order to identify a solution to overcome the crisis or the insolvency, including through the transfer of the business or a branch thereof and safeguarding, to the maximum possible extent, the occupational levels.

The Expert assesses his/her own independence, the adequacy of his/her own professional expertise and his/ her own time availability with respect to the prospected assignment, and, if the outcome of the assessment is positive, notifies his/her acceptance to the entrepreneur and uploads it on the Platform. In case of negative outcome, the Expert confidentially notifies it to the commission, which appoints a new Expert. Any Expert cannot be appointed for more than two proceedings of *composizione negoziata* at a time. If the Expert accepts the appointment, he/she meets with the entrepreneur in order to assess whether there are concrete and real chances of recovery. The entrepreneur attends the meeting personally, can be assisted by its advisors.

If the Expert finds that there are concrete and real chances of recovery (*risanamento*), he/she meets with the parties involved in the entrepreneur's recovery process and presents the possible strategies, scheduling periodic meetings close in time to one another. The entrepreneur may conduct negotiations without the expert's presence, provided that the expert is kept informed of their progress.

During the negotiations, all the parties involved must act in good faith and with fairness, must cooperate and are bound by confidentiality on the entrepreneur's situation, on the actions carried out or planned by the entrepreneur and on the information received in the course of the negotiations. The entrepreneur must provide a complete and clear representation of his/her situation and manage his/her assets without causing unfair prejudice to the creditors.

Banks and financial intermediaries, their agents, and, in case of credit assignment and/or transfer, their assignees or transferees, must take part in the negotiations actively and in an informed manner, and the access to the *composizione negoziata* does not, by itself, constitute ground for withdrawal of overdraft facilities, nor for a different classification of receivables (which, pending the composition procedure, shall be determined considering the draft business and financial plan presented by the debtor and also in light of the supervisory/regulatory provisions (*disciplina di vigilanza prudenziale*)). The continuation of the banking/financial relationship is not in itself grounds for liability of the bank and financial intermediary.

If the Expert finds that there are no real chances of recovery (*risanamento*), after the meeting with the entrepreneur or thereafter, he/she has to promptly notify the entrepreneur and the Secretary General of the Chamber of Commerce, which provides for the dismissal (*archiviazione*) of the entrepreneur's petition. The Expert's appointment is considered terminated if, after 180 days from its appointment, the parties have not agreed on a solution (that can also be proposed by the Expert) for overcoming the entrepreneur's distressed situation. However, the Expert's appointment can continue up to further 180 days (pursuant to article 17, paragraph 7 of the Italian Insolvency Code) if (i) the entrepreneur or other parties involved in the negotiations require so and the Expert agrees, or (ii) the prosecution of the appointment is required by the fact that the entrepreneur has filed a petition to the court pursuant to article 19 and/ or article 22 of the Italian Insolvency Code; or (iii) protective or interim measures are pending or it necessary to implement the authorization ruling issued by the court.

Pursuant to article 17, paragraph 8 of the Italian Insolvency Code, at the end of his/her appointment the Expert issues a final report (the "**Final Report**"), uploads it on the Platform, and notifies it to the entrepreneur and to the court that has granted the Protective Measures (*misure protettive*) and Interim Measures (*misure cautelari*) (if any) which declares the termination of their related effects.

Pursuant to article 18 of the Italian Insolvency Code, together with the petition for appointment of the Expert, or with a subsequent petition, the entrepreneur can request the application of Protective Measures (as described below) vis-à-vis all the creditors or, upon entrepreneur request, only vis-à-vis certain creditors' initiatives or certain specific creditors or categories of creditors. Furthermore, the entrepreneur may also request the application of Interim Measures necessary to allow the completion of the negotiations.

The Protective Measures consist of the following: from the date of publication of the relevant petition, affected creditors cannot obtain preemption rights (*diritti di prelazione*) unless agreed upon by the entrepreneur and all

enforcement and interim actions are stayed. From the same date, prescriptions remain suspended and forfeitures do not occur. However, payment of pre-petition creditors is allowed. The Protective Measures do not apply to employees' claims. Interim Measures, on the other hand, have flexible content depending on the relevant precautionary need.

From the date of publication of the petition requesting the application of the Protective Measures until the date of conclusion of the negotiations or dismissal of the petition for the *composizione negoziata*, the ruling of opening the judicial liquidation proceeding (*sentenza di apertura della liquidazione giudiziale*) or the declaration of the insolvency of the entrepreneur cannot be declared by the court, unless the court revokes the Protective Measures.

Creditors whose rights are affected by the Protective Measures (banks and financial intermediaries included) cannot unilaterally refuse to perform their obligations under the contracts in place with the entrepreneur, nor terminate such contracts, nor anticipate their expiration date, nor amend them with detrimental consequences for the entrepreneur, or terminate or revoke – in all or in part – the credit facilities granted to the entrepreneur, solely on the ground of the missed payment of claims arisen prior to the publication of the petition requesting the application of the Protective Measures. However, the creditors may suspend the fulfilment of the pending contracts from the publication of the petition requesting Protective Measures to the obtainment of such Protective Measures. Banks and financial intermediaries can anyhow revoke or suspend the credit lines pursuant to the applicable prudential supervisory regulation (*disciplina di vigilanza prudenziale*).

If the entrepreneur applies for the Protective Measures (which, as said, are immediately effective), it must concomitantly file (in accordance with the deadlines set forth under the Italian Insolvency Code) the same request to the competent court, in order to allow a judge to check the said measures and to confirm them or, if necessary, to modify them. In the absence of this request, the Protective Measures will be ineffective.

The duration of the Protective Measures and, if necessary, the Interim Measures, is established by an order of the court in a range between 30 and 120 days, and, upon request of the parties and after obtaining the opinion of the Expert, can be extended for the time required to positively finalize the negotiations up to a maximum of 240 days.

At the request of the entrepreneur, one or more creditors or the Expert, the court that has granted the Protective Measures and/or Interim Measures may, at any time, revoke such measures or reduce their duration when they do not meet the aim of ensuring the positive outcome of the negotiations or they appear disproportionate in relation to the prejudice caused to the creditors, pursuant to article 19, paragraph 6 of the Italian Insolvency Code. If the Protective Measures are revoked, the prohibition of the obtainment of preemption rights by preexisting creditors ceases to be effective for the date on which the Protective Measure has been revoked.

During the procedure the entrepreneur remains able to continue the ordinary and extraordinary management of the company, subject to certain conditions. More precisely, pursuant to article 21 of the Italian Insolvency Code, pending the negotiations, the entrepreneur may carry out acts pertaining to ordinary activity, and, upon written notice to the Expert, carry out acts pertaining to extraordinary activity or make payments non-consistent with the negotiations nor with the perspectives of recovery. Furthermore, if during the course of the negotiations, it appears that the entrepreneur is insolvent but there are real prospects of recovery, the entrepreneur shall manage the enterprise and find the solution for the overcoming of its insolvency status in the best interests of the creditors, subject to his/her liabilities.

If the Expert believes that a certain act causes prejudice to the creditors, to the negotiations or to the perspectives of recovery, he/she reports it in writing to the entrepreneur and to the enterprise's supervisory body. If, notwithstanding the Expert's report, the entrepreneur carries out the relevant act, the entrepreneur gives immediate notice to the Expert, who may file his/her dissent for the registration with the Companies' Register. If this is the case, the relevant acts do not benefit of certain protections against claw-back actions pursuant to article 24 of the Italian Insolvency Code.

Pursuant to article 22 of the Italian Insolvency Code, the court, upon the entrepreneur's request and to the extent that this is consistent with the continuation of the business as a going concern and with the maximization of the creditors' recovery, may authorize:

- (a) the entrepreneur to incur new super-senior (*prededucibile*) financings in any form, including requesting the issuance of collateral, or authorizing agreement with the bank and financial intermediary to the reactivation of suspended credit lines;

- (b) the entrepreneur to incur new super-senior indebtedness (so-called *prededucibile*) via shareholders' financing;
- (c) one or more companies belonging to the same group under article 25 of the Insolvency Code to incur super-senior (*prededucibile*) financings; and
- (d) the entrepreneur to transfer its business, or certain business branches, without the effects provided under article 2560, paragraph 2, of the Italian Civil Code, without prejudice to article 2112 of the Italian Civil Code. However, in such case it will be for the court itself to identify the measures it considers appropriate, taking also into account the requests of the parties concerned, in order to protect all the interests involved. The court shall also verify the compliance with the competitiveness principle in choosing the purchaser.

The execution of the above-mentioned authorizations may also be postponed after the ending of the *composizione negoziata* if so provided under the court authorization or the Final Report.

Pursuant to article 23, para 1. of the Italian Insolvency Code, when a viable solution to overcome the crisis or insolvency of the debtor is identified, upon completion of the *composizione negoziata*, the relevant parties may proceed with one of the following:

- (a) execution of an agreement between the entrepreneur and one or more creditors and any interested party, which constitutes cause for application of the reward measures provided under article 25-*bis*, paragraph 1 of the Italian Insolvency Code if, according to the Expert's Final Report, such agreement ensures the continuation of the business as a going concern for at least 2 years;
- (b) execution of a standstill agreement (*convenzione di moratoria*) pursuant to article 62 of the Italian Insolvency Code;
- (c) execution of an agreement signed by the entrepreneur, by the adhering creditors and by any other adhering interested party, and also by the Expert, with the effects provided under articles 166, paragraph 3, lett. d) and 324 of the Italian Insolvency Code. With the execution of such agreement the Expert acknowledges that the reorganization plan (*piano di risanamento*) seems consistent with the composition of the crisis or insolvency of the entrepreneur.

Pursuant to article 23, para. 2 of the Italian Insolvency Code, the entrepreneur may, alternatively:

- (a) arrange an out-of-court reorganization plan (*piano attestato di risanamento*) pursuant to Article 56 of the Italian Insolvency Code;
- (b) file a petition requesting the sanctioning of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*) pursuant to articles 57, 60 and 61 of the Italian Insolvency Code. The percentage referred to under article 61, paragraph 2, letter c) of the Italian Insolvency Code is reduced to 60% if the achievement of the agreement results from the Final Report of the Expert or if the request for homologation is filed within 60 days from the notification of the same.
- (c) file a petition for admission to the *concordato semplificato per la liquidazione del patrimonio* pursuant to article 25-*sexies* of the Italian Insolvency Code;
- (d) enter into one of the other restructuring tools or insolvency proceedings provided for under the Italian Insolvency Code or in the extraordinary administration proceedings under so-called Prodi-*bis* law (d.lgs. n. 270/1999) or the Marzano law (d.l. n. 347/2003).

The agricultural entrepreneur may access to one of the restructuring tools provided forth under article 25-*quater* of the Italian Insolvency Code.

Moreover, pending the *composizione negoziata* the entrepreneur may submit a proposal for a settlement agreement to Italian Tax Authorities/Social Security Authorities providing for partial payment or rescheduling of the relevant debts and related accessories, subject to certain requirements, terms and conditions being met (including, *inter alia*, court-filing and necessary court approval to execute the settlement), as set forth under article 23, para. 2-bis of the Italian Insolvency Code. Such settlement proposal cannot include taxes constituting own resources of the European Union. Certain other tax-relevant provisions (in the context of *composizione negoziata*) are set forth, *inter alia*, under article 25-bis of the Italian Insolvency Code.

Furthermore, pursuant to article 24 of the Italian Insolvency Code:

- (a) the acts authorized by the court pursuant to article 22 of the Italian Insolvency Code shall maintain their effects in the event of subsequent sanctioned debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti omologato*), sanctioned composition with creditors (*concordato preventivo omologato*), opening of the judicial liquidation proceeding (*apertura della liquidazione giudiziale*), a sanctioned restructuring plan provided for pursuant to article 64-bis of the Italian Insolvency Code, a compulsory administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration for large insolvent companies (*amministrazione straordinaria*) or a sanctioned simplified composition with creditors (*concordato semplificato per la liquidazione del patrimonio*) provided for pursuant to article 25-sexies of the Italian Insolvency Code;
- (b) the acts, payments and granting of security interests made after the Expert accepted its appointment, are exempted from claw-back actions pursuant to article 166, paragraph 2, of the Italian Insolvency Code, provided that they are consistent with the development and the status of the negotiations and with the perspectives of recovery (*risanamento*) existing at the time the payment/transaction/granting of security interest was made;
- (c) acts of extraordinary administration and payment made after the Expert accepted its appointment are subject to claw-back actions pursuant to article 165 and Article 166 of the Italian Insolvency Code if the Expert has registered his/her dissent in the Companies' Register pursuant to Article 21, paragraph 4 of the Italian Insolvency Code or if the competent Court has denied its authorization pursuant to article 22 of the Italian Insolvency Code; and
- (d) payment and transactions made after the Expert accepted its appointment, which were consistent with the development of the negotiations and in the perspective of the recovery (*risanamento*) of the enterprise, or which have been authorized by the Court pursuant to article 22 of the Italian Insolvency Code, benefit of exemptions from the potential application of certain criminal sanctions.

Simplified composition with creditors proceeding for the liquidation of assets (concordato semplificato per la liquidazione del patrimonio)

Article 25-sexies of the Italian Insolvency Code introduces a simplified court-supervised composition with creditors with liquidation purpose (*concordato semplificato per la liquidazione del patrimonio*).

If, in its Final Report, in the context of a *composizione negoziata*, the Expert states that the negotiations have been conducted according to fairness and good faith and that the options provided under article 23, paragraphs 1 and 2, letters (a) and (b), of the Italian Insolvency Code are not feasible, within 60 days following the notification of the Final Report the entrepreneur may file to the competent court where the entrepreneur has its center of main interests a petition for admission to the *concordato semplificato per la liquidazione del patrimonio*, together with a liquidation plan and the documents listed under article 39 of the Italian Insolvency Code. The petition for *concordato semplificato per la liquidazione del patrimonio* is then published in the Companies' Register within the day following the filing with the court. From the date of such publication, the effects provided under articles 6, 46, 94 and 96 of the Italian Insolvency Code are produced. The proposal may provide for the division of the creditors into different classes and article 84 para. 5 of the Italian Insolvency Code shall apply.

Within the above-mentioned deadline, the debtor may file a petition under article 40 of the Italian Insolvency Code, also reserving to subsequently file the plan and proposal (*anche con riserva di deposito della proposta e del piano*). Protective Measures might be requested also in the context of this proceeding.

Following the filing of such application, the court (i) appoints a so-called "auxiliary" (*ausiliario*) to, *inter alia*, express an opinion on the entrepreneur's proposal; (ii) orders that the proposal, together with the opinion of the auxiliary, the Final Report of the Expert and an opinion of the Expert with specific reference to the likely outcomes of the liquidation and the security interests offered by the debtor, be delivered by the debtor to the creditors appearing on the list filed by the debtor itself; and (iii) sets the date of the hearing for the court sanctioning (*omologazione*). Creditors and any third party which has any interests are entitled to object to the court sanctioning (*omologazione*) within ten days before the date fixed for the hearing.

The court issues a decree sanctioning (*omologa*) the *concordato semplificato per la liquidazione del patrimonio* when it finds that (i) the proceeding has been carried out in accordance with relevant laws and regulations and the adversarial principle among the parties (*contraddittorio*); (ii) the proposal is compliant with preemption rights

(*cause di prelazione*) and the liquidation plan is feasible, and (iii) the proposal does not cause a prejudice to the creditors compared to what they would receive in case of insolvent liquidation of the entrepreneur (*liquidazione giudiziale* or *liquidazione controllata*, as applicable), and in any case ensures that each creditor receives a certain recovery. With the sanctioning decree, the court also appoints a liquidator.

The parties may file an objection (*reclamo*) to the abovementioned decree within 30 days after having been notified of the same.

Pursuant to article 25-septies of the Italian Insolvency Code, the liquidation plan may also include an offer by a pre-identified third party to purchase the business or one or more branches of the business or specific assets, even before sanctioning (*omologazione*): in this case, the liquidator or the auxiliary, as applicable, having verified the absence of better solutions on the market, may implement the offer.

Out-of-court reorganization plans (piani attestati di risanamento) pursuant to article 56 of the Italian Insolvency Code

Out-of-court debt restructuring agreements are based on restructuring plans (*piani attestati di risanamento*) addressed to the creditors and prepared by debtors who are either insolvent or in a state of crisis, in order to restructure their indebtedness and to ensure the recovery of their balance sheet, economic and financial condition. An independent expert appointed directly by the debtor included in the list of the insolvency practitioners (*gestori della crisi e insolvenza delle imprese*) and enrolled in the Register of Auditors and Accounting Experts (*Registro dei Revisori Contabili*) must verify (*attestare*) the truthfulness of the business data (*veridicità dei dati aziendali*) provided by the company and the economic feasibility (*fattibilità economica*) of the restructuring plan. There is no need to obtain court approval to appoint the independent expert. The independent expert must possess certain specific independence requisites and meet the requirements set forth by article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

Out-of-court reorganization plans and the relevant debt restructuring arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or other supervising authority. Also, out-of-court debt restructuring arrangements are not required to be approved and consented to by a specific majority of all outstanding claims.

The terms and conditions of these plans are freely negotiable, provided they are finalized at restructuring the debtor's indebtedness and rebalancing its capital structure. However, the possibility to adopt such tools to liquidate the debtor is disputed, as it is argued they shall provide for the restructuring of the debtor's indebtedness and the rebalancing its financial condition on a going concern basis. Unlike judicial restructuring tools, Out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Insolvency Code provides that, should these plans fail, and the debtor be declared insolvent, the payments and/or acts carried out, and/or security interest granted on the debtor's assets for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to any claw-back action (*azione revocatoria*), including the claw-back action provided for pursuant to article 2901 of the Italian Civil Code, as provided for pursuant to article 166, paragraph 3, letter d) of the Italian Insolvency Code; and (b) are exempted from the potential application of certain criminal sanctions. Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register of the plan, the report by the independent expert and the arrangements is possible upon a debtor's request and would allow to certain tax benefits), and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of judicial restructuring tools. Since the Out-of-court reorganization plan (or the agreements entered into to implement it) is not subject to any court approval or judicial review, it cannot be excluded that the abovementioned exemption effects will be challenged in the event of subsequent judicial liquidation, if the competent court were to assess that the reorganization plan was not feasible at the time it was certified by the independent expert. Furthermore, exemptions above do not apply in case of willful misconduct and gross negligence of the independent expert or the debtor, when the relevant creditor was aware thereof at the time of the transaction.

Italian Insolvency Code sets forth specific rules regarding out-of-court reorganization plans and the relevant restructuring arrangements entered into with creditors, which must be followed for the plans and agreements to grant protection against claw-back actions and potential civil and criminal responsibilities. More in detail, Out-of-court debt restructuring plans pursuant to article 56 of the Italian Insolvency Code must be supported by adequate documentation representing the financial and commercial situation of the debtor and which also needs to indicate, among others, the causes of the crisis and the new resources which will be made available to the debtor and the industrial plan, with analytic indication of envisaged profits and losses, financial budget and relevant funding sources, with specific regard to those necessary to ensure compliance with labor safety rules and

environment protection. Moreover, they must be suitable for the purpose of assuring the restructuring of the indebtedness of the debtor and rebalancing its financial position and, in case of its failure and subsequent challenge (*impugnazione*) before an Italian court, it must not be deemed as being unreasonable.

Certain common rules applicable to judicial restructuring tools

a) unitary proceedings and protective and interim measures

Certain common rules apply to restructuring tools to be commenced by filing a petition with the competent court pursuant to article 40 and ff. of the Italian Insolvency Code. Such restructuring tools (better described below) include mainly debt restructuring agreements (*accordi di ristrutturazione dei debiti*), restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione* or PRO) and composition with creditors (*concordato preventivo*).

With respect to the above restructuring tools (hereinafter “judicial restructuring tools”), and after the filing of the relevant petition - together with the documentation listed in article 39 of the Italian Insolvency Code, or pursuant to article 44 of the Italian Insolvency Code (see below) - the unitary proceedings set forth in article 41 et seq. of the Italian Insolvency Code (*procedimento unitario per l'accesso agli strumenti di regolazione della crisi e dell'insolvenza e alla liquidazione giudiziale*) is applicable. The petition is subject to publication in the Company Register within the following day after the relevant filing and shall be notified also to the Public Prosecutor. The relevant steps of the unitary proceedings may vary depending on the different judicial restructuring tool but they entail, *de minimis*, the involvement of the court to sanction the restructuring tool sanctioning by way of a specific judgment (*sentenza di omologa*).

Judicial restructuring tools may also feature the application of Protective Measures (*misure protettive*) and Interim Measures (*misure cautelari*), with the content described above, which may be requested with the petition (including pre-petition pursuant to article 44 of the Italian Insolvency Code) or at a later stage, and also during the negotiations preceding the filing of a debt restructuring agreement, subject to certain specific conditions.

Protective Measures must be confirmed by the relevant court. However, the date of publication of the relevant petition in the Companies' Registry, there is a general stay under which it is prohibited for the generality of creditors to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant Measures), together with other protective effects including suspension of statute of limitation period and forfeitures' effects and a stay of any petition for the opening of judicial liquidation (*liquidazione giudiziale*) or declaration of insolvency.

Other specific effects of Protective Measures may vary depending on the specific judicial restructuring tool selected, according to articles 46, 64, 64-bis, 89 e 94-bis of the Italian Insolvency Code. Such effects may include neutralization of ipso facto clauses in executory contracts and prohibition to discontinue or modify key executory contracts (*contratti essenziali*) with detriment of the entrepreneur.

Upon request of the entrepreneur the competent court may also grant Interim Measures (*misure cautelari*) aimed at ensuring interim effects consistent with the implementation of the relevant judicial restructuring tool.

Protective Measures and Interim Measures are ordinarily granted for a maximum period of four (4) months, which may be extended by the court, upon request of the debtor or the creditors, prior obtainment of the judicial commissioner report (if any) to a maximum period of twelve (12) months, also taking into account any Protective or Interim Measures granted in the context of *composizione negoziata* (see above *Composizione negoziata per la soluzione della crisi d'impresa pursuant to the Italian Insolvency Code*).

b) preliminary petition pursuant to article 44 of the Italian Insolvency Code

The petition to access a judicial restructuring tool may be preceded by the filing of a preliminary and simplified petition pursuant to article 44 of the Italian Insolvency Code. The debtor company may file such petition, reserving the right to submit the underlying plan, the proposal and all relevant documentation within a period assigned by the court between 30 and 60 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*) supported by the drafting of a draft restructuring project. If the court accepts such preliminary petition, it, among other things: (i) appoints a judicial commissioner (*commissario giudiziale*) with the task to report to the court about any conduct of the debtor which is fraudulent or detrimental for the creditors, that may cause the court to reject the petition and (ii) set forth reporting and information duties of the company during the abovementioned period. As mentioned above, filing the simplified petition, the debtor may request the application of Measures.

According to article 44, paragraph 1-bis, pending the above-mentioned deadline, the debtor can carry out both activities of ordinary management and urgent activities of extraordinary management provided that, in the latter case, it has been duly and priorly authorized by the court. In case acts of extraordinary management are carried out lacking the court's authorization, they are ineffective and the court will revoke the granting of the deadline/term. All the third-party claims which may arise from acts legally performed by the debtor after the filing will be deemed super-senior (*prededucibili*). Pending the term/deadline granted by the court, the rules governing the loss and reduction of share capital set forth under Italian Civil Code do not apply and the company-dissolution cause for loss or reduction of the corporate capital does not apply as well. Nevertheless, during the period preceding the filing of the preliminary petition, article 2486 of the Italian Civil Code – providing for the powers and duties of the directors after the occurrence of an event of dissolution of the company – will be applicable.

Within the deadline set by the court the debtor may submit, alternatively, one of the judicial restructuring tools among debt restructuring agreement, PRO or concordato preventivo.

Non-compliance with the relevant requirements may result in the preliminary petition's dismissal and, subject to the relevant requirements, commencement of judicial liquidation.

Debt restructuring agreements with creditors (accordi di ristrutturazione dei debiti) pursuant to article 57 of the Italian Insolvency Code and ff.

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) provided for pursuant to article 57 et seq. of the Italian Insolvency Code allow the debtor, which must be a commercial entrepreneur and not qualify as a “small enterprise” (*impresa minore*, as defined above), facing a crisis or insolvency situation, to enter into an agreement with creditors holding at least 60% of the outstanding indebtedness, to be sanctioned (*omologato*) by the competent court. An independent expert (as described above) appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and declare and that the agreement is feasible and, particularly, that it ensures that the indebtedness *vis-à-vis* non-participating creditors can be fully satisfied within the following terms in a 120-day term from: (i) the date of sanctioning (*omologazione*) of the agreement by the court, in the case of debts which are due and payable to the non-participating creditors as of the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; and (ii) the date on which the relevant debts fall due, in case of debts which are not yet due and payable to the non-participating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court. Pursuant to article 57 of the Italian Insolvency Code, only a debtor who is insolvent or facing a state of crisis (as described above) can initiate this process and request the court's sanctioning (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement is published in the Companies' Register and becomes effective as of the day of its publication. Creditors and other interested parties may challenge the agreement within 30 days from the publication of the agreement in the Companies' Register. After having settled with the opposition (if any), the court will sanction (*omologare*) the agreement by issuing a judgment (*sentenza*), which can be appealed within 30 days of its publication pursuant to article 51 of the Italian Insolvency Code.

The Italian Insolvency Code does not expressly provide for any indications concerning the purposes of the debt restructuring agreement. The plan can therefore provide, *inter alia*, either for the debtor or a third party carrying out the business, or the sale of the business, and may contain refinancing agreements, moratoria, write offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed settlement for the partial or deferred payment of certain taxes and/or social contributions, provided that certain specific requirements are met (as set forth under article 63 of the Italian Insolvency Code). If the plan provides for the implementation of a merger, demerger or transformation, article 116 of the Italian Insolvency Code shall apply. A single petition for homologation under article 57 et seq. of the Italian Insolvency Code can be filed by more companies belonging to the same group having their center of main interests in Italy, subject to certain requirements being met. In case of a group petition, debtor companies can make a single application also for “*transazione fiscale e previdenziale*” to Tax Authorities/Social Security Authorities under the Italian Insolvency Code (in accordance with the requirements provided thereunder).

Article 58, paragraph 1 of the Italian Insolvency Code sets the rule applicable when substantial amendments are made to the plan. More precisely, in the event of substantial amendments to the plan before its sanctioning (*omologa*), the report issued by the expert and the consent to the debt restructuring agreement expressed by creditors shall be renewed. The report shall also be renewed in the event of substantial amendment to the agreement. In the event that substantial amendments to the plan are required after sanctioning (*omologa*), the debtor shall make such amendments that are appropriate to ensure the implementation of the agreements, by

requesting to the independent expert the renewal of the report (*attestazione*). In this case, the renewed report, together with the amended restructuring plan, shall be published in the Companies' Register, giving notice to the creditors by registered letter or by certified email (PEC). The creditors may file an objection (*opposizione*) to the abovementioned amendments within 30 days after having been notified of the same.

General features of debt restructuring agreements

No dispossession of debtor occurs in respect of a debt restructuring agreement, but the court may appoint a judicial commissioner to oversee the proceedings and must do so in case petitions for the opening of judicial liquidation are pending, when it is necessary for the protection of the parties who filed such petitions. It is a court-supervised procedure, which can take from a few months up to more than a year (the duration of the proceedings is generally influenced by challenges). Creditors entering into the debt restructuring agreement are not required to receive the same treatment (*i.e.*, they are free to reject the proposal and to protect their interests otherwise) and no cram-down is applicable to third-party non-adhering creditors, who shall be fully re-paid within 120 days from validation (*omologa*) of the debt restructuring agreement (if the claims are already due and payable at such date) or within 120 days from the respective maturity date if such creditors' claims are not yet due as of the validation date of such debt restructuring agreement as per respectively article 57, paragraph 3 letters a) and b), save for certain specific cram-down provisions/mechanisms applicable in relation to Tax Authorities/Social Security Authorities subject matter of a settlement proposal (*transazione fiscale e previdenziale*) pursuant to – and in accordance with – the provisions set forth under article 63 of the Italian Insolvency Code.

By virtue of article 59 of the Italian Insolvency Code, article 1239 of the Italian Civil Code applies to the creditors that have adhered to the debt restructuring agreements so the discharge of the debtor under the agreement entails the release of the guarantors. On the other hand, non-participating creditors maintain their claims towards (i) those who are jointly and severally liable with the debtor, (ii) the debtor's guarantors and (iii) debtors by way of right of recourse (*regresso*). Unless agreed otherwise, debt restructuring agreements produce effect towards the shareholders who are jointly liable with non-limited liability companies, without prejudice to their obligations as guarantors (if any) unless the agreement provides otherwise.

After the publication of the petition in the Company Register creditors and other interested parties may file an opposition to sanctioning (*omologazione*) within the following thirty (30) days. In case of opposition, the court will schedule a specific hearing for the party to discuss the case. At such hearing, the court decides upon any opposition and if assesses that the conditions for the sanctioning (*omologazione*) are met, issues the sanctioning judgment (*sentenza di omologa*), otherwise the petition is rejected and, upon request of the subjects having the relevant standing (*i.e.* the debtor itself, the creditors, the supervisory bodies of the debtor and the Public Prosecutor (see below *Judicial liquidation (liquidazione giudiziale)* section) may declare the debtor insolvent and declare the opening of the judicial liquidation (*liquidazione giudiziale*) or other applicable insolvency proceedings.

Debt restructuring agreements with special regulations

a) Facilitated debt restructuring agreements (accordi di ristrutturazione agevolati)

Article 60 of the Italian Insolvency Code provides for the so-called facilitated debt restructuring agreements (*accordi di ristrutturazione agevolati*). Such agreements are a particular kind of debt restructuring agreements which may be entered into with creditors representing 30% of the total indebtedness (instead of the 60% generally required) provided that the debtor: (i) has waived the standstill on the payment of non-consenting creditors (usually provided for by law, for a period of 120 days from the court sanctioning (*omologazione*) of the agreement or from the maturity date of the relevant obligations, in “ordinary” restructuring agreements); and (ii) has not previously requested to the court the granting of Protective Measures on the its assets under article 54 of the Italian Insolvency Code.

b) Debt restructuring agreements with extended effects (accordi di ristrutturazione ad efficacia estesa)

Pursuant to the article 61 of the Italian Insolvency Code, debtors are entitled to enter into debt restructuring agreement by obtaining the approval of creditors representing at least 75% of the credits belonging to the same category (with respect to the homogeneity of their status and economic interests) and can request the court to declare that agreement binding on the non-adhering creditors belonging to the same category (so called “cram down”).

More in detail, debt restructuring agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa*) provided pursuant to article 61 of the Italian Insolvency Code can be applied to any category of creditors, provided

that, *inter alia*: (i) all the creditors belonging to the same category have been informed of the start of the negotiations and have been able to participate in them in good faith and have received complete and up-to-date information on the debtor's assets, economic and financial situation as well as on the restructuring agreement and its effects; (ii) the agreement provides for the continuation of the business activity either directly or indirectly pursuant to article 84 of the Italian Insolvency Code; (iii) the claims of the consenting creditors belonging to a same category represent at least 75% of all the claims belonging to the same category, being understood that a creditor may hold claims in more than one category; (iv) the non-adhering creditors belonging to the same category to which the effects of the agreement are extended can be satisfied under the agreement for an amount not lower than the amount they would receive had the judicial liquidation been opened at the date of the petition; and (v) the debtor has notified the agreement, the application for court sanctioning (*omologazione*) and the documents attached thereto to the creditors to be crammed down. The percentage of 75% is lowered to 60% if the achievement of the agreement is reported to in the Final Report issued by the Expert at the end of the negotiations pertaining to the *composizione negoziata per la soluzione della crisi d'impresa* or if the request for homologation is filed within 60 days of the notification of the Expert's Final Report.

Moreover, pursuant to the new article 61, paragraph 5, of the Italian Insolvency Code, a special provision is set forth for debtors whose financial indebtedness is at least 50% of their total indebtedness: in this situation the debt restructuring agreement may identify one or more categories of creditors which are banks and financial intermediaries (and/or, in case of credit assignment and/or transfer, their assignees or transferees) which have a homogeneous legal position and economic interests and extend the effects of the agreement to non-participating creditors who are part of the same category. In such instance, the agreement is valid even if it does not contemplate the direct or indirect continuation of the business activity as a going concern. However, in such case the rights of creditors who are not banks or financial intermediaries (or their assignees or transferees) remain valid.

In any event, a debt restructuring agreements with extended effects cannot impose on the non-adhering creditors the performance of new obligations, including the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities. Continuation of already existing financial leasing contracts is not considered a new obligation.

Standstill agreement (convenzione di moratoria) pursuant to article 62 of Italian Insolvency Code

Article 62 of the Italian Insolvency Code provides for the possibility for the debtor to enter into a standstill agreement (*convenzione di moratoria*) with creditors representing 75% of the same category, with binding effects also to the non-participating creditors, provided that (A) an independent expert has been appointed and certifies (i) the truthfulness of the business data, (ii) the attitude of the standstill agreement to temporarily regulate the effects of the crisis and (iii) that the non-adhering creditors are not worse off compared to what they would have received had the judicial liquidation been opened at the date of the standstill and (B) certain further conditions are met (e.g., all the creditors belonging to the relevant category have been duly noticed of the beginning of the negotiations, have been made able to participate in the negotiations and have received complete and up-to-date information on the debtor's assets, economic and financial situation and on the agreement and its related effects). Non-adhering crammed-down creditors can challenge the standstill agreement in court within 30 days after having been notified of the same.

In any event, the standstill agreement cannot impose on the non-adhering creditors the performance of new obligations, including the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities. Continuation of already existing financial leasing contracts is not considered a new obligation.

Restructuring plan subject to homologation (piano di ristrutturazione soggetto ad omologazione or PRO)

Articles 64-*bis* et seq. of the Italian Insolvency Code allow the debtor, which must be a commercial entrepreneur and not qualify as small enterprise ("impresa minore"), facing crisis or insolvency, to submit to its creditors a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*, hereinafter also "**PRO**") on a going concern basis and aimed at distributing among them the relevant plan's proceeds. Creditors must be divided into classes (with homogeneous legal status and economic interests) and there is no requirement to comply with the distribution rules of other insolvency proceedings (*ordine delle cause legittime di prelazione*), but the proposal must be approved by unanimous consent of the classes. In any event, employees' claims must be satisfied entirely, with monetary payment, by thirty (30) days after the homologation.

The plan may also envisage the settlement of Tax Authorities/Social Security Authorities credits pursuant to the terms and conditions set forth under article 64-*bis*, paragraph 1-*bis* of the Italian Insolvency Code.

Application for sanctioning (*omologazione*) of PRO by the court is governed by the unitary proceedings applicable to judicial restructuring tool (see above under section *Certain common rules applicable to judicial restructuring tools*) and certain rules typical of composition with creditors (*concordato preventivo*), set forth under article 64-bis, paragraph 9, of the Italian Insolvency Code, are applicable thereto. The court is required to run a preliminary judgement of admissibility in order to assess, *inter alia*, the correctness of the class formation criteria. The entrepreneur maintains the ordinary and extraordinary management of the company in the prevailing interest of the creditors under the supervision of a judicial commissioner appointed by the court.

The debtor is, in any case, allowed to amend the application at any time, formulating the proposal of composition (*concordato preventivo*).

If the plan provides (also before homologation) for the transfer of a business unit (or one or more business units), the debtor may ask the court to authorize such transfer without application of the effects of article 2560 para. 2 of the Italian Civil Code (but without prejudice to article 2112 of the Italian Civil Code). In such event, the Tribunal shall assess – *inter alia* – that the transfer is functional to the business continuity and the best satisfaction for creditors, as well as compliance with the principle of competitiveness in the selection of the buyer.

The court will sanction the PRO in the event of approval by all classes. In each class, the proposal is approved if a majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted in favor, provided that creditors holding at least half of the total claims of the same class have voted.

If a dissenting creditor objects to the proposal, the court will approve and homologate the PRO if the proposal grants to such creditor a recovery not lower than that obtainable had the judicial liquidation been opened at the date of the entry-petition.

Against the judgment of the court ruling on the approval (*homologation*) of the PRO, the parties may file an appeal with the competent court of appeal within the term of 30 days from the notification of the relevant judgement of the court, pursuant to article 51 of the Italian Insolvency Code.

Court supervised composition with creditors (concordato preventivo)

a) general overview

A debtor, which must be a commercial entrepreneur and not qualify as a “small enterprise” (*impresa minore*, as defined above) facing crisis or insolvency, has the option to make a composition proposal to its creditors (so called “*concordato preventivo*” or composition with creditors), under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of judicial liquidation.

The relevant application to commence the *concordato preventivo* is governed by the unitary proceedings applicable to judicial restructuring tool (see above under section *Certain common rules applicable to judicial restructuring tools*).

More in detail, the debtor, which is the only subject having standing to commence the proceedings, shall file the application with the competent court (to be identified pursuant to article 27 of the Italian Insolvency Code) together with a specific set of documentation, including, among others, a restructuring plan containing an analytic description of manner and timing of the fulfillment of the proposal and an independent expert report assessing the feasibility of the composition proposal and the truthfulness of the business and accounting data provided by the company. From the date of such publication to the date on which the court sanctions the *concordato preventivo*, preexisting creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the company’s register are ineffective against such pre-existing creditors. Upon request of the entrepreneur in the entry – petition or in a subsequent petition, Protective Measures are applicable (see above under section *Certain common rules applicable to judicial restructuring tools*) and, as a result, from the date of publication of the petition in the companies’ registry, it may be prohibited for the creditors to commence or continue any enforcement or precautionary actions (or, in any event, to take any initiatives prohibited under the relevant Measures) on the assets of the entrepreneurs or any asset used in the business. As already described above, and also with reference to debt restructuring agreements, at any time pending the proceedings, the debtor may request to be granted Interim Measures or other Measures, which can also be requested pursuant to article 44 of the Italian Insolvency Code, together with a pre-petition for the access to one of the restructuring tools provided for by the Italian Insolvency Code.

The composition proposal filed in connection with the petition may provide for the satisfaction of the creditors through a restructuring plan (i) on a going concern basis (*concordato con continuità aziendale*), (ii) with liquidation of the assets, including through piecemeal liquidation (*concordato liquidatorio*), (iii) with transfer of the assets to a third party (*concordato con assuntore*) or in any other manner, including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities). In any event, the recovery granted to the creditors, under the relevant restructuring plan, shall not be less than that obtainable in the judicial liquidation (*liquidazione giudiziale*).

Class formation is applicable and is mandatory in the cases provided for under the article 85 of the Italian Insolvency Code.

In particular, classes shall be formed in relation to creditors for tax or mandatory social security contributions when not repaid in full, creditors secured by third-party guarantors, creditors satisfied (wholly or partially) with non-monetary compensation, creditors submitting competing *concordato* proposals and relevant related parties. In *concordato* on a going concern basis (see below), a specific class shall be formed also for creditors with supply receivables which, in the previous financial year, have not exceeded at least two of the following requirements: (i) assets of up to €5.0 million; (ii) net sales and service revenues of up to €10.0 million; and (iii) an average number of employees equal to fifty.

In case of class formation, each class shall be composed by creditors having homogeneous legal positions and economic interests and differentiated treatments among different classes are allowed. Subject to certain exceptions, the division in classes shall not affect the distribution rules according to the mandatory ranking of priorities set forth in the Italian Civil Code and in the Italian Insolvency Code (*ordine delle cause legittime di prelazione*).

The composition proposal may also contain a proposed settlement for the partial or deferred payment of certain taxes and social or insurance mandatory contributions managed by public creditors, in compliance with the requirements set forth under article 88 of the Italian Insolvency Code, which also provides for a specific cram-down mechanism in case the relevant public creditor does not adhere (or vote against) the plan.

The plan may also provide for the implementation of corporate extraordinary transactions such as mergers, demergers and transformations, subject to the requirements and regulations set forth in article 116 of the Italian Insolvency Code.

The restructuring plan may include a deferral of payments (or moratorium) due to secured creditors, unless when the plan envisages the disposal of the relevant collateral. With respect to employees' claims secured by lien under article 2751-bis, n. 1 of the Italian Civil Code, the deferral or moratorium cannot exceed 6 months from the homologation. The deferral or moratorium of payments may allow secured creditors to exercise voting rights under article 109 of the Italian Insolvency Code (see below).

b) key features of the proposal of concordato preventivo (on a going concern basis or with liquidation purpose) and competitive proposals

When the restructuring plan is with liquidation purpose (*concordato liquidatorio*) certain specific thresholds of minimum recovery / contributions of new funds apply. Namely, it must be ensured that (i) external resources are contributed to the plan which increase the assets available at the time of the filing by at least 10% and (ii) the unsecured creditors (including by effect of demotion) are paid in a percentage not lower than 20% of their total claims. The proceeds of the plan shall be distributed mainly according to the mandatory ranking of priorities (*absolute priority rule*), pursuant to article 2740 and 2741 of the Italian Civil Code, exception made for external resources whose distribution may derogate to the above, to the extent that the 20% threshold of minimum recovery for unsecured creditors is complied with. Resources contributed are considered as “external”, *inter alia*, when provided for any reason by the debtor's shareholders without obligation of repayment or subordination, and provided for the sole benefit of the creditors. In any event, pursuant to article 84, para. 5, of the Italian Insolvency Code, it is not mandatory to offer full recovery to secured creditors, provided that they receive, at least, the amounts they would have received in case of liquidation of the relevant collateral, net of expenses.

The restructuring plan is on a going concern basis (*concordato con continuità aziendale*), when it envisages either (i) the continuation of the business by the debtor as going concern (*continuità diretta*) or (ii) the transfer of the business as a going concern to one or more third party (*continuità indiretta*). According to Article 84, paragraph 3 of the Italian Insolvency Code, the plan is considered with business continuity also if it includes disposal of

assets, provided that the recovery of the creditors depends, at least in part, from the proceeds created by the going concern, regardless they are prevalent to the proceeds of disposals.

When the restructuring plan is with business continuity, it must fully describe the costs and revenues that are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. Furthermore, in *concordato* with business continuity class formation is always mandatory.

Furthermore, the distribution of the proceeds under the plan is subject to specific rules; namely (i) up to the so called “**liquidation value**” – i.e. such value that would be available for creditors in the scenario of judicial liquidation (*liquidazione giudiziale*), including any upside deriving from the disposal of the business as a going concern and from lawsuits which can be brought in such scenario, net of relevant costs, pursuant to article 87 of the Italian Insolvency Code – any distributions to creditors shall comply with the absolute priority rule according to articles 2740 and 2741 of the Italian Insolvency Code, while (ii) any value exceeding the liquidation value may be distributed according to relative priority rule, along which it is sufficient that creditors with equal ranking receive equal treatment and a better treatment than any junior creditors; however (iii) employees’ claims, pursuant to article 2751-bis, n. 1 of the Italian Civile Code, shall be satisfied in compliance with *absolute priority rule* both out of the liquidation value and the exceeding value and (iv) external resources, as described above, may be freely distributed. In any event, each creditor shall receive a specific economic benefit (*utilità specificamente individuata*) including by way of continuation of contractual relationships with the debtor or its successors.

In case of business continuity, the independent expert’s report must also certify that the plan is aimed at avoiding or overcoming the insolvency of the debtor, ensuring the viability of the business and that no creditor is worsened by the plan compared with the judicial liquidation scenario.

After the filing of the debtor proposal and until 30 days prior to creditors voting on debtor’s plan, creditors holding at least 5% of the total indebtedness of the debtor (excluding intercompany receivables) may submit a competing concordato proposal (*proposta concorrente*), provided that: (a) the competing proponent is not a related party of the debtor and (b) the debtor’s proposal offers a recovery lower than 30% of the total amount of unsecured creditors (20% applies if *concordato preventivo* has been preceded by *composizione negoziata*) as certified by the independent expert.

c) procedural aspects

c.1) opening of the procedure and debtor in possession

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*commissari giudiziali*) and schedules a specific period of time during which creditors can express their vote. During the implementation of the proposal, the company generally continues to be managed by its corporate bodies (usually its board of directors), but is supervised by the appointed judicial officers and judge (who will authorize all transactions that exceed the ordinary course of business).

More in detail, from the filing of the petition and to the date on which the court sanctions the *concordato preventivo* (*omologa*), the debtor is entitled to operate within the ordinary course of its business, while extraordinary transactions require the prior approval of the court. The entrepreneur may be also authorized by the court to pay pre-filing claims relating to the purchase of goods or services, if an independent expert certifies that they are essential for business continuity and to ensure the best satisfaction of creditors.

Any act, payment or security executed or created after the filing of the *concordato preventivo* application and in accordance with its rules and procedures is exempt from claw-back action. The debtor is also exempt from certain bankruptcy crimes provided under articles 322, third paragraph (“preferential bankruptcy”), and 323 (“simple bankruptcy”) of the Italian Insolvency Code, in relation to acts and payments made in execution of the Composition with Creditors and/or in relation to finance provided under article 99 of the Italian Insolvency Code upon judicial authorization. Claims arising from acts lawfully carried out by the debtor according to the above mentioned rule have super-senior priority (*prededucibilità*) in the event of a subsequent judicial liquidation (see “*Statutory priorities*” below).

For details regarding super senior financing, refer to the paragraph relating to debt restructuring agreements.

c.2) executory contracts

As a general rule, the access to composition with creditors does not trigger any automatic discontinuation of the executory contracts, notwithstanding they include any *ipso facto* clause, but specific requirements are applicable for continuation of contracts with public administration, pursuant to article 95 of the Italian Insolvency Code. The debtor may be also authorized by the court to suspend or terminate specific executory contracts which are not consistent with the restructuring plan pursuant to the specific conditions set forth under article 97 of the Italian Insolvency Code. If Protective Measures have been granted, the affected creditors may not discontinue the key executory contracts on the grounds of pre-petition breaches pursuant to article 94-*bis* of the Italian Insolvency Code.

c.3.) transfer of assets and competing offers

As a general rule, pending the composition with creditors, any transfer or rent of the business, of business units and of specific assets, provided that has been previously authorized by the court as transaction exceeding the ordinary course of business, shall be implemented through competitive procedures, on the basis of specific appraisals and with the support of adequate advertising. Furthermore, when the restructuring plan includes an offer by a pre-identified offeror (so called “pre-packed offer”) for the purchase or rent of the business, a business unit or specific assets, the relevant transfer or rent cannot be implemented prior than the following steps are complied with: (i) the offer shall be adequately advertised in order to collect competing offers; (ii) if one or more letters of interest is received, the Court shall start a competitive procedure for the submission of irrevocable offers; in case more favorable offers are submitted, an auction shall be run to select the winner. If the winner differs from the original pre-identified offeror, the latter is freed from any obligation towards the company and indemnified of the costs sustained (up to a maximum cap of 3% of the offered price); (iii) if no competitive offers are submitted in the procedure, the original offeror remains bound to its initial offer.

c.4) approval procedure

The *concordato preventivo* is voted on within the period of time scheduled by the court.

Voting procedures are different depending on the type of composition with creditors.

When the restructuring plan is with liquidation purpose (*concordato liquidatorio*) the plan must be approved with the favorable vote of the creditors representing the majority of the receivables admitted to vote.

In case one creditor holds more than the majority of receivables admitted to voting, it is also necessary to reach majority of creditors by headcount i.e. by creditors (*maggioranza per teste*).

In the event that the plan provides for the division of creditors into classes, the majority of the receivables admitted to vote, included in each class, shall be reached also in the majority of the classes.

The *concordato preventivo* is approved only if the required majorities of creditors expressly voted in favor of the proposal. Creditors who did not exercise their voting right will be deemed not to approve the *concordato preventivo* proposal.

In relation to voting by the holders of the Notes in the *concordato* proceedings, the interactions between (i) the provisions set forth under the Indenture with respect to meetings of holders of the Notes, the applicable majorities and the rights of each holder of the Notes to vote in the relevant meeting and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies are largely untested in the Italian courts (recent case law has however affirmed the right of noteholders whose vote may be tainted by conflict of interest as could be the case of disenfranchised noteholders to be computed for the purposes of relevant quora and be admitted to vote, albeit in a specific class).

Secured creditors satisfied in full under the proposal of *concordato preventivo* are not entitled to vote, unless and to the extent that they waive their security interests, in which case they can vote only in respect of the part of their debt affected by the proposal. If the proposal provides for the partial satisfaction of secured creditors, the latter are considered unsecured for the demoted part of their claims.

Among others, (i) the companies controlling the debtor, controlled by the debtor and those under the control of the entity controlling the debtor, (ii) the assignees of the claims of the entities under point (i), if the assignment has been perfected during the year preceding the *concordato* and (iii) creditors in conflict of interest are excluded from voting and not included in the relevant *quorum*. The creditor submitting a competing proposal, its subsidiaries, the company which controls such creditor and the other companies subject to the same control of such creditor, are admitted to vote only if included in a separate class.

If an objection to sanctioning (*omologazione*) of the *concordato preventivo* is filed (a) by 20% of the creditors admitted to vote or, (b) in case there are different classes of creditors, by a creditor belonging to a non-adhering class, on the grounds that the proposal is not economically beneficial, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant objecting creditors will be satisfied to a greater extent as a result of the *concordato preventivo* than they would have been in case a judicial liquidation had been commenced as at the date of the filing of the *concordato* petition.

Pursuant to article 109, paragraph 5, of the Italian Insolvency Code, when the composition with creditors is on a going-concern basis (*concordato con continuità*), certain specific rules apply. Indeed, the relevant proposal must be approved by all classes of creditors. In each class, the proposal is approved if the majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted favorably, provided that creditors holding at least half of the total claims of the class have voted.

Secured creditors are not admitted to vote if they receive full monetary satisfaction of their claims within 180 days from the approval of the composition with creditors, provided that the relevant in rem security interests which secure their claims (pledge or mortgage) remain in place during the implementation of the plan and until the disposal of the relevant assets underlying such collaterals, for the purpose of repaying the relevant secured claims. As regards employees' claims secured by lien under article 2751-bis, n. 1 of the Italian Civil Code the applicable term for the purposes above is reduced from 180 days to 30 days. If the conditions above are not complied with the relevant creditors vote and, for the demoted part of their claims, are included in a separate class.

Pursuant to article 112 of the Italian Insolvency Code, the composition with creditors on a going concern basis (*concordato con continuità*) can be sanctioned (*omologato*), notwithstanding the dissent of certain classes, upon request of the debtor (or, in case of a competing *concordato* proposal, with the consent of the debtor which does not exceed any of the thresholds set forth in article 85, paragraph 3 of the Italian Insolvency Code) if the following conditions are jointly met (so called **cross-class cram-down**): (i) the liquidation value (as defined under article 87, paragraph 1, letter c) of the Italian Insolvency Code) is distributed in accordance with the ranking of each claim (absolute priority rule); (ii) the value (arising from the going concern) exceeding the liquidation value is distributed in such a way that the claims included in the dissenting classes receive a treatment at least equal to that of the classes of the same ranking and more favorable than that of the classes of lower ranking (relative priority rule); (iii) no creditor receives more than the amount of its claim and (iv) the proposal is approved by the majority of the classes, provided that at least one of them consists of secured creditors or, failing such majority approval, the proposal is approved by at least no. 1 (one) class of creditors meeting both the following requirements: (a) creditors included in such class(es) are offered an amount which is lower than the amount of their claims, and (b) such creditors would be satisfied in whole or in part if the "absolute priority rule" was applied also to the value exceeding the liquidation value.

In the composition with creditors on a going concern basis (*concordato con continuità*), if an objection to sanctioning (*omologa*) is filed by any dissenting creditor on the grounds that the proposal is not economically beneficial the court may nevertheless sanction the *concordato preventivo* if, according to the proposal and the plan, the relevant objecting creditor results to be satisfied to an extent not lesser than the liquidation value (as defined under article 87, paragraph 1, letter c) of the Italian Insolvency Code). In case of objection the court orders the estimate of the going concern of the debtor only if the objection is presented on the grounds (a) of the lack of economic expediency of the plan or (b) of the violation of the cross-class cram-down rules.

If a *concordato* competing proposal (*proposta concorrente*) has been filed by one or more creditors, they will be subject to the vote by creditors as well. The winning proposal is the one obtaining the highest majority of positive votes and, in the event of a tie, the debtor's proposal prevails against a creditor's, while a creditor's proposal will prevail over the one of another creditor if it has been filed before. In the event that none of the proposals achieves the required number of votes as described above, the judge shall re-submit to vote the proposal which obtained the highest majority. Without prejudice to the above, according to article 109, para. 5-bis of the Italian Insolvency Code, when one or more competing *concordato* proposals have been filed and more than one *concordato* proposals (provided that they are based on different plans) has been approved by creditors, the proposal on a going concern basis (*continuità aziendale*) is presented for homologation. In case more proposals on a going concern basis (*continuità aziendale*) have been approved by creditors, the proposal which has obtained the highest majority of unsecured creditors admitted to vote is presented for sanctioning (*omologazione*).

If the composition with creditors is approved, terms and conditions of payments and performance are amended according to the *concordato* proposal's provisions and the debtor may return to its usual operations. A sanctioned *concordato preventivo* is compulsory for all pre-petition creditors (i.e. creditors with receivables have arisen prior

to the publication of the entry-petition in the companies' register). However, creditors' rights against co-debtors and guarantors of the debtor are not affected.

Pursuant to article 111 of the Italian Insolvency Code, if the creditors do not approve the *concordato preventivo* with the required majorities and without prejudice to cross-class cram-down mechanism, if requested or consented by the debtor, as applicable, the deputy judge (*giudice delegato*) shall inform the court which, subject to the occurrence of the relevant conditions, declares the opening of judicial liquidation.

c.5) Implementation of the plan

If the composition with creditors provides for the liquidation of the debtor's assets, the court (i) appoints one or more liquidators and a credit committee including 3 to 5 creditors, in order to assist in the liquidation and (ii) set forth the relevant liquidation rules.

The Court might appoint one or more liquidators (and a creditors' committee) also upon homologation of a *concordato in continuità*, if the relevant underlying plan provides for the liquidation of a portion of the assets or the transfer of the business unit (*azienda*) and the relevant buyer has not yet been identified.

The court may grant special powers to the commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required.

Exclusively in case of composition with creditors with going concern, it is possible to amend (after the homologation) the content of the plan if so necessary to implement the proposal to creditors, subject to compliance with the requirements and conditions set forth under article 118-bis of the Italian Insolvency Code and as well as subject to specific court-ruling/proceeding provided thereunder.

c.6) Termination and annulment

In case of non-minor breaches, the *concordato* may be terminated by each of the creditors or the judicial commissioner (in case of petition by one or more of the creditors). The relevant lawsuit must be brought within one year from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself. The *concordato* may also be annulled upon request of the judicial commissioner or of one or more creditors in case a portion of the assets of the debtor has been concealed or the liabilities have been willfully exaggerated. The relevant lawsuit must be brought within six months from the discovery of the concealment/exaggeration and, in any event, within two years from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself.

Pursuant to article 118-bis of the Italian Insolvency Code, the plan underlying a sanctioned composition with creditors on a going concern basis (*concordato preventivo in continuità*) may be amended (after the sanctioning) if so necessary to implement the proposal to creditors, subject to compliance with the requirements and conditions set forth thereby, and as well as subject to specific Court-ruling/proceeding provided thereunder.

Available financing forms under the Italian Insolvency Code

The enactment of the Italian Insolvency Code did not change the main features of the previous legal framework set out in the Italian Bankruptcy Law. The aim at preserving the value of the company as a going concern and maximizing creditor's repayment are the main goals both of the previous legal framework and the Italian Insolvency Code.

However, the new provisions under the Italian Insolvency Code remove some uncertainties and clarifies some debated issues.

In addition, the provisions under the Italian Bankruptcy Law focused mainly on the perspective of creditors already having claims against the company to avoid that the expectations of recovery of such claims were reduced due to the potential considerable increase in super senior (*prededucibili*) claims and, to this extent, granted a preeminent role to the independent expert together with the court authorization procedures. Unlike the former legal framework, the new provisions of the Italian Insolvency Code focus more on preserving the business value of the distressed company as a going concern by strengthening the key role of the financing of the debtor in the context of the relevant proceedings.

The provision of article 99 of the Italian Insolvency Code applies to both debt restructuring agreement and to the court-supervised compositions with creditors (*concordato preventivo*) and to (ii) restructuring plans subject to

homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code as they are compatible (*in quanto compatibili*).

Below is a brief summary of the main features of the provisions concerning different available financings under the Italian Insolvency Code. The provisions under article 99, 101 and 102 of the Italian Insolvency Code apply to *concordato preventivo* as well as to (i) debt-restructuring agreements (*accordi di ristrutturazione dei debiti*) pursuant to the reference in article 57, paragraph 4-bis, of the Italian Insolvency Code and to (ii) restructuring plans subject to homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code (as they are compatible (*in quanto compatibili*)).

Interim financing – Article 99 Paragraphs 1 to 4 of the Italian Insolvency Code

Pursuant to article 99, paragraphs 1 and 2, of the Italian Insolvency Code, in the context of restructuring transactions on a going concern basis, also in cases in which business continuity is maintained exclusively in a view of liquidation, the court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to article 57 et seq. of the Italian Insolvency Code or a petition (in relation to the court-supervised composition with creditors procedure) or a petition for a restructuring plan subject to homologation (given the reference included in article 64-*bis* para.9 of the Italian Insolvency Code) may authorize the debtor, if so expressly requested to incur in new super senior indebtedness and to secure such indebtedness, subject to the court's authorization with in rem security (*garanzie reali*), or by assigning claims, provided that: (i) the petition specifies (A) the purpose of the financing; (B) that the debtor is unable to otherwise obtain the required funds; and (C) that the absence of such financing will entail an imminent and irreparable prejudice to the going concern or to the proceedings; and (ii) the expert appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financing are functional to the continuity of the business activities until the sanctioning (*omologa*) of the relevant insolvency proceedings or to the opening of the proceedings or to conduct them and, in any case, are aimed at providing a better satisfaction of the rights of the creditors. The expert report is not necessary in case the court recognizes that there is the urgent need to avoid an imminent and irreparable prejudice to the going concern. In the event of the subsequent admission of the debtor to the judicial liquidation proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*prededucibilità*) in case the petition or the expert report contain false data or omit important information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the judicial receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

Bridge Financings – Article 99 Paragraph 5 of the Italian Insolvency Code

Pursuant to article 99, paragraph 5, of the Italian Insolvency Code, financings (together with the related claims) granted, in any form, in view of (*i.e.*, before) presentation of a petition for the sanctioning (*omologazione*) of a debt restructuring agreement, a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) or a court-supervised composition with creditors (*concordato preventivo*) (*finanza ponte*), may be granted such priority status provided that (i) they meet the requirements of article 99, paragraphs 1 and 2 (described above), and (ii) it is envisaged by the relevant plan or agreement and that such priority status is expressly provided for by the court at the time of approval of the plan or sanctioning (*omologazione*) of the debt restructuring agreement (*accordi di ristrutturazione dei debiti*), the approval of the *concordato preventivo*, or the sanctioning of the restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*). The indebtedness under such financing option may be secured, subject to the court's authorization, with in rem security (*garanzie reali*), or by assigning claims.

Implementation financing – Article 101 of the Italian Insolvency Code

In restructuring transactions on a going concern basis, pursuant to article 101 of the Italian Insolvency Code, any financing granted to the debtor pursuant to a debt restructuring agreement or restructuring plan subject to homologation (or a court-supervised pre-judicial liquidation composition with creditors) sanctioned by the competent court and expressly provided for in the relevant plan, enjoy super senior priority status (*prededucibilità*) in case of subsequent judicial liquidation, save for the below (such status also applies to financing granted by shareholders, but only up to 80% of such financing, unless the lender has become a shareholder of the debtor as implementation of the debt restructuring agreement or of the supervised pre-bankruptcy composition with creditors, as in such case the priority status is afforded to 100% of the financing) according with the provisions set forth in article 221 of Italian Insolvency Code. In the event of the subsequent admission of the debtor to the judicial liquidation proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*prededucibilità*) in case the composition plan or the debt restructuring agreement, on the

basis of an assessment to be made at the time of the relevant filing, results to be based upon false data or omission of relevant information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the judicial receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

The shareholders' financing – Article 102 of the Italian Insolvency Code

Pursuant to article 102, paragraph 1 of the Italian Insolvency Code super senior ranking status also applies to any financings made available by shareholders in any form (including any guarantee facility or granting counter-indemnities) up to 80% of their amount.

Paragraph 2 of article 102 of the Italian Insolvency Code clarifies that, to the extent the financing is made available by an entity becoming a shareholder in the context of and by way of implementation of a composition with creditors, debt restructuring agreement or the restructuring plan subject to homologation, all the claims deriving from such financings benefit of super senior ranking status and the 80% threshold limitation set out in Paragraph 1 does not apply.

Super senior ranking – Article 99 Paragraph 6 and Article 101 paragraph 2 of the Italian Insolvency Code

Super senior ranking (*prededucibilità*) of the claims is the most relevant feature of bridge financings, interim financings and implementation financings as described in the paragraphs above.

Pursuant to article 6, para. 1, of the Italian Insolvency Code, the claims deriving from such financings are expressly qualified as super senior by law and by article 6, para. 2, of the Italian Insolvency Code which clarifies that their super senior ranking natures continues in the context of opening of the *concurso* (*concorso*) among creditors and remains even when subsequent proceedings are opened and follow (including in a judicial liquidation or any so-called minor proceedings).

As already explained above, super senior ranking nature of such financings will be excluded in case of acts of fraud (which may be relevant also in the context of debt restructuring agreements).

Such limit to super senior ranking is regulated differently for interim financings and bridge financings on the one side and for the implementation financings on the other side.

More specifically, for interim financings or bridge financings false data or omission of relevant information are relevant when found by the court in the request for the incurrence of the financings or the report of the independent expert, while for implementation financings such elements are relevant when on included in plan underlying the composition with creditors or the debt restructuring agreement.

With reference to interim financings and bridge financings, article 99 paragraph 6 of the Italian Insolvency Code provides that, in case of the opening of a judicial liquidation, such financings (although authorized by the court thereunder) do not benefit from super senior ranking when it is proved (jointly) that:

- (a) the request or the independent expert report contains false data or omits relevant information, or when the debtor has committed acts to defraud creditors in order to obtain the authorization; and
- (b) the receiver proves that the entities who provided the financing, at the date of issuance, knew the aforementioned circumstances.

With reference to implementation financings, the relevant provisions are set out in article 101 paragraph 2 of the Italian Insolvency Code providing that such financings do not benefit from the super senior ranking, in case of the opening of a judicial liquidation (alternatively):

- (a) when, based on an assessment to be made at the time of filing of the petition for the opening of the proceeding, the underlying plan turns out to be based on false data or on the omission of relevant information; or
- (b) when the debtor has carried out acts of fraud towards its creditors and the receiver proves that the lenders providing the financings were aware of such circumstances at the time of the establishment of the financings.

Court-supervised composition for small debtors

The Italian Insolvency Code provides for a simplified court-supervised composition in case the debtor does not meet the dimensional requirements to access other restructuring tools.

Procedural steps and effects do essentially mimic those of the *concordato preventivo*, but it entails the involvement of the board for crisis settlement (*organismo di composizione della crisi*), which assists the debtor in preparing the paperwork and filing the petition, and performs the activities and duties which, in a *concordato preventivo* are prerogatives of the judicial commissioner.

Judicial liquidation (liquidazione giudiziale)

The judicial liquidation (*liquidazione giudiziale*) is a court-supervised procedure for the liquidation of an insolvent debtor's assets and for the distribution of the related proceeds. It results in the company's liquidation. Insolvency, as defined under article 2 of the Italian Insolvency Code, also evidenced by defaults and/or external elements, occurs when a debtor is no longer able to regularly meet its obligations as they come due.

The judicial liquidation is declared by the competent court and is applicable only to commercial debtors (*imprenditore commerciale*) if any of the following thresholds are met: the debtor (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years; (ii) has had gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years; and (iii) has total indebtedness (including debts not yet due) in excess of €0.5 million. Pursuant to article 37 of the Italian Insolvency Code, the request to commence the judicial liquidation of the debtor's assets can be filed by (i) the debtor itself, (ii) the administrative bodies and authorities that have control and supervisory functions over the debtor, (iii) by one or more of the debtor's creditors and (iv) in certain cases, by the public prosecutor.

Upon the commencement of judicial liquidation proceedings, amongst other things:

- (a) subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period. In particular, under certain circumstances, secured creditors may enforce against the secured property as soon as their claims are admitted as secured claims. Secured claims are paid out of the proceeds of the secured assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the debtor's other unsecured debt. The secured creditor may sell the secured asset only after it has obtained authorization from the deputy judge (*giudice delegato*). After hearing the judicial receiver and the creditors' committee, the deputy judge decides whether to authorize the sale, and sets forth the timing in its decision;
- (b) under certain circumstances secured creditors may execute against the secured property as soon as their claims are admitted as preferred claims. Secured claims are paid out of the proceeds of liquidation of the secured assets, together with the applicable interest and subject to any relevant expenses. In case the sale price is not high enough to determine a full satisfaction of their credits, any outstanding balance will be considered unsecured and rank *pari passu* with all of the debtor's other unsecured debt. Secured creditors may sell the secured asset only with the court authorization. After hearing the judicial receiver (*curatore*) and the creditors' committee, the court decides whether to authorize the sale, and sets forth the relevant timing in his or her decision;
- (c) the payments of all debts and liabilities of the debtor and all the acts, transactions, payments made or received by the insolvent debtor are immediately suspended and formalities with third parties that have been carried out after the declaration of insolvency are not effective as regards the creditors of the debtor (article 145 of Italian Insolvency Code);
- (d) the debtor is dispossessed, and the administration of the debtor and the management of its assets are transferred to the judicial receiver (*curatore*). The debtor may no longer validly act in court as claimant or defendant in relation to the assets (article 143 of the Italian Insolvency Code). The judicial receiver is vested with such powers upon the authorization of the deputy judge. However, all pending proceedings in which the debtor is involved are automatically stayed from the date the adjudication is issued and need to be re-initiated by or against the judicial receiver;
- (e) the beginning of the judicial liquidation involves the cessation of all the activities of the company with a view to a sale of all assets. However, continuation of business may be authorized by the court if the continuation of the company's business does not cause damage to creditors. If the competent court

authorizes the continuation of the business (*esercizio provvisorio dell'impresa*), the management of the business is entrusted to the judicial receiver (who may in turn avail himself of qualified third parties for this purpose);

- (f) certain payments made, security interests given or transactions entered into by the debtor in a certain period before the debtor's submission to a judicial liquidation procedure (varying from six months to two years) can be set aside and clawed back if certain conditions are met (provided for pursuant to articles 163, 164, 165 and 166 of the Italian Insolvency Code);
- (g) any act (including payments, pledges, and issuance of guarantees) made by the debtor after (and in certain cases even before for a limited period of time) the commencement of the proceedings, other than those made through the receiver, become ineffective against creditors; and
- (h) the execution of certain contracts and/or transactions pending as of the date of the insolvency declaration is suspended until the receiver decides whether to take them over. Although the general rule is that the judicial receiver is allowed to either continue or terminate contracts where some or all of the obligations have not been performed by both parties, certain contracts are subject to specific rules expressly provided for the Italian Insolvency Code.

In order to overcome the uncertainty that may predictably arise, the contractual counterparty may file a written petition requiring the court to give the judicial receiver (*curatore*) a deadline of no more than 60 days; within such deadline, the receiver must decide to enter into the agreement or withdraw from it. Upon expiration of the deadline without the judicial receiver having replied to the counterparty's request, the pending agreement is deemed terminated. Although the general rule is that the judicial receiver is allowed to terminate contracts where some or all of the obligations have not been performed, certain contracts are subject to specific rules expressly provided for by the Italian Insolvency Code.

Judicial liquidation proceedings are carried out and supervised by a court-appointed judicial receiver, a deputy judge (*giudice delegato*) and a creditors' committee (*comitato dei creditori*), which can, *inter alia*, propose amendments to the liquidation program proposed by the receiver. The judicial receiver is not a representative of the creditors, and is responsible for the liquidation of the assets of the debtor to the satisfaction of creditors. The proceeds from the liquidation are distributed in accordance with statutory priority rights. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real estate property.

Furthermore, the parties of a judicial liquidation proceeding as well as any interested party, may file an appeal (*reclamo*) to the decree closing the judicial liquidation proceeding within 10 days after having been notified of the same.

Composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*). Pursuant to article 240 of the Italian Insolvency Code, judicial liquidation proceedings can terminate prior to the actual judicial liquidation (*liquidazione giudiziale*) of the debtor, through a proposal for a composition with creditors in judicial liquidation. By way of preliminary note, such agreement occurring in the context of a judicial liquidation proceeding (i) replaced the former proceeding defined as "*concordato fallimentare*", a composition with creditors agreement occurring in the context of a bankruptcy proceeding (*fallimento*) formerly provided for under article 124, paragraph 1 of the Italian Bankruptcy Law and (ii) should be kept distinct from the *concordato preventivo*, which is an independent insolvency proceeding. This particular composition with creditor agreement arrangement benefits in a certain way both the debtor as well as the creditors, in fact while the former is released of the debts falling into the relevant plan also regaining free disposal of his assets, the latter is satisfied faster and to a greater extent than they would have been with the full completion of the judicial liquidation process pertaining to the debtor's assets.

The creditor, a third party or the debtor himself formulates a proposal having as its object a "plan" to satisfy creditors, including preferential creditors, in full or in part. In case the *concordato nella liquidazione giudiziale* is proposed by the debtor, such proposal, *inter alia*, (i) shall be filed after 1 year from the opening of the judicial liquidation proceeding and (ii) shall provide for the contribution by the debtor of resources that increase the value of the debtor's assets by at least 10%.

Such proposal shall be submitted to the competent judge, shall then be approved by the creditors and finally by the court. In case the court's decree sanctioning the *concordato nella liquidazione giudiziale* becomes final (*definitivo*), the court declares the judicial liquidation to be closed and terminated, initiating the enactment phase

of the *concordato nella liquidazione giudiziale*. In the context of a *concordato nella liquidazione giudiziale*, the competent court supervises both the proposal and execution phases while the judicial receiver (*curatore*), once the liquidation is closed, loses his management functions and retains only supervisory duties over the fulfillment of the terms and the conditions of the arrangement obligations arising from or in connection with the aforementioned *concordato nella liquidazione giudiziale*.

Pursuant to article 240, paragraph 2 of the Italian Insolvency Code, the proposal may provide for:

- (a) the division of creditors into classes, according to homogeneous legal position and economic interests.
- (b) Under the relevant provision, such division is not mandatory but discretionary, provided two criteria for the class identification: (a) legal position, i.e., the nature of the claim, e.g., unsecured or preferential and (b) the homogeneous economic interests. In this respect, the Italian Insolvency Code requires for the criteria and rationale for the division into classes to be expressly stated in order to avoid the distorted use of class formation, put in place for the sole purpose of obtaining the approval of the abovementioned proposal;
- (c) differential treatment between creditors belonging to different classes, indicating the reasons of such differences;
- (d) the restructuring of the financial indebtedness of the debtor as well as the satisfaction of claims in any form possible, by way of example:
 - (i) by assignment of assets;
 - (ii) by assumption (*accollo*);
 - (iii) by means of other extraordinary transactions, including the assignment to creditors (as well as to companies in which they have an interest), of shares, quotas or bonds, including those convertible into shares or other financial instruments and debt securities.

It should be noted that a special feature of the *concordato nella liquidazione giudiziale* is the option to provide that secured creditors may not be satisfied in full. However, it is necessary for the plan to provide for their satisfaction to a non-lesser extent than that the one which can be realized, by reason of preferential placement, from the relevant proceeds in the event of a judicial liquidation, having regard to the liquidation value attributable to the assets or rights over which the cause of pre-emption exists.

The *concordato nella liquidazione giudiziale* proposal must be approved by the creditors' committee and the creditors holding the simple majority (by value) of claims (and, if classes are formed, by a majority (by value) of the claims in the majority of the classes). However, in the event of dissent by more than one creditor's class, a cram-down may occur (i.e. in case the court decides to sanction (*omologare*) the *concordato* - despite a creditor belonging to a dissenting class contests the appropriateness of the proposal) if it finds that the claims can be satisfied by the *concordato* to a non-lesser extent than the practicable alternatives. Final court confirmation and sanctioning (*omologazione*) is also required.

Finally, once approved and sanctioned (*omologato*) by the court the *concordato nella liquidazione giudiziale* is mandatory:

- (a) for all existing creditors prior to the opening of the judicial liquidation proceeding; and
- (b) for creditors who have not applied for the admission to the judicial liquidation estate, to whom the guarantees or the security interests given in the *concordato nella liquidazione giudiziale* by third parties do not extend.

With the termination of the judicial liquidation – as a consequence of the sanctioning decree (*decreto di omologa*), which pursuant to article 247 of the Italian Insolvency Code may be challenged and appealed within 30 days from its notification – the debtor returns “*in bonis*” and enjoys the renewed availability of its assets.

Statutory priorities. The statutory priority assigned to creditors under the Italian Insolvency Code may be different from the priorities in the U.S., the United Kingdom and certain other EU jurisdictions. The proceeds of liquidation shall be allocated according to the following order: (i) for payments of super-senior (“*prededucibili*”) claims (i.e., claims originated in the insolvency proceeding, such as costs related to the procedure) as better

identified in article 6 of the Italian Insolvency Code; (ii) for payment of claims which are privileged (“*privilegiati*”), such as claims of secured creditors or for payments of claims secured by mortgages (“*creditori ipotecari*”) and/or pledges (“*creditori pignoratizi*”); and (iii) for the payment of unsecured (“*chirografari*”) creditors’ claims. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, including, inter alia, a claim whose priority is legally acquired (i.e., repayment of rescue or interim financing) the claims for employee wages and professional fees and other privileged claims (i.e. having a specific title of preference in payment provided for by law) including claims of the Tax Authorities/Social Security Authorities. Under Italian law, the proceeds from the sale of the debtor’s estate are distributed according to legal rules of priority. Neither the debtor nor the court can deviate from these priority rules by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles (as a consequence it must be noted that priority of payments such as those commonly provided in intercreditor contractual arrangements may not be enforceable against an Italian judicial liquidation estate to the extent they are inconsistent with the priorities provided by law). The law creates a hierarchy of claims that must be adhered to when distributing the proceeds derived from the sale of the entire debtor’s estate or part thereof, or from a single asset.

In particular, pursuant to article 6 of the Italian Insolvency Code, in addition to claims expressly qualified as “*prededucibili*” under Italian law, among others, the following claims are “*prededucibili*”:

- (a) claims relating to expenses and fees for services rendered in the exercise of its functions by the business crisis settlement body;
- (b) professional claims arising from or in connection with the filing for the sanctioning (*omologazione*) of a restructuring plan subject to homologation, the debt restructuring agreements and for the application for protective measures, to the extent of 75% of the assessed claim and provided that the abovementioned plan or agreements are approved and sanctioned (*omologati*);
- (c) professional claims arising from or in connection with the filing of for a composition with creditors procedure as well as the filing of the related proposal and the plan accompanying it, within the limits of 75% of the ascertained claims and provided that the proceedings are opened pursuant to article 47 of the Italian Insolvency Code; and
- (d) claims legally arisen in connection with insolvency proceedings, or after the filing of a petition for the access to a restructuring tools frameworks (*strumenti di regolazione della crisi e dell’insolvenza*) for the management of the debtor’s assets and the continuation of the business of the company as well as arising from the professional services required by the related bodies or by the debtor for the successful implementation of a restructuring tools.

Avoidance powers in insolvency. A fundamental principle of the Italian Insolvency Code is the equal treatment of all creditors (“*par condicio creditorum*”), according to which, absent statutory priorities or security right, no creditor may be paid a higher percentage of his claim than other creditors. A consequence of this principle is not only that the payment of debts by the judicial receiver is strictly regulated, but also that all transactions effected by the debtor over the previous year (or, in certain cases, over the previous six months) are scrutinized and potentially unwound as preferential.

Similar to other jurisdictions, there are so-called “claw-back” or avoidance provisions under Italian law that may give rise, inter alia, to the revocation of payments or to the granting of security interests made by the debtor prior to the declaration of insolvency. The key avoidance provisions include, but are not limited to, transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian law are normally considered to be particularly favorable to the receiver in judicial liquidation compared to the rules applicable in other jurisdictions.

In insolvency proceedings, depending on the circumstances, the Italian Insolvency Code provides for a claw-back period of up to two years (six months in certain circumstances) and a two-year ineffectiveness period for certain other transactions. In the context of extraordinary administration procedures (as described below), the claw-back period may last up to three or five years in certain circumstances. The Italian Insolvency Code distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the judicial receiver/court commissioner, as detailed below.

Acts ineffective by operation of law. Under (i) article 163 of the Italian Insolvency Code, subject to certain limited exception, all transactions entered into for no consideration are ineffective *vis-à-vis* creditors if entered

into by the debtor after the filing to the relevant court followed by the opening of the judicial liquidation procedure or within the two years preceding the opening of such insolvency proceeding. Any asset subject to a transaction which is ineffective pursuant to article 163 of the Italian Insolvency Code becomes part of the liquidation estate by operation of law upon registration (*trascrizione*) of the court's decision opening the insolvency proceeding, without needing to wait for the ineffectiveness of the transaction to be sanctioned by a court. Any interested person may challenge the registration before the deputy judge as a violation of law, and (ii) under article 164 of the Italian Insolvency Code, (A) payments of receivables falling due on the day of the judicial declaration of opening of the judicial liquidation or later, if they were executed by the debtor after the filing of the application followed by the opening of the liquidation proceeding or in the prior two-year period; and (B) payments made by the debtor with respect to any intercompany loan or reimbursements of shareholder loan, as referred under section “—*Certain Additional Considerations in Relation to Granting Security Interests*” within one year prior to a judicial liquidation declaration (or after the filing of the application followed by the opening of the liquidation proceeding), are ineffective vis-à-vis creditors.

Acts that may be avoided at the request of the judicial receiver/court commissioner. The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) vis-à-vis the debtor as provided for by article 166 of the Italian Insolvency Code and be declared ineffective, unless the non-insolvent party proves that it had no actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into:

- (a) onerous transactions carried out after the filing followed by the opening of the judicial liquidation proceeding or in the previous year, where the value of the debt or the obligations undertaken by the debtor exceeds 25% of the value of the consideration received by and/or promised to the debtor;
- (b) payments of debts, due and payable, made by the debtor which were not paid in cash or by other customary means of payment which were carried out after the filing followed by the opening of the judicial liquidation proceeding or in the previous year;
- (c) pledges and mortgages granted by the debtor after the filing followed by the opening of the judicial liquidation proceeding or in the year prior, in order to secure pre-existing debts which were not yet due at the time the new security was granted; and
- (d) pledges and mortgages granted by the debtor after the filing followed by the opening of the judicial liquidation proceeding or in the six months prior in order to secure pre-existing debts which had already fallen due at the time the new security was granted.

Furthermore, payments of debts that are immediately due and payable and any onerous transactions and/or granting of priority rights/security interests for debts simultaneously created (event those of third parties) may be clawed back (*revocati*) and declared ineffective, if the judicial receiver proves that the other party knew of the debtor's state of insolvency and if made by the debtor after the filing of the petition followed by the opening of the judicial liquidation or during the prior six months. The following transactions are exempt from claw-back actions:

- (a) payments for goods or services made in the ordinary course of business according to market practice;
- (b) a remittance on a bank account; provided that it does not materially and permanently reduce the entity's debt towards the bank;
- (c) the sale, including an agreement for sale registered pursuant to article 2645-bis of the Italian Civil Code, in force as the date of this Offering Memorandum, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser; provided that, as at the date of the insolvency declaration, the activity is actually exercised therein or the investments for the commencement of such activity have been carried out therein;
- (d) transactions entered into, payments made or guarantees granted with respect to the debtor's goods, provided that they concern the implementation of a *piano attestato di risanamento* (see “Out-of-court reorganization plans” (*piani attestati di risanamento*) pursuant to articles 56 or 284 of the Italian Insolvency Code above). The exemption – which also operates for ordinary claw-back – does not apply in case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) by the third-party expert (*attestatore*) or by the debtor, provided that the creditor was aware of it at the moment when the relevant

transaction, payment or guarantee was implemented. Such exemption operates also with respect to the ordinary claw-back action provided for by the Italian Civil Code;

- (e) a transaction entered into, payment made or guarantee or security interests granted in the context of a court supervised composition with creditors (*concordato preventivo*), of a simplified composition with creditors proceeding (*concordato semplificato per la liquidazione del patrimonio*), of a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) provided for pursuant to article 64-bis of the Italian Insolvency Code or of sanctioned debt restructuring agreements (*accordi di ristrutturazione dei debiti omologati*) and/or transactions entered into, payments made and security interests legitimately granted by the debtor after the filing of the application for a composition with creditors or a debt-restructuring agreements (see above). Such exemption operates also with respect to the ordinary claw-back action provided for by the Italian Civil Code;
- (f) remuneration payments to the entity's employees and consultants concerning work carried out by them; and
- (g) payments of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to a pre-judicial liquidation restructuring framework (*"strumenti di regolazione della crisi e dell'insolvenza della società"*) or to other insolvency procedures provided for pursuant to the Italian Insolvency Code.

Pursuant to article 170 of the Italian Insolvency Code, the limitation period for initiating claw-back action proceedings is three years from the opening of the judicial liquidation procedure or, if earlier, five years from the act or transaction to be clawed back. In case judicial liquidation is commenced after the filing of a petition to be admitted to any insolvency proceedings (including pursuant to article 44 of the Italian Insolvency Code), according to article 170, paragraph 2 of the Italian Insolvency Code, the suspect period is calculated backward from the date in which such petition is filed. In addition, in certain cases, the judicial receiver can request that certain transactions of the debtor be declared ineffective within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for by the Italian Civil Code. In this respect, under article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the entity disposed of its assets prejudicially to such creditor's rights be declared ineffective with respect to such creditor, provided that the debtor was aware of such prejudice (or, if the transaction was entered into prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the debtor for the purpose of prejudicing the creditors) and that, in the case of a transaction entered into for consideration with a third person, the third person was aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third person participated in the fraudulent design). The burden of proof is entirely with the receiver.

The Italian Insolvency Code provides special regimes on preferences and avoidances of intra-group transactions. Under article 290 of the Italian Insolvency Code the hardening periods for intra-group claw-back actions (i.e. referring to acts and transactions entered into by companies belonging to the same group) is extended (a) in the hypothesis of article 166, paragraph 1, of the Italian Insolvency Code (respectively up to two years for transactions sub lett. (a) and (b) and up to one year for transaction sub lett. (c) and (d) of the same article) and (b) to five years from the filing for judicial liquidation declaration in case of transactions having the effect to transfer resources in favor of another entity of the group to the detriment of the creditors.

Law 132/2015 also introduced new article 2929-bis to the Italian Civil Code, providing for a "simplified" claw-back action for the creditor with respect to certain types of transactions put in place by the debtor with the aim to subtract (registered) assets from the attachment by its creditors. In particular, the creditor can now start enforcement proceedings over the relevant assets without previously obtaining a Court decision clawing back/nullifying the relevant (fraudulent) transaction, to the extent that such transaction had been carried out without consideration (e.g., gratuitous transfers, or creation of shield instruments such as trusts or the so called *fondo patrimoniale* or "family trust"). In case of gratuitous transfers, enforcement action can also be brought by the creditor against the third-party purchaser. Finally, as noted above, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the EU.

Adequate organizational, administrative and accounting corporate structures. One of the main novelties included in the Italian Insolvency Code concerns the definition of the organizational, administrative and accounting structures of a company which are deemed to be adequate under article 2086 of the Italian Civil Code, required by the applicable regulations for the purpose of timely detection of the state of crisis and the undertaking of suitable initiatives by the debtor. Article 3 of the Italian Insolvency Code requires the entrepreneur to adopt an

appropriate organizational structure in accordance with article 2086 of the Italian Civil Code, for the purpose of timely detection of the crisis of the company as well as the timely undertaking of suitable initiatives to overcome the crisis and recover business continuity. However, neither the aforementioned article 3, in its current wording, nor article 2086 of the Italian Civil Code, as amended by the Italian Insolvency Code, contains a precise description of the parameters, conditions and characteristics that are deemed to be necessary/needed for the definition and especially for the identification of “adequate structures.”

In this regard, article 3 of the Italian Insolvency Code precisely enunciates, on the one hand, the purposes to which the measures and structures must aim in order to be considered as adequate for the timely detection of the crisis and, on the other hand, the relevant warning signs in relation to the same. In this respect, it is stipulated that, for the purpose of the timely detection of the company’s state of crisis, the measures and structures deemed to be adequate should make it possible to:

- (a) detect any imbalances of an equity or economic-financial nature, related to the specific characteristics of the company as well as to the business activity carried out by the debtor;
- (b) verify the non-sustainability of debts and the absence of prospects for business continuity for the next twelve months as well as the warning signs identified by article 3, paragraph 4 of the Italian Insolvency Code; and
- (c) derive the information necessary to follow the detailed checklist and conduct the practical test for the reasonable pursuit of the debtor’s financial recovery.

For the sake of completeness and as set out above, it should also be noted that article 3, paragraph 4 of the Italian Insolvency Code provides an exact indication of the warning signs, identified, *inter alia*, as follows:

- (a) the existence of payroll debts overdue for at least 30 days equal to more than half of the total monthly payroll amount;
- (b) the existence of receivables owed to suppliers that are at least 90 days past due in an amount greater than the amount of receivables that are not past due;
- (c) the existence of exposures to banks and other financial intermediaries that have been past due for more than 60 days or have exceeded the limit of credit facilities obtained in any form for at least 60 days provided that they represent in the aggregate at least 5% of the total exposures; and
- (d) the existence of one or more exposures to certain public institutions listed under article 25-*novies* of the Italian Insolvency Code.

Extraordinary administration for large insolvent companies (amministrazione straordinaria delle grandi imprese in stato di insolvenza) under the Decree 270

Decree 270 introduced a specific extraordinary administration proceeding for large industrial and commercial enterprises, otherwise known as the “*Prodi-bis*” Procedure. As a general rule (and save for certain specific and limited exceptions), to be eligible, companies must be insolvent although able to demonstrate serious recovery prospects, have employed at least 200 employees in the previous year preceding the commencement of the procedure, and have debts equal to at least two-thirds of the value of its assets as shown in its financial statements and two-thirds of its income deriving from sales and services during its last financial year. The procedure may be commenced by petition of the creditors, the debtor, a court or the public prosecutor. The same rules set forth for judicial liquidation proceedings with respect to existing contracts and creditors’ claims largely apply to an extraordinary administration proceeding. Preferential payment is granted to those credits (even unsecured) accrued to allow the conduct of the company’s business activity. Extraordinary administration procedures involve two main phases—a judicial phase and an administrative phase.

Judicial Phase. In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial receivers (*commissario giudiziale*) to investigate whether there are serious prospects for recovery via a business sale or reorganization. The judicial receiver submit(s) a report to the court (within 30 days) together with an opinion from the Italian Ministry of Business and of the Made in Italy (former Ministry of Economic Development, the “**Ministry**”). The court has 30 days to decide whether to admit the company to the procedure or place it into judicial liquidation.

Administrative Phase. If the company is admitted to the extraordinary administration procedure, the administrative phase begins and the extraordinary commissioner(s) appointed by the Ministry prepare a restructuring plan. The plan can provide either for the sale of the business as a going concern within one year (unless extended by the Ministry) (the “**Disposal Plan**”) or a reorganization leading to the company’s economic and financial recovery within two years (unless extended by the Ministry) (the “**Recovery Plan**”). It may also include a composition with creditors (*concordato*). The plan must be approved by the Ministry within 30 days from submission by the extraordinary commissioner(s). In addition, the extraordinary commissioner draws up a report every six months on the financial condition and interim management of the company and sends it to the Ministry.

Once the extraordinary administration procedure has been approved, the principal effects are as follows:

- (a) the company continues to carry out its business and debts incurred during the extraordinary administration are treated as priority claims which rank ahead of the claims of creditors whose rights accrued prior to the commencement of the extraordinary administration procedure and may be paid as they fall due;
- (b) the extraordinary commissioner(s) is/are entitled to terminate pending contracts to which the company is a party.

Furthermore, in the context of the Prodi-bis Procedure a debt-restructuring plan is approved exclusively by the Ministry but is not subject to any vote by creditors.

The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan; however, should either plan fail, the company will be declared insolvent.

Industrial restructuring of large insolvent companies (ristrutturazione industriale di grandi imprese in stato di insolvenza) under the Decree 347

Introduced in 2003 pursuant to Law Decree No. 347 of December 23, 2003, as converted into Italian Law No. 39 of 2004 and subsequently amended, this procedure is also known as the “*Marzano procedure*.” It is complementary to the Prodi-bis procedure and, except as otherwise provided, the same provisions apply. The Marzano procedure is intended to work faster than the *Prodi-bis* procedure. For example, although a company must be insolvent, application to the Ministry can be made before the court commences the administrative phase.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure commences and at least €300 million of debt (including those from outstanding guarantees). Under Decree 347, as a general rule (and save for certain specific provisions applicable, as the case may be, to companies operating in the field of essential public services or operating at least one industrial plant of national strategic interest and/or having among their direct or indirect shareholders a public entity) decision whether to open a Marzano procedure is taken by the Ministry following the debtor’s request (who must also file an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. The court also decides on the company’s insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within, respectively, one year (extendable to two years) and two years. If no Disposal or Recovery Plan is approved by the Ministry, the court will declare the company insolvent and open judicial liquidation proceedings.

A restructuring plan proposed in the context of proceedings subject to Decree 347 may include a composition plan, with the possibility to divide creditors into classes, with different treatment applicable to creditors belonging to different classes and with proposals for a write-off of any obligations owed by the debtor and/or a conversion of debt securities (such as the Securities) into shares of the debtor company or any of its group companies. Decree 347 provides that a composition plan is approved by creditors according to the same majority voting rules as those which apply in the context of proceedings for composition with creditors. If the restructuring plan is not approved by the Minister of Economic Development (now Minister of Business and of the Made in Italy), the extraordinary commissioner(s) may propose a plan for the disposal of the assets. If the asset disposal program is not approved, the company is to be placed into liquidation.

As a general consideration, note that, pursuant to the claw-back rules applicable to extraordinary administration (i) the hardening period would be calculated with reference to the date of insolvency declaration; and (ii) as far as

intercompany transactions only are concerned, longer hardening periods (i.e., 5 years or 3 years, depending on the kind of transactions) would be applicable.

Law Decree No. 4/2024 (as converted into Law no. 28/2024) amended article 2, para. 2 of the Decree 347 providing that in the cases of companies directly or indirectly owned by state public administrations (excluding those issuing shares listed on regulated stock exchanges) admission to the Marzano procedure of companies operating one or more industrial plants having a national strategic relevance may occur upon request of shareholders holding, individually or jointly, at least 30 per cent of the company's shares, provided that the shareholders have communicated to the managing body of the company that the requirements for the admission to the procedure are met and the managing body of the company has either failed to submit the application for the admission to the procedure within the subsequent 15 days or within the same 15 days' term refused to file the petition at hand. From the date of submission of the request by the shareholders, and until the closure of the Marzano procedure or until the Court's decision declaring the absence of the requirements for the opening of the procedure becomes final, the company cannot file the petition for the commencement of the *composizione negoziata per la soluzione della crisi di impresa* nor pursue any restructuring proceedings provided for by the Insolvency Code. If on the date of submission of the application for admission to the extraordinary administration procedure the petition for the appointment of the expert provided for the *composizione negoziata per la soluzione della crisi di impresa* is filed, the application is dismissed.

Compulsory administrative liquidation (liquidazione coatta amministrativa)

A compulsory administrative liquidation (*liquidazione coatta amministrativa*), provided for pursuant to article 293 et seq. of the Italian Insolvency Code, is only available for public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions, none of which can be wound up pursuant to judicial liquidation proceedings, save for a different indication under Italian law. It is irrelevant whether these companies belong to the public or the private sector. A compulsory administrative liquidation is special insolvency proceedings in that the entity is liquidated not by the court but by the relevant administrative authority that oversees the industry in which the entity is active. The procedure may be triggered not only by the insolvency of the relevant entity, but also by other grounds expressly provided for by the relevant legal provisions (e.g., in respect of Italian banks, serious irregularities concerning the management of the bank or serious violations of the applicable legal, administrative or statutory provisions).

The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the company by the relevant governmental authority (e.g., the Bank of Italy or the Ministry, which are competent for the filing of an application for a declaration of insolvency with the subsequent opening of the compulsory administrative liquidation proceeding). The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the deputy judge and the court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect of the forced administrative liquidation on creditors is largely the same as under insolvency proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for insolvency proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative liquidation.

Common rules for pre-judicial liquidation restructuring frameworks (strumenti di regolazione della crisi e dell'insolvenza della società)

In order to facilitate access and filing of restructuring procedures by the Italian companies, articles 120-bis and ff. of the Italian Insolvency Code have been enacted, introducing a set of rules applicable to all pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*). Among other things, pursuant to article 120-bis, paragraph 2 of the Italian Insolvency Code and the purposes of a successful restructuring, the plan may provide for “any modification of the articles of association of the debtor company, including capital increases and reductions, including with limitation or exclusion of the option right and other modifications that directly affect the shareholders' participation rights, as well as for mergers, demergers and transformations.” Shareholders, who may no longer have an interest in the company, are prevented from hindering the restructuring or even one of its stages. For this reason, pursuant to article 120-bis, paragraphs 3 and 4 of the Italian Insolvency Code, the shareholders, while retaining a right to information in relation to both the initiation and the progress of the restructuring process, may not remove the directors without just cause, as is the case for the statutory auditors of joint stock companies, also in light of the fact that under the provisions of the Italian Insolvency Code it is not considered as being just cause for directors' removal, the filing for access to the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) when the related legal conditions and requirements are met. However, pursuant to article 120-bis, paragraph 5, shareholders representing at least 10% of the filing company's corporate capital may make a competing proposal.

The plan may provide for the formation of one class of shareholders or several classes if there are shareholders to whom different rights are granted by the by-laws, including as a result of the changes provided for in the plan. The formation of classes is, however, mandatory if the plan provides for changes that directly affect the shareholders' participation rights and, in any case, for large companies and companies with widespread capital. In this context, special conditions for sanctioning of the arrangement are set out pursuant to article 120-*quater* of the Italian Insolvency Code when and if the plan provides for shareholder attributions. Specific rules are then provided to ensure that creditors' interests are protected in all cases in which the restructuring tool envisages shareholders to retain a participation in the company with a certain value, which is determined in accordance with the applicable accounting principles for determining the value in use, based on the present value of future cash flows using the data resulting from the underlying restructuring plan and applying the projections for subsequent years.

Article 120-*quinquies* of the Italian Insolvency Code, regulates the execution phase of such measure. In order to avoid any obstructive attitude of the shareholders towards the approval of the restructuring tool, this provision expressly excludes the necessity for their approval and/or resolution on the implementation of such restructuring tool, by generally attributing the relevant powers to the directors or more specifically to the competent court, in relation to any amendment to the debtor's by-laws which - being specifically provided for by the plan - do not require any discretionary resolution. Finally, it is stipulated that changes in the corporate structure resulting from the implementation of a pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) shall not be considered as and constitute cause for the termination or amendment of any agreement entered into by the debtor with third parties.

Articles 284 et seq. of the Italian Insolvency Code contain specific rules regarding (i) the access of a group to one of the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) aiming at unifying – to the extent possible – the relevant proceedings; (ii) liability lawsuits available to the receiver; and (iii) subordination of claims.

Hardening period/clawback and fraudulent transfer

In a judicial liquidation proceeding, the Italian Insolvency Code provides for a claw-back period of up to two years (six-months in certain circumstances). In addition, in certain cases, the judicial receiver can request that certain transactions of the debtor are declared ineffective within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*).

Under Italian law, in the event that the relevant guarantor and/or security provider enters into insolvency proceedings, the security interests created under the documents entered into to secure the Collateral and any future security interests or guarantees could be subject to potential challenges by an insolvency administrator or by other creditors of such guarantor and/or security provider under the rules of avoidance or claw-back (*revocatoria*) provided for pursuant to the Italian Insolvency Code and the relevant law on the non-insolvency avoidance or claw-back of transactions by the debtor made during a certain legally specified suspect period. The avoidance may relate to (i) transactions made by the debtor within the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation, at below market value (*i.e.*, to the extent the asset or obligation given or undertaken exceeds by one quarter the value of the consideration received by the debtor), or involving unusual means of payment (*e.g.*, payment in kind) or new security granted with respect to pre-existing debts not yet due at the time the security is entered into after the creation of the secured obligations, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, (ii) security granted during the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation with respect to pre-existing debts due and payable, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, and (iii) payments of due and payable obligations, transactions at arm's length or security taken simultaneously to the creation of the secured obligations during the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation receiver proves that the creditor was aware of the insolvency of the debtor. In case judicial liquidation is commenced after the filing of a petition to be admitted to any insolvency proceedings, according to article 170, paragraph 2 of the Italian Insolvency Code, the suspect period is calculated backward from the date in which such petition is filed. The transactions potentially subject to avoidance also include the granting of security interests under the Security Documents by a guarantor and/or security provider.

If they are challenged successfully, the rights granted under the guarantees or in connection with security interests under the relevant Security Documents may become unenforceable and any amounts received must be refunded

to the insolvent estate. To the extent that the grant of any security interest or guarantee is voided, holders of the Notes could lose the benefit of the security interest or of the guarantee and may not be able to recover any amounts under the related Security Documents.

It should be noted that: (i) under article 163 of the Italian Insolvency Code, subject to certain limited exceptions, all transactions carried out by the debtor for no consideration are ineffective *vis-à-vis* creditors if entered into by the debtor after the filing to the relevant court followed by the opening of the judicial liquidation procedure or within the two years preceding the opening of such insolvency proceeding. Any asset subject to a transaction which is ineffective pursuant to article 163 of the Italian Insolvency Code becomes part of the liquidation estate by operation of law upon registration (*trascrizione*) of the court's decision opening the insolvency proceeding, without needing to wait for the ineffectiveness of the transaction to be sanctioned by a court. Any interested person may challenge the registration before the deputy judge as a violation of law, and (ii) under article 164 of the Italian Insolvency Code, (A) payments of receivables falling due on the day of the judicial declaration of opening of the judicial liquidation or later, if they were executed by the debtor after the filing of the application followed by the opening of the judicial liquidation proceedings insolvency declaration or in the prior two-year period; and (B) payments made by the debtor with respect to any intercompany loan within one year prior to a judicial liquidation declaration (or after the filing of the application followed by the opening of the liquidation proceeding), are ineffective *vis-à-vis* creditors.

In addition, as noted above, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the European Union.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer is incorporated under the laws of Italy. The documents relating to the Collateral will be governed by the laws of Italy and any jurisdiction where the Collateral is located. The Indenture and the Notes will be, governed by New York law. The Intercreditor Agreement is governed by the laws of England and Wales. All of the directors and executive officers of the Issuer are non-residents of the United States. Because substantially all of the assets of the Issuer and its directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or any such other non-U.S. resident person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws. It may be possible for investors to effect service of process within other jurisdictions (including Italy) upon those persons or the Issuer provided that, for example, The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

If a judgment is obtained in a U.S. court against the Issuer, investors may need to enforce such judgment in foreign jurisdictions where the relevant company has assets or where the relevant director or executive resides. Enforcement of a U.S. judgment in foreign jurisdictions is subject to the procedural rules and law of that jurisdiction, there being no treaties in force between the United States and any other jurisdictions with respect to the enforcement of court judgments providing for direct or automatic enforceability of U.S. court judgments (as opposed to international arbitration awards, which are subject to automatic recognition under the New York Convention). Even though a description of the enforcement process for of U.S. court judgments outside the United States is generally described below for the countries in which the Issuer or the Collateral are located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States. We cannot assure you that a U.S. court judgment will be recognized and enforced in any foreign jurisdiction.

Enforcement of Judgments in Italy

Recognition and enforcement in Italy of final judgments rendered by U.S. courts, including judgments obtained in actions predicated upon the civil liability provisions of the U.S. federal or state securities laws, may not require retrial and will be enforceable in Italy, provided that pursuant to Article 64 of Italian Law No. 218 of May 31, 1995 (*Riforma del sistema italiano di diritto internazionale privato*), the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction according to Italian law principles of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendants in accordance with U.S. law and during the proceedings the essential rights of the defendant have not been violated;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of default by the defendant to appear before the court, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final and not subject to any further appeal in accordance with U.S. law;
- there is no conflicting final judgment rendered by an Italian court;
- there is no action pending in Italy among the same parties for decision on the same matter which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy (*ordine pubblico*).

In addition, pursuant to Article 67 of Italian Law No. 218 of May 31, 1995, if a judgment rendered by a U.S. court is not complied with, its recognition is challenged or its compulsory enforcement is necessary, then a proceeding

shall be initiated before the competent Court of Appeal in Italy to that end. The competent Court of Appeal does not consider the merits of the case but exclusively ascertains the fulfillment of all the conditions set out above.

In original actions brought before Italian courts, the enforceability of liabilities or remedies based solely on the U.S. federal securities law is debatable. In addition, if an original action is brought before an Italian court, the Italian court may apply not only Italian rules of civil procedure, but also certain substantive provisions of Italian law that are regarded as mandatory and may refuse to apply the U.S. law provisions or grant some of the remedies sought (*e.g.*, punitive damages) if their application violates any Italian public policy and/or any mandatory provisions of Italian law.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for us by Paul, Weiss, Rifkind, Wharton & Garrison LLP as to matters of United States federal, New York State law and English law, Latham & Watkins LLP as to matters of Italian law, and Foglia & Partners as to matters of Italian tax law. Certain legal matters in connection with this Offering will be passed upon for the Initial Purchasers by Linklaters LLP as to matters of United States federal, New York State law and English law and Studio Legale Associato in association with Linklaters LLP as to matters of Italian law.

INDEPENDENT AUDITORS

The Consolidated Financial Statements included in this Offering Memorandum have been audited by PricewaterhouseCoopers S.p.A., independent accountants, as stated in their reports appearing herein. PricewaterhouseCoopers S.p.A., with its registered office in Piazza Tre Torri 2, Milan, is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree of January 27, 2010, No. 39. PricewaterhouseCoopers S.p.A. is also a member of ASSIREVI, the Italian association of auditing firms.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

- (1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with any of the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to paragraph (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the Exchange Act, make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act, upon the written request of any such holder or beneficial owner. We are not currently subject to the periodic reporting or other information requirements of the Exchange Act.

The additional documents and information specified in “*Listing and General Information*” herein and not included in this Offering Memorandum will be available to be inspected and obtained by holders free of charge at the specified office of the Issuer during normal business hours on any weekday.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit to trading on the Euro MTF Market upon their issuance in accordance with the rules and regulations of that exchange. In addition, application has been made to obtain a secondary listing of the Notes on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana. The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream.

For as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will publish or make available any notices either by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules and regulations, on the website of the Luxembourg Stock Exchange or by any other means considered equivalent by the Luxembourg Stock Exchange.

For so long as (i) the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require or; (ii) the Notes have a secondary listing on Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro segment) of the Euronext Access Milan market (formerly known as ExtraMOT market) of the Italian Stock Exchange managed by Borsa Italiana and the rules and regulations of the Italian Stock Exchange so require, copies of the following documents may be inspected and obtained at the specified office of the Issuer during normal business hours on any weekday:

- the organizational documents of the Issuer;
- the Offering Memorandum (free of charge);
- the Consolidated Financial Statements included in this Offering Memorandum (free of charge);
- the annual and interim financial statements required to be provided under the captions “*Description of the Notes—Certain Covenants—Reports and Other Information*,”
- the Indenture governing the Notes (which includes the form of the Notes); and
- the documents relating to the Collateral.

We have appointed Deutsche Bank Luxembourg S.A. as Registrar, and Deutsche Bank AG, London Branch as Transfer Agent and Principal Paying Agent to make payments on, when applicable, and transfers of, the Notes. We reserve the right to vary such appointments in accordance with the terms of the Indenture.

Litigation

Except as disclosed in this Offering Memorandum, the Issuer is not involved, or has been involved during the twelve months preceding the date of this Offering Memorandum, in any litigation, arbitration or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on its results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

No Material Changes

Except as disclosed in this Offering Memorandum:

- there has not been a significant change in the financial or trading position of the Issuer since December 31, 2025;

- there has been no material adverse change in the financial position or prospects position of the Issuer since December 31, 2025; and
- the Issuer has not been involved in any governmental, legal, administrative or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Offering Memorandum, which may have, or have had in the recent past, a significant effect on our financial position or profitability.

Clearing Information

The Notes have been accepted for clearance through Euroclear and Clearstream under common code 331884022 for the Notes sold pursuant to Regulation S and under common code 332002686 for the Notes sold pursuant to Rule 144A. The ISIN for the Notes sold pursuant to Regulation S is XS3318840223 and the ISIN for the Notes sold pursuant to Rule 144A is XS3320026860.

Legal Information

The Issuer

Formerly known as Gamma Midco S.p.A., Lottomatica is a joint stock company (*società per azioni*) established under the laws of Italy and was formed on October 15, 2019. Lottomatica has an issued and outstanding share capital of €10,000,000.00 comprised of 251,630,412 shares without par value. All shares have been issued and are fully paid up. Lottomatica is registered with the Companies Register of Rome (*Registro delle Imprese di Roma*) under registration number and fiscal code 11008400969 and its corporate existence is scheduled to expire on December 31, 2100. Lottomatica's financial year ends on December 31.

The registered office of Lottomatica is located at Via degli Aldobrandeschi, 300, 00163, Rome, Italy and its telephone number at that address is +39 06 89 86 51.

Effective as of the Lottomatica Merger Date, Lottomatica Group S.p.A. (i.e., the Issuer) merged with Lottomatica S.p.A., with Lottomatica Group S.p.A. as the surviving entity. The Lottomatica Merger was effective from a tax and accounting perspective from January 1, 2024. Following completion of the Lottomatica Merger, the Issuer assumed all of Lottomatica S.p.A.'s obligations, including all liabilities and obligations of Lottomatica S.p.A. under the May 2024 Floating Rate Notes, the May 2024 Fixed Rate Notes and the Revolving Credit Facility.

Pursuant to Article 4 of its by-laws (*statuto*), Lottomatica's corporate purposes are (i) the acquisition of shareholdings and interests in other companies, entities or undertakings, established or to be established; (ii) the provision of administrative (including centralized treasury management within the limits allowed by law), commercial, advertising and/or organizational, managerial, legal, IT and human resources services to companies with registered offices in Italy or abroad, which are controlled or connected companies (according to the definitions set forth by Article 2359 of the Civil Code) as well as companies, having their registered office in Italy or abroad, which are otherwise participated (the abovementioned controlled, connected and/or in any case participated companies, the "**Group Companies**"); (iii) the technical, commercial, IT, logistical, financial and/or organizational consultancy and coordination of Group Companies; (iv) the granting of loans, the provision of guarantees, the underwriting of endorsements and the setting up of pledges and mortgages and, in general, real and personal guarantees in favor and/or in the interest of Group Companies, in compliance with the applicable law also with regard to the provision of services of a financial nature.

General

The Offering was authorized by resolutions of the board of directors of the Issuer passed on March 16, 2026.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements as of and for the years ended December 31, 2025, 2024 and 2023

Independent Auditor's Report	F-2
Consolidated statement of comprehensive income.....	F-6
Consolidated statement of financial position.....	F-7
Consolidated statement of cash flows.....	F-8
Consolidated statement of changes in equity.....	F-9
Notes to the Consolidated Financial Statements.....	F-10

Independent auditor's report

To the board of directors of

Lottomatica Group SpA

Opinion

We have audited the accompanying consolidated financial statements of Lottomatica Group (the “Group”), which comprise the consolidated statement of financial position as of 31 December 2025, 2024 and 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the years then ended, and the explanatory notes to consolidated financial statements, including material accounting policy information (the “**Consolidated Financial Statements**”).

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as of 31 December 2025, 2024 and 2023, and of the results of its operations and cash flows for the years then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the Consolidated Financial Statements” section of this report. We are independent of the Lottomatica Group SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors and the board of statutory auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the Consolidated Financial Statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the Consolidated Financial Statements, the directors use the going concern basis of accounting unless they either intend to liquidate Lottomatica Group SpA or to cease operations or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 International Standards on Auditing (ISA Italia) 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 the Consolidated Financial Statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained 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.
- We obtained 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 Group's internal control.
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- We concluded 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 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 Consolidated 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, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluated the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the Consolidated Financial Statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia 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 identified during our audit.

Rome, 17 March 2026

PricewaterhouseCoopers SpA

Signed by

Pierpaolo Mosca

(Partner)

Consolidated statement of comprehensive income

(In thousands of Euro)	Note	For the year ended 31 December		
		2025	2024	2023
Revenues	8.1	2,247,116	2,004,725	1,632,488
Other income	8.2	14,888	14,951	18,529
Total revenues and income		2,262,004	2,019,676	1,651,017
Cost of services	8.3	(1,314,558)	(1,213,725)	(972,759)
Personnel expenses	8.4	(154,750)	(135,503)	(98,378)
Other operating costs	8.5	(40,090)	(39,477)	(40,952)
Depreciation, amortization and impairments	8.6	(261,269)	(244,353)	(194,678)
Impairment of receivables and financial assets	8.7	(25,562)	(243)	(7,975)
Other (accruals)/ releases	8.7	258	(785)	1,977
Finance income	8.8	3,275	9,038	28,139
Finance expenses	8.8	(193,422)	(215,400)	(220,287)
Share of profit/(loss) of equity accounted investments	8.9	(110)	1,663	(8,965)
Profit before tax		275,776	180,891	137,139
Income tax expense	8.10	(95,940)	(77,052)	(63,277)
Net profit for the year		179,836	103,839	73,862
Net profit for the year attributable to non-controlling interests		5,541	5,242	5,919
Net profit for the year attributable to the owners of the parent		174,295	98,597	67,943
Earning per share - Base and diluted (in Euro)	8.11	0.70	0.39	0.29

(In thousands of Euro)	Note	For the year ended 31 December		
		2025	2024	2023
Net profit for the year		179,836	103,839	73,862
Actuarial gains / (losses) on employee benefit liabilities	9.15	1,258	408	174
Fiscal effect on actuarial gains / (losses) on employee benefit liabilities		(302)	(98)	(42)
Other items that will not be classified to profit or loss		956	310	132
Gains/ (losses) on hedging derivatives	9.14	6,857	(3,889)	(31,195)
Fiscal effect on gains / (losses) on hedging derivatives	9.14	(1,648)	928	7,487
Gains / (losses) on conversion of financial statements of the foreign companies		(18)	21	(696)
Other items that will be classified to profit or loss		5,191	(2,940)	(24,404)
Total comprehensive profit		185,983	101,209	49,590
Total comprehensive profit attributable to non-controlling interests		5,541	5,242	5,919
Total comprehensive profit attributable to the owners of the parent		180,442	95,967	43,671

(The accompanying notes form an integral part of these Consolidated Financial Statements)

Consolidated statement of financial position

<i>(In thousands of Euro)</i>	<i>Note</i>	As of 31 December		
		2025	2024	2023
Intangible assets	9.1	745,448	697,953	576,335
Goodwill	9.2	2,080,855	2,048,563	1,470,778
Property, plant and equipment	9.3	160,397	148,460	109,234
Right of use	9.4	69,181	74,398	69,555
Investment property	9.5	408	435	462
Non-current financial assets	9.6	1,202	2,037	614
Equity accounted investments	9.7	14,825	-	285
Non-current trade receivables	9.9	3,171	636	955
Deferred tax assets	9.10	781	10,565	-
Other non-current assets	9.11	17,986	15,815	14,348
Total non-current assets		3,094,254	2,998,862	2,242,566
Inventories	9.8	1,630	1,478	1,495
Current trade receivables	9.9	74,070	77,349	95,825
Current financial assets	9.6	31,570	30,396	530,475
Tax receivables	9.12	268	2,158	872
Other current assets	9.11	157,179	162,079	120,155
Cash and cash equivalents	9.13	143,898	164,156	294,682
Total current assets		408,615	437,616	1,043,504
Total assets		3,502,869	3,436,478	3,286,070
Share capital	9.14	10,000	10,000	10,000
Other reserves	9.14	109,225	405,959	471,383
Retained earnings	9.14	205,845	102,010	16,629
Total shareholders' equity attributable to the owners of the parent		325,070	517,969	498,012
Equity attributable to non-controlling interests	9.14	52,418	47,534	43,218
Total shareholders' equity		377,488	565,503	541,230
Employee benefit liabilities	9.15	27,753	26,730	22,016
Non-current financial liabilities	9.16	2,069,779	2,048,436	2,020,297
Provisions for risks and charges	9.17	41,135	6,164	4,891
Deferred tax liabilities	9.10	126,077	152,130	105,382
Other non-current liabilities	9.18	34,651	53,200	17,675
Total non-current liabilities		2,299,395	2,286,660	2,170,261
Current financial liabilities	9.16	266,312	100,391	165,793
Current trade payables	9.19	131,130	133,702	95,911
Tax payables	9.12	31,095	23,147	4,649
Other current liabilities	9.18	397,449	327,075	308,226
Total current liabilities		825,986	584,315	574,579
Total equity and liabilities		3,502,869	3,436,478	3,286,070

(The accompanying notes form an integral part of these Consolidated Financial Statements)

Consolidated statement of cash flows

<i>(In thousands of Euro)</i>		For the year ended 31 December		
	Note	2025	2024	2023
INDIRECT METHOD				
Profit before tax		275,776	180,891	137,139
<i>Reconciliation of profit before tax with cash flow from operating activities:</i>				
Depreciation, Amortization and Impairment	8.6	261,269	244,353	194,678
Accruals and write-downs for impairment losses	8.7	25,304	1,028	5,998
Other accruals	8.4	3,500	3,363	4,793
Share of profit/(loss) of equity accounted investments	8.9	110	(1,663)	8,965
Net finance expenses	8.8	185,783	202,066	188,397
Leasing financial expenses	8.8	4,364	4,296	3,751
Other adjustments for non-monetary items		10,791	7,696	3,451
Cash flow from operating activities before changes in net working capital		766,897	642,030	547,172
<i>Changes in net working capital</i>				
Decrease/(Increase) in inventories	9.8	(153)	350	2,742
Decrease / (Increase) in trade receivables	9.9	3,347	21,672	(10,446)
Increase / (Decrease) in trade payables	9.19	(5,968)	7,152	(4,752)
Other changes in net working capital	9.11-9.18	(32,738)	(65,484)	(11,775)
Cash flow from changes in net working capital		(35,512)	(36,310)	(24,231)
Income taxes paid		(93,684)	(79,443)	(114,074)
Accruals to employee benefits and provisions for risks and charges	9.15-9.17	(2,684)	(1,939)	(1,335)
Cash flow from operating activities (a)		635,017	524,338	407,532
<i>Cash flow from investing activities</i>				
Investments:		(228,934)	(181,412)	(123,235)
- intangible assets	9.1	(165,996)	(117,713)	(82,891)
- property, plant and equipment	9.3	(62,938)	(63,699)	(40,344)
Investments in equity accounted investments	9.7	(13,917)	-	(217)
Escrow account	9.6	-	504,281	(497,500)
Net disposal in financial assets	9.6	-	1,764	1,602
Deferred purchase consideration for acquisition of subsidiaries/business units	9.16	(36,298)	(60,852)	(13,269)
Acquisition net of cash and cash equivalents	9.16	(16,652)	(605,129)	(8,263)
Cash flow from investing activities (b)		(295,801)	(341,348)	(640,882)
<i>Cash flow from financing activities</i>				
Proceeds from senior secured notes issuance	9.16	1,100,000	900,000	1,607,000
Repayment of senior secured notes	9.16	(1,065,000)	(900,000)	(1,215,000)
Bridge Loan fees and make-whole costs	9.16	(21,018)	(32,693)	(26,439)
Fees of issuance of senior secured notes	9.16	(12,788)	(21,031)	(25,394)
Net finance expenses including Revolving Credit Facility	9.16	(125,226)	(160,122)	(138,035)
Lease payment	9.16	(28,132)	(24,676)	(20,363)
Repayment of other bank liabilities	9.16	(2,683)	(2,871)	(1,436)
Changes in current and non-current financial assets	9.16	607	822	(1,537)
Share buyback	9.14	(127,259)	-	-
Proceeds from closing IRS	9.16	-	-	19,845
Repayment of Gamma Bondco loan	9.16	-	-	(296,795)
Transactions with minorities	9.14	191	(5,832)	(4,182)
Dividends paid	9.14	(78,166)	(67,113)	(1,981)
Capital increase	9.14	-	-	425,000
Transaction costs for capital increase	9.14	-	-	(27,489)
Cash flow from financing activities (c)		(359,474)	(313,516)	293,194
Net Cash flow (a+b+c)		(20,258)	(130,526)	59,844
Cash and cash equivalents at the beginning of the year	9.13	164,156	294,682	234,838
Cash and cash equivalents at the end of the year	9.13	143,898	164,156	294,682

(The accompanying notes form an integral part of these Consolidated Financial Statements)

Consolidated statement of changes in equity

	Note	Share capital	Legal Reserve	Share premium reserve	Treasury shares	Other Reserves	Total Other Reserves	Retained Earnings/ (Losses)	Total Shareholders' Equity Attributable to Owners of the Parent	Equity Attributable to Minority Interests	Total Shareholders' Equity
<i>(in thousands of Euro)</i>											
As of 31 December 2022	9.14	50	10	-	-	78,949	78,959	(27,619)	51,390	55,168	106,558
Net profit for the year		-	-	-	-	-	-	67,943	67,943	5,919	73,862
Other items of comprehensive income		-	-	-	-	-	-	(24,272)	(24,272)	-	(24,272)
Total comprehensive income		-	-	-	-	-	-	43,671	43,671	5,919	49,590
Dividends distribution		-	-	-	-	-	-	-	-	(1,981)	(1,981)
Capital Increase		9,900	-	415,100	-	-	415,100	-	425,000	-	425,000
Capital Increase transaction costs (*)		-	-	(20,892)	-	-	(20,892)	-	(20,892)	-	(20,892)
Stock options plan		-	-	-	-	-	-	403	403	-	403
Transactions with minorities		50	-	39,624	-	(41,408)	(1,784)	174	(1,560)	(15,888)	(17,448)
As of 31 December 2023	9.14	10,000	10	433,832	-	37,541	471,383	16,629	498,012	43,218	541,230
Net profit for the year		-	-	-	-	-	-	98,597	98,597	5,242	103,839
Other items of comprehensive income		-	-	-	-	-	-	(2,630)	(2,630)	-	(2,630)
Total comprehensive income		-	-	-	-	-	-	95,967	95,967	5,242	101,209
Dividends distribution		-	-	(65,424)	-	-	(65,424)	-	(65,424)	(3,441)	(68,865)
Stock options plan		-	-	-	-	-	-	1,333	1,333	-	1,333
Other changes in equity including transactions with minorities		-	-	-	-	-	-	(11,920)	(11,920)	2,515	(9,405)
As of 31 December 2024	9.14	10,000	10	368,408	-	37,541	405,959	102,009	517,969	47,534	565,503
Net profit for the year		-	-	-	-	-	-	174,295	174,295	5,541	179,836
Other items of comprehensive income		-	-	-	-	-	-	6,147	6,147	-	6,147
Total comprehensive income		-	-	-	-	-	-	180,442	180,442	5,541	185,983
Allocation of previous year results and dividends distribution		-	1,990	-	-	-	1,990	(77,479)	(75,489)	(1,668)	(77,157)
Share buyback		-	-	-	(298,724)	-	(298,724)	-	(298,724)	-	(298,724)
Stock options plan		-	-	-	-	-	-	3,804	3,804	-	3,804
Other changes in equity including transactions with minorities		-	-	-	-	-	-	(2,932)	(2,932)	1,011	1,921
As of 31 December 2025	9.14	10,000	2,000	368,408	(298,724)	37,541	109,225	205,845	325,070	52,418	377,488

(*) "Capital Increase transaction costs" amounted to Euro 27.5 million and are shown net of the related tax benefit of Euro 6.6 million.

(The accompanying notes form an integral part of these Consolidated Financial Statements)

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

1.1 Introduction

Lottomatica Group S.p.A. (hereinafter ‘the “**Company**” or the “**Parent**” and together with its subsidiaries the “**Group**”) is a company incorporated on 15 October 2019 and domiciled in Italy with registered offices in Rome, Via degli Aldobrandeschi, 300, organized under the laws of the Republic of Italy. The share capital of the Company amounts to Euro 10,000,000, divided into 251,630,412 ordinary shares without nominal value; it has a corporate duration until 31 December 2100. The Company is listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A., since 3 May 2023; it was included in the STOXX Europe 600 Index (SXXP), a stock index comprising 600 leading European companies, in June 2025 and in the FTSE MIB index, which includes the top 40 Italian companies by market capitalization and stock liquidity, on 22 September 2025.

Until 17 June 2025, the Company was ultimately controlled by Apollo Capital Management, L.P., through its subsidiary Gamma Intermediate S.à r.l.. On that date, Gamma Intermediate S.à r.l. disposed of its entire stake in the Company through a private placement.

The Group offers a diversified product range spread across three operating segments: (i) online betting and gaming (Online); (ii) betting and gaming through the retail network (Sports Franchise); and (iii) management of the AWP (amusement with prize machines) and VLT (video lottery terminals) entertainment device networks and management of owned gaming halls and AWP (Gaming Franchise).

In September 2023, GGM S.p.A., a company indirectly controlled by the Company, finalized the acquisition of 100% of the shares of Ricreativo B S.p.A. (“**Ricreativo**”), a company involved in the management of amusement machines (AWP and VLT), gaming halls as well as betting collection activities. Ricreativo was consolidated from 1 September 2023.

On 24 April 2024, GBO S.p.A. completed the acquisition of 100% of the share capital of SKS365 Malta Holding Limited (merged into GBO S.p.A. during 2025) for a consideration of Euro 621.5 million (the “**SKS365 Acquisition**”). The company was consolidated starting from 30 April 2024. It is also noted that, SKS365 Malta Limited, a subsidiary of SKS365 Malta Holding Limited, was renamed to PWO Limited (now PWO S.p.A., hereinafter “**PWO**”) following the acquisition.

2 Summary of significant accounting policies

The most significant accounting policies and measurement criteria used in the preparation of the consolidated financial statements are described below.

2.1.1 Basis of presentation

The consolidated financial statements as of and for the years ended 31 December 2025, 2024 and 2023 (hereafter, the “**Consolidated Financial Statements**”) have been prepared for inclusion in the offering memorandum prepared in connection with the issuance of senior secured notes (hereinafter

the “**Offering**”) by Lottomatica Group S.p.A. (i) to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act (“Rule 144A”)) in reliance on Rule 144A and (ii) to non-US persons outside the United States in offshore transactions in reliance on Regulation S. As a result, the Consolidated Financial Statements may not be suitable for another purpose. The Consolidated Financial Statements have been prepared, without making any adjustments, on the basis of the statutory consolidated financial statements of the Company for the years ended 31 December 2025, 2024 and 2023, originally approved by the Board of Directors on 2 March 2026, 3 March 2025 and 28 February 2024, respectively, except for the restatement of certain information reported in the consolidated financial statements for the year ended 31 December 2023 in order to reflect retroactively the finalisation of the purchase price allocation of Ricreativo, in accordance with the method and timing provided for in IFRS 3 “Business Combinations” (see Note 7 “Business combinations and acquisition of businesses” for further details).

These Consolidated Financial Statements have been approved by the Board of Directors on 2 March 2026.

2.1.2 Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with the IFRS® Accounting Standards (“**IFRS Accounting Standards**”) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (hereafter, “**EU IFRS Accounting Standards**”).

The designation “EU IFRS Accounting Standards” includes all “IFRS Accounting Standards”, all “International Accounting Standards” (“**IAS® Standards**”) and all interpretations of the IFRS Interpretations Committee (“**IFRIC® Interpretations**”), formerly the Standing Interpretations Committee (“**SIC® Interpretations**”), adopted as of the reporting date, by the European Union in accordance with the procedures provided for in Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The Consolidated Financial Statements have been prepared on a going concern basis, as management has confirmed the absence of financial, operational or other indicators that may suggest an inability on the part of the Group to meet its obligations in the foreseeable future and, in particular, during the 12 months following the reporting date. The Group operates in a sector characterized by a business model in which collections precede payments. This dynamic, also considering the strong cash generation, allows the Group to manage its finances efficiently and utilize cash and cash equivalents for payments also related to non-recurring transactions which may determine temporary situations, such as those at 31 December 2025, in which current assets may be lower than current liabilities.

It should be noted that the Group has applied the temporary exemption provided by the amendment to IAS 12, issued by the International Accounting Standards Board (“IASB”) on 23 May 2023 (endorsed by European Commission Regulation No. 2023/2468 of 8 November 2023)., The exemption concerns the recognition and related disclosure to be provided in the financial statements for deferred tax assets and liabilities arising from the application of the minimum tax (so-called “Global Minimum Tax”), under the Global Anti-Base Erosion Model Rules (so-called “Pillar 2”), which have also been implemented in Italy through Legislative Decree No. 209/2023.

Accordingly, the Group will neither recognize nor disclose deferred tax assets and liabilities arising from Pillar 2 income taxes.

2.2 Format and content of the financial statements

The Consolidated Financial Statements are presented in thousands of Euro (unless otherwise indicated), the main currency in which Group companies operate.

The principal statements and related classification criteria adopted by the Group (among the options available under **IAS 1**—Presentation of financial statements) are as follows:

- the consolidated statement of financial position, classifies assets and liabilities based on whether they are current/non-current;
- the consolidated statement of comprehensive income, classifies costs and revenues according to their nature and sets out the profit or loss for the year, together with other amounts that, in accordance with EU IFRS Accounting Standards, are recognized directly in equity separately from those relating to operations with the Company's shareholders;
- the consolidated statement of cash flows, is prepared using the indirect method;
- the consolidated statement of changes in equity.

The formats used are those considered to provide the best representation of the Group's results and financial position.

2.3 Basis and principles of consolidation

The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries as approved by the respective boards of directors and prepared based on the accounting records of the individual companies, adjusted as necessary to align them with EU IFRS Accounting Standards.

The following table provides details of the companies included in the scope of consolidation for the relevant periods.

	Registered office	Share capital	% direct ownership	Owned by	% ownership at Group level	Consolidation method	As of 31 December		
							2025	2024	2023
PARENT COMPANY:									
Lottomatica Group S.p.A.	Rome	€10,000,000	-	-	-	-	X	X	X
SUBSIDIARIES:									
Lottomatica S.p.A. ⁽³⁰⁾	Rome	€32,350,625	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	-	-	X
Gamenet S.p.A.	Rome	€8,500,000	100.0%	Lottomatica Gaming S.p.A.	96.5%	Line-by-line	X	X	X
Billions Italia S.r.l.	Rome	€200,000	100.0%	Gamenet S.p.A.	96.5%	Line-by-line	X	X	X
Gnetwork S.r.l.	Rome	€66,667	75.0%	Gamenet S.p.A.	72.4%	Line-by-line	X	X	X
GBO Italy S.p.A.	Rome	€860,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X	X
Jolly Group S.r.l. ⁽³⁶⁾	Rome	€19,683	64.7%	Gamenet S.p.A.	62.4%	Line-by-line	X	X	X
New Matic S.r.l. ⁽²⁹⁾	Rome	€100,000	100.0%	Jolly Group S.r.l.	62.4%	Line-by-line	-	-	X
Agesoft S.r.l.	Rome	€100,000	60.0%	Gamenet S.p.A.	57.9%	Line-by-line	X	X	X
Rosilport S.r.l. ⁽³⁶⁾	Rome	€91,000	100.0%	Jolly Group S.r.l.	62.4%	Line-by-line	-	-	-
Goldbet.News S.r.l. ⁽³⁷⁾	Rome	€10,000	100.0%	GBO Italy S.p.A.	100.0%	Line-by-line	-	-	-
Lottomatica Videolot Rete S.p.A.	Rome	€3,413,984	100.0%	Lottomatica Gaming S.p.A.	96.5%	Line-by-line	X	X	X
Big Easy S.r.l. ⁽³¹⁾	Rome	€2,474,219	100.0%	Lottomatica Videolot Rete S.p.A.	96.5%	Line-by-line	X	X	X
Lottomatica Gaming S.p.A. (formerly GGM S.p.A.) ⁽¹⁷⁾	Rome	€27,238,695	96.5%	Lottomatica Group S.p.A.	96.5%	Line-by-line	X	X	X
GBO S.p.A.	Rome	€300,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X	X
Gamenet PRO S.r.l. ⁽¹¹⁾	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X	X
GNet Inc. ⁽¹⁾	Delaware (USA)	USD 264,854	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X	X
The Box S.r.l. ⁽¹⁹⁾	Rome	€5,277,680	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	X
Slottery S.r.l. ⁽¹⁹⁾	Rome	€90,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	X

Lottomatica UK Ltd. ⁽²⁾	London (UK)	£ 1,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	-	X	X
Valtellina Giochi S.p.A. ⁽³⁶⁾	Rome	€60,000	100.0%	Jolly Group S.r.l.	62.4%	Line-by-line	-	-	-
Giocaonline S.r.l.	Milan	€10,000	60.0%	GBO Italy S.p.A.	60.0%	Line-by-line	X	X	X
Ares S.r.l.	Rome	€10,000	80.0%	Gamenet S.p.A.	77.2%	Line-by-line	X	X	X
Marim S.r.l.	Rome	€583,640	85.7%	Lottomatica Gaming S.p.A.	82.7%	Line-by-line	X	X	X
Tecno-Mar S.r.l.	Moncalieri (TO)	€1,000	70.0%	Marim S.r.l.	57.9%	Line-by-line	X	X	X
Lottomatica Digital Solutions S.r.l. ⁽¹⁰⁾	Rome	€10,000	100.0%	GBO Italy S.p.A.	100.0%	Line-by-line	-	X	X
AB Games S.r.l. ⁽³³⁾	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	X
Big Easy Bingo S.r.l. (formerly Battistini Andrea S.r.l.) ⁽³³⁾	Rome	€10,400	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X	X
Optima Gaming Service S.r.l. ⁽³⁶⁾	Rome	€10,000	100.0%	Jolly Group S.r.l.	62.4%	Line-by-line	-	-	-
Betflag S.p.A.	Rome	€1,500,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X	X
Ricreativo B S.p.A. ⁽³⁸⁾	Rome	€10,000,000	100.0%	Lottomatica Gaming S.p.A.	96.5%	Line-by-line	X	X	X
Bingo Service S.r.l. ^{(33) (39)}	Rome	€110,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	X
Iris S.r.l. ^{(33) (40)}	Rome	€103,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	X
Kristal Palace S.r.l. ^{(20) (33)}	Mazzano (BS)	€50,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	-
SKS365 Malta Holding Limited ^{(4) (21)}	St. Julian's (MT)	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	-	X	-
PWO S.p.A. (formerly SKS365 Malta Limited) ^{(5) (21)}	St. Julian's (MT)	€10,000,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X	-
SKS Services doo ^{(6) (21)}	Belgrade (SRB)	RSD 1,185,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X	-
SKS365 SRB doo ^{(6) (21)}	Belgrade (SRB)	RSD 0	100.0%	PWO S.p.A.	100.0%	Line-by-line	-	X	-
Planet Entertainment S.r.l. ⁽²¹⁾	Rome	€10,000	100.0%	PWO S.p.A.	100.0%	Line-by-line	-	X	-
Il Galletto Fortunato S.r.l. ^{(22) (33)}	Rome	€51,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	-	-	-
Lottomatica Technology & Operations S.r.l. (formerly Totosi Servizi S.r.l.) ^{(16) (23)}	Rome	€100,000	100.0%	Lottomatica Group S.p.A.	100.0%	Line-by-line	X	X	-
Totosi S.r.l. (formerly Macao Phygital S.r.l.) ⁽²⁴⁾	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	X	-
Dea Bendata S.r.l. ^{(9) (25)}	Rome	€10,000	100.0%	Big Easy S.r.l.	96.5%	Line-by-line	X	X	-
Rete Gioco Italia S.r.l. ⁽²⁷⁾	Rome	€3,759,060	60.0%	Lottomatica Videolot Rete S.p.A.	57.9%	Line-by-line	-	X	-
Bakoo S.p.A. ^{(18) (28)}	Rome	€120,000	100.0%	Marim S.r.l.	82.7%	Line-by-line	X	X	-
Sea S.r.l. ^{(7) (32)}	Rome	€50,000	96.5%	Big Easy S.r.l.	96.5%	Line-by-line	-	X	-
IMA S.r.l. ⁽³⁴⁾	Rome	€101,000	82.7%	Marim S.r.l.	82.7%	Line-by-line	X	X	X
Distante S.r.l. ⁽⁸⁾	Francavilla Fontana (BR)	€52,000	65.0%	Lottomatica Videolot Rete S.p.A.	62.7%	Line-by-line	X	-	-
Lottomatica Servizi S.r.l. (formerly Lottomatica Payments S.r.l.) ⁽¹³⁾	Rome	€10,000	100.0%	GBO S.p.A.	100.0%	Line-by-line	X	-	-
EQUITY ACCOUNTED INVESTMENTS:									
Thinkabout S.r.l. ⁽²⁶⁾	Milan	€85,783	24.0%	Gamenet S.p.A.	24.0%	Equity	-	-	X
iPRO Inc. ⁽³⁵⁾	Nevada (USA)	USD 8,000,000	19.7%	Gamenet PRO S.r.l.	19.7%	Equity	-	-	X
Cristaltec S.p.A. ⁽³⁾	Rome	€1,687,500	60.0%	Lottomatica Videolot Rete S.p.A.	57.9%	Equity	X	-	-
Luduscrystaltec L.d.A. ⁽³⁾	Porto (PT)	€20,000	51.0%	Cristaltec S.p.A.	49.2%	Equity	X	-	-
Huge Easy Nerviano S.p.A. ⁽¹²⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy San Giuliano S.p.A. ⁽¹²⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Terni S.p.A. ⁽¹²⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Blu S.p.A. ⁽¹⁴⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Giallo S.p.A. ⁽¹⁴⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Nero S.p.A. ⁽¹⁴⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Rosso S.p.A. ⁽¹⁴⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Huge Easy Verde S.p.A. ⁽¹⁴⁾	Salò (BS)	€50,000	49.0%	Big Easy S.r.l.	47.3%	Equity	X	-	-
Sportbet S.r.l. ⁽¹⁵⁾	Rome	€10,000	20.0%	GBO S.p.A.	20.0%	Equity	X	-	-

1. The company entered into liquidation in November 2024, completed in 2025.
2. The company entered into liquidation on 26 November 2024. It became effective on 11 February 2025.
3. On 13 January 2025, Lottomatica Videolot Rete S.p.A. finalized the agreements for the acquisition of 60% of the share capital of Cristaltec S.p.A., a company involved in the development and distribution of online games, AWP and VLT games, which controls 51% of the company Luduscrystaltec L.d.A..
4. On 4 February 2025, the company was merged into GBO S.p.A..
5. On 4 February 2025, the preparatory steps for the transformation of the company PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed, effective from 1 March 2025.
6. Liquidated company in 2024.
7. On 10 March 2025, the company was merged into Big Easy Bingo S.r.l..

8. On 25 March 2025, Lottomatica Videolot Rete S.p.A. finalized the agreement for the acquisition of 65% of the share capital of Distante S.r.l.
9. On 17 April 2025, the company was merged into Big Easy S.r.l..
10. On 20 May 2025, the company was merged into GBO Italy S.p.A..
11. The company entered into liquidation on 9 May 2025. The final liquidation balance sheet dated 17 June 2025, was approved on the same date. On 24 June 2025, the shareholders' meeting for the approval of the final liquidation balance sheet was held.
12. On 28 May 2025, the company was incorporated.
13. On 30 May 2025, the company was incorporated. On 18 November 2025, the company was renamed to "Lottomatica Servizi S.r.l..".
14. On 2 October 2025, the company was incorporated.
15. On 16 December 2025, GBO S.p.A. finalized the agreement for the acquisition of 20% of the share capital of Sportbet S.r.l..
16. On 28 November 2025, the company was sold to Lottomatica Group S.p.A. On 26 January 2026, the company was renamed "Lottomatica Technology & Operations S.r.l..".
17. On 1 January 2026 the company was renamed "Lottomatica Gaming S.p.A..".
18. The company was sold with effect from 1 January 2026.
19. Companies merged into Big Easy S.r.l. on 27 May 2024.
20. On 31 January 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Kristal Palace S.r.l., a company operating in the management of Bingo halls as well AWP and VLT devices within them.
21. On 24 April 2024, GBO S.p.A. finalized the acquisition of 100% of the share capital of SKS365 Malta Holding Limited and its subsidiaries.
22. On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Il Galletto Fortunato S.r.l., company operating in the management of Bingo halls as well as AWP and VLT devices within them.
23. Company incorporated on 28 May 2024.
24. On 31 May 2024, GBO S.p.A. finalized the acquisition of the entire share capital of Macao Phygital S.r.l. a company operating in the online betting activities. On 28 October 2024 Macao Phygital S.r.l. has been renamed Totosi S.r.l.
25. On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in the Gaming Franchise sector.
26. The company entered into liquidation in February 2023. The final liquidation financial statements as of 27 December 2023 were approved on 13 February 2024.
27. On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them.
28. On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software and hardware in the AWP, VLT and online markets.
29. On 5 August 2024, New Matic S.r.l. was merged into Jolly Group S.r.l..
30. On 24 October 2024, Lottomatica S.p.A. was merged into Lottomatica Group S.p.A..
31. On 20 December 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of the entire share capital of Big Easy S.r.l..
32. On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., company operating in the management of Bingo halls as well as AWP and VLT devices within them.
33. Companies merged into Battistini Andrea S.r.l. on 22 November 2024. The company has been renamed Big Easy Bingo S.r.l..
34. On 17 December 2024, Marim S.r.l. finalized the acquisition of the entire share capital of IMA S.r.l., which from December 2024 will be consolidated using the full method as a controlled company. Before, it was recognized as equity accounted investments.
35. On 19 December 2024, Gamenet PRO S.r.l. completed the sale of its 19.7% ownership in iPRO Inc..
36. On 15 November 2023, RosilSport S.r.l., Valtellina Giochi S.p.A. and Optima Gaming Service S.r.l. were merged into Jolly Videogiochi S.r.l., whose company name was changed to Jolly Group S.r.l.
37. On 26 September 2023, Goldbet News S.r.l. was merged into GBO Italy S.p.A..
38. On 11 March 2023, Lottomatica Gaming S.p.A. (formerly GGM S.p.A.) signed the agreement for the acquisition of 100% of the share capital of Ricreativo B S.p.A. Ricreativo B S.p.A. has been consolidated since 1 September 2023.
39. On 11 December 2023, Big Easy S.r.l. signed the agreement for the acquisition of 100% of the share capital of Bingo Service S.r.l., a company involved in Bingo and betting collections through AWP and VLT. Bingo Service S.r.l. has been consolidated since 31 December 2023.
40. On 30 November 2023, Big Easy S.r.l. signed the agreement for the acquisition of 100% of the share capital of Iris S.r.l., a company involved in Bingo and betting collections through AWP and VLT. Iris S.r.l. has been consolidated since 31 December 2023.

Please see Note 7 – Business Combinations for further details regarding acquisitions that occurred during the three-years 2023-2025.

The following describes other changes in the scope of consolidation relating to extraordinary transactions involving consolidated companies and/or to increases in shares in companies already owned.

2023

GGM S.p.A.

Following the Faro Games Transaction (as defined in Note 11.5.10), Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) acquired the minority share capital previously held by Faro Games S.r.l. in GGM S.p.A. (for further details, please refer to Note 11.5.10). Subsequently, GGM S.p.A. (subsequently renamed Lottomatica Gaming S.p.A.), with the completion of the acquisition of Ricreativo in September 2023, increased its share capital by issuing new shares for an amount equal

to the agreed non-cash consideration, assigning them to the seller as partial satisfaction of the consideration (for further details please refer to Note 11.5.12).

Reorganization of the Group

On 26 September 2023, Goldbet News S.r.l. was merged into GBO Italy S.p.A. Subsequently, on 15 November 2023, Rosilspport S.r.l., Valtellina Giochi S.p.A. and Optima Gaming Service S.r.l. were merged into Jolly Videogiochi S.r.l., whose name has been changed to Jolly Group S.r.l..

2024

Billions Italia S.r.l.

On 23 January 2024, Gamenet S.p.A. signed a contract for the acquisition of the remaining 30% of the share capital of Billions Italia S.r.l., thereafter owning 100% of the share capital.

New Matic S.r.l.

On 13 May 2024, Gamenet S.p.A., which owned 51% of the share capital of New Matic S.r.l., purchased the remaining 49% shareholding, thereafter owning 100% of the share capital. Subsequently, on 22 May 2024, Gamenet S.p.A. sold its entire shareholding in the company New Matic S.r.l. to Jolly Group S.r.l. and on 5 August 2024 the merger between New Matic S.r.l. and Jolly Group S.r.l. took place, with accounting and tax effects backdated to 1 January 2024.

IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of 51% of the share capital of IMA S.r.l.. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l..

Reorganization of the Group

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024, with accounting and tax effects backdated to 1 January 2024.

As part of a project to rationalize and simplify the organizational structure and corporate structure of the Group, on 1 June 2024, the merger by incorporation of Slottery S.r.l. and The Box S.r.l. into Big Easy S.r.l. took place with accounting and tax effects backdated to 1 January 2024.

Finally, for the purposes of harmonizing the corporate structure with the operational structure of the Group's "Bingo" business line, on 22 November 2024, the merger by incorporation of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l. took place with accounting and tax effects backdated to 1 January 2024. The company was renamed Big Easy Bingo S.r.l..

2025

Reorganization of the Group

As part of a project aimed at streamlining and simplifying the Group's organizational structure and corporate framework:

- the following mergers by incorporation were carried out, resulting in the elimination of the incorporated companies from the scope of consolidation:
 - SKS365 Malta Holding Limited was merged by incorporation into GBO S.p.A.;
 - Dea Bendata S.r.l. was merged by incorporation into Big Easy S.r.l.;
 - Sea S.r.l. was merged by incorporation into Big Easy Bingo S.r.l.;
 - Lottomatica Digital Solutions S.r.l. was merged by incorporation into GBO Italy S.p.A.
- the liquidation procedures of the following companies were completed and, accordingly, they were eliminated from the scope of consolidation: Gnet Inc., Lottomatica UK Ltd, SKS Services d.o.o., SKS365 SRB d.o.o., and Gamenet PRO S.r.l.;
- Lottomatica Payments S.r.l. was established and subsequently renamed Lottomatica Servizi S.r.l.;
- the procedures for the transformation of the company PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed, with effect from 1 March 2025;
- the investment in Lottomatica Technology & Operations S.r.l. (formerly Totosì Servizi S.r.l.) was transferred by GBO S.p.A. to Lottomatica Group S.p.A., with no changes to the scope of consolidation.

Equity accounted investments

On 13 January 2025, Lottomatica Videolot Rete S.p.A. completed the acquisition of 60% of the share capital of Cristaltec S.p.A., which holds a 51% interest in Luduscristaltec L.d.A.. On 31 March 2025, Lottomatica Videolot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.40% from the original 60%. Therefore, since control requirements pursuant to IFRS 10 are not met, the investment in Cristaltec S.p.A. is recognized using the equity method, in accordance with IAS 28 – Investments in Associates and Joint Ventures, as the Group exercises significant influence over the investee.

On 16 December 2025, GBO S.p.A. completed the acquisition of 20% of the share capital of Sportbet S.r.l.. Furthermore, Big Easy S.r.l. subscribed a 49% equity interest in the share capital of the newly established companies Huge Easy Nerviano S.p.A., Huge Easy San Giuliano S.p.A. and Huge Easy Terni S.p.A. on 28 May 2025, as well as the companies Huge Easy Rosso S.p.A., Huge Easy Blu S.p.A., Huge Easy Nero S.p.A., Huge Easy Giallo S.p.A. and Huge Easy Verde S.p.A. in November 2025. These companies qualify as associates, due to the existence of significant influence, and as joint ventures and are accounted for using the equity method.

2.3.1 Subsidiaries

An investor controls an investee when: (i) it is exposed, or has rights, to variable returns from its involvement with the investee and ii) it has the ability to affect those returns through its control over the investee. The existence of control is verified each time that facts or circumstances indicate a change in one of the aforementioned control criteria. Subsidiaries are consolidated using the line-by-line method, from the date that control is obtained until the date that such control ceases when it is transferred to third parties. The financial statements of all the subsidiaries have the same reporting date as the Company. The principles adopted for line-by-line consolidation are as follows:

- the assets, liabilities, revenues and expenses of the subsidiaries are consolidated on a line-by-line basis, attributing to the non-controlling interests, where applicable, their share of equity and profit or loss for the year which are shown separately in equity and in the consolidated statement of comprehensive income;

- gains and losses including any tax effects resulting from transactions between fully consolidated Group companies, which have not been realized with third parties at the end of the reporting period, are eliminated, other than losses that result from transactions involving a reduction in value of the asset transferred. Receivables and payables, costs and revenues and finance income and expenses between companies included in the scope of consolidation are also eliminated;
- if the Group increases its shareholding in a subsidiary subsequent to assuming control, any difference between the acquisition cost and the corresponding share of equity acquired is recognized in equity attributable to owners of the parent. In the same way, if the Group reduces its shareholding in a subsidiary without a loss of control of the subsidiary, the effects are recognized in equity. If, on the other hand, as a result of the sale of shares in a subsidiary the Group loses control, the following are recognized in profit or loss:
 1. any gains/losses, calculated as the difference between the consideration received and the corresponding share of net equity sold;
 2. the effects of remeasuring any remaining investment to its fair value;
 3. all amounts previously recognized in other comprehensive income in relation to the subsidiary over which control was lost. If, however, it is not foreseen that such amounts would be subsequently reclassified to the income statement, they are reclassified to “Retained earnings”.

The new book value of any remaining investment is the fair value at the date of loss of control and this becomes the reference value for future measurement of the investment in accordance with relevant accounting standards.

2.3.2 Business combinations

Business combinations in which control is acquired are recorded in accordance with IFRS 3 – *Business Combinations* (“**IFRS 3**”), applying the acquisition method of accounting. Identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date (the “**Acquisition Date**”), except for deferred tax assets and liabilities, assets and liabilities relating to employee benefits and assets held for sale, which are recognized on the basis of the relevant accounting principles. If positive, the difference between the acquisition cost and the fair value of the assets and liabilities acquired is recognized as goodwill, if negative, after reviewing the fair value measurements of the assets and liabilities acquired, the difference is recognized directly in the consolidated statement of comprehensive income as a gain. In the event that the values of the acquired assets and liabilities are initially determined on a provisional basis, they must be confirmed within a maximum period of twelve months from the acquisition date, based solely on information relating to facts and circumstances existing at the Acquisition Date. In the period when such values are finally determined, the provisional values are adjusted retrospectively. Transaction costs are recorded in the consolidated statement of comprehensive income when incurred.

In addition to the fair value at the Acquisition Date of the assets transferred, the liabilities assumed and any capital instruments issued for the purposes of the acquisition, the acquisition cost also includes contingent consideration, or that share of the cost, the amount and timing of which are contingent on future events. Contingent consideration is measured at fair value at the Acquisition Date; subsequent changes in fair value are recognized in the consolidated statement of comprehensive income if the contingent consideration is a financial asset or liability while, if the contingent consideration is classified as equity, the original amount is not remeasured and is recorded directly in equity when settled.

If the business combination is achieved in stages, the acquisition cost is determined by adding the fair value of the previously held equity interest and the consideration for the additional investment. Any difference between the fair value of the previously held equity interest and its acquisition-date fair value is recognized in the consolidated statement of comprehensive income. On assuming control, any amounts previously recognized in other components of comprehensive income are reclassified to the

income statement or recognized under another heading in equity in the event they are not reclassified to the income statement.

Business combinations in which all the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the transaction, are known as business combinations under common control. Such combinations are not governed by IFRS 3 nor by any other IFRS. In the absence of an applicable accounting standard, an accounting policy meeting the requirements of IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, regarding the provision of relevant and reliable information must be applied. Moreover, the accounting policy chosen to represent combinations under common control must reflect the economic substance of the arrangement independently of its legal form. Economic substance, therefore, is the key driver in choosing the most appropriate method to account for such combinations. Economic substance must be considered in terms of the generation of added value and significant variations in cash flows relating to the net assets transferred. It is also important to consider existing interpretations and guidance and reference is made to the Preliminary Guidance on IFRS of the Association of Italian Auditors in relation to how to account for business combinations of entities under common control in separate and consolidated financial statements. The net assets transferred must, therefore, be recognized at the same values as their carrying amounts in the financial statements of the acquired companies or, if available, at the values reported in the consolidated financial statements of the common controlling company. In this regard, in such cases, the Company has chosen to refer to carrying amounts in the financial statements of the acquired companies.

2.3.3 Equity accounted investments

An associate is an investee over which the Group has significant influence, namely the power to participate in the financial and operating decisions of the investee, without having control or joint control¹ over it. Significant influence is presumed to exist (unless it can be clearly demonstrated otherwise) when the investor holds, directly or indirectly through subsidiaries, at least 20% of the voting rights. A joint venture is a joint arrangement in which the parties with joint control have rights to the net assets of the arrangement and, therefore, an interest in the jointly controlled entity.

Associates and joint ventures are accounted for using the equity method and are initially recorded at cost. The equity method is described as follows:

- the carrying amount of such investments is aligned to the adjusted equity, where necessary, to reflect the application of IFRS and includes recognition of the higher values attributed to the assets and liabilities and goodwill, if any, identified at the date of acquisition, following a process similar to that previously described for business combinations;
- the Group's share of the investee's profit or loss is recorded starting from the date that significant influence commences until the date that influence ceases. If, as a result of losses, the investee shows negative equity, the carrying amount of the investment is reduced to zero, any additional losses are provided for and a liability is recognized only to the extent that the Group has legal or constructive obligations or is otherwise required to settle the losses. Changes unrelated to profit or loss in the equity of investees accounted for using the equity method are recognized directly in the consolidated statement of comprehensive income;
- unrealized gains and losses, generated on transactions between the Company/its subsidiaries and the investee accounted for using the equity method are eliminated to the extent of the Group's

¹ Joint control is an arrangement whereby decisions about the relevant activities require the unanimous consent of all parties sharing control.

investment in the investee, except for losses, in the case in which they represent impairment of the underlying asset, and dividends, which are eliminated in full.

When indicators of impairment exist, recoverability is considered by comparing the book value of investments with their related recoverable value calculated in accordance with the criteria indicated in "Impairment of goodwill and property, plant and equipment, intangible and investment property assets". If the reasons for the impairment cease to exist, the value of the investments is reinstated up to the amount that would have been recognized had no impairment occurred, with the effect being recorded in the income statement.

The partial disposal of investments that result in loss of control or loss of significant influence over the investee are reflected in the consolidated statement of comprehensive income with:

- any gains/losses, calculated as the difference between the consideration received and the corresponding share of net equity sold;
- the effect of realigning the remaining investment to its fair value;
- all amounts previously recognized in other comprehensive income in relation to the investment to be reclassified to the income statement.

The fair value of any remaining investment, as of the date of loss of control or loss of significant influence, becomes the new book value and therefore the reference for subsequent measurement in accordance with applicable criteria.

If an investment, or share of investment, accounted for using the equity method is classified as available for sale, such investment or share of investment is no longer measured using the equity method.

2.3.4 Treatment of put options on the non-controlling interests

The Group has issued put options to minorities that give such minorities the right to sell their shares to the Group at a future date. The treatment of put options granted to minorities is not fully governed by EU IFRS Accounting Standards. In particular, while the issuance of a put option to minorities gives rise to a liability, the corresponding entry is not defined. In this regard, in accordance with Paragraph 23 of IAS 32 - *Financial Instruments: Presentation*, a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability. Such financial liability is recognized initially at the present value of the redemption amount and, in accordance with IFRS 9 – *Financial Instruments* ("**IFRS 9**"), subsequent adjustments to the financial liability are recognized in the statement of comprehensive income. In order to determine the corresponding entry to reflect the aforementioned financial liability, it is first necessary to consider whether, as part of the conditions regarding exercise of the puttable financial instrument, the risks and benefits deriving from ownership of the non-controlling interest are transferred to the controlling company or remain with the owners of the non-controlling interest, as this will determine whether the non-controlling interests subject to the put option are required to be reported. If the risks and benefits are not transferred to the controlling company by the puttable option, the non-controlling interests subject to the put option require reporting: if, on the other hand, such risks and benefits are transferred, the non-controlling interests need not be recognized in the consolidated financial statements.

Given the above:

- if the non-controlling interests do not need to be recognized in the financial statements as the related risks and benefits have transferred to the controlling company, the liability relating to the put option will be reflected:
 - a) against goodwill, if the put option was granted to the seller in the context of a business combination, or

- b) against equity attributable to the minorities, in the case in which the contract was entered into outside such context; on the other hand.
- if the risks and benefits have not transferred, the corresponding entry will be to equity attributable to the owners of the parent.

2.4 Accounting policies and measurement criteria

The following paragraphs briefly describe the main key accounting policies and measurement criteria adopted in preparing the Consolidated Financial Statements.

2.4.1 Current and non-current assets and liabilities

The Group classifies an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle (12 months);
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4.2 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost (inclusive of any non-deductible VAT, which is recognized as a cost) net of accumulated depreciation and impairment. Acquisition or production cost includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as well as any expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists. Finance expenses directly attributable to the acquisition, construction or production of property, plant and equipment requiring more than one year to construct or produce are capitalized and depreciated over the estimated useful lives of the assets to which they relate.

Expenses incurred for ordinary and/or cyclical maintenance and repairs are charged directly to the consolidated statement of comprehensive income in the year incurred. The capitalization of costs inherent to the expansion, modernization or improvement of facilities owned or used by third parties is recorded solely to the extent that they meet the conditions for being classified separately as an asset or part of an asset. Improvements to leased assets are depreciated over the duration of the relevant lease contract or over the specific estimated useful life of the asset, if less.

Depreciation is calculated on a straight-line basis over the estimated useful life of the individual assets. When an asset being depreciated is composed of separately identifiable elements with useful lives that differ significantly from the other elements that comprise the asset, depreciation is calculated separately for each element, in accordance with the component approach method.

The estimated useful life by class of property, plant and equipment is as follows:

Estimated useful life	
Gaming hardware	2-8 years
Furniture	2-8 years
Leasehold improvement	Lower of estimated useful life of the asset and duration of the relevant lease contract
Other assets	4-8 years

The estimated useful life of property, plant and equipment is reviewed and adjusted as required.

Property, plant and equipment is derecognized when it is sold or otherwise disposed of or when the expected future economic benefits no longer exist. Any gains or losses (calculated as the difference between the net sale proceeds and the net book value of the asset sold) are recognized in the consolidated statement of comprehensive income at the time the asset is derecognized.

2.4.3 Intangible assets

Intangible assets include identifiable assets without physical substance that are controlled by the Group and expected to produce future economic benefits, as well as goodwill arising on business combinations. The requirement that such assets be identifiable is normally satisfied when an intangible asset is:

- based on a legal or contractual right or
- separable, in the sense that it may be separately sold, transferred, leased or exchanged.

Control over an intangible asset consists of the right to make use of the future economic benefits deriving from the asset and the ability to limit such access to others.

Intangible assets are initially recognized at acquisition or production cost (including any non-deductible VAT, which is recognized as a cost), including costs directly attributable to making the asset ready for use. All other subsequent costs are charged directly to profit or loss in the year incurred. Research costs are recognized in the income statement as they are incurred. The most significant intangible assets held by the Group are as follows:

A) Goodwill

Goodwill is recognized as an intangible asset with an indefinite useful life. It is initially measured at cost, as previously described, and subsequently tested for impairment at least annually to identify if goodwill is impaired (see the following paragraph "Impairment of goodwill and property, plant and equipment, intangible and investment property assets"). Impairment losses recognized for goodwill may not be reversed in subsequent periods.

B) Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at cost, net of accumulated amortization and impairment losses, if any. Amortization starts when the asset is available for use and is charged systematically over the residual estimated useful life; for details regarding amounts to be amortized and the recoverability of the recognized values of such assets, see the disclosures relating to "Property, plant and equipment" and "Impairment of goodwill and property, plant and equipment, intangible and investment property assets" respectively.

The estimated useful life for the various classes of intangible assets is as follows:

	Estimated useful life
Concessions	Duration of concession
Trademarks	10 - 30 years
Software	3-10 years or on a straight-line basis
Network relationship	4-10 years
Other intangible assets	2-5 years

2.4.4 Investment property

Properties held to earn rentals or for capital appreciation are recognized under “Investment property”; as with property, plant and equipment, such properties are stated at acquisition or production cost including any ancillary costs, net of accumulated depreciation and impairment.

2.4.5 Impairment of goodwill and property, plant and equipment, intangible and investment property assets

A) Goodwill

As noted above, goodwill is tested for impairment annually or more frequently, whenever events or changes in circumstances indicate that goodwill may be impaired, in accordance with IAS 36 (*Impairment of Assets*). Impairment tests are normally performed at each year end and therefore the reference date for such tests is the reporting date.

Impairment tests are carried out for each cash-generating unit (“CGU”) or group of CGUs to which goodwill has been allocated (if events or changes in circumstances indicate that goodwill may be impaired, impairment tests are performed even in the event that the process of allocating goodwill to the CGUs has not yet been completed). An impairment loss on goodwill is recognized when the CGU’s carrying amount exceeds its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use, being the present value of estimated future cash flows; in calculating the value in use, the estimated future cash flows are discounted to present value using a net of tax discount rate, which reflects current market assessments of the time value of money and the risks specific to the asset. If the impairment loss is higher than the carrying amount of goodwill allocated to the CGU, the excess is applied to the other assets of the CGU in proportion to their carrying amount. The carrying amount of an asset should not be reduced below the highest of:

- the fair value of the assets less costs of disposal;
- the value in use;
- zero.

Impairment losses recognized for goodwill may not be reversed in subsequent periods even if the conditions that gave rise to such impairment loss cease to exist.

B) Property, plant and equipment, intangible and investment property assets with a finite useful life

At each balance sheet date, the Group assesses whether there are any indications of impairment of property, plant and equipment, intangible and/or investment property assets with a finite useful life. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market

value of the asset, changes in technology, markets or laws, trends in market interest rates and the cost of capital used to evaluate investments.

When indicators of impairment exist, the recoverable amount is estimated and the carrying amount of the asset reduced accordingly, with the impairment loss being charged to the consolidated statement of comprehensive income. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In calculating the value in use, the estimated future cash flows are discounted to present value using a net of tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the carrying amount of an asset or the CGU to which it belongs exceeds the recoverable amount, an impairment loss is recognized in the consolidated statement of comprehensive income. Such impairment losses are allocated first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGUs and then to other assets of the unit pro rata on the basis of their carrying amounts, while respecting their relative recoverable amounts. If the conditions that gave rise to an impairment loss no longer exist, the asset is revalued to the revised estimate of its recoverable amount, up to the value that would have been recorded, net of amortization, had no impairment loss been recognized, with the increase being recognized in the consolidated income statement.

2.4.6 Financial assets

On initial recognition, financial assets are classified in one of the three categories described below based on:

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

Financial assets are derecognized when, and only when, disposal involves the substantial transfer of all the risks and rewards of ownership of the financial asset. If, on the other hand, the company retains substantially all the risks and rewards of ownership of the financial asset, it must continue to recognize the financial asset, even if legal ownership has effectively been transferred.

A) Financial assets measured at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a "Hold to collect" business model, the objective of which is to hold financial assets in order to collect contractual cash and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, such financial assets are measured at amortized cost, calculated using the effective interest method. The amortized cost method is not used for those assets (measured at historical cost) whose short-term nature means there is no requirement to discount to present value, available assets and revocable credit lines.

Financial assets measured at amortized cost, other than trade receivables, are considered to have a low credit risk if the counterparty has at least an investment grade rating or if it is considered that it is able to respect its financial obligations. For such assets, any loss allowance recognized is limited to that relating to 12 month expected credit losses.

B) Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a “Hold to collect and sell” business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e., that pass the SPPI test).

This category also includes equity instruments (other than investments in subsidiaries, associates or joint ventures) not held for sale, for which the option has been exercised to designate the asset at fair value through other comprehensive income.

At initial recognition, such assets are measured at fair value including directly attributable transaction costs or income. Subsequent to initial recognition, equity interests (other than investments in subsidiaries, associates or joint ventures) are measured at fair value, with the offsetting amounts recognized in equity (Statement of comprehensive income) and not subsequently reclassified to profit or loss, even in the event of sale. Related dividends represent the only relevant component recognized in the income statement.

For securities included in this category not quoted in an active market, cost is used as an estimate for fair value under certain limited circumstances, such as when recent information to measure fair value is insufficient or there exists a broad range of possible measures of fair value and cost is considered to be the best estimate of these.

C) Financial assets measured at fair value through profit or loss

This category includes all financial assets other than those measured at amortized cost or at fair value through other comprehensive income. It includes financial assets available for sale and derivatives not classified as cash flow hedges (which are recognized as assets if the fair value is positive and liabilities if fair value is negative). At initial recognition, financial assets measured at fair value through profit or loss are measured at fair value, excluding transaction costs or income that are directly attributable to the instrument in question. Subsequently, they are measured at fair value with related gains and losses being recognized in the income statement.

2.4.7 Trade receivables

In accordance with IFRS 15 – *Revenue from Contracts with Customers*, trade receivables for the provision of services are recognized based on the terms of the relevant customer contract and classified according to the nature of the counterparty and/or the due date of the receivable (such definition includes invoices still to be issued for services already provided).

As trade receivables are typically short-term in nature and do not involve payment of interest, amortized cost is not calculated and they are accounted for at the nominal value stated on the invoice or in the customer contract: such arrangement is followed even for those receivables due after more than 12 months, so long as the effect is not significant. This is due to the fact that the value of short-term receivables is very similar whether the historical cost method or amortized cost method is adopted and the impact of discounting is insignificant.

Trade receivables are tested for impairment in accordance with the requirements of IFRS 9. For measurement purposes, trade receivables are categorized by due date. Performing receivables are measured collectively, grouping individual exposures based on similar credit risk. The measurement process involves reviewing losses suffered on assets with similar credit risk based on past experience

and considers expected losses. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

The Group applies the simplified approach set out in IFRS 9 to estimate the recoverability of its trade receivables.

The adjustment of estimates takes into account the risk of non-collection of receivables by applying different expected loss allowances to groups of receivables, each characterized by similar risk profiles and ageing or status of actions taken to recover doubtful receivables.

2.4.8 Inventories

Inventories are valued at lower of cost and estimated realizable value.

Obsolete stock and slow turnover inventory are written down in relation to their possibility of use or realization through the establishment of a specific provision, recognized as a direct decrease in the corresponding asset item.

2.4.9 Cash and cash equivalents

Cash and cash equivalents include cash and available bank deposits as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value and have original maturity, or remaining maturity at the date of purchase, not exceeding 3 months. Cash and cash equivalents are recognized at fair value with related changes recorded in the consolidated income statement. The item includes cash in the hopper of machines managed by Group companies involved in "Retail & Street Operation" product division.

2.4.10 Employee severance indemnity

The employee severance indemnity due to employees in accordance with Article 2120 of the Italian Civil Code ("TFR") is considered a defined benefit plan. Under such plans, the amount of the benefit is only quantifiable following termination of the employment relationship and is dependent upon factors such as age, length of service and level of remuneration; for this reason, the costs charged to the income statement for a given year are determined by actuarial calculation. The liability recognized for defined benefit plans corresponds to the present value of the obligation at the reporting date. The obligations under defined benefit plans are determined each year by an independent actuary, using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which reflect the period of the relevant defined benefit plan. The actuarial gains and losses deriving from adjustments in the total liability and the effect of changes in the actuarial assumptions are recognized in the statement of comprehensive income.

With effect from 1 January 2007, the 2007 Finance Law and related decrees implementing the law introduced significant changes to the TFR regulations, including the option for each employee to choose the destination of the accruing indemnity. Specifically, employees may now allocate new TFR flows to alternative external pension plans or elect for them to be retained by the employer. If an external pension plan is chosen, the company is only obliged to make defined contributions to such plan and, accordingly, from the aforementioned date, the related new TFR flows are deemed to be payments to a defined contribution plan not subject to actuarial valuation.

2.4.11 Share based payments

In accordance with the requirements of IFRS 2, equity-settled share based payment plans are accounted for by recognizing the fair value of the options at the grant date as an expense in the income statement, with a corresponding entry in a specific equity reserve.

Where the plan includes a vesting period during which service and/or performance conditions must be satisfied for the beneficiaries to become entitled to the award, the total cost, measured on the basis of the fair value at the grant date, is recognized on a straight-line basis over the vesting period, based on the number of options expected to vest.

The fair value of the options granted is determined at the grant date, taking into account expectations regarding the achievement of performance parameters linked to market conditions, and is not subsequently adjusted. When the vesting of the award is also subject to non-market performance conditions, the estimate of such conditions is reflected by adjusting, over the vesting period, the number of options expected to vest.

2.4.12 Provisions for risks and charges

Provisions for risks and charges are recorded to cover costs and liabilities whose existence is certain or probable but which at the end of the reporting period are uncertain as to amount or as to the date on which they will arise.

Provisions are recognized only when:

- there is a current (legal or constructive) obligation for a future outflow of resources deriving from a past event;
- it is likely that the outflow of resources required to satisfy the obligation is significant;
- the amount of the obligation can be estimated reliably.

Provisions are based on best estimates at the reporting date of the present value of the expenditure required to extinguish the obligation or transfer it to third parties. If the time value of money is material and the payment date of the obligations can be reasonably estimated, provisions are calculated as the present value of the expected cash flows, taking into account the risks associated with the obligation. Increases in the amount of the provision due to changes in the time value of money are recognized as "Finance expenses" in the income statement. Provisions are adjusted periodically to reflect changes in estimated costs, timing and discount rates. Changes to estimates are recognized in the income statement in the same account as the original provision.

2.4.13 Financial liabilities, trade payables and other payables

Financial liabilities (other than derivative financial instruments), trade payables and other payables are initially recognized at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost, with any differences being recognized over the life of the liability as required by the effective interest method. If there is a change in the estimate of expected cash flows, the liabilities are remeasured to recognize the present value of the new expected cash flows calculated using the effective interest rate as initially determined.

2.4.14 Derecognition of financial assets and liabilities

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- rights to the cash flows from the asset have expired;

- the Group has retained the rights to the cash flows from the asset, but has assumed an obligation to pay the cash flows from the asset to third parties, wholly and without delay;
- the Group has transferred its rights to receive the cash flows from the asset and has: (a) transferred substantially all risks and rewards of ownership of the financial asset; or (b) has neither transferred substantially all risks and rewards nor retained substantially all risks and rewards but has transferred control of the asset.

A financial liability is derecognized when the obligation underlying the liability is extinguished, annulled or fulfilled.

2.4.15 Derivative financial instruments

Derivative financial instruments are accounted for in accordance with IFRS 9. At the inception of the contract, derivative instruments are initially recognized as financial assets at fair value through profit or loss when the fair value is positive, or financial liabilities at fair value through profit or loss when the fair value is negative. If the financial instruments are not designated as hedging instruments, any changes in fair value after initial recognition are treated as components of profit or loss for the year. If the derivative instruments meet the requirements to qualify as hedging instruments, subsequent changes in fair value are recognized according to the specific criteria described below.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged item is formally documented, including the risk management objectives, the hedging strategy and the methods that will be used to verify perspective and retrospective effectiveness. The effectiveness of each hedge is assessed both at the inception of the contract and during its life, specifically at each year-end and interim reporting date. A hedge is considered to be highly effective if at the start of the hedge and during subsequent periods, changes in the fair value (in the case of a fair value hedge) or expected future cash flows (in the case of a cash flow hedge) of the hedged item are substantially offset by changes in the fair value of the hedging instrument. IFRS 9 provides for the following three types of hedging relationship:

- I. fair value hedge: when the hedge relates to exposure to changes in the fair value of a recognized asset or liability, changes in the fair value of the hedging instrument as well as changes in the fair value of the hedged item are recognized in profit or loss;
- II. cash flow hedge: in the case of hedges intended to neutralize exposure to variability in cash flows attributable to future execution of commitments in place as of the reporting date, changes in the fair value of the hedging instrument relating to the portion determined to be an effective hedge are recognized in other comprehensive income, and therefore in an equity reserve. When the economic effects of the hedged item crystallize, the amounts recognized in other comprehensive income are then reclassified to profit or loss. Changes in the fair value of the hedging instrument relating to the portion not determined to be an effective hedge are recognized immediately in profit or loss;
- III. hedge of a net investment in a foreign operation (net investment hedge).

If the checks do not confirm the effectiveness of the hedge, the hedge accounting is interrupted with immediate effect and the hedging derivative reclassified as a financial asset at fair value through profit or loss, or financial liability at fair value through profit or loss. Moreover, the hedging relationship shall cease when:

- the derivative matures, is sold, rescinded or exercised;
- the hedged item is sold, expires or is refunded;
- it is no longer highly probable that the future hedged transaction will take place.

2.4.16 Fair value of financial instruments

The fair value of financial instruments is determined in accordance with IFRS 13 - *Fair value measurement* ("IFRS 13"). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability (i.e., the market with the highest number of transactions involving sale of such assets or transfer of such liabilities). In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market for the asset or liability to which the Group has access (i.e., the market most likely to maximize the price at which the asset can be sold or minimize the cost at which the liability can be transferred).

The fair value of an asset or liability is determined, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, informed buyers and sellers, able and willing but not obliged to enter into transactions.

In determining fair value, the Group considers the characteristics of specific assets and liabilities and in measuring the fair value of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement of assets and liabilities is based on the use of appropriate valuation techniques applied to available data, maximizing the use of relevant observable inputs. IFRS 13 establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., for derivatives, exchange rates published by the Bank of Italy, interest rates and yield curves, implied volatilities, credit spreads based on CDS data etc.);
- Level 3: inputs are unobservable inputs for the asset or liability (management assumptions regarding financial flows, risk-adjusted spreads etc.).

2.4.17 Treasury shares

Treasury shares are recognized at cost as a deduction from equity. No gains or losses shall be recognized in the income statement on the purchase, sale, issuance, or cancellation of an entity's own equity instruments. Transaction costs directly attributable to equity transactions are accounted for as a deduction from equity, to the extent that they represent incremental costs that would have been avoided had the equity transaction not taken place.

2.4.18 Revenues and costs

In accordance with IFRS 15, revenues from contracts with customers are recognized when the following conditions are met:

- the contract with a customer has been identified;
- the performance obligations in the contract have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to the performance obligations in the contract and
- when the related performance obligation contained in the contract is satisfied

The Group recognizes revenue from contracts with customers when (or as) it satisfies its performance obligations, by transferring the promised goods or services (i.e., an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset. The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, it is satisfied at a point in time.

Incremental costs of obtaining a contract with a customer are recognized as assets and, to the extent the Group expects to recover them, recovered over the duration of the underlying contract. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group recognizes an asset from the costs incurred to fulfil a contract with a customer only if the costs incurred in fulfilling such contract are not within the scope of another Standard (for example, IAS 2 – *Inventories*, IAS 16 – *Property, Plant and Equipment* or IAS 38 – *Intangible Assets*), and if such costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future and
- the costs are expected to be recovered.

Specifically, the Group recognizes revenues as follows:

- revenues generated by Group-owned AWP machines are recognized net of the flat rate PREU tax and winnings paid but gross of amounts to be paid to operators and hall managers, the ADM concession fee and the deposit equal to 0.5% of bets on devices linked to the network. The Group has a single performance obligation that is considered to be satisfied at the point in time the bets is placed by the player. Costs attributable to the management of indirect AWPs (i.e., those for which the Group only plays the role of concessionaire, since the AWPs are owned by third parties), such as the fees paid to the owners of the AWPs and to the operators, are recorded as a direct reduction of revenues. This classification was carried out in consideration of the role actually played by the Group in the management of indirect AWPs, less incisive in the actual ability to influence the relative portion of revenues and, which leads to qualifying it as an "*agent*" rather than a "*principal*";
- VLT revenues are recognized net of winnings, amounts relating to jackpots and the PREU tax, but gross of amounts to be paid to operators, the ADM concession fee and the deposit equal to 0.5% of bets on devices linked to the network. The Group has a single performance obligation that is considered to be satisfied at the point in time the bet is placed by the player;
- Revenues arising from the management of the gaming halls "Retail" are recognized based on the share of the operator. Revenues arising from the management of AWPs owned by the Group "Street Operations" are recognized based on the owner's share. The Group has a single performance obligation that is considered to be satisfied at the point in time the bets is placed by the player;

- Online and Sports Franchise gaming revenues, other than the fixed-odds betting, are recognized net of winnings and the betting duties (“Imposta Unica”) but gross of costs related to the platform and the concession fee. In the case of online gaming (including online skill games), revenues are recognized net of winnings as well as the cost of bonuses and promotional offers during the period. The Group has a single performance obligation that is considered to be satisfied at the point in time the outcome of the event to which the bets relate is known.

The collection of both Sports Franchise and online fixed-odds bets (i.e., bets where the Group is exposed to pay-out risk) creates a financial liability representing potential winnings, which, in accordance with IFRS 9, is measured at fair value. Subsequent changes in the liability are recognized within revenues. The effect of fair value changes around the year-end was not significant and, therefore, neither the related revenues nor costs were recognized. Revenues are recognized net of betting duties and cost for bonus for the period.

Revenues from national totalizer betting games are recognized based on the percentage commissions set by the convention for betting operations.

Costs are recognized when they relate to goods or services sold or used in normal business activities; they are recognized either based on systematic allocation or when such goods and services have no further use. Non-deductible value added tax (IVA) is recognized as a cost.

2.4.19 Finance income and expenses

Finance income and expenses are recognized during the period to which they relate.

2.4.20 Income tax expense

Income taxes are based on an estimate of the taxable income for the year, based on current fiscal legislation, and are recognized in the income statement under “Income tax expense”, except in those cases where the tax effects of transactions are recognized directly in equity and the related amounts are charged or credited directly to equity. The consolidated statement of comprehensive income reports income taxes relating to each line item reported under “Other items that will not be classified to profit or loss”. Provision for taxes due on the transfer of non-distributed profits of subsidiaries is made only when there exists a real intention to transfer such profits.

Deferred tax assets and liabilities are calculated using the balance sheet liability method and are recognized on temporary differences between the carrying amount of an asset or a liability in the consolidated financial statements and its tax base, except for non-deductible goodwill and for those differences related to investments in subsidiaries when the reversal is under the control of the Group and it is probable that they will not reverse in the reasonably foreseeable future. Deferred tax assets, including those relating to unused tax losses carried forward, are recognized to the extent to which it is probable that future taxable profit will be available against which they can be utilized. Tax assets and liabilities are offset, separately for current and deferred taxes, when the income taxes are levied by the same tax authority, there is a legally enforceable right of offset and it is expected that the balance will be settled net. Deferred tax assets and liabilities are computed based on tax rates that are expected to apply in the period in which the asset is recovered or settled to the extent that such rates have been approved at the date of the consolidated financial statements. Other taxes not related to income, such as indirect taxes and levies are reported under “Other operating costs” in the consolidated income statement.

In the event of uncertainties over income tax treatments, the company proceeds as follows: (i) if it considers it likely that the tax authorities will accept an uncertain tax treatment, it determines the (current

and/or deferred) income taxes to be reported in the financial statements based on the tax treatment that it has applied or expects to apply when filing its returns; (ii) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining the related (current and/or deferred) income taxes to be reported in the financial statements. Moreover, with regard to the matter of uncertain tax liabilities and provisions relating to tax disputes, any potential liabilities relating to income tax disputes are reported as “Current tax payables”.

Lottomatica Group S.p.A., as the current Italian parent company and consolidating entity, has elected to apply the Italian domestic tax consolidation regime together with its subsidiaries that meet the requirements for the inclusion in the Group taxation scheme.

At the end of 2023, with the aim of enhancing the effectiveness of the identification, measurement, and management of tax risk within corporate processes, strengthening relevant controls and reducing the risk of tax disputes and challenges, the Group decided to implement a Tax Control Framework (“TCF”)

The TCF comprises the set of procedures, tools, organizational structures, internal policies, and corporate rules designed to enable, through an appropriate process of identification, measurement, management, and monitoring of key tax risks, the management of tax risk, understood as the risk of operating in violation of tax regulations or in contrast with the principles or objectives of the tax system.

In order to further strengthen transparency towards the Italian Tax Administration, during 2025 the Group initiated a review of its integrated internal tax risk control system and began promoting the enrolment of the main Group companies within the scope of the TCF into the Cooperative Compliance regime, introduced by Legislative Decree No. 128 of 5 August 2015. This regime is intended to establish a trust-based relationship with the Tax Administration, also through ongoing and preventive dialogue, thereby increasing the level of upfront certainty with respect to significant tax matters.

As part of the TCF review, the document entitled “Group Tax Strategy” was updated to incorporate the principles set out in the Code of Conduct issued by decree of the Ministry of Economy and Finance on 29 April 2024, applicable to entities adhering to the Cooperative Compliance regime. The Group Tax Strategy is available on the website <https://lottomaticagroup.com/it>.

2.4.18.1 Disclosure of Pillar Two effects

Starting from the 2024 fiscal year, the Group falls within the scope of the Pillar Two (GloBE) rules. These rules became effective in Italy as 1 January 2024 pursuant to Legislative Decree No. 209/2023, which implements European Directive No. 2523/2022.

In summary, the Pillar Two rules provide that the entities within the Group (wherever located) are subject to an effective income tax rate of at least 15%, to be determined on the basis of a detailed calculation based on the accounting and tax data aggregated by country. Where the tax rate in a given country is lower than 15%, an additional tax is applied to bring the effective tax rate up to 15% (“**Top-Up Tax**”).

As required by IAS 12 (in particular, by the “Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules”), the Group has performed an assessment to identify the scope of application and the potential impact of this new regulation across the jurisdictions within its consolidation perimeter, also making use of the so-called transitional safe harbours (“**TSH**”) applicable in the 2025 fiscal year, as provided for by the OECD guidelines.

Lottomatica Group S.p.A. acts as the Group’s Ultimate Parent Entity for Pillar Two purposes. Based on the information available as of the date of these Consolidated Financial Statements, the TSH conditions

are met in all jurisdictions in which the Group operates for Pillar Two purposes (including Italy, Malta, Austria, Serbia and the United Kingdom).

Furthermore, starting from the 2025 fiscal year, the Group includes a joint venture (Cristaltec S.p.A.) for Pillar Two purposes. Under the TSH framework, this joint venture constitutes a separate sub-jurisdiction for which separate calculations have been performed. Based on these calculations, the joint venture also qualifies for the TSH.

In light of the above, the Group has not recognised any Pillar Two tax expense for the years ended 31 December 2024 and 2025.

2.4.21 Earnings per share - basic and diluted

Basic earnings per share is calculated by dividing the net result attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. For the purposes of calculating the diluted earnings per share, the weighted average number of shares outstanding during the year is modified by assuming the exercise by all the assignees of rights that potentially have a dilutive effect, while the result pertaining to the Group is adjusted to take into account any effects, net of taxes, of the exercise of these rights.

2.4.22 Use of accounting estimates

The preparation of financial statements in conformity with relevant accounting standards and methods in certain cases requires management to make estimates and assumptions based on subjective judgments, past experience and hypotheses considered reasonable and realistic, given the information known at the time. Such estimates have an effect on the amounts reported in the financial statements, including the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the related notes to the consolidated financial statements. Actual results may then differ, even significantly, from those reported in the consolidated financial statements due to changes in the factors considered in determining the estimates, given the uncertainties that characterize the assumptions on which estimates are based.

Many reported account balances are based on estimates and while not all constitute large amounts, the total of such balances is materially significant. Key accounting estimates involving a high degree of subjectivity and judgment on the part of management, where a change in the conditions underlying the assumptions could have a significant effect on the Group's financial results, are detailed below.

2.4.22.1 Share-based payments

The Board of Directors approved the implementation of the medium-long term management incentive plan regulation ("LTIP Regulation", and "LTIP" in relation to the medium-long term management incentive plan) already approved by the Shareholders' Meeting of 15 March 2023 and subject to examination by the Appointments and Remuneration Committee (a description of the plan is detailed in Note 8.4). In line with the Stock Option Plan Regulation, the plan has been accounted for at fair value as required by IFRS 2 – *Share Based Payment*.

With reference to the three cycles of assignments, the valuation of the assigned rights was carried out by reflecting the financial market conditions valid on the respective grant date. The methodology adopted to estimate the fair value follows the risk neutral approach; the risk-free rate curve is deducted from the interest rate swap rates present on the market at the grant date.

The following table provides details of the market related data used to determine the fair value of the stock options for the rounds of assignments.

	Vesting date	Expiration date	Strike price (Euro)	Price at valuation date (Euro)	Volatility	Expected dividend rate	Exit annual rate
1° assignments	15 June 2026	15 June 2028	9.00	8.214	45.36%	3.83%	0.00%
2° assignments	14 June 2027	14 June 2029	10.80	10.570	24.35%	3.81%	0.00%
3° assignments	3 March 2028	3 March 2030	16.034	16.65	21.94%	3.90%	0.00%

The fair value of market-based component was estimated using the stochastic simulation with the "Monte Carlo method". The valuation was carried out on no-arbitrage and risk-neutral framework assumptions common to fundamental stock option pricing models (such as the binomial model, the Black-Scholes model and so on), using the following hypotheses:

	Average annual growth rate of the stock	Stock volatility	Discount rate	Expected dividend rate
1° assignments	3.53%	45.36%	3.53%	3.83%
2° assignments	2.98%	24.35%	2.98%	3.81%
3° assignments	2.147%	21.94%	2.147%	3.90%

As regards "non-market based" component related to economic and financial performance, unlike the "market based" performance conditions and according to the accounting principle, it must be updated periodically at each reporting date to take into account the expectations relating to the number of rights that may accrue. In this regard, it is assumed that the performance condition which allows the vesting of approximately 40% of the assigned rights will be achieved.

For the ESG bonus/malus component, it is assumed that the target will be achieved.

The following table shows the fair value of the individual option rights assigned. The valuation was based on the assumption made before.

	Unit fair value (Euro)
1° assignments	2.595
2° assignments	1.852
3° assignments	2.60

The charge for the year ended 31 December 2025, amounting to Euro 3.8 million (Euro 1.3 million for the year ended 31 December 2024 and Euro 0.4 million for the year ended 31 December 2023), was recognized in the income statement among Personnel costs, with a corresponding offset in equity reserves.

2.4.22.2 Provisions for risks and charges

Provisions representing the risk of a negative result are recorded for legal and tax risks. The value of the provisions recognized in the financial statements represents the best estimate as of that date made by the management. This estimate involves making assumptions which depend on factors which may change over time and, therefore, could have significant effects with respect to the current estimates made by the management in preparing the Consolidated Financial Statements.

2.4.22.3 Impairment of assets

A) Goodwill

The Group's activities are divided into three operating segments: Online, Sports Franchise and Gaming Franchise, which constitute groups of CGUs and represent the level at which management monitors goodwill. In accordance with the accounting standards used and the impairment procedure, the Group tests annually to determine whether goodwill has become impaired. The recoverable value is determined based on a calculation of value in use. This calculation requires the use of estimates. For more details on the Goodwill impairment test, please see Note 9.2 – “Goodwill”.

B) Property, plant and equipment and intangible assets with definite useful life

In accordance with the accounting standards applied by the Group and the impairment procedure, property, plant and equipment and intangible assets with definite useful life are subject to verification to ascertain whether impairment exists, which is recognized through a write-down, when there are indications that suggest difficulties in recovering the relative net carrying value through use. Verification of whether these indicators exist requires the Directors to make subjective assessments based on information available within the Group and on the market, as well as on historical experience. Additionally, when impairment is identified, the Group determines the amount using the appropriate measurement techniques. Proper identification of potential impairment indicators, as well as the estimation of their amount, depends on factors which may vary over time, influencing measurements and estimates made by the Directors.

2.4.22.4 Deferred tax assets

Deferred tax assets are recognized on deductible temporary differences between the carrying amount of an asset or liability in the Consolidated Financial Statements and its tax base and on unused tax losses carried forward, to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Judgment is required on the part of management, involving estimates regarding the timing and level of future taxable profits, to determine the level of deferred tax assets that should be recognized.

2.4.22.5 Allowance for doubtful receivables

The recoverability of receivables is estimated taking into account the risk of non-collection and applying different expected loss rates to groups of receivables with similar risk profiles and ageing or based on the stage of the process being followed to recover such doubtful receivables.

2.4.22.6 Depreciation and amortization

The cost of property, plant and equipment and intangible assets is depreciated/amortized on a straight-line basis over the estimated useful life of each asset. The useful economic life of these assets is determined at the time of purchase, based on historical experience for similar assets, market conditions and expected future events which may affect them, such as technological changes. An asset's actual useful life may, therefore, be different from its estimated useful life.

2.4.22.7 IFRS 16 “leases”

Right-of-use assets are measured as being equal to the related lease liabilities at the date of initial application, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. The Group has elected to make use of the exemptions provided for in the standard in relation to short-term leases (for periods of less than 12 months, including those with residual duration of less than 12 months at the date of initial application) and low value assets, which in any event in total are not material. Lease payments relating to such contracts are recognized in the income statement.

Lease liabilities are measured at the present value of the outstanding lease payments at the date of first application of the standard, which are fixed over the lease term. The lease term includes the non-cancellable periods of a lease during which the Group can exercise the right of use of the leased asset, as well as periods covered by an option to extend the lease if the Group is reasonably certain to exercise such option. Lease liabilities do not include costs other than costs directly associated with the lease (e.g., management or ancillary costs).

The discount rates used to measure lease liabilities are the Group’s incremental borrowing rates, which take account of country risk, currency, the duration of the lease contract and the Group’s credit risk. Similar discount rates are applied to leases with similar lease terms.

2.5 Recently issued accounting standards

2.5.1 Accounting standards, amendments effective from 1 January 2025

The following list illustrates the new standards and interpretations approved by the IASB, endorsed in Europe and applied since 1 January 2025:

	Endorsed by the EU	Effective date
<i>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)</i>	YES	Accounting periods beginning on or after 1 January 2025

The adoption of these amendments did not have significant impacts on the Consolidated Financial Statements.

2.5.2 Accounting standards, amendments and interpretations not yet endorsed by the EU

As of the date of approval of the Consolidated Financial Statements, the following standards and amendments had not yet been endorsed by the EU:

	Endorsed by the EU	Effective date
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)</i>	NO	Accounting periods beginning on or after 1 January 2027
<i>Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025)</i>	NO	Accounting periods beginning on or after 1 January 2027
<i>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)</i>	NO	Accounting periods beginning on or after 1 January 2027

The Group is evaluating the effects that the application of the aforementioned principles could have on its Consolidated Financial Statements; however, management do not expect significant impact from their adoption.

2.5.3 Accounting standards endorsed by the EU, but not yet applicable

At the approval date of the Consolidated Financial Statements, the competent bodies of the European Union have approved the following principles and amendments, but they have not yet been adopted by the Group:

	Endorsed by the EU	Effective date
IFRS 18 — Presentation and Disclosure in Financial Statements (Issued on 9 April 2024)	YES	Accounting periods beginning on or after 1 January 2027
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	YES	Accounting periods beginning on or after 1 January 2026
Annual Improvements Volume 11 (issued on 18 July 2024)	YES	Accounting periods beginning on or after 1 January 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	YES	Accounting periods beginning on or after 1 January 2026

Management is currently assessing the potential impacts that application of these standards would have on the Consolidated Financial Statements and, in particular, those arising from the introduction of IFRS 18, with specific reference to the structure of the Group's income statement, the statement of cash flows, and the additional disclosures required in respect of management performance measures (MPMs), as well as the impact on the presentation of information in the consolidated financial statements.

3 Management of financial risks

The Group is exposed to the following risks: market risk (in particular interest rate risk), credit risk and liquidity risk. The Group is not involved in significant transactions that expose it to exchange rate risk.

The Group's objective is to maintain a balanced approach to managing its financial exposure by matching assets and liabilities and achieving operational flexibility through the use of liquidity generated by operating activities and bank loans.

The Group's ability to generate liquidity from operations together with its borrowing capacity enable it to satisfy its operational requirements to fund working capital, invest and meet its financial obligations.

Treasury and financial risk management are centralized within the Group. Specifically, the central finance function is responsible for evaluating and approving forecast financial requirements, monitoring trends and taking corrective action as necessary.

The following paragraphs provide qualitative and quantitative information relating to the Group's exposure to the aforementioned financial risks.

3.1 Market risk

3.1.1 Interest rate risk

Changes in interest rates on the variable component of debt and cash may result in higher or lower finance expenses/income. Interest rate swap derivative instruments are used in this risk management activity.

In 2025, the Group was exposed to the risk of changes in the interest rate on the floating portion of the May 2024 Notes (as defined below). In order to hedge this risk, the Company entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, respectively, each for a notional amount of Euro 200 million.

These derivative contracts hedge against the risk associated with a potential increase in interest rates by exchanging the three-month EURIBOR rate with a contractually determined fixed interest rate. Such hedging transactions are accounted for as cash flow hedges in accordance with IFRS 9 – Financial Instruments.

In 2024, this risk was mainly attributable to the potential change in the cash flows related to the change in the interest rate on (i) the December 2023 Notes (as defined below) amounting to Euro 500 million (ii) the floating portion of the May 2024 Notes (as defined below) amounting to Euro 400 million, both with coupon indexed to the three-month EURIBOR rate (with a floor of 0%) plus a contractually defined spread. During 2024, the Group repaid the floating portion of the notes issued in June 2023 for a principal amount of Euro 550 million.

With reference to the floating portion of the May 2024 Notes, in order to partially hedge the risk relating to possible changes in the interest rates, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, respectively, each for a notional amount of Euro 137.5 million; while, with reference to the December 2023 Notes (as defined below), in order to hedge the risk arising from possible changes in interest rates, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) has entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, for a notional amount of Euro 250 million each.

In 2023, this risk was mainly attributable to the potential change in the cash flows related to the change in the interest rate on (i) June 2023 Floating Rate Notes (as defined below) amounting to Euro 550 million and (ii) the December 2023 Notes (as defined below). With reference to the June 2023 Floating Rate Notes, in order to partially hedge the risk relating to possible changes in the interest rates, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, respectively, each for a notional amount of Euro 137.5 million.

These derivative contracts partially hedge against the risk associated with a potential increase in interest rates by exchanging the bond's three-month EURIBOR rate with a contractually determined fixed interest rate. Such hedging transactions are accounted for as cash flow hedges in accordance with IFRS 9 – Financial Instruments.

3.1.2 Interest rate risk sensitivity analysis

In 2025, with regard to the interest rate risk arising from the potential change in the interest rates of the above mentioned senior secured notes, it is considered reasonable to assume that any such change would not produce any material economic effect, as changes in interest rates and in the related hedging derivatives described above will necessarily reflect changes of opposite sign and equal amount.

In 2024 and 2023, a sensitivity analysis was made to determine the effect on consolidated profit and loss and consolidated equity that would result from a hypothetical positive and negative change of 100 bps in interest rates compared to those actually recognized.

The following table shows the results of the analysis carried out:

<i>(In thousands of Euro)</i>	Effect on net profit of the year ended 2024		Effect on Equity 2024	
Sensitivity analysis	-100 bps	+100 bps	-100 bps	+100 bps
May 2024 Notes	-	(570)	-	(570)
Total effect for the year	.	(570)	.	(570)

Note: the positive sign indicates a higher profit and an increase in equity; the negative sign indicates a lower profit and a decrease in equity.

<i>(In thousands of Euro)</i>	Effect on net profit of the year ended 2023		Effect on Equity 2023	
Sensitivity analysis	-100 bps	+100 bps	-100 bps	+100 bps
June 2023 Floating Rate Notes	-	(1,771)	-	(1,771)
Total effect for the year	.	(1,771)	.	(1,771)

Note: the positive sign indicates a higher profit and an increase in equity; the negative sign indicates a lower profit and a decrease in equity.

The risk reported in the table above refers to the portion of the May 2024 Notes and June 2023 Floating Rate Notes not covered by derivative instruments for the years indicated. The December 2023 Notes (as defined below) were entirely covered by derivative instruments and therefore it is believed that any change in interest rates would not produce any significant economic effect.

3.2 Credit risk

Credit risk represents the Group's exposure to the risk of potential losses resulting from the non-fulfilment of obligations by counterparts.

The collection of wagers by points of sale and nominated third parties may generate credit risk for the Group, as the failure of, or losses incurred by, one or more members of the distribution network or the interruption of relations with any of them for whatever reason can have a negative impact on the Group's results, business activities, financial conditions and future prospects. The Group mitigates such risk by obtaining bank and/or insurance guarantees.

In accordance with IFRS 9, trade receivables are recognized net of provisions, calculated on the basis of a risk model of non-fulfilment of obligations by counterparts, in turn based on available information regarding the counterparty's solvency and historical data, in such a way as to represent the fair value of the receivables, or expected realizable value of both already impaired receivables and those that may become impaired in the future. Provisions are made against individually significant receivables for which an objective risk of partial or total non-collection is identified.

The following table provides an ageing analysis of (current and non-current) trade receivables, net of the allowance for doubtful receivables, as of 31 December 2025, 2024 and 2023.

<i>(In thousands of Euro)</i>	As of 31 December 2025	Not yet overdue	Overdue 0- 30 days	Overdue 31- 90 days	Overdue 91- 150 days	Overdue by more than 150 days*
Trade receivables	134,133	74,150	1,722	2,016	580	55,665
Allowance for doubtful receivables	(56,892)	(4,821)	(347)	(1,955)	(580)	(49,189)
Net	77,241	69,329	1,375	61	-	6,476
% of ECL (expected credit loss) by aging buckets		7%	20%	97%	100%	88%

* The increase in trade receivables overdue by more than 150 days mainly relates to receivables under the Stability Law recorded at their estimated realizable value based on the legal actions taken by the Group.

<i>(In thousands of Euro)</i>	As of 31 December 2024	Not yet overdue	Overdue 0- 30 days	Overdue 31- 90 days	Overdue 91- 150 days	Overdue by more than 150 days
Trade receivables	111,987	80,822	1,971	3,124	146	25,924
Allowance for doubtful receivables	(34,002)	(4,431)	(943)	(2,558)	(146)	(25,924)
Net	77,985	76,391	1,028	566	-	-
% of ECL (expected credit loss) by aging buckets		5%	48%	82%	100%	100%

<i>(In thousands of Euro)</i>	As of 31 December 2023	Not yet overdue	Overdue 0- 30 days	Overdue 31- 90 days	Overdue 91-150 days	Overdue by more than 150 days
Trade receivables	133,574	101,099	2,033	1,054	115	29,273
Allowance for doubtful receivables	(36,794)	(6,746)	(299)	(361)	(115)	(29,273)
Net	96,780	94,353	1,734	693	.	.
% of ECL (expected credit loss) by aging buckets		7%	15%	34%	100%	100%

3.3 Liquidity risk

Liquidity risk is the risk that owing to an inability to access new funds or sell assets, the Group is unable to meet its payment obligations, leading to a negative impact on results if it is then obliged to incur additional costs to meet its obligations or deal with insolvency.

The Group manages this risk by seeking to establish a financial structure that, consistent with its business objectives and defined limits: i) ensures sufficient liquidity, while minimizing the related opportunity cost; and ii) maintains an appropriate balance in terms of duration and composition of debt.

In 2025, the exposure to such risk mainly related to the commitments associated with the senior secured notes issued on 13 May 2025 for Euro 1,100 million maturing in 2031, on 29 May 2024 for a total amount of Euro 900 million maturing in 2030 for the fixed rate portion and in 2031 for the floating rate portion, as well as with the revolving credit facility of Euro 447.25 million (undrawn at the reporting date) in addition to Euro 50 million available for bank guarantees.

On 13 May 2025, the Company repaid in advance the senior secured notes issued respectively on 14 December 2023 and on 1 June 2023 for a total principal amount of Euro 1,065 million.

In 2024, the exposure to such risk mainly related to the commitments associated with the bonds issued respectively on 29 May 2024 for a total amount of Euro 900 million maturing in 2030 for the fixed rate portion and in 2031 for the floating rate portion, on 14 December 2023 for Euro 500 million maturing in 2030 and on 1 June 2023 for Euro 565 million maturing in 2028, as well as with the revolving credit facility for a total of Euro 400 million (undrawn at the reporting date) and Euro 50 million available for bank guarantees.

On 29 May 2024, Lottomatica S.p.A., (subsequently merged into Lottomatica Group S.p.A.), following the exercise of the "early redemption" option, repaid in advance the senior secured notes issued respectively on 27 September 2022 and the floating rate portion of the senior secured notes issued on 1 June 2023 for a total amount of Euro 900 million.

In 2023, the Group's exposure to such risk mainly related to repayment obligations regarding the bonds issued on 1 June 2023 for Euro 1,115 million maturing in 2028, on 14 December 2023 for Euro 500 million maturing in 2030 and on 27 September 2022 for Euro 350 million maturing in 2027 and the revolving credit facility entered into for a total amount of Euro 350 million in addition to Euro 50 million available for bank guarantees (undrawn at the reporting date). Furthermore, the aforementioned revolving credit facility was increased by Euro 50 million when the December 2023 Notes (as defined below) were issued, subject to the completion of the SKS365 Acquisition and to certain standard conditions.

Furthermore, in 2023, the Group repaid in advance the senior secured notes issued on 23 July 2020 and 1 April 2021 for a total amount of Euro 1,215 million, in addition to the loan received from Gamma Bondco S.a. r.l. of Euro 250 million (the "**Bondco Loan**").

The following table provides an analysis of cash disbursements by due date based on contractual repayment obligations relating to the senior secured notes, trade payables and other liabilities, as of 31 December 2025, 2024 and 2023:

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2025	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Senior secured notes	1,991,721	104,825	905,930	1,525,536	2,536,291
Lease payable	75,679	27,786	52,177	4,479	84,442
Other current and non-current financial liabilities	268,691	229,804	38,887	-	268,691
Trade payables	131,130	131,130	-	-	131,130
Other current and non-current liabilities	432,100	397,449	34,651	-	432,100

Note: Senior secured notes and lease payable amounts relating to due dates "Within 1 year", "Between 1 and 5 years" and in "Over 5 years" also include the contractual interest.

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2024	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Senior secured notes	1,942,805	126,217	1,009,645	1,486,565	2,622,427
Lease payable	81,169	24,848	56,345	9,927	91,120
Other current and non-current financial liabilities	124,853	70,125	54,728	-	124,853
Trade payables	133,702	133,702	-	-	133,702
Other current and non-current liabilities	380,275	327,075	53,200	-	380,275

Note: Senior secured notes and lease payable amounts relating to due dates "Within 1 year", "Between 1 and 5 years" and in "Over 5 years" also include the contractual interest.

<i>(In thousands of Euro)</i>	Carrying amount as of 31 December 2023	Within 1 year	Between 1 and 5 years	Over 5 years	Total
Senior secured notes	1,939,762	150,940	2,005,278	568,196	2,724,414
Lease payable	75,908	22,581	57,320	8,463	88,364
Other current and non-current financial liabilities	170,420	124,460	45,960	-	170,420
Trade payables	95,911	95,911	-	-	95,911
Other current and non-current liabilities	325,901	308,225	17,676	-	325,901

Note: Senior secured notes and lease payable amounts relating to due dates "Within 1 year", "Between 1 and 5 years" and in "Over 5 years" also include the contractual interest.

The expected future cashflows represent future principal capital and interest payments and are not discounted. The Group expects to meet such contractual obligations through the liquidation of financial assets, as well as through cash flows from operating activities and available cash and/or refinancing operations.

3.4 Risk related to geopolitical and macroeconomic environment

The Group did not encounter any significant issues attributable to the ongoing Russia-Ukraine conflict in terms of procurement, production and sales. As of 31 December 2025, 2024 and 2023, the Group's main suppliers and customers are located outside Russia and Ukraine.

However, it cannot be ruled out that the continuation of a situation of military conflict in Ukraine and the increase in tensions between Russia and the countries in which the Group operates could negatively affect global macroeconomic conditions and the economies of those countries, leading to a possible contraction in demand and a consequent decrease in production levels, also taking into account the continuous evolution of the sanctions framework, which is constantly monitored by the Group's management.

With regard to the conflicts in the Middle East, the Group specifies that all its activities are carried out in Italy and no material impacts related to such events have been identified at the reporting date.

Finally, given the predominantly domestic nature of its activities, the Group has not identified any material impacts arising from the application of duties and/or trade barriers.

3.5 Risk related to climate change

The Group considers the prevention and management of risks which could jeopardize the attainment of the Company's objectives and its ability to continue as a going concern as a strategic priority. The Group has therefore identified the main risks related to climate change or environmental issues that may have implications or an impact on its business. The potential risks identified are those arising from climate change, both in terms of physical risks, i.e. more frequent extreme weather events or gradual climate change (e.g. floods, increase in temperatures, decrease in resources, etc.) or increase in operating costs due to extraordinary maintenance activities (e.g. restoring assets to their original conditions following any damage suffered), and in terms of transition risks, i.e. related to the transition to a low-carbon economy and the resulting government policies.

However, the Group's current exposure to consequences of climate change is limited - in terms of its ability to influence its strategies and financial cash flows.

4 Capital management

The Group's capital management is aimed at guaranteeing solid credit ratings and adequate capital indicators to support its investment plans, while meeting contractual obligations with lenders.

The Group ensures it has sufficient capital to finance its business development needs and meet operating requirements; to guarantee a balanced financial structure and minimize the total cost of capital, finances are sourced through a mix of risk capital and debt to the benefit of all stakeholders.

The Group is subject to certain restrictions in relation to certain financial liabilities (for further details see Note 9.16 - "Current and non-current financial liabilities").

Returns on capital are monitored by reviewing market trends and business performance, net of other commitments, including borrowing costs. In order to ensure the Group's going concern status, develop the business and provide an adequate return on capital, Management monitors the Group's debt to equity and debt to Adjusted EBITDA (as defined in Note 6) ratios on an ongoing basis, as well as monitoring debt with respect to business trends and expected future cash flows in the medium/long term.

Share buyback program

In line with the capital allocation strategy, the Board of Directors requested and obtained authorization from the Shareholders' Meeting to launch a share buyback program aimed, among other things, at providing the Company with a flexible instrument for capital remuneration and for the use of excess liquidity. The share buyback program was launched on 18 June 2025.

The implementation of the share buyback program is subject to market conditions and to compliance with the operating procedures designed to ensure equal treatment of shareholders, as required by applicable laws and regulations, including European-level provisions, as in force from time to time.

For further details, reference should be made to Note 9.14 and Note 11.5.30 of this document.

Dividend policy

The Company's objective is to pursue a long-term sustainable strategy that allows an adequate return for its shareholders, while maintaining adequate funds to finance business growth and maintain a solid capital base that allows it to deal with any changes in the reference legislation and potential economic downturns. On 15 March 2023, the Company's Board of Directors approved a shareholder remuneration policy in the medium/long term, drawn up on the basis of the economic-financial perspective and the capital structure of the Company, envisaging target dividend distribution for an amount up to 30% of the consolidated net profit attributable to the group (subject to the required approval by the shareholders' meeting), adjusted for: (i) depreciation on the higher values of the assets of the companies or business acquired recognized in the consolidated financial statements of the Group compared to the book values at the date of acquisition; (ii) non-recurring costs and income excluded from the calculation of Adjusted EBITDA, (iii) finance income and expenses which, by their nature, should not reasonably recur in the future, (iv) other non-monetary items including in finance expenses and (v) tax effects on the aforementioned adjustments (the "Adjusted Net Profit"). This policy is subject to the achievement of the Group's strategic investment plans, the financial and investment needs and, among other things, the compliance with any limitations from time to time set forth in the contractual documentation relating to the Group's financial indebtedness, as well as the availability of distributable profits and/or reserves resulting from the separate financial statements of the Company.

5 Financial assets and liabilities by category

The following tables show financial assets and liabilities as of 31 December 2025, 2024 and 2023 as required by IFRS 7, in accordance with the categories established by IFRS 9:

<i>(in thousands of Euro)</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTPL	Financial liabilities at FVTOCI	As of 31 December 2025
Current and non-current financial assets	32,769	3	-	-	-	32,772
Trade receivables	77,241	-	-	-	-	77,241
Other current and non-current assets	175,165	-	-	-	-	175,165
Cash and cash equivalents	143,898	-	-	-	-	143,898
Total	429,073	3	-	-	-	429,076
Current and non-current financial liabilities	-	-	2,270,025	60,372	5,694	2,336,091
Trade payables	-	-	131,130	-	-	131,130
Other current and non-current liabilities	-	-	432,100	-	-	432,100
Total	-	-	2,833,255	60,372	5,694	2,899,321

<i>(in thousands of Euro)</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTPL	Financial liabilities at FVTOCI	As of 31 December 2024
Current and non-current financial assets	32,415	18	-	-	-	32,433
Trade receivables	77,985	-	-	-	-	77,985
Other current and non-current assets	177,894	-	-	-	-	177,894
Cash and cash equivalents	164,156	-	-	-	-	164,156
Total	452,450	18	-	-	-	452,468
Current and non-current financial liabilities	-	-	2,080,806	56,614	11,407	2,148,827
Trade payables	-	-	133,702	-	-	133,702
Other current and non-current liabilities	-	-	380,275	-	-	380,275
Total	-	-	2,594,783	56,614	11,407	2,662,804

<i>(in thousands of Euro)</i>	Financial assets and receivables at amortized cost	Financial assets at FVTOCI	Financial liabilities and liabilities at amortized cost	Financial liabilities at FVTPL	Financial liabilities at FVTOCI	As of 31 December 2023
Current and non-current financial assets	531,044	45	-	-	-	531,089
Trade receivables	96,780	-	-	-	-	96,780
Other current and non-current assets	134,503	-	-	-	-	134,503
Cash and cash equivalents	294,682	-	-	-	-	294,682
Total	1,057,009	45	-	-	-	1,057,054

Current and non-current financial liabilities	-	-	2,129,033	49,518	7,539	2,186,090
Trade payables	-	-	95,911	-	-	95,911
Other current and non-current liabilities	-	-	325,901	-	-	325,901
Total	-	-	2,550,845	49,518	7,539	2,607,902

As of 31 December 2025, “Current and non-current financial liabilities” include the senior secured notes issued on 29 May 2024 and 13 May 2025, the fair value of which amounted to Euro 920,908 thousand and Euro 1,134,170 thousand, respectively.

As of 31 December 2024, “Current and non-current financial liabilities” include the senior secured notes issued on 1 June 2023, on 14 December 2023 and 29 May 2024, the fair value of which amounted to Euro 594,385 thousand, Euro 508,935 thousand and Euro 925,962 thousand, respectively.

As of 31 December 2023, the fair value of the senior secured notes issued on 1 June 2023, on 14 December 2023 and 27 September 2022 amounted to Euro 1,154,632 thousand, Euro 504,960 thousand and Euro 379,572 thousand, respectively.

Other financial assets and liabilities are short-term or valued at market rates and, consequently, their fair value is deemed to be substantially in line with their book value.

Fair value measurement

The fair value of financial instruments listed on an active market is based on market prices at the reporting date. The fair value of instruments that are not listed on an active market is determined using valuation techniques based on a series of methods and assumptions linked to market conditions at the date of the respective financial statements. The classification of the fair value of financial instruments on the basis of the hierarchical levels that categorize the inputs to valuation techniques used to measure fair value, is shown below:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs are unobservable inputs for the asset or liability.

The following table shows the financial instruments measured at fair value according to the relevant hierarchy level:

<i>(In thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 31 December 2025
Derivative financial instruments assets	-	3	-	3
Derivative financial instruments liabilities	-	(5,694)	-	(5,694)
Put options	-	-	(60,372)	(60,372)
Total	-	(5,691)	(60,372)	(66,063)

<i>(In thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 31 December 2024
Derivative financial instruments assets	-	18	-	18
Derivative financial instruments liabilities	-	(11,407)	-	(11,407)
Put options	-	-	(56,614)	(56,614)
Total	-	(11,389)	(56,614)	(68,003)

<i>(In thousands of Euro)</i>	Level 1	Level 2	Level 3	As of 31 December 2023
Derivative financial instruments assets	-	45	-	45
Derivative financial instruments liabilities	-	(7,539)	-	(7,539)
Put options	-	-	(49,518)	(49,518)
Total	-	(7,494)	(49,518)	(57,012)

During the periods under review, the Group did not make any changes regarding valuation techniques for financial instruments accounted for at fair value.

6 Operating segments

The following disclosure regarding operating segments is provided in accordance with IFRS 8 – “*Operating Segments*” (hereafter “**IFRS 8**”), which requires that such disclosure reflects the approach adopted by the Chief Operating Decision Maker (CODM), identified as the Chief Executive Officer of the Company and of the Group’s main concessionaire companies, in assessing the business performance and making operational decisions. Accordingly, the operating segments and related disclosures are based on internal reporting used by management to make decisions about resources to be allocated to the various operating segments and assess performance. In particular, the CODM monitors the performance of the operating segments by assuming the full consolidation of the entities in which the Group holds an interest of more than 50%, in line with the approach set out in IFRS 10 - Consolidated Financial Statements, rather than the equity method as prescribed by IAS 28 - Investments in Associates and Joint Ventures, which is applied in the preparation of the Group’s consolidated financial statements.

IFRS 8 defines an operating segment as a component of an entity that: (i) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (ii) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (iii) for which discrete financial information is available. The Group is one of the largest operators in the Italian public gaming sector, thanks to its diversified offer of multi-concession gaming products.

The Group operates in the following operating segments: (i) online betting and gaming (“**Online**”); (ii) betting and gaming through the retail network (“**Sports Franchise**”); and (iii) concessionary activities relating to the

product lines: (a) amusement with prize machines (AWP), (b) video lottery terminals (VLT), and (c) management of owned gaming halls and AWP (Retail & Street Operations) (“**Gaming Franchise**”).

Operating segments are monitored based on: (i) total revenues and income for reportable segment and (ii) Adjusted EBITDA for reportable segment. Adjusted EBITDA is defined as net profit for the period adjusted for: (i) income tax expense; (ii) finance income; (iii) finance expenses; (iv) share of profit/(loss) of equity accounted investments; (v) depreciation, amortization and impairments; (vi) Adjusted EBITDA, (as defined herein), of equity accounted investments in which the Group holds an interest of more than 50% and/or of businesses disposed of or in the process of disposal; (vii) costs related to M&A, international activities and IPO; (viii) integration costs (including expenses on corporate restructuring, redundancy and costs incurred in relation to renegotiated contracts); and (ix) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods. Management believes that the aforementioned indicators provide a good indication of the performance of the Group’s operating segments.

Given the range of services and products sold by the Group, there are no significant concentrations of revenues with individual customers. The Group currently operates for the main part in Italy (see Note 2.3 above for details regarding overseas operations during the period).

Finally, in terms of the statement of financial position, it is noted that details of assets and liabilities by segment are not included in the information periodically reviewed by management and therefore such information is not reported below.

The following table provides details of Group operating segments for the years ended 31 December 2025, 2024 and 2023:

	Online			Sports Franchise			Gaming Franchise			Total reportable segment		
<i>(in thousands of Euro)</i>	Dec '25	Dec '24	Dec'23	Dec '25	Dec '24	Dec'23	Dec '25 ^(a)	Dec '24	Dec'23	Dec '25	Dec '24	Dec'23
Revenues toward third parties ^(b)	954,506	780,230	520,787	527,163	460,755	368,217	773,623	763,740	743,484	2,255,292	2,004,725	1,632,488
Other income toward third parties	3,229	3,206	1,972	3,938	3,623	2,832	9,121	8,122	13,725	16,288	14,951	18,529
Intragroup Revenues and Other income	19,408	22,894	24,051	5,773	6,297	8,140	10,754	8,988	12,974	35,935	38,179	45,165
Total Revenues and Income	977,143	806,330	546,810	536,874	470,675	379,189	793,498	780,850	770,183	2,307,515	2,057,855	1,696,182
Adjusted EBITDA ^(d)	528,963	418,566	300,612	141,798	108,642	97,230	185,398	179,714	182,509	856,159	706,922	580,351
Adjusted EBITDA Margin ^(c)	55.4%	53.6%	57.7%	26.9%	23.6%	26.4%	24.0%	23.5%	24.5%	38.0%	35.3%	35.6%

- a) Includes the results of the Cristaltel group in 2025, in line with the approach adopted by management to monitor the results of the operating segments.
- b) Revenues toward third parties in Gaming Franchise operating segment were as follows: (i) Euro 288,367 thousand for the year ended 31 December 2025 related to the AWP product line (Euro 279,839 thousand and Euro 278,241 thousand for the year ended 31 December 2024 and 2023, respectively), (ii) Euro 430,077 thousand for the year ended 31 December 2025 related to the VLT product line (Euro 436,244 thousand and Euro 438,267 thousand for the year ended 31 December 2024 and 2023, respectively), and (iii) Euro 55,179 thousand for the year ended 31 December 2025 related to the Retail and Street Operations product line (Euro 47,657 thousand and Euro 26,976 thousand for the year ended 31 December 2024 and 2023, respectively).
- c) Adjusted EBITDA Margin defined as Adjusted EBITDA / Revenues toward third parties.
- d) The main cost component for the determination of Adjusted EBITDA relates to costs for distribution network compensation, which amounted to approximately Euro 233.9 million for Online operating segment in 2025 (Euro 204.7 million and Euro 118.8 million for the years ended December 31, 2024 and 2023 respectively), Euro 300 million for the Sport Franchise operating segment in 2025 (Euro 271.7 million and Euro 212.4 million for the years ended December 31, 2024 and 2023 respectively) and Euro 352.9 million for the Gaming Franchise operating segment in 2025 (Euro 350.1 million and Euro 352.4 million for the years ended December 31, 2024 and 2023 respectively). The total amount was Euro 880.3 million in 2025 (Euro 822.1 million and Euro 679.8 million for the years ended December 31, 2024 and 2023 respectively), net of intragroup costs of approximately Euro 6.5 million in 2025 (Euro 4.3 million and Euro 3.7 million for the years ended December 31, 2024 and 2023 respectively).

The following table shows the reconciliation of total revenue and income for the years indicated:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Total Revenues and income for reportable segment	2,307,515	2,057,855	1,696,182
Elimination of intersegment revenues	(35,935)	(38,179)	(45,165)
Elimination of revenues and other income from equity accounted investments	(9,576)	-	-
Consolidated Revenues and income	2,262,004	2,019,676	1,651,017

The following table shows the reconciliation of Adjusted EBITDA for the years indicated:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Total Adjusted EBITDA for reportable segment	856,159	706,922	580,351
Elimination of Adjusted EBITDA from equity accounted investments and/or of businesses disposed of or in the process of disposal	(2,948)	-	-
Costs not included in Adjusted EBITDA	(125,909)	(76,979)	(47,421)
of which:			
- <i>monetary</i>	(89,397)	(68,491)	(35,192)
- <i>non monetary</i>	(36,512)	(8,488)	(12,229)
Depreciation, amortization and impairments	(261,269)	(244,353)	(194,678)
Finance income	3,275	9,038	28,139
<i>of which non-recurring finance income*</i>	437	6,215	24,402
Finance expenses	(193,422)	(215,400)	(220,287)
<i>of which non-recurring finance expenses*</i>	(53,461)	(58,575)	(73,052)
Share of profit/(loss) of equity accounted investments	(110)	1,663	(8,965)
Profit before tax	275,776	180,891	137,139

* For details of non-recurring financial income and expenses, please refer to Note 8.8.

7 Business combinations and acquisition of businesses

The following paragraphs provide brief descriptions of the acquisitions that took place during the three-year 2023-2025 which had the effect of extending the scope of the Group consolidation. All acquisitions were made in the context of the Group's horizontal and vertical integration strategy.

2023

7.1 Acquisition of Ricreativo B S.p.A.

On 11 March 2023, GGM S.p.A. signed the agreement for the acquisition of the entire share capital of Ricreativo B S.p.A., a company involved in the management of amusement machines (AWP and VLT), gaming halls as well as betting collection activities. The completion of the acquisition was in September 2023. The consideration, amounting to Euro 42.7 million, was agreed as the sum of a base price plus the net financial position as determined based on contractual provisions. This amount was paid (i) for Euro 11.5 million in cash (of which 50% on the date of completion and the remaining 50% on 24 monthly instalments from that date) and (ii) for the remaining part through the assignment to the seller of newly issued shares of

GGM S.p.A., following the capital increase which occurred at the same time as the completion of the acquisition, for an amount of Euro 31.2 million (including the share premium).

The acquisition resulted in increased revenues of approximately Euro 6.1 million and an increase of around Euro 0.8 million in net profit attributable to the Group for the period from the acquisition date to 31 December 2023. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 August 2023, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 31 August 2023 and 25 September 2023 are not considered to be significant).

The net assets acquired were recognized at fair value, together with goodwill amounting to approximately Euro 32.6 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	532	15,514	16,046
Property, plant and equipment	4,604	-	4,604
Financial assets	1,837	-	1,837
Right of use	7,573	-	7,573
Trade receivables	396	-	396
Other assets	2,387	-	2,387
Inventories	235	-	235
Cash and cash equivalents	6,620	-	6,620
Provisions for risks and charges	(65)	-	(65)
Employee benefit liabilities	(1,902)	-	(1,902)
Trade payables	(2,117)	-	(2,117)
Deferred tax liabilities	47	(4,375)	(4,328)
Tax payables	(168)	-	(168)
Other liabilities	(7,793)	-	(7,793)
Financial liabilities	(13,190)	-	(13,190)
Net acquired assets (liabilities) (A)	(1,004)	11,139	10,135
Purchase price (B)	42,723	-	42,723
Goodwill (B) - (A)	43,727	(11,139)	32,588

The adjustments made to recognize the assets acquired and liabilities assumed at their fair values mainly related to:

- “Intangible assets” of Euro 15.5 million, of which (i) Euro 3.5 million in relation to the value attributed to the “Ricreativo B” trademark and (ii) Euro 12.0 million related to the value assigned to the *customer relationship*;
- “Deferred tax liabilities” of Euro 4.4 million, relating to the tax effect related to such adjustments.

Net cash flows relating to the acquisition are shown in the following table:

(in thousands of Euro)

Consideration paid as of 31 December 2023	(7,820)
Cash and cash equivalents at acquisition date	6,620
Net cash flow from acquisition as of 31 December 2023	(1,200)

7.2 Acquisition of Iris S.r.l.

On 30 November 2023, Big Easy S.r.l. signed the agreement for the acquisition of the entire share capital of Iris S.r.l., a company involved in Bingo and betting collections through AWP and VLT. The consideration for the acquisition amounted to Euro 0.4 million plus a price adjustment. Of such amount, Euro 0.2 million was paid in cash at the acquisition date and Euro 0.2 million is a deferred price component which will be paid on the occurrence of certain contractual conditions. The acquisition had no impact on the Group's revenues and net profit as the entity was consolidated from 31 December 2023.

The net assets acquired were recognized at fair value, together with goodwill amounting to approximately Euro 0.3 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	2	-	2
Property, plant and equipment	142	-	142
Right of use	145	-	145
Trade receivables	13	-	13
Inventories	32	-	32
Other assets	80	-	80
Cash and cash equivalents	76	-	76
Provisions for risks and charges	(29)	-	(29)
Employee benefit liabilities	(47)	-	(47)
Financial liabilities	(145)	-	(145)
Trade payables	(128)	-	(128)
Tax payables	(7)	-	(7)
Other liabilities	(52)	-	(52)
Net acquired assets (liabilities) (A)	82	-	82
Purchase price (B)	420	-	420
Goodwill (B) - (A)	338	-	338

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 31 December 2023	(220)
Cash and cash equivalents at acquisition date	76
Net cash flow from acquisition as of 31 December 2023	(144)

7.3 Acquisition of Bingo Service S.r.l.

On 11 December 2023, Big Easy S.r.l. signed the agreement for the acquisition of the entire share capital of Bingo Service S.r.l., a company involved in Bingo and betting collections through AWP and VLT. The consideration for the acquisition amounted to Euro 2.0 million plus a price adjustment. Of such amount, Euro 1.4 million plus net financial debt, was paid in cash at the acquisition date and Euro 0.6 million is a deferred price component which will be paid on the occurrence of certain contractual conditions. The acquisition had no impact on the Group's revenues and net profit as the entity was consolidated from 31 December 2023.

The net assets acquired were recognized at fair value, together with goodwill amounting to approximately Euro 1.7 million, calculated as shown in the table below:

<i>(in thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	226	-	226
Right of use	237	-	237
Financial assets	1	-	1
Trade receivables	3	-	3
Inventories	6	-	6
Other assets	120	-	120
Cash and cash equivalents	534	-	534
Provisions for risks and charges	(13)	-	(13)
Employee benefit liabilities	(71)	-	(71)
Financial liabilities	(237)	-	(237)
Trade payables	(42)	-	(42)
Tax payables	(55)	-	(55)
Other liabilities	(121)	-	(121)
Net acquired assets (liabilities) (A)	588	-	588
Purchase price (B)	2,288	-	2,288
Goodwill (B) - (A)	1,700	-	1,700

Net cash flows relating to the acquisition are shown in the following table:

<i>(in thousands of Euro)</i>	
Consideration paid as of 31 December 2023	(1,688)
Cash and cash equivalents at acquisition date	534
Net cash flow from acquisition as of 31 December 2023	(1,154)

7.4 Acquisition of businesses

On 1 February 2023, GBO Italy S.p.A. acquired the “Domus Bet” business, consisting of the aggregate of assets organized to the collection of bets through retail concessions. The fair value of such concession is recognized in Intangible assets as shown below

<i>(in thousands of Euro)</i>	Acquisition price	Net assets acquired Intangible Assets Concessions
Domus Bet Business	2,060	2,060

As part of the distribution insourcing strategy relating to the Gaming Franchise segment, business acquired in the year ending 31 December 2023 are summarized below:

<i>(in thousands of Euro)</i>				
Asset quantity	Acquisition price	Net assets acquired	Property, plant and equipment	Goodwill
			Gaming Hardware	Other assets
1,090	6,762	1,660	72	5,030

The difference between the purchase price and the fair value of the net assets acquired was recognized as goodwill allocated to the Gaming Franchise segment. As of 31 December 2023, the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 5.8 million.

2024

7.5 Acquisition of Kristal Palace S.r.l.

On 31 January 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Kristal Palace S.r.l., a company operating in the management of Bingo halls as well as AWP and VLT devices within them. The consideration for the acquisition, amounting to Euro 0.7 million, was defined as the base price adjusted for the net financial indebtedness determined based on contractual provisions amounting to Euro 1.3 million. The consideration may be adjusted based on the actual net financial indebtedness of the company at the date of completion of the acquisition. Of this amount, Euro 0.2 million was paid in advance in October 2023, Euro 0.2 million was paid over three-monthly instalments starting from January 2024, and Euro 0.3 million have been paid over three-monthly instalments of Euro 0.1 million each by June 2024.

The aforementioned acquisition did not have significant impacts on the Group's revenues and net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 1 January 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 1 January 2024 and 31 January 2024 are not considered to be significant).

The net asset acquired were preliminary recognized at fair value, together with goodwill amounting to approximately Euro 1.5 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	14	-	14
Property, plant and equipment	548	-	548
Right of use	1,890	-	1,890
Financial assets	295	-	295
Trade receivables	2	-	2
Inventories	30	-	30
Other assets	657	-	657
Cash and cash equivalents	156	-	156
Employee benefit liabilities	(147)	-	(147)
Financial liabilities	(2,259)	-	(2,259)
Trade payables	(203)	-	(203)
Tax payables	(12)	-	(12)
Other liabilities	(1,790)	-	(1,790)
Net acquired assets (liabilities) (A)	(819)	-	(819)
Purchase price (B)	675	-	675
Goodwill (B) - (A)	1,494	-	1,494

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(505)
Consideration paid as of 31 December 2023	(170)
Cash and cash equivalents at acquisition date	156
Net cash flow from acquisition as of 31 December 2024	(519)

7.6 Acquisition of SKS365 Malta Holding Limited

On 24 April 2024, GBO S.p.A. finalized the acquisition of the entire share capital of SKS365 Malta Holding Limited, an omnichannel operator in the Italian online and sports betting market. The consideration for the acquisition was Euro 621.5 million including leakages and ticking fees, contractually determined, fully paid at the completion date through the release from the escrow account of proceeds related to the senior secured notes issued by Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) on 14 December 2023, together with the available cash. SKS365 Malta Holding Limited (subsequently merged into GBO S.p.A.) is the parent company of the operating company SKS365 Malta Limited, which was renamed to PWO Limited (now PWO S.p.A.) following the acquisition.

The aforementioned acquisition resulted in increased revenue of approximately Euro 212.6 million and a decrease of around Euro 1.6 million in Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting principles adopted by the Group (other differences relating to the period between 24 April 2024 and 30 April 2024 are not considered to be significant). If the acquisition had taken place on 1 January 2024, it would have contributed increased revenues of approximately Euro 319.6 million and a decrease of approximately Euro 20.6 million in the Group's net profit for the year ended 31 December 2024 (excluding non-recurring costs related to SKS365's management as a result of the change of control, the acquisition would have contributed to an increase of Euro 9.9 million in Group's net profit). The acquisition costs amounted to approximately Euro 10.1 million (of which Euro 1.8 million incurred in 2024).

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 534.2 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	12,585	218,024	230,609
Property, plant and equipment	11,139	-	11,139
Right of use	3,383	-	3,383
Financial assets	931	-	931
Trade receivables	2,042	-	2,042
Deferred tax assets	13,781	-	13,781
Other assets	34,365	-	34,365
Cash and cash equivalents	29,816	-	29,816
Provisions for risks and charges	(1,039)	(5,519)	(6,558)

Employee benefit liabilities	(955)	-	(955)
Financial liabilities	(3,687)	-	(3,687)
Trade payables	(21,146)	-	(21,146)
Tax payables	(966)	-	(966)
Deferred tax liabilities	-	(63,445)	(63,445)
Other liabilities	(141,953)	-	(141,953)
Net acquired assets (liabilities) (A)	(61,704)	149,060	87,356
Purchase price (B)	621,540	-	621,540
Goodwill (B) - (A)	683,244	(149,060)	534,184

The adjustments made to the accounting values when measuring the assets and liabilities acquired at fair value mainly relate to:

- “Intangible assets” for Euro 218.0 million, of which (i) Euro 30.7 million relating to the value attributed to the “**Planetwin365**” brand and (ii) Euro 187.3 million relating to the value attributed to Betting and Online networks (hereinafter collectively “Customer relationship”);
- “Provisions for risks and charges” amounted to Euro 5.5 million related to a tax dispute of Austrian branch;
- “Deferred tax liabilities” for Euro 63.4 million, relating to the tax effect recorded on the adjustments identified.

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(621,540)
Cash and cash equivalents at acquisition date	29,816
Net cash flow from acquisition as of 31 December 2024	(591,724)

7.7 Acquisition of Dea Bendata S.r.l.

On 15 May 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Dea Bendata S.r.l., a company operating in Gaming Franchise sector. The consideration for the acquisition was Euro 1.2 million plus price adjustment. Of this amount, Euro 0.7 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date. As of 31 December 2024, the residual amount was equal to Euro 0.2 million.

The aforementioned acquisition did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 30 April 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 30 April 2024 and 15 May 2024 are not considered to be significant).

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 1.0 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	32	-	32
Financial assets	2	-	2
Trade receivables	5	-	5
Other assets	4	-	4
Cash and cash equivalents	325	-	325
Employee benefit liabilities	(57)	-	(57)
Trade payables	(47)	-	(47)
Tax payables	(32)	-	(32)
Other liabilities	(16)	-	(16)
Net acquired assets (liabilities) (A)	216	-	216
Purchase price (B)	1,226	-	1,226
Goodwill (B) - (A)	1,010	-	1,010

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(976)
Cash and cash equivalents at acquisition date	325
Net cash flow from acquisition as of 31 December 2024	(651)

7.8 Acquisition of Totosì S.r.l. (formerly Macao Phygital S.r.l.)

On 31 May 2024, GBO S.p.A. finalized the acquisition of the entire share capital of Macao Phygital S.r.l. a company operating in the online betting activities. The consideration for the acquisition, amounting to Euro 0.3 million plus price adjustment. It was paid at the acquisition date.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 1.7 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 May 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group. The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 0.6 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	162	-	162
Trade receivables	161	-	161
Other assets	266	-	266
Deferred tax assets	8	-	8
Cash and cash equivalents	449	-	449
Employee benefit liabilities	(8)	-	(8)

Trade payables	(1,051)	-	(1,051)
Other liabilities	(379)	-	(379)
Net acquired assets (liabilities) (A)	(392)	-	(392)
Purchase price (B)	250	-	250
Goodwill (B) - (A)	642	-	642

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(250)
Cash and cash equivalents at acquisition date	449
Net cash flow from acquisition as of 31 December 2024	199

7.9 Acquisition of Il Galletto Fortunato S.r.l.

On 6 June 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Il Galletto Fortunato S.r.l., a company operating in the management of Bingo halls as well as AWP and VLT devices within them. The consideration for the acquisition, amounting to Euro 1.7 million, was defined as the sum of a base price plus net financial indebtedness as determined based on contractual provisions. The consideration may be adjusted based on the actual net financial indebtedness of the company at the acquisition date. Of this amount, Euro 1.2 million was paid on the acquisition date, while Euro 0.5 million, as deferred consideration component, will be paid, upon the occurrence of certain contractual conditions, within 12 months from the acquisition date. As of 31 December 2024, the residual amount was equal to Euro 0.2 million.

The aforementioned acquisition did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 May 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group (other differences relating to the period between 31 May 2024 and 6 June 2024 are not considered to be significant).

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 1.5 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	67	-	67
Financial assets	40	-	40
Right of use	475	-	475
Current tax receivables	58	-	58
Other assets	96	-	96
Cash and cash equivalents	192	-	192
Trade payables	(181)	-	(181)
Other liabilities	(76)	-	(76)
Financial liabilities	(475)	-	(475)
Net acquired assets (liabilities) (A)	196	-	196
Purchase price (B)	1,686	-	1,686

Goodwill (B) - (A)	1,490	-	1,490
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Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>			
Consideration paid as of 31 December 2024			(1,486)
Cash and cash equivalents at acquisition date			192
Net cash flow from acquisition as of 31 December 2024			(1,294)

7.10 Acquisition of Rete Gioco Italia S.r.l.

On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them. The consideration for the acquisition amounted to Euro 14.9 million, plus price adjustments. Of this amount, Euro 8.7 million was paid on the acquisition date, while Euro 3.8 million will be paid within twelve months, Euro 0.6 million will be paid within twenty-four months, Euro 0.6 million will be paid within thirty-six months, Euro 0.6 million will be paid within forty-eight months and Euro 0.5 million to be paid within sixty months from the acquisition date.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 2.4 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 July 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group. If the acquisition had taken place on 1 January 2024, it would have contributed higher revenues of approximately Euro 7.8 million for the year ended 31 December 2024.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 11.9 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	1,410	-	1,410
Right of use	838	-	838
Trade receivables	294	-	294
Deferred tax assets	952	-	952
Other assets	1,085	-	1,085
Cash and cash equivalents	7,048	-	7,048
Employee benefit liabilities	(825)	-	(825)
Financial liabilities	(953)	-	(953)
Trade payables	(235)	-	(235)
Deferred tax liabilities	(781)	-	(781)
Other liabilities	(4,866)	-	(4,866)
Net acquired assets (liabilities) (A)	3,967	-	3,967

Equity attributable to non-controlling interests (B)	1,587	-	1,587
Purchase price (C)	14,268	-	14,268
Goodwill (C) - (A) + (B)	11,888	-	11,888

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(8,685)
Cash and cash equivalents at acquisition date	7,048
Net cash flow from acquisition as of 31 December 2024	(1,637)

7.11 Acquisition of Bakoo S.p.A.

On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software in the AWP, VLT and online markets. The consideration for the acquisition, amounting to Euro 4.4 million, was defined as the sum of base price plus net financial indebtedness determined based on contractual provisions. Of this amount, (i) Euro 0.8 million was paid at the acquisition date (ii) Euro 1.1 million will be paid in sixty monthly instalments, and (iii) the remaining part through the assignment to the seller of newly issued shares of Marim S.r.l., following the capital increase which occurred at the same time as the completion of the acquisition, for an amount of Euro 2.5 million (including share premium).

The aforementioned acquisition did not have significant impacts on the revenues and the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 July 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 4.7 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	414	-	414
Property, plant and equipment	22	-	22
Right of use	187	-	187
Financial assets	3	-	3
Trade receivables	66	-	66
Inventories	260	-	260
Tax receivables	1	-	1
Other assets	38	-	38
Cash and cash equivalents	2	-	2
Employee benefit liabilities	(154)	-	(154)

Financial liabilities	(964)	-	(964)
Trade payables	(167)	-	(167)
Other liabilities	(210)	-	(210)
Net acquired assets (liabilities) (A)	(502)	-	(502)
Purchase price (B)	4,245	-	4,245
Goodwill (B) - (A)	4,747	-	4,747

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(851)
Cash and cash equivalents at acquisition date	2
Net cash flow from acquisition as of 31 December 2024	(849)

7.12 Acquisition of Sea S.r.l.

On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., a company that operates in the management of bingo halls as well as of AWP and VLT machines. The value of the acquisition equal to Euro 6.2 million, was defined as the algebraic sum of a base price and the net financial debt determined on the basis of the contractual provisions. Of this amount, (i) Euro 4.0 million were paid on the subscription date, (ii) Euro 1.0 million to be paid within six months, Euro 0.4 million to be paid within twenty-four months, Euro 0.3 million to be paid within forty-eight months and Euro 0.3 million to be paid within sixty months from the acquisition date.

The aforementioned acquisition resulted in an increase in revenue of approximately Euro 0.3 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 October 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group. If the acquisition had taken place on 1 January 2024, it would have contributed higher revenues of approximately Euro 3.3 million for the year ended 31 December 2024.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 6.3 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	21	-	21
Property, plant and equipment	437	-	437
Right of use	494	-	494
Financial assets	247	-	247
Inventories	42	-	42
Other assets	61	-	61
Cash and cash equivalents	613	-	613
Employee benefit liabilities	(70)	-	(70)

Financial liabilities	(821)	-	(821)
Trade payables	(287)	-	(287)
Tax payables	(99)	-	(99)
Other liabilities	(798)	-	(798)
Net acquired assets (liabilities) (A)	(160)	-	(160)
Purchase price (B)	6,178	-	6,178
Goodwill (B) - (A)	6,338	-	6,338

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(4,000)
Cash and cash equivalents at acquisition date	613
Net cash flow from acquisition as of 31 December 2024	(3,387)

7.13 Acquisition of IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of the remaining 51% of the share capital of IMA S.r.l. for Euro 0.2 million, fully paid at the acquisition date. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l.

The aforementioned acquisition did not have significant impacts on the revenues and the Group's net profit for the period from the acquisition date to 31 December 2024. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 December 2024, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

The asset and liabilities acquired were recognized at fair value, together with goodwill amounting to approximately Euro 0.1 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Property, plant and equipment	1	-	1
Other assets	79	-	79
Cash and cash equivalents	340	-	340
Employee benefit liabilities	(32)	-	(32)
Trade payables	(90)	-	(90)
Other liabilities	(34)	-	(34)
Net acquired assets (liabilities) (A)	264	-	264
Purchase price (B)	192	-	192
Fair value of pre-existing interest in IMA S.r.l. (C)	184	-	184
Goodwill (B) + (C) - (A)	112	-	112

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2024	(192)
Cash and cash equivalents at acquisition date	340
Net cash flow from acquisition as of 31 December 2024	148

The fair value of existing 49% interest in IMA S.r.l. held by the Group amounted to Euro 0.2 million and determined a loss of Euro 0.1 million. This amount was included in the income statement item "Share of profit/loss of equity accounted investments".

7.14 Acquisition of businesses

As part of the distribution insourcing strategy relating to the Gaming Franchise segment, the assets acquired and liabilities assumed through acquisitions of business units in the year ended 31 December 2024 are summarized below:

<i>(In thousands of Euro)</i>	Fair Value at acquisition date
Intangible assets	13
Property, plant and equipment*	3,243
Other assets	14
Cash and cash equivalents	1,647
Employee benefit liabilities	(683)
Financial liabilities	(1,768)
Trade payables	(604)
Tax payables	(24)
Other liabilities	(3,871)
Net acquired assets / (liabilities) (A)	(2,033)
Purchase price (B)	15,733
Goodwill (B) - (A)	17,766

* Related to 2,605 AWP devices.

The difference between the purchase price and the fair value of the net assets acquired was recognized as goodwill allocated to the Gaming Franchise segment. As of 31 December 2024, the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 7.2 million.

2025

7.15 Acquisition of Distante S.r.l.

On 1 April 2025, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 65% of the share capital of Distante S.r.l., a company operating in the rental, management, and maintenance of AWP gaming machines. The consideration for the acquisition amounted to Euro 15.1 million, including price adjustment. Of this

amount, Euro 10.7 million was paid at the reporting date, Euro 3.7 million will be paid within 25 March 2026, while the remaining portion of Euro 0.7 million will be paid through annual instalments until 2031.

The aforementioned acquisition resulted in increased revenues of Euro 4.1 million, while it did not have significant impacts on the Group's net profit for the period from the acquisition date to 31 December 2025. Such amounts have been calculated based on the accounting records of the acquired company as of the date closest to the date control was assumed, namely 31 March 2025, adjusted as required to recognize any differences with respect to the accounting policies adopted by the Group.

The net asset acquired were preliminary recognized at fair value, together with goodwill amounting to approximately Euro 13.4 million, calculated as shown in the table below:

<i>(In thousands of Euro)</i>	Book Value at acquisition date	Purchase price allocation at acquisition date	Fair Value at acquisition date
Intangible assets	2	-	2
Property, plant and equipment	2,928	-	2,928
Right of use	280	-	280
Financial assets	313	-	313
Trade receivables	30	-	30
Other assets	3,053	-	3,053
Cash and cash equivalents	8,029	-	8,029
Employee benefit liabilities	(830)	-	(830)
Financial liabilities	(3,039)	-	(3,039)
Trade payables	(1,750)	-	(1,750)
Tax payables	(265)	-	(265)
Other liabilities	(6,106)	-	(6,106)
Net acquired assets / (liabilities) (A)	2,645	-	2,645
Equity attributable to non-controlling interests (B)	926	-	926
Purchase price (C)	15,142		15,142
Goodwill (C) - (A) + (B)	13,423	-	13,423

As of the date of preparing this document, the final measurement of the fair value of the assets acquired and liabilities assumed, as well as the amount to be allocated to goodwill, is still ongoing and, therefore, in accordance with the provisions of IFRS 3, the Group will complete such measurement within twelve months from the acquisition date. The provisional values of the assets acquired and liabilities assumed may be adjusted retrospectively to recognize their fair value at the acquisition date, with such adjustment involving the recalculation of goodwill.

Net cash flows relating to the acquisition are shown in the following table:

<i>(In thousands of Euro)</i>	
Consideration paid as of 31 December 2025	(10,796)
Cash and cash equivalents at acquisition date	8,029
Net cash flow from acquisition as of 31 December 2025	(2,767)

7.16 Acquisition of businesses

As part of the distribution insourcing strategy relating to the Gaming Franchise segment, the assets acquired and liabilities assumed through acquisitions of business units in the year ended 31 December 2025 are summarized below:

<i>(In thousands of Euro)</i>	Fair Value at acquisition date
Property, plant and equipment	2,715
Trade receivables	195
Cash and cash equivalents	1,646
Employee benefit liabilities	(305)
Trade payables	(808)
Other liabilities	(90)
Net acquired assets (A)	3,353
Purchase price (B)	21,969
Goodwill (B) - (A)	18,616

The difference between the purchase price and the fair value of the net assets acquired was recognized as goodwill mainly allocated to the Gaming Franchise segment. As of 31 December 2025, the cash flow relating to the total consideration paid for the acquisition of the businesses amounted to Euro 14.4 million.

8 Notes to the Consolidated statement of comprehensive income

8.1 Revenues

The following table provides a breakdown of “Revenues”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Online	954,506	780,230	520,787
Sports Franchise	527,163	460,755	368,217
Gaming Franchise	773,623	763,740	743,484
Total Revenues for reportable segment	2,255,292	2,004,725	1,632,488
Elimination of revenues from equity accounted investments	(8,176)	-	-
Total	2,247,116	2,004,725	1,632,488

Revenues amounted to Euro 2,247.1 million for the year ended 31 December 2025 (Euro 2,004.7 million and Euro 1,632.5 million for the year ended 31 December 2024 and for the year ended 31 December 2023, respectively).

In 2025, the increase was mainly due to the full year consolidation of PWO in 2025, compared to only eight months in 2024 as well as to the effect of the overall favorable payout of sports betting compared to the previous year, which benefited both the Online and Sports Franchise operating segments.

In 2024, the increase was mainly attributable to: (i) the increase in revenue in the Online segment of Euro 259.4 million mainly due to the contribution from the acquisition of PWO for Euro 141.7 million and the overall market growth as well as the increase in market share across all segments and brands of the Group; (ii) the increase in revenue in the Sports Franchise segment of Euro 92.5 million mainly related to the acquisition of PWO for Euro 70.9 million, partially offset by the negative impact of a high payout; (iii) the increase in revenue in the Gaming Franchise segment of Euro 20.3 million, mainly due to the contribution of Ricreativo, acquired in September 2023.

8.2 Other income

“Other income” amounted to Euro 14.9 million for the year ended 31 December 2025, Euro 15.0 million for the year ended 31 December 2024 (of which Euro 0.5 million related to the acquisition of PWO) and Euro 18.5 million for the year ended 31 December 2023, and mainly included: (i) income from services and re-charge to the sales point operators of the Gaming Franchise and Sports Franchise network; (ii) income from the re-sale of consumables and provision of services in halls (iii) income from the transfer to the supply-chain of costs incurred in relation to the acquisition of AWP NOE and NOD concession agreements; and (iv) income from compensation, indemnification and income from other operations.

For the year ended 31 December 2023, the item also included non-recurring income from the re-charge of penalties for ADM service levels for the years 2013 and 2014 to gaming platforms providers in 2023.

8.3 Cost of services

The following table provides a breakdown of “Cost of services”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Distribution network compensation	(880,857)	(828,381)	(681,284)
Fee on gaming platform licenses	(132,480)	(116,691)	(88,065)
Concession Fee	(63,982)	(58,445)	(51,447)
Bank and insurance expenses	(58,435)	(48,974)	(34,237)
Marketing and advertising	(40,258)	(31,976)	(16,072)
Utility costs, postal and logistics costs, security services	(24,808)	(24,617)	(20,047)
Technical assistance and network management	(21,025)	(18,058)	(16,403)
Tax, administrative and legal consultancy costs	(18,698)	(18,681)	(14,741)
Leases and rentals	(14,313)	(13,687)	(7,351)
Data transmission	(10,927)	(8,923)	(8,566)
Pay-TV	(6,961)	(6,556)	(5,454)
Board of Directors remunerations and costs	(4,749)	(4,464)	(3,049)
Other	(37,065)	(34,272)	(26,043)
Total	(1,314,558)	(1,213,725)	(972,759)

Cost of services amounted to Euro 1,314.6 million for the year ended 31 December 2025, Euro 1,213.7 million for the year ended 31 December 2024 (of which Euro 158.4 million related to PWO) and Euro 972.8 million for the year ended 31 December 2023.

“Distribution network compensation” costs are mainly influenced by the supply chain remuneration model (linked to a percentage of bets and/or revenue sharing mechanisms), which means that this cost item varies in line with revenues.

In general, other cost items are affected by the variable nature of the items in question (as they may be linked to bets trends or revenue sharing mechanisms – such as, for example, in the case of “Fee on gaming platform licenses”).

In addition to such general considerations, the following points are noted with regard to specific cost items other than “Distribution network compensation”:

- “Leases and rentals”, in line with the exemptions permitted by IFRS 16, includes fees relating to short-term lease contracts (for periods of less than 12 months, including those with residual duration of less than 12 months at the date of initial application) and lease contracts concerning low value assets as well as software license fees;
- “Marketing and advertising expenses” increased by Euro 8.3 million mainly due to costs for events at the gaming halls and other marketing campaigns and the full year contribution of PWO in 2025 compared to only eight months in 2024. The increase in 2024 compared to 2023 was mainly related to the acquisition of PWO for Euro 3.9 million as well as higher costs for events at the gaming halls and other marketing campaigns;
- “Bank and insurance expenses” mainly related to the costs incurred for electronic money instruments provided to players to top up their gaming accounts. The increase in 2025 was mainly related to the contribution of PWO and higher commissions on credit cards following the increase in the volumes recorded. The increase in 2024 was mainly due to acquisition of PWO for Euro 5.1 million and higher commissions following the increase in the volumes recorded;

- “Other” mainly related to recurring costs including employee lunch vouchers and travel reimbursement expenses, temporary staff costs, costs relating to live betting providers and other costs incurred. The increase in 2025 and 2024 was mainly driven by higher costs for betting providers, digital services and anti-money-laundering activities. In 2024, the increase also reflected the impact of the PWO acquisition, occurred during the year.

8.4 Personnel expenses

The following table provides a breakdown of “Personnel expenses”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Remuneration	(106,097)	(99,881)	(70,850)
Social security contributions	(30,823)	(26,080)	(21,131)
Other personnel costs	(17,830)	(9,542)	(6,397)
Total	(154,750)	(135,503)	(98,378)

Personnel expenses amounted to Euro 154.7 million for the year ended 31 December 2025 compared to Euro 135.5 million (of which Euro 18.4 million related to the acquisition of PWO) and Euro 98.4 million for the year ended 31 December 2024 and for the year ended 31 December 2023, respectively.

“Remuneration”, “Social security contributions” and “Other personnel costs” are stated net of capitalized personnel expenses linked to internal software development, totalling Euro 20.7 million for the year ended 31 December 2025 (Euro 16.0 million and 12.4 million for the year ended 31 December 2024 and for the year ended 31 December 2023 respectively).

The item also includes the charge related to the long-term incentive plan amounting to Euro 3.8 million for the year ended 31 December 2025 (Euro 1.3 million for the year ended 31 December 2024 and Euro 0.4 million for the year ended 31 December 2023).

The following table shows Group employee numbers by category:

	Number as of 31 December 2025	Average number 2025	Number as of 31 December 2024	Average number 2024	Number as of 31 December 2023	Average number 2023
Executives	56	59	59	56	50	48
Middle managers	236	230	229	203	194	176
White collar	1,566	1,582	1,571	1,562	1,417	1,304
Blue collar	331	369	393	322	262	199
Foreign employees	376	395	415	421	-	-
Total	2,565	2,635	2,667	2,564	1,923	1,727

The following table provides a breakdown of Group employees by company:

<i>Company</i>	Number as of 31 December		
	2025	2024	2023
GBO Italy	625	579	564
PWO ⁽¹⁾	474	507	-
Lottomatica Group	223	205	7

Ricreativo B	164	210	208
Gamenet	155	159	157
Jolly Group	149	156	148
Betflag	117	105	84
Lottomatica Videolot Rete	115	120	124
Big Easy	111	109	97
Big Easy Bingo (formerly Battistini Andrea S.r.l.)	105	156	25
Distante	83	-	-
Gnetwork	75	80	39
Rete Gioco Italia	68	73	-
Giocaonline	31	28	23
Marim	22	22	22
Bakoo	13	13	-
Agesoft	12	12	11
Totosì	11	2	-
Ares	10	10	9
Ima	1	1	-
Lottomatica Servizi (formerly Lottomatica Payments)	1	-	-
Lottomatica S.p.A. ⁽⁹⁾	-	-	188
Billions ⁽²⁾	-	56	60
New Matic ⁽⁶⁾	-	-	18
Lottomatica UK	-	-	1
Slottery ⁽⁸⁾	-	-	76
GNet	-	-	1
Lottomatica Digital Solutions ⁽⁵⁾	-	15	12
AB Games ⁽⁷⁾	-	-	18
Dea Bendata ⁽³⁾	-	5	-
Planet Entertainment	-	2	-
Sea ⁽⁴⁾	-	42	-
Bingo Service ⁽⁷⁾	-	-	16
Iris ⁽⁷⁾	-	-	15
Total	2,565	2,667	1,923

1) Includes employees of all PWO branches, specifically: PWO Serbia branch 365 employees as of 31 December 2025 (385 as of 31 December 2024), PWO Italy branch 98 employees as of 31 December 2025 (92 employees as of 31 December 2024), PWO Malta 10 employees as of 31 December 2025 (29 employees as of 31 December 2024), PWO Austria branch 1 employee as of 31 December 2025 and 2024.

2) Following a business lease transaction, Billions have no employees in 2025.

3) Merged into Big Easy in 2025.

4) Merged into Big Easy Bingo in 2025.

5) Merged into GBO Italy in 2025.

6) Merged into Jolly Group in 2024.

7) Merged into Big Easy Bingo in 2024.

8) Merged into Big Easy in 2024.

9) Merged into Lottomatica Group in 2024.

Long-term incentive plan – Stock Option Plan 2023-2025

On 15 March 2023, the shareholders meeting of the Company approved the “Stock Option Plan 2023-2025” (the “**Plan**”), effective subject to the first trading date, which provides for the assignment, on an annual basis, over a three-year period of option rights granting the right to certain members of

management, identified by the Board of Directors of the Company from time to time, to subscribe to the ordinary shares of the Company.

The Plan has the following objectives: (i) align the interests of the beneficiary of the Plan with those of the shareholders and investors of the Group and with the strategic plan of the Group as a whole; and (ii) incentivize the long-term retention of those members of management benefitting from the Plan.

On 15 June 2023, the Board of Directors approved the implementation of the plan regulation.

The Plan provides for the assignment to the beneficiaries of free option rights, that entitle the right to subscribe to the Company's shares according to a 1:1 ratio (i.e., each option grants the right to subscribe one share) at a determined price (the "**Options**"), provided that the beneficiaries are still employees or directors of the Company or its subsidiaries at the time of the exercise of the Options. The Options may be assigned from 15 June 2023 until 31 December 2025. The Plan has a multiannual duration and is subdivided into three cycles, with a three-year vesting period (the "**Vesting Period**") for the Options granted under each cycle.

The Options granted to each beneficiary may be exercised within five years from the grant date. Of the shares resulting from the exercise of the Options, 20% of these will be subject to a one-year lock-up period from the end of the Vesting Period and another 20% to a two-year lock-up period from the end of the Vesting Period.

Upon advice from the Appointments and Remuneration Committee, the Board of Directors, determines the total number of Options that may be assigned to beneficiaries in each cycle and may impose performance conditions to be met by the beneficiary in order for the Options to vest. The performance measurement period will ordinarily be three years.

The following table shows the movement of the Plan for the years indicated:

<i>Number of options</i>	2025	2024	2023
As of 1 January	5,557,300	2,000,000	-
Granted during the year	6,115,708	3,635,300	2,000,000
Forfeited during the year	-	(78,000)	-
Exercised during the year	-	-	-
As of 31 December	11,673,008	5,557,300	2,000,000
<i>of which vested and exercisable</i>	-	-	-

The following table shows the details of the assigned Options:

Grant date	Expiry date	Number of options		
		2025	2024	2023
15-jun-23	15-jun-28	1,950,000	1,950,000	2,000,000
14-jun-24	14-jun-29	3,607,300	3,607,300	-
3-mar-25	3-mar-30	6,115,708	-	-
		11,673,008	5,557,300	2,000,000
Weighted average remaining contractual life of options outstanding at end of year		3.66	4.10	4.46

8.5 Other operating costs

The following table provides a breakdown of “Other operating costs”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Purchase of goods and other purchases	(11,639)	(12,659)	(8,994)
Taxes and sundry duties	(7,093)	(5,550)	(3,903)
Entertainment expenses	(2,910)	(4,046)	(4,915)
Fines, penalties and losses on receivables	(907)	(1,232)	(2,302)
Other expenses	(17,541)	(15,990)	(20,838)
Total	(40,090)	(39,477)	(40,952)

The increase of “Purchase of goods and other purchases” in 2024 was mainly due to the contribution of companies acquired during the year, higher expenses for the purchase of merchandising materials and modernization of betting halls as well as higher costs incurred for the production of gaming hardware.

The increase of “Taxes and sundry duties” in 2025 and 2024 was mainly due to the contribution of the acquired companies during the years. It also included expenses incurred for participation in the procedure for the awarding of Online concessions in 2025.

The increase of “Other expenses” in 2025 was mainly due to the higher write-offs compared to the previous year, particularly relating to the write off of the gaming platform previously used by PWO. The decrease in 2024 was attributable to the lower costs for the purchase of shareholdings and lower write-off costs recorded compared to the previous year.

8.6 Depreciation, amortization and impairments

The following table provides a breakdown of “Depreciation, amortization and impairments”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Amortization of intangible assets	(185,106)	(176,104)	(137,832)
<i>of which purchase price allocation</i>	<i>(70,303)</i>	<i>(73,079)</i>	<i>(71,241)</i>
Depreciation of property, plant and equipment	(52,406)	(47,146)	(39,256)
Depreciation of investment property	(27)	(27)	(27)
Impairments of property, plant and equipment and intangible assets	(165)	(244)	(553)
Depreciation of right of use	(23,565)	(20,832)	(17,010)
Total	(261,269)	(244,353)	(194,678)

Depreciation, amortization and impairments amounted to Euro 261.3 million for the year ended 31 December 2025, Euro 244.4 million for the year ended 31 December 2024 (of which Euro 29.6 million related to the acquisition of PWO) and Euro 194.7 million for the year ended 31 December 2023.

For further details regarding movements of intangible assets, property, plant and equipment and right of use, please refer to Note 9.1, 9.3 and 9.4, respectively.

8.7 Impairment of receivables and financial assets and other (accruals) / releases

The following table provides a breakdown of “Impairment of receivables and financial assets” and “Other (accruals)/releases”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Impairment of financial asset	-	-	(5,122)
(Provision) / release for impairment of receivables and financial assets	(25,562)	(243)	(2,853)
(Provision) / release for risks and charges	258	(785)	1,977
Total	(25,304)	(1,028)	(5,998)

For the year ended 31 December 2023, impairment of financial assets includes the impairment of the “Ancona Time” partnership, held by Lottomatica Videolot Rete S.p.A., of Euro 3.3 million and impairment of the convertible bonds issued by the associate iPro Inc. of Euro 1.8 million.

Provisions are stated net of releases. For further details regarding movements in the “Provision for impairment of receivables” and the “Provision for risks and charges” see Notes 9.9 and 9.17 respectively.

8.8 Finance income and expenses (net)

The following table provides a breakdown of “Finance income and expenses (net)”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Other interest income	3,275	9,038	28,139
Total finance income	3,275	9,038	28,139
Interest expense on May 2025 Notes	(33,963)	-	-
Interest expense on May 2024 Notes	(41,420)	(26,440)	-
Interest expense on December 2023 Notes	(7,514)	(20,317)	(944)
Interest expense on June 2023 Notes	(14,761)	(54,461)	(45,344)
Interest expense on 2022 Notes	-	(14,124)	(34,125)
Interest expense on April 2021 Notes	-	-	(15,962)
Interest expense on July 2020 Notes	-	-	(18,627)
Amortized cost on May 2025 Notes	(1,416)	-	-
Amortized cost on May 2024 Notes	(1,459)	(990)	-
Amortized cost on December 2023 Notes	(12,263)	(1,513)	(65)
Amortized cost on June 2023 Notes	(8,742)	(17,931)	(2,919)
Amortized cost on 2022 Notes	-	(7,494)	(1,549)
Amortized cost on April 2021 Notes	-	-	(8,327)
Amortized cost on July 2020 Notes	-	-	(4,240)
IRS interest expense	(12,877)	(22,700)	(3,919)
Commission on sureties	(6,341)	(10,052)	(5,661)
Interest expense on Revolving Credit Facility	(4,787)	(5,689)	(10,176)

Leasing interest expense	(4,364)	(4,296)	(3,751)
Interest expense on Bondco loan	-	-	(6,947)
Other interest expense	(43,515)	(29,393)	(57,731)
Total finance expenses	(193,422)	(215,400)	(220,287)
Net finance expenses	(190,147)	(206,362)	(192,148)

“Net finance expenses” amounting to Euro 190.1 million for the year ended 31 December 2025, Euro 206.3 million for the year ended 31 December 2024 (of which Euro 4.8 million related to the acquisition of PWO) and Euro 192.1 million for the year ended 31 December 2023, included non-recurring finance income of Euro 0.4 million for the year ended 31 December 2025 (Euro 6.2 million for the year ended 31 December 2024 and Euro 24.4 million for the year ended 31 December 2023) and non-recurring finance expenses of Euro 53.4 million for the year ended 31 December 2025 (Euro 58.6 million for the year ended 31 December 2024 and Euro 73.1 million for the year ended 31 December 2023).

“Other interest income” for the year ended 31 December 2024 mainly includes the interest income on the escrow accounts of Euro 6.2 million (Euro 4.6 million for the year ended 31 December 2023). For the year ended 31 December 2023, it also included the income of Euro 19.8 million for the closing of the hedging derivative after the reimbursement in advance of the floating rate senior secured notes maturing in 2025.

“Interest expense on the December 2023 Notes” and “IRS interest expense” for the year ended 31 December 2024 included a total amount of Euro 10.5 million (Euro 1.6 million for the year ended 31 December 2023) relating to the interest accrued on the December 2023 Notes (Euro 6.3 million and Euro 0.9 million for the year ended 31 December 2024 and 2023, respectively) and the charges on the hedging derivative instruments outstanding (Euro 4.1 million and Euro 0.7 million for the year ended 31 December 2024 and 2023, respectively), in the period prior to the completion of the SKS365 Acquisition, in addition to charges on hedging derivatives relating to the 2024 Notes Repaid (as defined below) for Euro 0.4 million.

“Amortized cost on December 2023 Notes” and “Amortized cost on June 2023 Notes” included Euro 19.6 million for the year ended 31 December 2025 related to the acceleration of the residual unamortized costs on the 2025 Notes Repaid (as defined below), which were fully expensed as a result of their early repayment.

"Amortized cost on 2022 Notes" and " Amortized cost on June 2023 Notes" for the year ended 31 December 2024 includes Euro 21.3 million relating to the acceleration of the residual unamortized costs on the 2024 Notes Repaid (as defined below), which were fully expensed as a result of their early repayment.

"Amortized cost on April 2021 Notes" and " Amortized cost on July 2020 Notes" includes Euro 10.8 million for the year ended 31 December 2023 relating to the acceleration of the residual unamortized costs on the 2023 Notes Repaid (as defined below), which were fully expensed as a result of their early repayment.

“Interest expense on Revolving Credit Facility” includes Euro 4.5 million the year ended 31 December 2023 relating to the recognition of not-yet expensed arrangement fees on the previous revolving credit facility agreement, following the signature on 3 May 2023 of the Revolving Credit Facility agreement.

“Interest expense on July 2020 Notes” and “Interest expense on April 2021 Notes” are impacted by the interest expenses accrued on the 2023 Notes Repaid (as defined below) for the period from 1 June 2023 to the repayment date amounting to Euro 6.3 million.

“Other interest expense” mainly included:

- for the year ended 31 December 2025: (i) the make-whole relating to the 2025 Notes Repaid (as defined below) for Euro 21.0 million (ii) financial charges related to the closing of the related hedging derivative instruments for Euro 7.1 million and (iii) non-recurring interest expenses of Euro 5.7 million;
- for the year ended 31 December 2024: the make-whole relating to the 2024 Notes Repaid (as defined below) for Euro 26.4 million.
- for the year ended 31 December 2023: (i) the commitment fees relating to the bridge facility obtained by the Group during 2023 for a total amount of Euro 20.7 million (of which Euro 13.8 million relating to the refinancing of the 2023 Notes Repaid and the remaining part to the SKS365 Acquisition), (ii) the prepayment penalty related to the early extinguishment of the Bondco Loan (as defined below) for Euro 16.5 million and (iii) the make-whole for the early repayment of 2023 Notes Repaid (as defined below) for Euro 12.7 million.

“Other interest expense” also included the effect of the amortized cost relating to the deferred portion of the purchase price consideration amounted to Euro 0.4 million for the year ended 31 December 2025 (Euro 1.4 million and Euro 3.5 million for the year ended 31 December 2024 and 2023, respectively). In 2025, it also included interest expenses arising from the discounting of the liability related to the renewal of concessions of Euro 5.4 million.

8.9 Share of loss of equity accounted investments

The following table provides a breakdown of “Share of profit (loss) of equity accounted investments”:

<i>(in thousands of Euro)</i>	For the year ended 31 December		
	2025	2024	2023
Share of loss of equity accounted investments Thinkabout	-	-	(217)
Share of loss of equity accounted investments iPro	-	-	(6,383)
Share of loss of equity accounted investments Cristaltec	(73)	-	-
Share of loss of equity accounted investments Huge Easy Nerviano	(14)	-	-
Share of loss of equity accounted investments Huge Easy Terni	(12)	-	-
Share of loss of equity accounted investments Huge Easy San Giuliano	(11)	-	-
Share of profit/loss of equity accounted investments IMA	-	1,663	(2,365)
Total	(110)	1,663	(8,965)

Share of profit from investments relating to IMA S.r.l. amounted to Euro 1.7 million for the year ended 31 December 2024 and mainly related to the dividend distributed by the company before the acquisition of control by Marim S.r.l., which occurred in December 2024.

8.10 Income tax expense

The following table provides a breakdown of “Income tax expense”:

(in thousands of Euro)	For the year ended 31 December		
	2025	2024	2023
Current taxes	(114,158)	(88,788)	(78,405)
Deferred taxes Purchase price allocation	20,239	21,071	20,451
Deferred taxes	(2,021)	(9,335)	(5,323)
Total	(95,940)	(77,052)	(63,277)

Lottomatica Group S.p.A., as the current Italian parent company and consolidating entity, has elected to apply the Italian domestic tax consolidation regime together with its subsidiaries that meet the requirements for the inclusion in the Group taxation scheme.

“Current taxes” for the year ended 31 December 2025 increased by Euro 25.3 million compared to the previous year, mainly as a result of the increase in profit before tax, even after taking into account the limited tax relevance of dividends eliminated upon consolidation. “Deferred taxes” for the year ended 31 December 2025 decreased by Euro 7.2 million, mainly due to the increase in provisions that are temporarily non-deductible.

“Current taxes”, “Deferred taxes on purchase price allocation” and “Deferred taxes” for the year ended 31 December 2024 increased by Euro 10.4 million, Euro 0.6 million and Euro 4.0 million respectively, compared to the previous year mainly due to the acquisition of Ricreativo B S.p.A. and the SKS365 Acquisition. The increase in 2023 was mainly due to the acquisition of Betflag S.p.A.

It should be noted that “Current taxes” in 2023 does not include the tax benefit of Euro 6.6 million linked to commissions and other costs related to the IPO incurred by the Company, as they are accounted for as a direct reduction of the costs deducted from the capital increase

The following table shows the reconciliation between the theoretical tax charge and the reported tax expense for the period:

Tax rate reconciliation 2025		
IRES	Taxable	Tax
Profit before tax	275,776	
Consolidation adjustment (taxable)	419,194	
Aggregate pre-tax result	694,970	
Theoretical income tax charge	24%	166,793
Increasing differences	36,797	8,831
Decreasing differences	(352,146)	(84,515)
Other	(3,466)	(832)
Net effect	(318,815)	(76,516)
Total (A)		90,277
Adjustments from previous years (B)		(4,384)
Italian Regional tax on productive activity (IRAP) (C)		28,316
Direct tax of foreign entities (D)		211
Deferred taxes effect (E)		(18,261)
Tax effect on consolidation adjustments (F)		(219)
Effective income tax charge (A+B+C+D+E+F)		95,940

Tax rate reconciliation 2024		
IRES	Taxable	Tax
Profit before tax	180,891	
Consolidation adjustment (taxable)	923,214	
Aggregate pre-tax result	1,104,105	
Theoretical income tax charge	24%	264,985
Increasing differences	82,330	19,759
Decreasing differences	(916,111)	(219,867)
Other	3,547	851
Net effect	(830,234)	(199,256)
Total (A)		65,729
Adjustments from previous years (B)		471
Italian Regional tax on productive activity (IRAP) (C)		23,945
Deferred taxes effect (D)		(11,737)
Tax effect on consolidation adjustments (E)		(1,356)
Effective income tax charge (A+B+C+D+E)		77,052

Tax rate reconciliation 2023		
IRES	Taxable	Tax
Profit before tax	137,139	
Consolidation adjustment (taxable)	146,258	
Aggregate pre-tax result	283,397	
Theoretical income tax charge	24%	68,015
Increasing differences	52,144	12,515
Decreasing differences	(79,678)	(19,123)
Other	(1,950)	(468)
Net effect	(29,484)	(7,076)
Total (A)		60,939
Adjustments from previous years (B)		-
Italian Regional tax on productive activity (IRAP) (C)		23,335
Deferred taxes effect (D)		(19,936)
Tax effect on consolidation adjustments (E)		(1,061)
Effective income tax charge (A+B+C+D+E)		63,277

8.11 Earnings per share

The following table provides the earnings per share, calculated as the ratio between the net result and the weighted average number of ordinary shares outstanding in the years.

(in thousands of Euro)	For the year ended 31 December		2023
	2025	2024	
Net profit for the year attributable to the owners of the parent (in thousands of Euro)	174,295	98,597	67,943
Weighted average number of outstanding shares - Base	248,849,994	251,630,412	234,373,124
<i>Weighted average number of dilutive potential ordinary shares arising from long term incentive plan</i>	<i>1,431,511</i>	<i>77,982</i>	-
Weighted average number of outstanding shares - Diluted	250,281,505	251,708,394	234,373,124
Earning per share - Base (in Euro)	0.70	0.39	0.29
Earning per share - Diluted (in Euro)	0.70	0.39	0.29

Both basic and diluted earnings per share have been calculated by dividing the net result for the year attributable to owners of the parent by the average number of the Company's outstanding shares, excluding the treasury shares.

The diluted earnings per share is calculated by dividing the Group's net profit for the year by the weighted average number of ordinary shares outstanding, excluding treasury shares and adjusted for the potentially dilutive effects of options granted under the 2023–2025 long-term incentive plan.

During 2025, the Company distributed dividends of Euro 75.5 million (Euro 0.30 per share). For the year ended 31 December 2025, the Board of Directors propose to the Shareholders' Meeting the payment of a dividend of Euro 0.44 per each ordinary share outstanding as of the ex-dividend date of 18 May 2026 (net of any treasury shares held on the record date of 19 May 2026, pursuant to Article 83-terdecies of the Italian Consolidated Law on Financial Intermediation - TUF).

9 Notes to the Consolidated statement of financial position

9.1 Intangible assets

The following table provides a breakdown of "Intangible assets" and movements during the periods under review:

	Software	Concessions	Trademarks	Assets under development and other intangible	Network Relationship	Total
(in thousands of Euro)						
Cost as of 31 December 2022	140,842	100,832	231,900	51,169	342,754	867,497
Accumulated amortization as of 31 December 2022	(80,568)	(69,155)	(29,230)	(24,671)	(59,455)	(263,079)
Net book amount as of 31 December 2022	60,274	31,677	202,670	26,498	283,299	604,418
Additions	15,866	64,350	1	19,379	-	99,596
Business combination						
<i>Ricreativo</i>	70	-	3,523	462	11,991	16,046
<i>Iris</i>	-	-	-	2	-	2
Business acquisition	-	1,055	-	140	-	1,195
Amortization for the year	(30,298)	(42,073)	(14,418)	(9,081)	(41,962)	(137,832)
of which purchase price allocation						
<i>Gamenet</i>	(14,925)	-	(4,812)	-	(10,288)	(30,025)

<i>IGT Business</i>	-	-	(6,390)	-	(17,772)	(24,162)
<i>Goldbet.News</i>	-	-	-	(128)	-	(128)
<i>Giocaonline</i>	-	-	-	-	(988)	(988)
<i>Marim</i>	-	-	-	-	(390)	(390)
<i>Betflag</i>	-	-	(2,910)	-	(12,137)	(15,047)
<i>Ricreativo</i>	-	-	(113)	-	(388)	(501)
Disposal	(53)	-	-	(6,942)	-	(6,995)
Reclassifications	3,340	(4,386)	5,345	(1,121)	(3,274)	(96)
Cost as of 31 December 2023	155,218	161,462	237,495	62,467	325,922	942,564
Accumulated amortization as of 31 December 2023	(106,019)	(110,839)	(40,374)	(33,130)	(75,867)	(366,229)
Net book amount as of 31 December 2023	49,199	50,623	197,121	29,337	250,055	576,335
Additions	23,624	15,510	33	33,463	-	72,630
Business combination:						
<i>Kristal Palace</i>	11	-	-	3	-	14
<i>PWO</i>	11,248	1,260	30,802	-	187,299	230,609
<i>Bakoo Acquisition</i>	414	-	-	-	-	414
<i>Sea Acquisition</i>	-	21	-	-	-	21
<i>Business acquisition</i>	13	-	-	-	-	13
Amortization for the year	(21,316)	(69,661)	(16,714)	(13,220)	(55,193)	(176,104)
<i>of which purchase price allocation</i>						
<i>Gamenet Group</i>	(1,249)	-	(4,812)	-	(10,288)	(16,349)
<i>IGT Business</i>	-	-	(6,391)	-	(17,703)	(24,094)
<i>Goldbet.News</i>	-	-	-	(128)	-	(128)
<i>Giocaonline</i>	-	-	-	-	(990)	(990)
<i>Marim</i>	-	-	-	-	(391)	(391)
<i>Betflag</i>	-	-	(2,918)	-	(12,170)	(15,088)
<i>Ricreativo B</i>	-	-	(342)	-	(1,162)	(1,504)
<i>PWO</i>	-	-	(2,048)	-	(12,487)	(14,535)
Disposal	48	231	(2)	(6,420)	-	(6,143)
Reclassifications	6,840	2,303	(2,302)	(6,677)	-	164
Cost as of 31 December 2024	174,565	180,901	266,397	78,282	513,221	1,213,366
Accumulated amortization as of 31 December 2024	(104,484)	(180,614)	(57,459)	(41,796)	(131,060)	(515,413)
Net book amount as of 31 December 2024	70,081	287	208,938	36,486	382,161	697,953
Additions	31,809	182,924	1	25,491	-	240,225
Business combination:						
<i>Distante</i>	1	-	1	-	-	2
Amortization for the year	(26,252)	(74,613)	(17,830)	(14,954)	(51,457)	(185,106)
<i>of which purchase price allocation</i>						
<i>Gamenet group</i>	(1,249)	-	(4,812)	-	(3,910)	(9,971)
<i>IGT business</i>	-	-	(6,463)	-	(14,142)	(20,605)
<i>Giocaonline</i>	-	-	-	-	(988)	(988)
<i>Marim</i>	-	-	-	-	(390)	(390)
<i>Betflag</i>	-	-	(2,910)	-	(12,137)	(15,047)
<i>Ricreativo B</i>	-	-	(341)	-	(1,159)	(1,500)
<i>PWO</i>	-	-	(3,072)	-	(18,730)	(21,802)
Disposal	(7,383)	-	-	(372)	-	(7,755)
Reclassifications	9,615	109	26	(9,621)	-	129
Cost as of 31 December 2025	178,029	363,934	266,425	95,805	513,221	1,417,414
Accumulated amortization as of 31 December 2025	(100,158)	(255,227)	(75,289)	(58,775)	(182,517)	(671,966)
Net book amount as of 31 December 2025	77,871	108,707	191,136	37,030	330,704	745,448

“Software” mainly relates to costs incurred in relation to: the purchase of software licenses required for collection and bets management activities, including software costs determined on completion of the Gamenet Group acquisition; the purchase and upgrade of software to support the alignment of the

systems used to manage the network of AWP and VLT devices; and the upgrade of the SAP- ERP system. Additions mainly related to the purchase of application software, the upgrade of the ERP system and the purchase of software licenses for collection and bets management activities. Disposals in 2025 were mainly related to the write-off of gaming platform previously used by PWO.

“Concessions” includes the cost of VLT licenses acquired by the Group over time as well as costs incurred in relation to the award of public gaming concession rights. Additions in 2025 mainly related to the two-year extension 2025 - 2026 of the Gaming Franchise concessions held by Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A. and the Sports Franchise concessions held by GBO Italy S.p.A. and PWO as well as to the five concessions relating to the remote collection of public games, with a nine-year duration, held by GBO Italy S.p.A., PWO, Totosì and Betflag S.p.A.. Additions in 2024 mainly related to the extension of the Sports Franchise concessions until 31 December 2024. Additions in 2023 mainly related to the extension of the VLT concessions for Euro 57.0 million, the extension of the AWP concessions for Euro 6.8 million and the extension of the Online concessions for Euro 0.3 million until 31 December 2024. The increase is also linked to the purchase of the Domus Bet business to obtain 11 point of sale rights and 7 corner rights. The decrease was entirely attributable to the amortization of the years.

“Trademarks” mainly relates to the values attributed in the purchase price allocation process to the right to use the “Goldbet”, “Intralot” “Billions”, “Betflag”, “Ricreativo” and “Planetwin365” trademarks, as well as those of the acquired IGT business (Lottomatica).

Additions of “Assets under development and other intangible” mainly related to software development as well as capitalization of NOE and Entry Fees referred to payments made in relation to the development and consolidation of business relations with strategic partners. Disposals in 2023 were mainly due to software write-off of Euro 6.4 million related to a project that the Group has decided to terminate and to disposal of NOE no longer operational of Euro 0.4 million.

No impairment indicators were identified at the reporting dates referred to in these Consolidated Financial Statements.

9.2 Goodwill

The following table provides a breakdown of “Goodwill” for the periods under review:

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2022	1,428,719
Acquisitions	42,059
Balance as of 31 December 2023	1,470,778
Acquisitions	577,785
Balance as of 31 December 2024	2,048,563
Acquisitions	32,292
Balance as of 31 December 2025	2,080,855

“Goodwill” amounted to Euro 2,080.9 million as of 31 December 2025 (Euro 2,048.6 million and Euro 1,470.8 million as of 31 December 2024 and 31 December 2023 respectively).

The increase in 2025 mainly related to the acquisitions occurred during the year.

The increase in 2024 mainly related to the SKS365 Acquisition for Euro 534.2 million. For the remaining part, the increase is attributable to the business acquisitions carried out in the period and to price adjustments relating to previous acquisitions.

The increase in 2023 mainly related to the acquisition of Ricreativo for Euro 32.6 million.

For details regarding acquisitions, see Note 7–“Business combinations and acquisition of businesses”.

The following table provides a breakdown of “Goodwill” by group of CGU:

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Online	1,229,500	1,229,250	749,263
Sports Franchise	405,929	405,929	351,090
Gaming Franchise	445,426	413,384	370,425
Total	2,080,855	2,048,563	1,470,778

The group of cash-generating units (CGUs) to which goodwill is allocated, representing the level at which it is monitored by Company management, corresponds with the operating segments, described in detail in Note 6 - “Operating segments”, which contain all of the products and services provided by the Group.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the CGU (for a description of the methodology followed for the impairment test, please refer to Note 2.4.5 (a) - Accounting policies and measurement criteria). The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in this process represent management’s best estimate for the period under consideration. The estimate of the value in use of the group of CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2026 to 2030 have been derived from the Group’s business plan approved by the Board of Directors on 10 February 2026 (reference is done to the expected future cash flows covering the period from 2025 to 2029 for 2024 impairment test and the period from 2024 to 2028 for 2023 impairment test, derived from the Group’s business plan approved by the Board of Directors on 13 December 2024 and 1 February 2024, respectively). In particular the estimate, which is based on past and expected future growth, considers expected (a) bets, (b) Adjusted EBITDA, (c) capital expenditure, (d) the hypothesis of continuous renewal of betting rights and ADI concessions beyond the current deadline of 31 December 2026, taking into account the information currently available in relation to the law and the current trading scenarios. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Bet volumes and mix, used for estimating the future cash flows, are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the groups of CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the latest available forecast data. The growth rate used is equal to 2.0% (2.0% as of 31 December 2024 and 1.0% as of 31 December 2023), the same for all the groups of CGU.

- The expected future cash flows have been discounted using a post-tax discount rate, determined by using a base WACC of 8.1% (8.2% as of 31 December 2024 and 9.25% as of 31 December 2023), the same for all the groups of CGU, which represents the weighted average of the cost of own capital and the after-tax effect of borrowing.

Based on the impairment tests performed, the estimated recoverable amounts for all CGU groups exceeded their related book values at the reporting date.

Sensitivity analyses were also conducted to check the effects of a change in certain significant parameters on the impairment test results, such as: an increase in WACC to 9.1% (9.20% in 2024 and 10.25% in 2023), a decrease in the growth rate to 0% (0% in 2024 and in 2023) and a decrease in the Adjusted EBITDA of 5.0% (5.0% for 2024 and 2023). Each parameter would individually not result in any goodwill impairment of the operating segments, to which goodwill had been allocated.

9.3 Property, plant and equipment

The following table provides a breakdown of “Property, plant and equipment” and movements during the periods under review:

	Gaming Hardware	Other assets	Furniture	Leasehold improvements	Assets under development and payments on account	Total
<i>(in thousands of Euro)</i>						
Cost as of 31 December 2022	93,490	30,594	21,800	38,372	14,744	199,000
Accumulated depreciation as of 31 December 2022	(55,376)	(13,823)	(7,915)	(19,197)	-	(96,311)
Net book amount as of 31 December 2022	38,114	16,771	13,885	19,175	14,744	102,689
Additions	14,220	8,883	4,719	10,280	2,788	40,890
Business combination						
<i>Ricreativo B</i>	2,532	410	919	734	9	4,604
<i>Bingo Service</i>	-	53	-	173	-	226
<i>Iris</i>	-	30	5	107	-	142
Business acquisition	1,660	67	5	-	-	1,732
Disposals	(705)	(249)	(537)	(346)	(52)	(1,889)
Depreciation for the year	(20,008)	(6,336)	(3,916)	(8,996)	-	(39,256)
Reclassifications	414	3,051	265	1,178	(4,812)	96
Cost as of 31 December 2023	105,716	42,020	27,788	51,256	12,677	239,457
Accumulated depreciation as of 31 December 2023	(69,489)	(19,340)	(12,443)	(28,951)	-	(130,223)
Net book amount as of 31 December 2023	36,227	22,680	15,345	22,305	12,677	109,234
Additions	17,776	20,669	8,302	14,208	9,429	70,384
Business combination						
<i>Kristal Palace</i>	-	456	43	49	-	548
<i>Dea Bendata</i>	-	7	19	6	-	32
<i>Galletto Fortunato</i>	-	67	-	-	-	67
<i>Macao Phygital</i>	102	2	-	-	58	162
<i>PWO</i>	-	6,585	3,204	1,350	-	11,139
<i>Bakoo Acquisition</i>	10	5	7	-	-	22
<i>Rete Gioco Italia Acquisition</i>	1,314	89	4	3	-	1,410
<i>IMA Acquisition</i>	-	1	-	-	-	1
<i>Sea Acquisition</i>	-	196	84	157	-	437
Business acquisition	3,113	49	81	-	-	3,243
Disposals	(392)	(449)	(412)	402	(58)	(909)
Depreciation for the year	(20,539)	(11,679)	(5,451)	(9,477)	-	(47,146)
Reclassifications	821	799	224	715	(2,723)	(164)
Cost as of 31 December 2024	115,257	67,827	38,357	64,517	19,383	305,341
Accumulated depreciation as of 31 December 2024	(76,825)	(28,350)	(16,907)	(34,799)	-	(156,881)
Net book amount as of 31 December 2024	38,432	39,477	21,450	29,718	19,383	148,460

Additions	24,950	14,747	5,027	13,015	2,928	60,667
Business combination						
<i>Distante</i>	<i>2,538</i>	<i>267</i>	<i>-</i>	<i>123</i>	<i>-</i>	<i>2,928</i>
Business acquisition	2,519	110	86	-	-	2,715
Disposals	89	(293)	(62)	(234)	(1,338)	(1,838)
Depreciation for the year	(24,704)	(12,122)	(4,750)	(10,830)	-	(52,406)
Reclassifications	9,334	(113)	(4,654)	2,056	(6,752)	(129)
Cost as of 31 December 2025	174,978	70,022	35,247	74,121	14,236	368,604
Accumulated depreciation as of 31 December 2025	(121,820)	(27,949)	(18,150)	(40,273)	(15)	(208,207)
Net book amount as of 31 December 2025	53,158	42,073	17,097	33,848	14,221	160,397

“Gaming hardware” includes investments in AWP and VLT devices as well as cash desks and other IT equipment for owned halls and hardware equipment for betting halls. Additions mainly relate to the purchase of AWP game cards, hardware equipment and devices in betting shops and new VLT terminals.

“Other assets” mainly comprises new storage systems, network hardware for the Data Centers and other IT equipment for VLT halls. Additions mainly related to the purchase of iCash devices and My Pay devices, to facilities and equipment in the halls, the purchase of office equipment and IT security equipment and Data Center infrastructure and the development of agency-oriented services.

“Furniture” included furniture and fittings for owned betting agencies and VLT halls. Additions mainly related to the redevelopment and optimization project of the gaming halls.

“Leasehold improvements” included investments for the upgrading of gaming and betting halls. Additions are mainly linked to the completion of the works on the halls that have become operational and the set-up of new corners in the halls.

“Assets under development and payments on account” mainly relates to the purchase of furniture and fittings and down payments for the purchase of new gaming devices and other IT equipment for the set-up of new betting points of sale not yet in operation.

No impairment indicators were identified at the reporting dates referred to in these Consolidated Financial Statements.

9.4 Right of use

The following table provides a breakdown “Right of use”:

	Land, Buildings and Offices	Gaming halls	Vehicles	Other	Right of Use
<i>(in thousands of Euro)</i>					
Balance as of 31 December 2022	15,098	44,441	2,174	340	62,053
Business Combination					
<i>Ricreativo B</i>	<i>2,066</i>	<i>2,796</i>	<i>402</i>	<i>2,309</i>	<i>7,573</i>
<i>Bingo Service</i>	<i>-</i>	<i>237</i>	<i>-</i>	<i>-</i>	<i>237</i>
<i>Iris</i>	<i>-</i>	<i>145</i>	<i>-</i>	<i>-</i>	<i>145</i>
Depreciation	(3,323)	(11,686)	(1,365)	(636)	(17,010)
Additions	647	15,674	3,293	-	19,614
Disposal	-	(3,055)	(2)	-	(3,057)
Other movements	(1,671)	1,671	2	(2)	-
Balance as of 31 December 2023	12,817	50,223	4,504	2,011	69,555

Business Combination					
<i>Kristal Palace</i>	-	1,890	-	-	1,890
<i>Galletto Fortunato</i>	-	475	-	-	475
<i>PWO</i>	77	3,263	43	-	3,383
<i>Bakoo</i>	187	-	-	-	187
<i>Rete Gioco Italia</i>	730	-	108	-	838
<i>Sea</i>	-	494	-	-	494
Depreciation	(4,164)	(13,607)	(2,670)	(391)	(20,832)
Additions	6,407	13,335	5,152	-	24,894
Disposal	(866)	(4,041)	(26)	(1,553)	(6,486)
Balance as of 31 December 2024	15,188	52,032	7,111	67	74,398
Business Combination					
<i>Distante</i>	-	220	60	-	280
Depreciation	(5,505)	(14,254)	(3,765)	(40)	(23,564)
Additions	3,851	13,488	4,360	-	21,699
Disposal	(1,265)	(1,997)	(370)	-	(3,632)
Balance as of 31 December 2025	12,269	49,489	7,396	27	69,181

The Group leases office buildings, gaming halls, vehicles and other assets. Lease contracts typically provide for a lease term of 1-6 years but may include the option to renew the lease to maximize flexibility in terms of contract management. Most renewal and withdrawal options may be exercised only by the group and not by the respective lessor. The contracts do not provide for covenants and leased assets are not used to guarantee borrowing. Right of use assets are amortized on a straight-line basis over the shorter of the estimated useful life of each asset and the lease term.

The increase during the periods mainly related to: (i) acquisitions; (ii) the renewal of some lease agreements; (iii) the increase in rents due to ISTAT increases which led to the recalculation of the value of the assets; and (iv) new lease contracts.

No impairment indicators were identified at the reporting dates referred to in these Consolidated Financial Statements.

The following table provides a breakdown of "Payables for leasing":

Payables for leasing	Total
Balance as of 31 December 2022	68,215
<i>Business Combination</i>	7,955
Additions	19,614
Disposal	(3,264)
Lease payment	(20,363)
Leasing financial expenses	3,751
Balance as of 31 December 2023	75,908
<i>Business Combination</i>	7,571
Additions	24,895
Disposal	(6,825)
Lease payment	(24,676)
Leasing financial expenses	4,296
Balance as of 31 December 2024	81,169
<i>Business Combination</i>	280
Additions	21,699

Disposal	(3,701)
Lease payment	(28,132)
Leasing financial expenses	4,364
Balance as of 31 December 2025	75,679

9.5 Investment property

Investment property relates to a property owned in via Liegi, Rome. Movements related solely to annual depreciation as shown in the following table:

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2022	489
Depreciation	(27)
Balance as of 31 December 2023	462
Depreciation	(27)
Balance as of 31 December 2024	435
Depreciation	(27)
Balance as of 31 December 2025	408

9.6 Current and non-current financial assets

The following table provides a breakdown of “Current and non-current financial assets”:

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Cash held by operators	25,389	23,293	25,399
Escrow account	5,000	5,174	503,296
Merchant accounts and restricted cash	277	429	230
Other	2,106	3,537	2,164
Total	32,772	32,433	531,089

“Cash held by operators” mainly relates to cash in machines (i.e., in the hoppers and change machines) owned by Gamenet S.p.A., Lottomatica Videolot Rete S.p.A. and Big Easy S.r.l. but managed by third parties, amounting to Euro 7.4 million, Euro 11.3 million and Euro 3.6 million, respectively, as of 31 December 2025 (Euro 7.3 million, Euro 11.9 million and Euro 3.6 million, respectively as of 31 December 2024 and Euro 7.2 million, Euro 13.9 million and Euro 3.5 million, respectively as of 31 December 2023).

“Escrow account” mainly includes Euro 5.0 million related to the “Special and General Indemnity” deposit made in the context of the Sale and Purchase Agreement entered into on 9 October 2018 regarding the acquisition of Goldbet S.p.A. (currently GBO Italy S.p.A.). As of 31 December 2023, the item also included Euro 497.5 million related to the cash flows arising from the issuance of the December 2023 Notes (as defined below), deposited in an escrow account until the completion of the SKS365 Acquisition, occurred in April 2024.

The following table provides a summary of key information relating to financial assets:

<i>(in thousands of Euro)</i>	As of 31 December 2025	<i>of which current</i>	As of 31 December 2024	<i>of which current</i>	As of 31 December 2023	<i>of which current</i>
Cash held by operators	25,389	25,389	23,293	23,293	25,399	25,399
Escrow account	5,000	5,000	5,174	5,174	503,296	503,240
Merchant accounts and restricted cash	277	-	429	201	230	230
Other	2,106	1,181	3,537	1,728	2,164	1,606
Total	32,772	31,570	32,433	30,396	531,089	530,475

9.7 Equity accounted investments

The following table provides a breakdown of “Equity accounted investments” and movements during the periods under review:

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2022	9,711
Capital increase	217
Share of profit/(loss) of equity accounted investments	(8,965)
Other changes	(678)
Balance as of 31 December 2023	285
Dividend distribution	(1,764)
Share of profit/(loss) of equity accounted investments	1,663
Other changes	(184)
Balance as of 31 December 2024	-
Acquisition and subscriptions	14,935
Share of profit/(loss) of equity accounted investments	(110)
Balance as of 31 December 2025	14,825

The purchases and subscriptions in 2025 mainly related to the acquisition of Cristaltec S.p.A. and Sportbet S.r.l., and to the investment in retail initiatives during 2025.

As of 31 December 2024, the Group did not hold investments in associates. In particular:

- With reference to iPRO Inc., the Group fully wrote down the carrying amount of the investment in 2023. Subsequently, on 19 December 2024, Gamenet PRO S.r.l. completed the sale of its 19.7% equity investment in iPRO Inc..
- With reference to IMA S.r.l., the Group prudently wrote down the investment to its estimated fair value in 2023, based on an assessment of its recoverability. On 17 December 2024, Marim S.r.l. finalized the acquisition of the remaining 51% of the share capital of IMA S.r.l. Following this transaction, Marim S.r.l. obtained 100% control of IMA S.r.l., which has therefore been consolidated using the full consolidation method (for further details, see Note 7.13).
- With reference to Thinkabout S.r.l., the company was liquidated in 2024.

No indicators of impairment were identified as of the reporting date.

The table below provides the summary economic and financial data relating to the associates deemed material, based on its financial statement values²:

	Cristaltec S.p.A.
	As of and for the year ended 31 December 2025
<i>(in thousands of Euro)</i>	
Current assets	9,789
Non-current assets	9,638
Total assets	19,427
Current liabilities	8,733
Non-current liabilities	2,945
Total liabilities	11,678
Net assets	7,749
- attributable to third parties	528
- attributable to the shareholders of the investee	7,221
Equity investment held by the Group	60.0%
Total net assets attributable to the Group	4,333
Goodwill and other adjustments of the Group	766
Equity accounted investments	5,099
Revenues *	13,258
Net profit for the year	(125)
- attributable to third parties	(4)
- attributable to the shareholders of the investee	(121)
Share of loss for the year attributable to the Group	(73)

*Include revenues generated from transactions with the Group.

On 13 January 2025, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Cristaltec S.p.A., a company involved in the development and distribution of online games, AWP and VLT games. The agreed consideration amounted to Euro 5.0 million, including price adjustments. Cristaltec S.p.A. holds a 51% interest in Luduscristaltec L.d.A..

On 31 March 2025, Lottomatica Videolot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.4% from the original 60%. Therefore, since control requirements pursuant to IFRS 10 are not met, the investment in Cristaltec S.p.A. is recognized using the equity method, as the Group exercises significant influence over the investee.

Equity accounted investments not individually material

In addition to the investment mentioned above, the reference values of equity accounted investments which are not individually material are reported below:

	As of and for the year ended 31 December		
	2025	2024	2023
<i>(in thousands of Euro)</i>			
Aggregate value of equity accounted investments which are not individually material*	9,726	-	285
Share of profit/(loss) for the year	(37)	1,663	(8,965)

² It should be noted that the financial statement figures of the associates, reported at 100% basis, have been adjusted to reflect the effects arising from the application of the equity method, including adjustments related to differences in accounting principles. The aforementioned figures are derived from the preliminary reporting packages.

* As of 31 December 2025, it includes the carrying amount of the investment in Sportbet S.r.l., amounting to Euro 2,066 million; the residual amount relates to the investments in companies involved in retail initiatives. As of 31 December 2023, it related to the carrying amount of the investment in IMA S.r.l..

9.8 Inventories

Inventories amount to Euro 1.6 million as of 31 December 2025 (Euro 1.5 million and Euro 1.5 million as of 31 December 2024 and as of 31 December 2023 respectively) and mainly relate to inventories of Marim S.r.l., Bakoo S.r.l. and Ricreativo.

9.9 Current and non-current trade receivables

The following table provides a breakdown of “Current and non-current trade receivables”:

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Concessionaire's receivables from operators/TIR	100,457	73,954	90,984
Receivables from betting operators	20,491	20,648	26,531
Receivables from customers	6,420	7,253	6,156
Other receivables from distribution network	4,296	7,187	7,241
Receivables guaranteed by formal commitments	2,121	2,572	2,219
Receivables for penalties and interest on delayed payments	348	373	443
Allowance for doubtful receivables	(56,892)	(34,002)	(36,794)
Total	77,241	77,985	96,780

“Concessionaire’s receivables from operators/TIR” mainly comprises receivables relating to collection activities (mainly PREU, concession fees and other amounts owing to the concessionaires). As of 31 December 2025, Euro 45.7 million relates to Gamenet S.p.A and Euro 54.8 million relates to Lottomatica Videolot Rete S.p.A., (Euro 32.7 million and Euro 41.3 million as of 31 December 2024 and Euro 39.5 million and Euro 51.5 million as of 31 December 2023 respectively).

“Receivables from betting operators” relates to the amounts owing to GBO Italy S.p.A and PWO for bets collection activities, net of compensation due to the supply chain.

“Other receivables from distribution network” mainly relates to jackpot amounts not yet disbursed, tickets awaiting validation by halls, receivables relating to compensation for permits and receivables relating to contract termination penalties.

“Receivables from customers” mainly relates to the receivables of Marim for the sale of AWP and VLT hardware and to the receivables of Giocaonline for the provision of gaming platforms and other technical services.

The following table provides a summary of key information relating to other current and non-current trade receivables:

<i>(in thousands of Euro)</i>	As of 31 December 2025	of which current	As of 31 December 2024	of which current	As of 31 December 2023	of which current
Concessionaire's receivables from operators/TIR	100,457	97,672	73,954	73,774	90,984	90,366
Receivables from betting operators	20,491	20,105	20,648	20,191	26,531	26,392
Receivables from customers	6,420	6,420	7,253	7,253	6,156	5,969

Other receivables from distribution network	4,296	4,296	7,187	7,187	7,241	7,230
Receivables guaranteed by formal commitments	2,121	2,121	2,572	2,572	2,219	2,219
Receivables for penalties and interest on delayed payments	348	348	373	373	443	443
Allowance for doubtful receivables	(56,892)	(56,892)	(34,002)	(34,001)	(36,794)	(36,794)
Total	77,241	74,070	77,985	77,349	96,780	95,825

The following table shows details of movements in the allowance for doubtful receivables:

<i>(in thousands of Euro)</i>	
Balance as of 31 December 2022	34,624
Provisions net of releases	2,606
Utilization	(436)
Balance as of 31 December 2023	36,794
Acquisitions	3,628
Provisions net of releases	243
Utilization	(5,827)
Reclassification	(836)
Balance as of 31 December 2024	34,002
Provisions net of releases	25,562
Utilization	(1,948)
Reclassification	(724)
Balance as of 31 December 2025	56,892

The movement for the year ended 31 December 2025 was mainly due to the provision of Euro 23.8 million relating to trade receivables from the supply chain, recognized in connection with the 2015 Italian Stability Law following the ruling of the Italian Council of State. For further details, please refer to Note 11.5.6.

9.10 Deferred tax assets and deferred tax liabilities

The following tables provide a breakdown of movements in “Deferred tax assets” and “Deferred tax liabilities”:

<i>(in thousands of Euro)</i>	As of 31 December 2024	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	As of 31 December 2025
Deferred tax assets				
Provisions for risks and charges	1,343	3,218	-	4,561
Allowance for doubtful receivables	6,540	3,685	-	10,225
Tangible and intangible assets	4,467	514	-	4,981
Tax losses	12,998	(9,929)	-	3,069
IFRS 16	297	53	-	350
Cash flow hedge reserve	2,752	-	(1,648)	1,104
Other	1,810	125	-	1,935
Total deferred tax assets	30,207	(2,334)	(1,648)	26,225
Deferred tax liabilities				
Intralot trademark software and right to use	(451)	314	-	(137)
Business combinations (Purchase price allocation)	(170,577)	20,239	-	(150,338)

Employee benefit liabilities	(744)	-	(302)	(1,046)
Total deferred tax liabilities	(171,772)	20,553	(302)	(151,521)
Total deferred tax liabilities, net	(141,565)	18,219	(1,950)	(125,296)

<i>(In thousands of Euro)</i>	As of 31 December 2023	Changes in the scope of consolidation	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	Other movements	As of 31 December 2024
Deferred tax assets						
Provisions for risks and charges	1,105	8	230	-	-	1,343
Allowance for doubtful receivables	8,352	-	(1,812)	-	-	6,540
Tangible and intangible assets	6,556	1,086	(3,175)	-	-	4,467
Tax losses	2,739	13,781	(3,522)	-	-	12,998
IFRS 16	327	-	(30)	-	-	297
Cash flow hedge reserve	1,824	-	-	928	-	2,752
Other	2,946	-	(1,205)	-	69	1,810
Total deferred tax assets	23,849	14,875	(9,514)	928	69	30,207
Deferred tax liabilities						
Intralot trademark software and right to use	(765)	-	314	-	-	(451)
Business combinations (Purchase price allocation)	(127,889)	(63,445)	20,757	-	-	(170,577)
Employee benefit liabilities	(646)	-	-	(98)	-	(744)
Other	69	-	-	-	(69)	-
Total deferred tax liabilities	(129,231)	(63,445)	21,071	(98)	(69)	(171,772)
Total deferred tax liabilities, net	(105,382)	(48,570)	11,557	830	-	(141,565)

<i>(In thousands of Euro)</i>	As of 31 December 2022	Changes in the scope of consolidation	Charges/ releases to the income statement	Charges/ releases to the statement of comprehensive income	Other movements	As of 31 December 2023
Deferred tax assets						
Provisions for risks and charges	3,916	-	(1,930)	-	(881)	1,105
Allowance for doubtful receivables	8,389	-	261	-	(298)	8,352
Tangible and intangible assets	11,518	47	(2,913)	-	(2,096)	6,556
Tax losses	1,956	-	4	-	779	2,739
Put Jolly	397	-	(432)	-	35	-
IFRS 16	284	-	43	-	-	327
Cash flow hedge reserve	-	-	-	1,824	-	1,824
Other	2,524	-	(356)	-	778	2,946
Total deferred tax assets	28,984	47	(5,323)	1,824	(1,683)	23,849
Deferred tax liabilities						
Intralot trademark software and right to use	(437)	-	314	-	(642)	(765)

Business combinations (Purchase price allocation)	(143,761)	(4,235)	19,996	-	111	(127,889)
Employee benefit liabilities	(604)	-	-	(42)	-	(646)
Cash flow hedge reserve	(5,663)	-	-	5,663	-	-
Other	(2,125)	-	-	-	2,194	69
Total deferred tax liabilities	(152,590)	(4,235)	20,310	5,621	1,663	(129,231)
Total deferred tax liabilities, net	(123,606)	(4,188)	14,987	7,445	(20)	(105,382)

Deferred tax assets and deferred tax liabilities are presented on a net basis in the Consolidated Statement of Financial Position, where permitted.

“Deferred tax assets” related to tax losses incurred by Group companies prior to their inclusion in the tax consolidation are classified as deferred tax asset.

“Deferred tax liabilities” mainly reflects the effects of the purchase price allocation process for the acquisitions made by the Group in previous years.

The temporary differences reported above will reverse during 2026 and later years, except for the tax losses, which may be carried forward indefinitely.

Tax losses accrued in relation to which no deferred tax assets have been recognized by the Group amounted to Euro 33,070 thousand. Deferred tax assets on the aforementioned unrecognized tax losses amounted to Euro 10,160 thousand, of which (i) Euro 74 thousand for Bakoo S.p.A.; (ii) Euro 445 thousand for Ima S.r.l.; (iii) Euro 2,403 thousand for Planet Entertainment S.r.l.; (iv) Euro 7,075 thousand for the Malta branch of PWO; and (v) Euro 163 thousand for Totosi S.r.l..

9.11 Other current and non-current assets

The following table provides a breakdown of “Other current and non-current assets”:

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Gaming online accounts	55,925	56,458	36,144
ADM guarantee deposits	50,588	52,087	53,465
Accrued income and prepayments	34,800	22,940	16,472
Gaming halls receivables	18,209	16,351	15,230
Tax receivables	7,384	12,681	4,451
Guarantee deposits	4,309	13,811	4,274
Other receivables	3,950	3,566	4,467
Total	175,165	177,894	134,503

“ADM guarantee deposits” represents 0.5% of amounts waged using devices connected to the online network. Such deposits are reimbursed to the Concessionaire when certain service levels are achieved.

“Gaming online accounts” refers to bank deposits related to the amounts paid into online accounts by players. In accordance with the terms of the concession, specific bank accounts must be used for the safekeeping and management of these amounts, and for this reason they are classified as other assets. The increase in 2024 was mainly attributable to the SKS365 Acquisition for Euro 13.4 million.

"Accrued income and prepayments " mainly include the recognition of prepaid expenses on arrangement fees and underwriting fees for the Revolving Credit Facility (as defined below) and prepaid expenses for the costs related to the sureties paid against the concessions' renewals. The increase in 2024 of Euro 6.5 million was mainly attributable to the SKS365 Acquisition for Euro 4.5 million and higher multi-year insurance costs.

"Gaming halls receivables" mainly relates to activities of Retail and Street Operations relating to AWP and VLT betting collection from the network.

The increase of "Tax receivables" in 2024 was mainly attributable to the SKS365 Acquisition for Euro 4.0 million and receivables from Piano Nazionale Ripresa e Resilienza ("PNRR").

The decrease of "Guarantee deposits" as of 31 December 2025 was mainly attributable to PWO's guarantee deposits, which were collected in January.

The following table provides a summary of key information relating to other current and non-current assets:

<i>(in thousands of Euro)</i>	As of 31 December 2025	<i>of which current</i>	As of 31 December 2024	<i>of which current</i>	As of 31 December 2023	<i>of which current</i>
Gaming online accounts	55,925	55,925	56,458	56,458	36,144	36,144
ADM guarantee deposits	50,588	50,588	52,087	52,087	53,465	53,465
Accrued income and prepayments	34,800	24,204	22,940	14,247	16,472	8,207
Gaming halls receivables	18,209	18,209	16,351	16,351	15,230	15,198
Tax receivables	7,384	4,307	12,681	10,340	4,451	2,255
Guarantee deposits	4,309	227	13,811	9,443	4,274	686
Other receivables	3,950	3,719	3,566	3,153	4,467	4,200
Total	175,165	157,179	177,894	162,079	134,503	120,155

9.12 Tax receivables and payables

As of 31 December 2025, "Tax receivables", amounting to Euro 0.3 million (Euro 2.2 million as of 31 December 2024 and Euro 0.9 million as of 31 December 2023), represents tax receivables in relation to IRES (for companies not in scope of tax consolidation) and IRAP taxes for the year, net of related payables.

"Tax payables", amounting to Euro 31.1 million as of 31 December 2025 (Euro 23.1 million and Euro 4.6 million as of 31 December 2024 and as of 31 December 2023 respectively) were mainly related to (i) amounts due in respect of IRES and IRAP, net of related receivables, by the Group companies included in the tax consolidation. As of 31 December 2024, it also included the liability for the tax litigation of PWO Limited Austrian branch for approximately Euro 6.1 million (for further details see Note 11.5.4).

9.13 Cash and cash equivalents

The following table provides a breakdown of "Cash and cash equivalents":

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Bank deposits	107,504	130,299	267,550

Cash on hand	36,394	33,857	27,132
Total	143,898	164,156	294,682

“Cash on hand” includes cash in the machines (i.e., in the hoppers and change machines) owned and managed by the Group companies involved in “Retail & Street Operation” product division, amounting to Euro 25.8 million as of 31 December 2025 (Euro 18.1 million and Euro 12.6 million as of 31 December 2024 and as of 31 December 2023 respectively).

It should be noted that “Bank deposits” as of 31 December 2023, included Euro 100 million transferred on time deposit.

Reference is made to the Consolidated Statement of Cash Flows for further details regarding movements during the year in Cash and cash equivalents.

9.14 Shareholders' equity

9.14.1 Share capital

The Company's share capital amounted to Euro 10.0 million as of 31 December 2025 and was divided into 251,630,412 ordinary shares without nominal value (unchanged from 31 December 2023). In 2023, as a result of the Capital Increase (as defined below), the Company issued 47,222,222 new shares at a price of Euro 9.00 per share, for a total amount of Euro 425,000 thousand, of which Euro 9,900 thousand as a share capital increase and Euro 415,100 thousand as a share premium.

Furthermore, in connection with Faro Games Transaction (as defined in Note 11.5.10), a further capital increase was carried out for a nominal amount of Euro 50 thousand (plus share premium) by issuing 4,408,190 new ordinary shares without nominal value, resolved by the Board of Directors of the Company on 28 April 2023 pursuant to Article 2443 of the Italian Civil Code and reserved to Faro Games S.r.l, which was fully subscribed and paid in by contribution in kind of GGM Shares (as defined below) on 28 April 2023 and became effective as of 3 May 2023.

For further details in this regard, please refer to Notes 11.7.9 and 11.7.10.

9.14.2 Reserves and retained earnings

Movement in reserves and retained earnings are presented in the Consolidated Statement of Changes in Equity. The Group's net equity recorded a decrease of Euro 192.9 million compared to 31 December 2024, mainly due to the net effect arising from:

- the profit for the year, amounting to Euro 174.3 million;
- the decrease resulting from the share buyback for Euro 298.7 million;
- the distribution of dividends amounting to Euro 75.5 million, as resolved by the Company's shareholders' meeting held on 30 April 2025;
- the change in the share based payment reserve related to long-term incentive plans, amounting to Euro 3.8 million;
- the recognition of the put option liability on the non-controlling interests in Distante S.r.l., amounting to Euro 2.9 million.

The share premium reserve amounted to Euro 368.4 million as of 31 December 2025 (unchanged compared to 31 December 2024). This reserve was generated by the capital increase carried out at the time of the Company's listing on 3 May 2023. It should be noted that the share premium reserve is recognised net of placement fees and other costs related to the above mentioned capital increase, as

well as of the related tax effect. The decrease in 2024 was due to the distribution of dividends amounting to Euro 65.4 million, as approved by the shareholders' meeting held on 9 April 2024.

The cash flow hedge reserve was negative, net of the related tax effect, for Euro 3.4 million as of 31 December 2025 (negative for Euro 8.7 million as of 31 December 2024 and negative for Euro 5.7 million as of 31 December 2023).

Treasury shares

On 6 May 2025, the Company's Board of Directors resolved to initiate a share buyback program, as authorized by the Shareholders' Meeting held on 30 April 2025. The program is aimed at acquiring shares in order to remunerate the shareholders, meet the commitments deriving from the share-based incentive plans or financing potential acquisition opportunities. For further details please see Note 11.5.30.

As of 31 December 2025, the Company held 13,595,712 treasury shares, equal to 5.403% of the outstanding ordinary shares, for a total amount of Euro 298.7 million (net of the tax effect on the transaction costs incurred), recognised as a reduction in the Group's equity.

9.14.3 Equity attributable to non-controlling interests

Equity attributable to non-controlling interests represents the interest of third parties in the companies controlled by the Group. Related movements in such non-controlling interests are reported in the Consolidated Statement of Changes in Equity.

Equity attributable to non-controlling interests increased by Euro 4.9 million during the year ended 31 December 2025 mainly due to the result of the year.

Equity attributable to non-controlling interests increased by Euro 4.3 million during the year ended 31 December 2024. The increase in 2024 was mainly related to the acquisition of Rete Gioco Italia S.r.l., Bakoo S.p.A., the minority shares of New Matic S.r.l. and the Fox Service S.r.l. branch. This increase was partially offset by the effect on equity attributable to non-controlling interests resulting from the acquisition of the minority shares of Billions Italia S.r.l. and from dividends to non-controlling interests.

In 2023, following the Faro Games Transaction (as defined in Note 11.5.10), equity attributable to non-controlling interests decreased by Euro 46.8 million in 2023 and, on the completion of the acquisition of Ricreativo in September 2023, GGM S.p.A. increased its share capital by issuing new shares for an amount equal to the agreed non-monetary consideration, assigning them to the seller as partial satisfaction of the consideration agreed. As a result of the subscription of these newly issued shares, the equity attributable to non-controlling interests increased by Euro 30.5 million in 2023.

9.15 Employee benefit liabilities

The following table provides a breakdown of "Employee benefit liabilities":

<i>(in thousands of Euro)</i>	
Employee benefit liabilities	Total
Balance as of 31 December 2022	17,979
Business combination	2,047
Service cost	2,792
Interest cost	707
Advances and benefits paid	(1,335)
Actuarial gains/(losses)	(174)

Balance as of 31 December 2023	22,016
Business combination	2,932
Service cost	3,363
Interest cost	765
Advances and benefits paid	(1,938)
Actuarial gains/(losses)	(408)
Balance as of 31 December 2024	26,730
Business combination	1,135
Service cost	3,500
Interest cost	937
Transfers In / (Out)	(608)
Advances and benefits paid	(2,684)
Actuarial gains/(losses)	(1,257)
Balance as of 31 December 2025	27,753

The increases during the years are mainly related to integration of acquired entities into the scope of consolidation, while the decreases are related to advance and benefits paid (in the event of disposals or retirements) which occurred during the relevant period.

The following tables detail the main financial and demographic assumptions adopted in the actuarial calculations:

	As of 31 December		
<i>Financial assumptions</i>	2025	2024	2023
Discount rate	3.96%	3.38%	3.17%
Inflation rate	2.00%	2.00%	2.00%
Annual TFR increase	3.00%	3.00%	3.00%
Annual salary increase	Executives 2.50%	Executives 2.50%	Executives 2.50%
	Middle managers 1.00%	Middle managers 1.00%	Middle managers 1.00%
	White collar 1.00%	White collar 1.00%	White collar 1.00%
	Blue collar 1.00%	Blue collar 1.00%	Blue collar 1.00%
Demographic assumptions			
Mortality rate	ISTAT 2022		
Disability	INPS (social security) tables by age and gender		
Retirement	100% on reaching AGO requirements		
Annual turnover and frequency of advance payments			
Frequency of advance payments	0.50%		
Turnover rate	10.00%		

The following table shows the results of sensitivity analyses performed for each actuarial assumption, highlighting the effects (in absolute terms) that would have occurred upon reasonable possible changes, as of 31 December 2025, in actuarial assumptions:

(In thousands of Euro)

Change in assumption	Amount
Turnover rate +1.00%	28,836
Turnover rate -1.00%	28,539
Inflation rate +0.25%	29,053
Inflation rate -0.25%	28,346
Discount rate +0.25%	28,247
Discount rate -0.25%	29,158

The average financial duration of the obligation as of 31 December 2025 was 10.0 years. The following table provides a summary overview of expected plan disbursements:

Expected disbursements	
Years	(In thousands of Euro)
1	4,518
2	3,579
3	3,839
4	3,791
5	4,034

9.16 Current and non-current financial liabilities

The following table provides a breakdown of “Current and non-current financial liabilities”:

(in thousands of Euro)	As of 31 December		
	2025	2024	2023
May 2025 Notes	1,088,017	-	-
May 2024 Notes	891,443	890,096	-
December 2023 Notes	-	487,737	486,188
June 2023 Notes	-	556,258	1,088,327
September 2022 Notes	-	-	342,506
Accrued interest – May 2025 Notes	8,938	-	-
Accrued interest – May 2024 Notes	3,323	3,652	-
Accrued interest – December 2023 Notes	-	1,707	944
Accrued interest – June 2023 Notes	-	3,355	6,156
Accrued interest – September 2022 Notes	-	-	15,641
Payables for leasing	75,679	81,169	75,908
Put option liability	60,372	56,614	49,518
Payables for acquisitions	25,176	51,129	93,868
Interest Rate Swap liabilities	6,610	13,147	8,937
Bank borrowings	2,636	2,561	4,384
Other financial payables	173,897	1,402	13,713
Total	2,336,091	2,148,827	2,186,090

“Current and non-current financial liabilities” included:

- senior secured notes issued recognized at amortized cost. Transaction costs incurred for the main part included professional fees related to the senior secured notes issue as well as the discount on issue (the latter in relation to the floating rate notes issued in 2023). It should be noted Lottomatica Group S.p.A. made an early repayment of (i) the floating rate notes issued on 14 December 2023 and the fixed rate notes issued on 1 June 2023 for a total of Euro 1,065 million during 2025 (ii) the fixed rate notes issued on 27 September 2022 and the floating rate notes issued on 1 June 2023 for a total of Euro 900 million during 2024, and (iii) the notes issued on 23 July 2020 and on 1 April 2021 for a total of Euro 1,215 million during 2023;
- bank borrowings mainly relating to existing financing of Ricreativo for Euro 2.1 million in 2024 (Euro 4.2 million as of 31 December 2023);
- the Interest Rate Swap liability, mainly related to the fair value of the derivative contracts to hedge the risk linked to a potential change in the interest rate of the floating rate notes. The total fair value was a negative amount of Euro 5.7 million as of 31 December 2025 (negative for Euro 11.4 million as of 31 December 2024 and Euro 7.5 million as of 31 December 2023);
- the put option liability, recognized at its present value of Euro 60.4 million as of 31 December 2025 (Euro 56.6 million as of 31 December 2024 and Euro 49.5 million as of 31 December 2023), based on the best estimate of the disbursement to acquire the residual share capital from non-controlling shareholders;
- the remaining payables outstanding in relation to the acquisitions of Betflag, Goldbet (now GBO Italy), Distante S.r.l., Ricreativo, Rete Gioco Italia and the acquisition of certain businesses.

With regard to the acquisition of Betflag, the payable relating to the deferred price component amounted to Euro 49.3 million as of 31 December 2023, fully settled in 2024 for Euro 50.0 million.

With regard to the acquisition of Goldbet (now GBO Italy), the payable relating to the deferred purchase price component amounted to Euro 7.0 million as of 31 December 2025 (Euro 27.6 million as of 31 December 2024 and Euro 29.7 million as of 31 December 2023), of which Euro 5 million deposited in an escrow account. It should be noted that Euro 20.6 million and Euro 2.4 million were paid to the sellers in 2025 and in 2024, respectively.

The payable relating to the deferred price component for the acquisition of Rete Gioco Italia S.r.l. amounted to Euro 2.1 million as of 31 December 2025 (Euro 5.7 million as of 31 December 2024).

The payable related to the deferred price component for the acquisition of Distante S.r.l. amounted to Euro 4.3 million as of 31 December 2025.

The payable related to the business acquisition of Dondolino S.r.l. amounted to Euro 3.5 million as of 31 December 2025.

The payable relating to the deferred price component for the acquisition of Ricreativo amounted to Euro 2.5 million as of 31 December 2024 (Euro 5.8 million as of 31 December 2023). As of 31 December 2025, this payable has been fully settled.

The payable relating to the deferred price components of the acquisitions of Sea S.r.l. amounted to Euro 2.2 million as of 31 December 2024.

The payable relating to the deferred price components of other acquisitions amounted to Euro 8.3 million as of 31 December 2025 (Euro 13.1 million as of 31 December 2024 and Euro 9.1 million as of 31 December 2023).

- payables relating to the lease liabilities, representing the present value of the remaining lease payments at the reporting date, including accrued finance expenses and charges contractually provided for as of such date. For further details see Note 9.4 above.
- the liability for the share buyback, amounting to Euro 173.4 million as of 31 December 2025, included in the item "Other financial payables". In 2023, the item amounted to Euro 13.7 million and mainly related to commitment fees on the bridge facility and the payables for underwriting fees incurred for the issuance of the December 2023 Notes.

There are no non-current financial liabilities due over 5 years, other than the May 2025 Notes and the floating rate portion of the May 2024 Notes and a residual part of lease liabilities.

The following table provides a summary of key information relating to financial liabilities:

<i>(in thousands of Euro)</i>	As of 31 December 2025	<i>of which current</i>	As of 31 December 2024	<i>of which current</i>	As of 31 December 2023	<i>of which current</i>
Senior secured notes	1,979,460	-	1,934,091	-	1,917,021	-
Payables for leasing	75,679	24,247	81,169	21,552	75,908	18,592
Put option liability	60,372	32,087	56,614	18,348	49,518	16,861
Payables for acquisitions	25,176	21,389	51,129	46,840	93,868	90,159
Accrued interest on senior secured notes	12,261	12,261	8,714	8,714	22,741	22,741
Interest Rate Swap liabilities	6,610	916	13,147	1,740	8,937	1,398
Bank borrowings	2,636	1,515	2,561	1,795	4,384	2,329
Other financial payables	173,897	173,897	1,402	1,402	13,713	13,713
Total	2,336,091	266,312	2,148,827	100,391	2,186,090	165,793

The following table provides changes in liabilities arising from financing activities as required by IAS7:

<i>(In thousands of Euro)</i>	As of 31 December 2024	Cash flow from financing activities	Non- cash changes	As of 31 December 2025
Senior secured notes	1,934,091	22,298	23,071	1,979,460
Accrued interest on senior secured notes	8,714	(94,111)	97,658	12,261
Payables for acquisitions	51,129	(75,423)	49,470	25,176
Payables for leasing	81,169	(28,132)	22,642	75,679
Put option liability	56,614	-	3,758	60,372
Interest Rate Swap liabilities	13,147	(17,702)	11,165	6,610
Bank borrowings	2,561	(2,683)	2,758	2,636
Other financial payables*	1,402	(226,417)	398,912	173,897
Total	2,148,827	(422,170)	609,434	2,336,091
<i>Reconciliation of cash flow from financing activities:</i>				
Payment for acquisition not included in cash flow from financing activities		75,423		
Other assets and liabilities not included in financial liabilities		(12,727)		
Total		(359,474)		

* Cash flows relating to other financial liabilities related to the share buyback and to the payment of dividends and make-whole on senior secured notes repaid.

<i>(in thousands of Euro)</i>	As of 31 December 2023	Cash flow from financing activities	Non-cash changes	As of 31 December 2024
Senior secured notes	1,917,021	(21,031)	38,101	1,934,091
Accrued interest on senior secured notes	22,741	(129,370)	115,343	8,714
Payables for acquisitions	93,868	(60,852)	18,113	51,129
Payables for leasing	75,908	(24,676)	29,937	81,169
Put option liability	49,518	-	7,096	56,614
Interest Rate Swap liabilities	8,937	(22,357)	26,567	13,147
Bank borrowings	4,384	(2,871)	1,048	2,561
Other financial payables*	13,713	(99,806)	87,495	1,402
Total	2,186,090	(360,963)	323,700	2,148,827
<i>Reconciliation of cash flow from financing activities:</i>				
Payment for acquisition not included in cash flow from financing activities		60,852		
Other assets and liabilities not included in financial liabilities		(13,405)		
Total		(313,516)		

* Cash flows relating to other financial liabilities related to the payment of dividends and make-whole on senior secured notes repaid.

<i>(in thousands of Euro)</i>	As of 31 December 2022	Cash flow from financing activities	Non-cash changes	As of 31 December 2023
Senior secured notes	1,543,390	366,606	7,025	1,917,021
Accrued interest on senior secured notes	35,913	(128,173)	115,001	22,741
Bondco Loan	250,000	(250,000)	-	-
Accrued interest - Bondco Loan	23,375	(30,322)	6,947	-
Payables for acquisitions	94,284	(21,532)	21,116	93,868
Payables for leasing	68,215	(20,363)	28,056	75,908
Put option liability	1,773	-	47,745	49,518
Interest Rate Swap liabilities	81	(2,602)	11,458	8,937
Bank borrowings	840	(1,436)	4,980	4,384
Other financial payables*	-	(28,420)	42,133	13,713
Total	2,017,871	(116,242)	284,461	2,186,090
<i>Reconciliation of cash flow from financing activities:</i>				
Payment for acquisition not included in cash flow from financing activities		21,532		
Capital increase (net of transaction costs)		397,511		
Other assets and liabilities not included in financial liabilities		(9,607)		
Total		293,194		

* Cash flows relating to other financial liabilities related to the payment of dividends, make-whole on senior secured notes repaid and bridge loan fees.

9.16.1 May 2025 notes

On 13 May 2025, Lottomatica Group S.p.A. (the “**Issuer**”) issued senior secured notes for a principal amount of Euro 1,100 million (the “**May 2025 Notes**”), bearing interest at a fixed annual rate of 4.875%, to be paid semiannually, commencing on 1 November 2025 and maturing in January 2031. The May

2025 Notes has been admitted to listing on the Euro MTF market, organized and managed by the Luxembourg Stock Exchange, and on the Euronext Access Milan Professional Segment (formerly known as ExtraMOT Pro) of Borsa Italiana S.p.A.

Collateral posted as security in relation to the May 2025 Notes included liens on the following: (i) material bank accounts of the Issuer, (ii) receivables in respect of certain intercompany loans owed to the Issuer, (iii) the entire share capital of GGM S.p.A. (now Lottomatica Gaming S.p.A.) held by the Issuer, and (iv) the entire share capital of GBO S.p.A. held by the Issuer. Ratings as of the issue date of were as follows: BB (S&P) and Ba2 (Moody's).

Proceeds from the May 2025 Notes were used to finance (i) the early repayment of the senior secured notes issued on 14 December 2023 ("**December 2023 Notes**") and the senior secured notes issued on 1 June 2023 (the "**June 2023 Notes**" and together with the December 2023 Notes, the "**2025 Notes Repaid**"), in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment of the June 2023 Notes.

The May 2025 Notes (or a portion thereof) can be reimbursed in advance, in accordance with the contractual provisions.

9.16.2 May 2024 notes

On 29 May 2024, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued senior secured notes for a total principal of Euro 900 million (the "**May 2024 Notes**"), of which (i) Euro 500 million bearing interest at a fixed annual rate of 5.375%, to be paid semi-annually, commencing on 1 December 2024 maturing in 2030, and (ii) Euro 400 million bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 3.250% per annum to be paid quarterly, commencing on 1 September 2024 and maturing in 2031. The May 2024 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (previously known as ExtraMOT) of Borsa Italiana S.p.A..

Collateral posted as security in relation to the May 2024 Notes included liens on the following: (i) material bank accounts of the Company, (ii) receivables in respect of certain material intercompany loans owed to the Company, (iii) all of the issued share capital of GGM S.p.A. (now Lottomatica Gaming S.p.A.) held by the Company, and (iv) all of the issued share capital of GBO S.p.A. held by the Company. Ratings as of the issue date were as follows: BB- (S&P) and Ba3 (Moody's).

Proceeds from the May 2024 Notes issue were used, together with the available cash, to finance (i) the early repayment of the senior secured notes issued on 27 September 2022 for a principal amount of Euro 350 million and the floating rate portion of the senior secured notes issued on 1 June 2023 for a principal amount of Euro 550 million (the "**2024 Notes Repaid**"), in addition to accrued and unpaid interest; and (ii) the make-whole payment due to early repayment.

The May 2024 Notes (or a portion thereof) can be reimbursed in advance, in accordance with the contractual provisions.

9.16.3 June 2023 notes

On 1 June 2023, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued senior secured notes for a total principal of Euro 1,115 million of which (i) Euro 565 million bearing interest at a fixed annual rate of 7.125%, to be paid semi-annually, commencing on 1 December 2023 (the "**June 2023 Fixed Rate Notes**"), and (ii) Euro 550 million issued below par (at 99%), bearing interest equal to the sum of three-month EURIBOR (with a 0% floor) plus 4.125% per annum to be paid quarterly, commencing on 1 September 2023 (the "**June 2023 Floating Rate Notes**", and together with the June 2023 Fixed Rate Notes, the "**June 2023 Notes**"). The notes were admitted to listing on the Euro MTF

market organized and managed by the Luxembourg Stock Exchange and the ExtraMOT Pro segment of Borsa Italiana S.p.A. and mature in 2028. As previously indicated, the June 2023 Floating Rate Notes were early repaid in 2024, while the June 2023 Fixed Rate Notes were early repaid in 2025.

9.16.4 December 2023 notes

In order to finance the SKS365 Acquisition, on 14 December 2023 Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued senior secured notes (the "**December 2023 Notes**") for a principal amount of Euro 500 million, issued below par (at 99.5%) bearing interest equal to the sum of the three-month EURIBOR (with a floor of 0%) plus 4.000% per annum to be paid quarterly from 1 March 2024. The December 2023 Notes were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the Euronext Access Milan segment (formerly ExtraMOT) of Borsa Italiana S.p.A. and mature in 2030. As described above, December 2023 Notes were early repaid in 2025.

9.16.5 September 2022 notes

In order to finance the acquisition of Betflag S.p.A. by the subsidiary GBO S.p.A., on 27 September 2022 Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued senior secured notes (the "**September 2022 Notes**") for a total principal of Euro 350 million bearing interest, to be paid semi-annually, at a fixed annual rate of 9.750 %. The September 2022 Notes mature in 2027 and were admitted to listing on the Euro MTF market organized and managed by the Luxembourg Stock Exchange and the ExtraMOT segment of Borsa Italiana S.p.A.. As described above, September 2022 Notes were early repaid in 2024.

9.16.6 Revolving credit facility

On 3 May 2023, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.), the lenders party thereto, UniCredit S.p.A., as security agent, inter alia, entered into a revolving credit facility agreement of Euro 350 million in addition to an incremental facility provided by Deutsche Bank S.p.A. of Euro 50 million as a guarantee facility thereunder available for bank guarantees. In addition, with the issuance of the December 2023 Notes and the completion of the SKS365 Acquisition, the revolving credit facility was increased to Euro 400 million.

On 23 April 2025, the Company entered into an amendment and restatement agreement of the revolving credit facility, which provides for: (i) the extension of the maturity date to three months prior to the due date of any senior secured notes issued by the Company, (ii) a reduction in the interest rate applied, and (iii) an increase in the available amount by an additional Euro 47.25 million, bringing the total amount of the revolving credit facility to Euro 447.25 million (the "**Revolving Credit Facility**").

Interest on the loan is set at Euribor plus a spread. The agreement provides that the spread may be reduced over time in line with variations in the ratio between senior secured indebtedness net of cash and cash equivalents and EBITDA (i.e., the Consolidated Senior Secured Debt Ratio defined in the Revolving Credit Facility agreement) on a consolidated basis, as shown in the following table:

Consolidated Senior Secured Debt Ratio*	Annual spread (%)
> 2.3:1	2.5
≤ 2.3:1 and > 1.8:1	2.25
≤ 1.8:1 and > 1.3:1	2.0
≤ 1.3:1 and > 0.8:1	1.75
≤ 0.8:1	1.5

* As defined contractually.

The agreement provides that the Consolidated Senior Secured Debt Ratio should be calculated for the first time three calendar quarters after the closing date and subsequently each quarter with regard to the preceding twelve months. The Consolidated Senior Secured Debt Ratio must not exceed 5.22:1 and is not valid if the utilizations do not exceed 40% of the revolving credit facility (the "Test Condition", as defined contractually). The spread to be applied to amounts drawn down under the Revolving Credit Facility is adjusted based on the aforementioned ratio. As of 31 December 2025, the Test Condition is not met as the revolving credit facility was not utilized; the applicable spread in the event of utilizing the Revolving Credit Facility is 2.25%.

Collateral for the Revolving Credit Facility included securities on the following: (i) receivables in respect of certain material intercompany loans in respect of which Lottomatica Group is a creditor (if any); (ii) material bank accounts of the Company; (iii) the shares in GGM S.p.A. (now Lottomatica Gaming S.p.A.) held by the Company; (iv) the shares in GBO S.p.A. held by the Company; (v) the shares in Gamenet S.p.A. held by its shareholder GGM S.p.A. (now Lottomatica Gaming S.p.A.); (vi) the shares in GBO Italy S.p.A. held by its shareholder GBO S.p.A. and (vii) the shares in Lottomatica Videolot Rete S.p.A. held by its shareholder GGM S.p.A. (now Lottomatica Gaming S.p.A.).

In line with normal market practice in such cases, the terms and conditions of the Revolving Credit Facility also require that the Group comply with a series of restrictions regarding its right to undertake certain operations, unless specific restrictive covenants or specific exceptions provided for contractually are complied with.

Right to take on or guarantee further borrowing

Other than in certain exceptional cases, the Group may only take on or guarantee further borrowing if it complies with certain requirements in terms of: a) the Fixed Charge Coverage Ratio or Consolidated Total Debt Ratio (in the case of non-secured debt); b) the Consolidated Senior Secured Debt Ratio in the case of secured debt, as shown below:

a) non-secured debt:

Covenants	Description*	Contractual value
<i>Fixed Charge Coverage Ratio</i>	EBITDA** / Fixed Charge**	>= to 2.0
<i>Or</i>		
<i>Consolidated Total Debt Ratio</i>	Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 3.15

* On a consolidated basis.

** As defined contractually.

b) secured debt:

Covenants	Description*	Contractual value
<i>Consolidated Senior Secured Debt Ratio</i>	Senior Secured Total Indebtedness net of Cash and Cash Equivalents** / EBITDA**	<= to 2.90

* On a consolidated basis.

** As defined contractually.

The above ratios must be calculated at the time the Group intends to take on or guarantee further borrowing. The above conditions, however, do not prohibit the Group from taking on certain other

specific borrowing set out in the contractual conditions of the Revolving Credit Facility and the senior secured notes issued.

Right to distribute dividends

The terms and conditions of the Revolving Credit Facility and the senior secured notes issued provide that the Group may make certain types of payment, including the distribution of dividends and distribution of reserves to shareholders, solely within certain limits and under certain specific conditions that are defined both for “Restricted Payments”, for “Permitted Payments” as well as the use of additional specific baskets.

Ratings

As of the reporting date, the corporate rating assigned to Lottomatica Group S.p.A. by Standard & Poor’s was BB (upgraded on 21 March 2025, from BB-), while the rating assigned by Moody’s was Ba2 (upgraded on 23 April 2025, from Ba3).

The contracts relating to the senior secured notes outstanding as of 31 December 2025 provided that certain of the aforementioned restrictions and covenants no longer apply if the notes achieve investment grade status, defined as a credit rating of BBB- or higher (S&P) and Baa3 or higher (Moody’s).

Derivative financial instrument and hedge accounting

In order to hedge the risk to possible changes in interest rates on the floating rate portion of the May 2024 Notes, the Company entered into two derivative contracts with UniCredit S.p.A. and Deutsche Bank AG, each for a notional amount of Euro 200 million. These derivative contracts (which are not traded on any official market) hedge the Group from the risk linked to a potential increase in interest rates by exchanging the three-month EURIBOR interest rate with a contractually determined fixed interest rate of (i) 2.754% with quarterly settlement and a termination date of 1 June 2028 for the Unicredit S.p.A. derivative contract and (ii) 2.742% with quarterly settlement and a termination date of 1 June 2028 for the Deutsche Bank AG derivative contract.

The transaction qualifies as a cash flow hedge as it meets the hedge effectiveness requirements set out by IFRS 9.

9.17 Provisions for risks and charges

The following table provides a breakdown of “Provisions for risks and charges”:

<i>(in thousands of Euro)</i>	Total
Balance as of 31 December 2022	27,845
Business combination	107
Provisions/ (Releases)	(1,977)
Reclassifications	(5,041)
Other movements	(16,043)
Balance as of 31 December 2023	4,891
Business combination	6,709
Provisions/ (Releases)	785

Utilizations	(58)
Other movements	(6,163)
Balance as of 31 December 2024	6,164
Provisions/ (Releases)	4,115
Utilizations	(1,857)
Other movements	32,713
Balance as of 31 December 2025	41,135

Provision for risks and charges mainly includes (i) the provisions made by Gamenet and Lottomatica Videolot Rete for non-compliance with the concession-holder network management service level obligations provided for in Annex 2 of the Concession Agreement amounting to Euro 1.2 million as of 31 December 2025 (Euro 1.8 million and Euro 0.2 million as of 31 December 2024 and as of 31 December 2023, respectively); (ii) the “Provision for technological renewals”, amounting to Euro 0.9 million as of 31 December 2025 (Euro 0.9 million as of 31 December 2024 and 2023) which represents periodic provisions made by the Group’s AWP and VLT concession-holders for technological and structural upgrading of the online network and other infrastructures used for gaming-related collection activities; and for the residual part (iii) the provision for legal disputes, to cover estimated costs relating to disputes, including labor-related disputes, with third parties. As of 31 December 2025, the item also included the provision related to the ruling of the Italian Council of State for the 2015 Italian Stability Law of Euro 35.0 million (please refer to Note 11.5.6).

In 2023, “Reclassifications” of the year mainly related to the ADM penalties for non-compliance with the concession-holder network management service level obligations for the year 2014, which were paid in August 2023, while “Other movements” referred to the closure of the fund relating to the tax dispute on the betting duties - “Imposta Unica” of GBO Italy S.p.A. following the submission of the application for facilitated adhesion in pending disputes and the subsequent payment made on 7 July 2023 for the completion of the application itself.

9.18 Other current and non-current liabilities

The following table provides a breakdown of “Other current and non-current liabilities”:

	As of 31 December		
<i>(in thousands of Euro)</i>	2025	2024	2023
Payables to tax authorities for PREU	89,777	96,807	97,377
Players’ online accounts	59,056	56,458	36,144
Other payables to tax authorities	56,651	80,475	18,996
Public gaming taxes	52,026	49,794	31,377
Payables to employees	21,420	21,969	18,762
Concession fee payables	14,692	14,880	15,248
Payables to distribution network for guarantees	12,426	14,014	16,251
Payables to other concessionaires for bets/wagers collection	11,589	9,248	7,204
Payables to social security institutions	11,312	8,862	8,542
Provision for Jackpot and VLT tickets to be validated	7,709	11,810	11,649
Other payables	95,442	15,958	64,351
Total	432,100	380,275	325,901

“Payables to tax authorities for PREU” included the balance relating to the sixth period of each year, which is paid in January of the following year.

Players' online accounts" included the amount paid by players into online accounts at the reference date, equal to Euro 29.0 million as of 31 December 2025 for GBO Italy S.p.A. (Euro 23.8 million and Euro 19.7 million as of 31 December 2024 and as of 31 December 2023 respectively), Euro 16.1 million as of 31 December 2025 for Betflag (Euro 18.7 million and Euro 16.4 million as of 31 December 2024 and as of 31 December 2023 respectively), Euro 1.0 million as of 31 December 2025 for Totosì (Euro 0.5 million as of 31 December 2024) and Euro 13.0 million as of 31 December 2025 for PWO (Euro 13.4 million as of 31 December 2024).

"Public gaming taxes" included the gaming tax balance due for the month of December of each year, which was settled in January of the following year.

"Other payables to tax authorities" included payables for withholdings made as a substitute tax on the salaries and fees of agents and professionals used by the Company, the VAT payable as well as payables for taxes on VLT winnings. As of 31 December 2024, the item also included Euro 55.6 million attributable to the SKS365 Acquisition, of which Euro 53.3 million relates to payments due to tax authorities following the application for facilitated adhesion to the pending dispute filed in 2023 on tax notices related to betting duties (Imposta Unica), partially paid in 2025.

"Payables to employees" and "Payables to INPS" included amounts due in respect of "fourteenth month" salary payments, holiday pay, holidays and additional hours worked, reimbursements, overtime and contributions due but not yet paid as of the reporting date.

"Payables to distribution network for guarantees" related to guarantees from third party operators who perform collection activities.

"Concession fee payables" mainly related to the concession-fee owing in respect of the sixth period of year, which was paid in January of the following year.

"Provision for Jackpot and VLT tickets to be validated" included amounts provided in respect of jackpots that had not yet been won and VLT tickets issued as of the reporting date but not yet cashed by players, who have 90 days in which to collect their winnings before they are paid over to the ADM as required by the concession. The decrease in 2025 was due to the payment of winnings recorded during the year.

"Other payables" mainly included Euro 75.8 million as of 31 December 2025 related to payables for the extension of concessions, of which Euro 32.8 million for the Sports Franchise concessions of GBO Italy S.p.A. and PWO, and Euro 43.0 million for the Gaming Franchise concessions of Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A.. This liability was recognized at amortized cost, calculated using an interest rate of 4.875% (equal to the interest rate applied to the May 2025 Notes). As of 31 December 2023, the item mainly related to the payables for the extension of Sport Franchise, GAD, and ADI concessions of Euro 47.7 million, which were fully paid in 2024.

The item also included payables relating to sports bets, amounting to Euro 6.7 million as of 31 December 2025 (Euro 4.1 million and Euro 5.6 million as of 31 December 2024 and as of 31 December 2023, respectively), and payables related to jackpots of casino games, poker and bingo totalling Euro 4.4 million as of 31 December 2025 (Euro 4.2 million and Euro 5.0 as of 31 December 2024 and as of 31 December 2023, respectively).

The following table provides a summary of key information relating to other liabilities:

<i>(in thousands of Euro)</i>	As of 31 December 2025	<i>of which current</i>	As of 31 December 2024	<i>of which current</i>	As of 31 December 2023	<i>of which current</i>
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Payables to tax authorities for PREU	89,777	89,777	96,807	96,807	97,377	97,377
Players' online accounts	59,056	59,056	56,458	56,458	36,144	36,144
Other payables to tax authorities	56,651	35,531	80,475	41,225	18,996	17,621
Public gaming taxes	52,026	52,026	49,794	49,794	31,377	31,377
Payables to employees	21,420	21,420	21,969	21,969	18,762	18,602
Concession fee payables	14,692	14,692	14,880	14,880	15,248	15,248
Payables to distribution network for guarantees	12,426	204	14,014	261	16,251	360
Payables to other concessionaires for bets/wagers collection	11,589	11,589	9,248	9,235	7,204	7,204
Payables to social security institutions	11,312	10,453	8,862	8,862	8,542	8,542
Provision for Jackpot and VLT tickets to be validated	7,709	7,709	11,810	11,810	11,649	11,649
Other payables	95,442	94,992	15,958	15,774	64,351	64,102
Total	432,100	397,449	380,275	327,075	325,901	308,226

9.19 Current trade payables

The following table provides a breakdown of "Current trade payables":

<i>(in thousands of Euro)</i>	As of 31 December		
	2025	2024	2023
Invoices to be received	65,718	65,582	48,749
Trade payables	37,512	33,876	25,709
Payables to operators	23,754	28,972	16,049
Payables relating to remuneration in respect of collection activities - VLT	2,368	2,659	3,548
Payables relating to remuneration in respect of collection activities - AWP	1,778	2,613	1,856
Total	131,130	133,702	95,911

"Payables relating to remuneration in respect of collection activities" mainly comprised payables due to the relevant parties in the supply chain.

"Payables to operators" mainly relate to contractual performance-related amounts due to network operators of GBO Italy S.p.A..

10 Transactions with related parties

Transactions with related parties are mainly attributable to commercial, administrative and financial relationships. These operations are part of normal business management, within the typical activity of each interested party, and are regulated at market conditions. The Group has relationships with the following related parties:

- Gamma Bondco S.à r.l., a wholly owned subsidiary of the Gamma Topco S.à r.l. ("**Subsidiaries of shareholders**");
- Cristaltec S.p.A. (only in 2025), iPro Inc. and IMA S.r.l. (until the date of acquisition of control by Marim S.r.l.) ("**Associates**");
- Key Management Personnel (for further details, please refer to the paragraph below);
- Apollo Capital Solutions Europe B.V. ("**Other related parties**").

The following table shows Group receivables and payables due from/to related parties:

As of 31 December 2025					
<i>(in thousands of Euro)</i>	Associates	Key management personnel	Total related parties	Total reported amount	Related party % of total
Property, plant and equipment	1,768	-	1,768	160,397	1.1%
Current trade payables	940	-	940	131,130	0.7%
Current trade receivables	44	-	44	74,070	0.1%
Other current liabilities	-	3,241	3,241	397,449	0.8%

As of 31 December 2024						
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Other related parties	Total related parties	Total reported amount	Related party % of total
Other current liabilities	-	2,441	-	2,441	327,075	0.7%

As of 31 December 2023						
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Other related parties	Total related parties	Total reported amount	Related party % of total
Current financial liabilities	-	-	560	560	165,793	0.3%
Current trade payables	214	-	-	214	95,911	0.2%
Current trade receivables	3	-	-	3	95,825	0.0%
Other current liabilities	-	2,379	-	2,379	308,226	0.8%

The following table shows Group revenues and expenses due from/to related parties:

For the year ended 31 December 2025					
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Revenues	42	-	42	2,247,116	0.0%
Cost of services	(2,032)	-	(2,032)	(1,314,558)	0.2%
Personnel expenses	-	(9,231)	(9,231)	(154,750)	6.0%
Other income	6	-	6	14,888	0.0%
Other operating costs	(343)	-	(343)	(40,090)	0.9%

For the year ended 31 December 2024					
<i>(In thousands of Euro)</i>	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Personnel expenses	-	(7,067)	(7,067)	(135,503)	5.2%
Other income	10	-	10	14,951	0.1%
Other operating costs	(71)	-	(71)	(39,477)	0.2%

For the year ended 31 December 2023						
<i>(In thousands of Euro)</i>	Subsidiaries of shareholders	Associates	Key management personnel	Total related parties	Total reported amount	% of total
Finance expenses	(23,420)	-	-	(23,420)	(220,287)	10.6%
Personnel expenses	-	-	(4,575)	(4,575)	(98,378)	4.7%
Other income	-	568	-	568	18,529	3.1%
Other operating costs	-	(2,033)	-	(2,033)	(40,952)	5.0%
Finance income	-	13	-	13	28,139	0.0%

In 2025, transactions with Associates are related to the commercial relationships with the associate Cristaltec S.p.A., established following the acquisition completed during the year.

In 2024, transactions with Associates were related to the commercial relationships between IMA S.r.l. and Marim S.r.l.. It should be noted that in December 2024, the Group acquired control of the company through Marim S.r.l..

The transactions with Associates in 2023 were mainly related to the business relations between IMA S.r.l. and Marim S.r.l., until the date of acquisition of control of the company by the latter.

The transaction involving Gamma Bondco S.à r.l., controlled by the shareholder Gamma Topco S.à r.l., was related to the loan granted to the Company on 10 November 2021 for Euro 250 million, repaid on 3 May 2023.

With regard to the transactions with Apollo Capital Solutions Europe B.V., it should also be noted costs for underwriting fees of Euro 1,013 thousand included in the transaction costs of Capital Increase as a direct reduction of equity, costs for underwriting fees for total amount of Euro 1,808 thousand included in the ancillary costs incurred for the issue of the June 2023 Notes and the December 2023 Notes and Euro 675 thousand included in the ancillary costs incurred for the issue of the May 2024 Notes.

It should be noted that until 17 June 2025, the Company was ultimately controlled by Apollo Capital Management, L.P., through its subsidiary Gamma Intermediate S.à r.l.. On that date, Gamma Intermediate S.à r.l. disposed of its entire stake in the Company through a private placement.

Key management personnel

The following table provides a breakdown of the remuneration attributable to the Group's key management personnel for the years ended 31 December 2025, 2024 and 2023.

For the year ended 31 December			
<i>(in thousands of Euro)</i>	2025	2024	2023
Remuneration	4,625	4,008	3,718
Bonus una tantum	1,852	1,482	7
Social security contributions	548	609	361
Severance indemnity	323	281	265
Share based payment	1,883	687	224

Total	9,231	7,067	4,575
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11 Other information

11.1 Commitments, guarantees and contingent liabilities

11.1.1 Guarantees granted in favor of third parties

As of 31 December 2025, 2024 and 2023 the Group had granted concession related guarantees in favor of the ADM amounting to Euro 443.6 million, Euro 373.9 and Euro 301.3 million. For details regarding guarantees relating to the senior secured notes, see Note 9.16 above.

11.1.2 Commitments and contingent liabilities

Other than as reported in Note 11.5, with regard to commitments and contingent liabilities, we are not aware of the existence of further disputes or proceedings that could have a material effect on the Group's economic and financial position.

11.2 Compensation due to directors and statutory auditors

The compensation due to directors and statutory auditors amounted to Euro 4.3 million for the year ended 31 December 2025 (Euro 4.1 million and Euro 3.0 million for the year ended 31 December 2024 and for the year ended 31 December 2023, respectively).

11.3 Compensation due to independent auditors

The following table shows the breakdown of the costs of services offered by the audit firm for the year ended 31 December 2025, 2024 and 2023.

<i>(In Euro million)</i>		For the year ended 31 December		
Service	2025	2024	2023	
Audit of financial statement	2.2	1.8	1.6	
Other services	1.4	1.9	8.5	
Total	3.6	3.7	10.1	

11.4 Disclosure of public grants and contributions

Pursuant to art. 1, paragraph 125, of Italian Law 124/2017, as for the requirement to disclose in the notes any funds received during the year in the form of aid, grants, paid services, and generally economic benefits of any kind from public administrations and the entities as per paragraph 125 of the same article, reference should be made to the National State Aid Register.

11.5 Significant events for the years 2025, 2024 and 2023

11.5.1 ADM assessment notices related to betting duties ("Imposta unica") for fiscal years 2013 and 2014

Up until fiscal year 2015, Goldbet Sportwetten GmbH operated in Italy both onsite ("CTD," i.e., "centri di trasmissione dati") and online without a proper Italian betting license granted by the ADM. In January

2015, Goldbet Sportwetten GmbH incorporated an Italian branch to which Italian operations were allocated. With effect from 1 December 2015, Goldbet Sportwetten GmbH contributed its Italian branch into Winco S.r.l., a wholly-owned subsidiary of Goldbet Sportwetten GmbH. Upon contribution, Winco S.r.l. was renamed Goldbet S.r.l.

According to the Italian tax law, the buyer of a going-concern will be jointly and severally liable for the tax liabilities and relevant penalties of the seller, exceptions made for the benefit of preventive enforcement of the seller and within the limits of the value of the business's fair market value. The liability is limited to the taxes and penalties triggered by the violations committed in the year in which the transfer of the business takes place and in the two preceding years, as well as to those that, although committed in prior years, have been assessed by the tax authorities in that period. However, upon request and pursuant to article 14 of Legislative Decree No.472/1997, the tax authorities should release a certificate reporting any pending tax litigations and pending tax liabilities. In case of a negative outcome of the certificate, the receiver should be considered free from any tax liability. Whereas the certificate reports tax liabilities and pending litigation, the liability of the receiver will be limited to the liabilities reported on such certificate. This limitation, however, does not apply if the tax authorities come to the conclusion that the going concern transfer was ultimately aimed at diverting the assets of the business from the claims of the tax authorities. Therefore, the limitations are not valid if the transaction is made in fraud of tax authorities, which is presumed whenever in the 6 months prior to the transaction the seller receives notification of a criminal law infringement.

Goldbet³ obtained the above-mentioned tax certificate on 18 October 2016. On 27 December 2018 the ADM issued assessment notices in relation to betting duty due by Goldbet Sportwetten GmbH for fiscal years 2013 and 2014. In particular, the tax authority challenged for both fiscal years 2013 and 2014 the omitted payment of betting duties due for betting collected in Italy – from Italian players – through the Goldbet Sportwetten GmbH's online website. The following amounts have been challenged:

<i>(In Euro thousand)</i>	Betting duties	Penalties interests^(*)	
1 January 2013 – 31 December 2013	8,882	10,658	1,772
1 January 2014 – 31 December 2014	9,884	11,861	1,577
Total	18,766	22,519	3,349

(*) Amount of interest as indicated in the relevant tax assessment notices issued by the ADM for each fiscal year and calculated until 27 December 2018.

Furthermore, the tax authority took the view that the contribution of the Italian branch into Winco S.r.l. qualifies as a fraudulent transaction. In this respect, at the time of the contribution, Goldbet (being part of the same group of the contributor) was aware of the tax violations carried out by the contributor, the sole shareholder, Goldbet Sportwetten GmbH. Based on this, tax authorities were of the opinion that the tax certificate was required only in order to undermine the tax collection by the Italian Treasury of taxes due in Italy by Goldbet Sportwetten GmbH. As a result, on 28 December 2018, ADM notified also to Goldbet the two tax assessments served to Goldbet Sportwetten GmbH with respect to fiscal years 2013 and 2014.

On 22 February 2019, Goldbet appealed the two assessment notices before the relevant Tax Court of first instance of Rome (Corte di Giustizia di primo grado di Roma). In particular, Goldbet outlined the following arguments:

³ "Goldbet" refers to (i) prior to 9 October 2018, Goldbet S.r.l., (ii) from 9 October 2018 to 1 May 2019, Goldbet S.p.A., (iii) from 1 May 2019 to 1 June 2022, Goldbet S.p.A. (previously Intralot Italia S.p.A.), following the effectiveness of the merger by way of incorporation of Goldbet S.p.A. into Intralot Italia S.p.A. and the change of name of Intralot Italia S.p.A. to Goldbet S.p.A., and (iv) after 1 June 2022, the same entity is referred to as GBO Italy.

- invalidity of the assessment notices;
- lack of adequate motivation of the tax assessment notices;
- non-applicability of the jointly liability provided by art. 14 of Legislative Decree No.472/97 to this matter;
- absence of tax fraudulent intention of the transaction; and
- groundless challenge because the gambling activity was managed abroad.

Following the hearing held on 12 February 2020, the appeal relating to the tax assessment notice issued by the ADM for fiscal year 2013 has been rejected by the competent Tax Court with the decision filed on 28 September 2020. In this respect, on 26 March 2021 Goldbet appealed such decision before the competent Tax Court of second instance of Lazio (Corte di Giustizia di secondo grado per il Lazio) and the appeal has been rejected with the judgement filed on 11 January 2023.

Following the above-mentioned judgment of the Tax Court on 7 June 2022, a notice of payment was served to the Company, requesting the payment of a total amount of Euro 15,102,408.50. Goldbet appealed the notice of payment before the relevant Tax Court, objecting the non-applicability of the joint liability provided by article 14 of Legislative Decree No.472/97 to this matter; the appeal has been rejected by the Tax Court with its judgement filed on 12 December 2022.

With respect to the tax assessment notice issued by the ADM for fiscal year 2014, the appeal has been rejected by the competent Tax Court with the decision issued on 27 April 2022; such judgment has been appealed in front of the Tax Court of second instance.

Following the above-mentioned judgment of the Tax Court on 14 October 2022, a notice of payment was served to the Company, requesting the payment of a total amount of Euro 16.470.771,92. Goldbet appealed the notice of payment before the relevant Tax Court, objecting the non-applicability of the joint liability provided by article 14 of Legislative Decree No.472/97 to this matter.

Also, Goldbet Sportwetten GmbH has appealed the tax assessment notices for years 2013 and 2014 before the Tax Court of Rome, which (i) with its decision of 18 February 2020 has rejected the appeal proposed against the assessment for year 2013 and (ii) with its decision of 26 February 2021 has rejected the appeal proposed against the assessment for year 2014; both negative judgments have been appealed before the competent Tax Court of second instance, within the statutory term provided by law; the Tax Court of second instance issued a negative outcome with regard to the 2013 financial year proceeding and the relative judgment has been already appealed in front of the Supreme Court.

On 2 February 2023, in relation to the tax notification mentioned above, three third-party garnishments were carried out on the bank accounts with Unicredit S.p.A., Banca Popolare di Milano S.p.A. and Poste Italiane S.p.A.

On 3 February 2023, the company filed an application for the definition of the tax debts entrusted to the collection agents (pursuant to paragraphs 231-252 of Law 197/2022), thereby suspending the effectiveness of enforcement procedures.

On 24 March 2023, the company presented the application for facilitated adhesion to the pending disputes (pursuant to paragraphs 186 and subsequent of Law 197/2022). This application was completed with the payment of only the established tax for the years 2013 and 2014, settled on 7 July 2023, and extinguishes all tax claims. At the same time the lawyers of the company have notified to renounce any litigation still pending.

Following the verification of the correct and timely payment, the ADM communicated, by letter dated 4 September 2023, the remission of the relative roles related to the relevant litigations. Consequently, by a communication dated 7 September 2023, the Italian tax authority proceeded to make a waiver in relation to the three garnishments arising from the tax assessments.

11.5.2 FIGC Court order

On 4 October 2019, the Rome civil court granted provisional execution of a court order requested by the Federazione Italiana Giuoco Calcio–FIGC (the Italian Football Federation) against Gamenet S.p.A., involving an amount of Euro 927 thousand (of which 921,777.77 plus VAT and late payment interest), relating to a format or short-form sponsorship pre-contract agreement entered into by the parties on 7 September 2016 and effective until 31 December 2018, on the understanding that it was the intention of the parties to sign the document with a view to completing a sponsorship contract.

Gamenet S.p.A. has challenged the aforementioned court order and requested that the matter be considered together with the court order previously requested in the same Rome court by Gamenet S.p.A., with a view to obtaining a ruling on the non-existence of the contract relating to sponsorship of the Italian national football team, using the Intralot brand, as well as a ruling regarding the illegitimate/illegal nature of the FIGC's behavior. At the first hearing, FIGC confirmed its request for provisional execution of the court order. Notwithstanding Gamenet's opposition, the judge granted provisional execution of the court order and ordered that the proceedings be combined with those initiated by Gamenet S.p.A. On 30 January 2020, following receipt of the Rome civil court executive order reserving the right to repeat performance, the company settled the entire amount, totalling Euro 1,048 thousand (including late payment interest).

On 27 February 2022, the FIGC notified Gamenet S.p.A of an appeal against the first instance sentence, for the purpose of obtaining the reform of the aforementioned in the part in which it does not pronounce itself with respect to the presumed right of the FIGC to obtain payment of the amount due for the period from 1 January 2018 to 15 October 2018 (for Euro 668,518.52) and a compensation for damages quantified at Euro 175,000. Appearance forms are being filed in Gamenet's interest, with a consequent appeal aimed at obtaining the complete reform of the sentence and consequently the verification of what was already requested by the Group in the first instance.

A notice of appearance was filed with an incidental appeal and the litigation was postponed to 26 October 2023 for the clarification of the conclusions. The Court of Appeal subsequently postponed the hearing ex officio, first to 16 January 2025 and then to 10 September 2026, for the same purpose (clarification of the conclusions).

In view of the above and based on the risk assessment provided by the lawyers, it is not necessary to make further provisions.

11.5.3 VAT reimbursement

On 29 January 2021, the Lazio Region Tax Commission issued order No.202/2021 in which it ruled the application for correction of appeal sentence No.5415/8/2019 to be inadmissible. In rejecting the petition, the Commission noted that the procedure for material correction of a sentence is restricted to cases in which the divergence between the judgment and its literal expression is immediately obvious without the need for any reconstructive investigation of the Judge's reasoning. In the case in question, in the opinion of the Judges called upon to decide on the application, such conditions were held not to exist and therefore the Judges ruled it to be inadmissible.

The company had in parallel already lodged an appeal to the Supreme Court to reiterate, *inter alia*, the inconsistency between the grounds and the operative part of the judgment. The aforementioned Order No. 202/2021, which is not subject to independent appeal, will also be produced in such a forum.

On 25 September 2019, the Lazio Region Tax Commission had issued appeal ruling No.5415/2019, in which it partially amended the ruling issued on 14 March 2018 by the court of first instance, the Rome Province Tax Commission, which had upheld the appeal lodged by Gamenet S.p.A claiming the repayment of Euro 2.4 million, representing VAT paid but not due with regard to the supply of a VLT gaming platform during the tax years 2013 and 2014. Specifically, the appeal ruling reaffirmed the scope of the exemption regime, confirming that “in the case in question, based on examination of the documentation, the necessary and indispensable constraint required for VAT exemption exists, as confirmed by the technical advice obtained during the proceedings”. The Judges had also recognized, however, that “the decision not to reimburse should not be considered illegitimate, to the extent that the amount paid in error was paid prior to the two-year time-limit” and therefore “considering that the reimbursement claim was lodged on 16 November 2015, payments made more than two years prior to such date are not reimbursable, while those made within a period of two years prior to date are due to the claimant.” In substance, therefore, the Lazio Region Tax Commission had upheld the reimbursement claim – originally expressed in the amount of Euro 2.4 million (the sum received in full by Gamenet S.p.A) – but reduced it by Euro 1.0 million, representing the VAT paid by Gamenet S.p.A during the period between January and September 2013, considered to be “expired”. In view of the difference between the justification for the ruling that partially upheld the appeal lodged by the Tax Authorities and the ruling that fully upheld the appeal, on 18 November 2019, the company had presented an application for correction (pursuant to Article 287 civil procedure code) to the Rome Region Tax Commission, requesting that the error in the second-instance ruling be corrected.

By judgment published on 23 August 2023, the Supreme Court, noting the contrast between the reasons and the operative part of the judgment of second cure, reversed the decision by ordering the referral to the Lazio Tax Court of Justice of second grade so that, in a different composition, it may once again decide on the profile affected by this contradiction. The company will proceed with the resumption of the case within six months of the publication of the order of the Supreme Court.

On 23 February 2024, Gamenet S.p.A. filed in appeal before the Second-level Tax Commission of Lazio Region.

On 3 November 2025, judgment no. 6687/2025 of the Lazio Regional Tax Court (Second Instance) was filed, ruling in favor of Gamenet S.p.A. In early January 2026, the Italian Tax Authority filed an appeal before the Italian Supreme Court against that judgment. On 5 February 2026, Gamenet S.p.A. filed with the Court of Cassation its Statement of Defence and Incidental Appeal.

11.5.4 PWO litigation

PWO Austrian branch is involved in a tax dispute regarding a tax deduction of Euro 23 million claimed in 2014 by SKS365 Group GmbH (now PWO S.p.A.) with a tax effect of Euro 5.8 million in connection with unpaid Italian betting duties relating to fiscal years 2010-2014. These assessments were appealed by the company before the Austrian tax court.

On 7 November 2024, the hearing was held before the Austrian Federal Tax Court in Innsbruck and the decision of the Federal Tax Court was notified on 27 January 2025. The Court rejected the appeal filed by the company and quantified the tax for Euro 5,677,366 plus interest and penalties. PWO may appeal against the Court's decision by 6 March 2025.

The amount paid during 2025 amounted to Euro 5,990,271, including interest and penalties. On 6 March 2025, an appeal was filed against the decision of the Austrian Federal Tax Court.

11.5.5 Payment of additional 0.5% of bets – “Relaunch” Decree

Article 217 of Law Decree No. 34 of 19 May 2020 (the Relaunch Decree), converted into Law No.77 of 17 July 2020, provides for a “Fund for the relaunch of the national sports system”.

The financing for such Fund shall come from the sports betting segment (in a broad sense), through the imposition of a tax "equal to 0.5% (net of the share relating to the flat-tax pursuant to Legislative Decree No. 54/1998) of the total bets collected in relation to all sports events, including simulated events, however placed and by whichever means, whether online or through traditional channels."

This is an extraordinary measure, limited both in terms of its duration and its maximum effect, given that by express provision, "The financing of such fund shall be limited to a maximum of Euro 40 million in 2020 and Euro 50 million in 2021."

The ADM, therefore, provided guidance regarding the calculation and application of such amounts in Directive No. 307276/RU of 8 September 2020, and Goldbet and Lottomatica Scommesse (at the time separate legal entities), in common with other concessionaires, lodged an appeal with the Lazio Region Civil Court which, however, on 16 December 2020, issued a dismissal order with respect to the request to suspend the measures.

In line with such measures and the guidance subsequently provided by the ADM in Notes No. 77845/RU of 12 March 2021 and 151351/RU of 18 May 2021, Note No. 400355/RU of 26 October 2021 and, most recently, Note No. 5721 of 8 January 2022, both Lottomatica and Goldbet (therefore, the current GBO Italy) paid in-full all amounts demanded by the ADM for the entire period covered by the Fund, based on both the original calculations as well as the recalculations made by the Agency in line with the criteria set forth in the aforementioned Directive No. 5721/RU of 8.01.2022, totalling Euro 14,891,572 (of which Euro 4,405,359 relating to Lottomatica and Euro 10,486,213 to Goldbet).

Subsequently, pursuant to Article 21-nonies of Law No.241 of 7 August 1990, by Decree No. 10337/RU dated 5 January 2023, the ADM ordered the annulment, in self-defense, of Directive No. 5721/RU of 8 January 2022 and the related notes already sent to the concessionaires to pay amounts calculated in accordance with the previously defined criteria to be allocated to replenishing the Fund, claiming, for the first time, that the maximum amounts of Euro 40 million for 2020 and Euro 50 million for 2021 did not refer "to the maximum amounts to be paid but, rather, to the share of the tax to be allocated to the "Fund for the relaunch of the national sports system" and that Concessionaires were, therefore, required to pay in full the 0.5% of bets relating to 2020 and 2021 (calculated in accordance with the method set out in Article 3 of the measure adopted in self-defense), without any annual limit.

The additional amounts due by GBO Italy with respect to those already paid were, therefore, recalculated by the ADM and totalled Euro 9,509,509 (of which Euro 1,679,041 relating to online network concession No. 15017; Euro 3,408,643 to remote gaming concession No. 15226; and Euro 4,421,826 to retail network concession Nos. 4032, 4098, 4313, 4341, 4502, 4504, 4805 and 72000); the amounts due were communicated in Notes No. 72148/RU and No. 71976/RU dated 6 February 2023 and No. 76535/RU dated 7 February 2023.

On 6 March 2023, GBO Italy lodged an appeal with the Regional Civil Court challenging Directive No. 10337/RU of 5 January 2023 and the aforementioned measures regarding the payment of additional amounts, having in the meantime withdrawn, due to supervening lack of interest, from Lazio Regional Civil Court proceeding R.G. 5612/2020 (terminated on 16 March 2023).

The new proceeding was identified as No. R.G. 4074/2023 and the Lazio Regional Civil Court initially set a hearing for discussion of the related precautionary measure for 29 March 2023 and then, without reaching any decision in this regard, postponed the hearing to 28 June 2023.

By judgment of 2 August 2023 No.13005/2023, the Lazio Regional Civil Court rejected the appeal. The judgment was appealed by GBO Italy the following day. An appeal was filed on 3 August 2023 (CDS R.G. 6818/2023). On 4 August 2023, a presidential decree suspending the effects of the judgment and the contested measures was obtained, with referral back to the Chamber of Council of 29 August 2023 for the examination of the precautionary application by the board. By order of 31 August 2023, the board confirmed the suspension and at the hearing on 5 December 2023, the case brought by GBO Italy S.p.A. has been retained in the decision and we are therefore awaiting the filing of the sentence.

Betflag S.p.A. also filed an appeal against Note No. 10337/RU of 5 January 2023. The judgment established was defined by a judgment of dismissal by the TAR Lazio on 2 August 2023 No. 13004/2023. On 4 October 2023, Betflag filed an appeal and the hearing before the Council of State is scheduled for 13 February 2024. The case was held in judgment.

By judgment of 26 February 2024 No.1883/2024 published on 27 February 2024, the Council of State settled the case of GBO Italy and, consequently, reforming the ruling of the Lazio Region Civil Court that had settled the case in the first instance, annulled the contested measures.

After the expiration of the time period for filing an appeal by ADM, the judgment is deemed to have become final. In the meantime, ADM announced on 30 July 2024 that it would publish the amounts deemed to be owed/credited by each concessionaire in their reserved area as a result of the judgment in question.

Following the recalculation, GBO Italy S.p.A. paid the amount due, while Betflag S.p.A. and PWO received a refund for the excess amounts already paid. Therefore, this dispute can be considered closed.

11.5.6 Other claims

The following are other claims of the Group deemed significant and the risk of losing the case is considered possible.

Gaming Franchise

Morosini Litigation

In 2023, the Court of Rome issued a final judgment declaring extinguished the judgment initiated by Morosini Slot S.r.l. in order to assert an alleged contractual liability of Lottomatica Videolot Rete S.p.A. ("**Lottomatica Videolot Rete**") with regard to the termination of the concessionaire-hall manager agreement. On 20 December 2023, the bankrupt Morosini has again sued Lottomatica Videolot Rete and Jolly Group S.r.l. ("**Jolly Group**") before the same court.

Lottomatica Videolot Rete and Jolly Group duly appeared in court on 27 March 2024. As ordered by the judge, on 27 September 2024, the Morosini Bankruptcy arranged for the mediation proceedings as a condition for proceeding with the lawsuit already initiated. The mediation meeting was scheduled for 29 October 2024. The next hearing has been set for 11 November 2026.

Cirsa Litigation

On 30 January 2025, Gamenet S.p.A. was served with a writ of summons by Cirsa Italia S.p.A., which claims an alleged breach of competition laws and, consequently, the extracontractual liability of Gamenet S.p.A. for failing to vacate two VLT halls following the expiration of the relevant contracts, is seeking compensation of approximately Euro 3,500,000.

On 10 April 2025, Gamenet S.p.A. filed its defense in court to oppose this claim, highlighting, among other things, that the two halls are currently operational and that an appeal is pending against the current operator of the two halls (a company belonging to the Cirsa group) regarding the continued validity of the related contracts. The first hearing, previously scheduled for 20 June 2025, has been postponed to 17 September 2026, with deadlines for the filing of briefs pursuant to Article 171-ter of the Italian Code of Civil Procedure.

2015 Italian Stability Law

The 2015 Italian Stability Law imposed a tax of Euro 500 million (the "**Stability Tax**") on concessionaires and operators in the AWP and VLT supply chain. The 2016 Stability Law repealed the Stability Tax for 2016 and subsequent years but did not amend the obligation to pay the Stability Tax for the year 2015. Several concessionaires, including the current ADI gaming concessionaires of the Group, interpreted this measure as a correction aimed at repealing the provisions of the 2015 Italian Stability Law, which placed the responsibility on each individual concessionaire to collect the contribution from all operators in the supply chain. As a result, the Group's concessionaires paid the amounts directly owed by them and the amounts collected from the operators in their respective supply chains, while the remaining amounts due from these operators, which were not paid, remained outstanding.

Meanwhile, Gamenet S.p.A., Lottomatica Videolot Rete S.p.A., and other operators challenged the Stability Tax and its mechanism before the competent Regional Administrative Court of Lazio (Tribunale Amministrativo Regionale del Lazio), arguing, among other points, its unconstitutionality. In June 2019, the Regional Administrative Court of Lazio rejected all appeals. Gamenet S.p.A. (with Lottomatica Videolot Rete S.p.A. intervening in an appeal by another concessionaire) and other concessionaires have appealed the decisions in question to the Italian Council of State.

In its ruling of 18 April 2025, the Italian Council of State rejected the appeal of Gamenet S.p.A. and those filed by other concessionaires against the 2019 Regional Administrative Court of Lazio judgments concerning the levy imposed by the Stability Law for the year 2015. The ruling affirmed the obligation for concessionaires to pay the amounts owed by the operators in the supply chain and also upheld their full right to recover from the operators the portion of the levy corresponding to them.

The ruling of the Italian Council of State has increased the risk of an unfavorable outcome, although several appeal options remain available. The Group is exposed to approximately Euro 32 million plus legal interests of approximately Euro 3.7 million.

On 23 October 2025, ADM requested concessionaires to pay, within 30 days, the amounts still owed by legal gaming operators, together with legal interest. On 24 October 2025, the concessionaire Gamenet S.p.A. filed an appeal before the Italian Supreme Court.

On 14 November 2025, the concessionaire Lottomatica Videolot Rete S.p.A. filed a counter-appeal before the Italian Supreme Court. On 19 November 2025, ADM communicated the notes acknowledging the applications for suspension of the effects of the judgment of the Italian Council of State submitted by Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A., without prejudice to the obligation to promptly make the payments of the sums progressively recovered from the supply chain.

Gari – Giomatic

By decision no. 3804/2025 of the Rome Court of Appeal, published on 17 June 2025, the appeal proceedings initiated by Gamenet ended unfavorably for the company. The case concerned the claims brought by Gari S.r.l. and Giomatic di Giannetto Carmine for the alleged non-payment by Gamenet S.p.A. of certain amounts. Specifically, Gari S.r.l. claimed compensation for the maintenance of VLT machines for the years 2012 and 2013, while Giomatic claimed payment for the rental of AWP machines to Gamenet S.p.A. The Court also rejected Gamenet's counterclaim related to a lump-sum PREU credit.

Following the publication of the aforementioned decision no. 3804/2025, on 20 June 2025 the counterparties formally requested Gamenet S.p.A. to voluntarily comply with the ruling, quantifying the total amount claimed at Euro 1,069,509. This includes (i) Euro 318,050 as principal and Euro 565,429 as default interest for Gari S.r.l., and (ii) Euro 62,660 as principal and Euro 63,917 as default interest for Giomatic di Giannetto Carmine. Legal costs for both levels of proceedings amounted to Euro 59,453, including mandatory charges.

On 11 July 2025, Gamenet S.p.A. filed an opposition to the injunction notified by Gari/Giomatic on 9 July 2025. After Gamenet S.p.A.'s injunction was registered, the counterparty withdrew the injunction.

By order dated 5 August 2025, the judge suspended, without hearing the other party, the enforceability of the title in relation to the opposed injunction. The Court set the audience for 31 March 2026 to confirm and/or cancel the suspension already granted without hearing the other party. On 25 September 2025, Gamenet S.p.A. filed an appeal before the Italian Supreme Court.

Gamenet S.p.A. has simultaneously initiated recovery actions through injunction proceedings to collect overdue receivables from the shareholders of the dissolved company Gari and from the owner of the sole proprietorship Giomatic, amounting respectively to Euro 5,203,343.97 and Euro 2,347,849.78.

Sports Franchise and Online

Draghi – JDL Litigation

On 21 February 2023, a consultant and a service company notified to GBO Italy (formerly Lottomatica Scommesse) the summons to appear before the Court of Rome following the termination of an *inter partes* consultancy agreement by GBO Italy. The matter related to the alleged illegitimate imposition - by the latter - of agreements amending and deteriorating the previously agreed economic conditions and requested the annulment of such agreements and of the unfair terms contained therein and, as a result, the recovery of the alleged loss of revenues, estimated at a total amount of Euro 1,139,843.00, in addition to the alleged non-pecuniary damages suffered, for a further Euro 1,200,000.00.

After the company itself appeared in court and filed the briefs pursuant to art. 183 of the Code of Civil Procedure, the judge deemed the case ready for decision without the need to gather the evidence requested by the plaintiffs and adjourned the case to 27 May 2026 for the clarification of the conclusions.

11.5.7 Legislative and regulatory provisions

11.5.7.1 ADIs

11.5.7.1.1 PREU and payout rates – 2025

The PREU flat-rate tax is the tax applied to the ADI segment. It was introduced by Law Decree no. 326 of 24 November 2003 and it is calculated by applying the required percentage rate to the total of bets placed in each relevant activity, namely, for AWP activities and for VLT activities.

In 2025, 2024 and 2023, the PREU rates for AWP and VLT are 24.0% and 8.6% respectively, and were unchanged over the years.

In 2025, 2024 and 2023, the minimum payout levels for AWP and VLT are respectively 65.0% and 83.0% of bets and were unchanged over the years.

11.5.7.1.2 Onerous extension of ADI concessions

The ADI concessions for 2023 and 2024 were subject to onerous extensions ex lege until 31 December 2024 under the Budget Law 2023 and subsequently expired on that date; they have been further extended on an onerous basis until 31 December 2026 pursuant to Law No. 207 of 30 December 2024 (hereinafter “**Budget Law 2025**”).

ADM Directorial Determination No. 42506/RU of 10 January 2025 provides that:

The concession fees due pursuant Law No. 207 of 30 December 2024 for the extension of the concessions in the preamble are paid by each concessionaire as follow:

- for the year 2025, in three equal installments due on 15 March 2025, 15 July 2025 and 1 October 2025, respectively;
- for the year 2026, in three equal installments due on 15 March 2026, 15 July 2026 and 1 October 2026, respectively.

With reference to the concessionaires Gamenet S.p.A. and Lottomatica Videolot Rete S.p.A., all required payments for 2025 have been duly settled.

Based on the information available as of the reporting date, management has a reasonable expectation regarding the continuity of the ADI concessions, which are currently subject to an onerous extension until 31 December 2026, and considers it probable that such concessions will continue either through a further extension or through a new tender procedure.

11.5.7.1.3 AWP-R

Pursuant to the 2016 Stability Law and as subsequently modified, most recently by the provisions of Law No. 145 of 30 December 2018, the ADM developed a draft Ministerial Decree setting out technical rules for the production of entertainment devices pursuant to Article 110, Paragraph 6, letter a) of the TULPS that permit remote gaming. This draft was forwarded to the Finance Legislative Office for final approval. As clarified by the ADM in the note relating to the 2025 Development Plan, “Based on the timelines that will be provided, *each concession holder will proceed within its area of responsibility to adapt the network structures and connectivity and replace the equipment, PDAs and communication structures of the telematic networks*”.

At reporting date, the decree containing technical rules for the production of AWP-R has not yet been issued.

Betting and GAD

11.5.7.1.4 *Betting concessions held by the Group*

The following table provides a summary of the betting concessions held by the Group as of 31 December 2025:

Concession No.	Company	Announcement	Betting offering	Number of rights 2025
4098	GBO Italy S.p.A.	Bersani betting shops	Sports	421
4098	GBO Italy S.p.A.	Bersani betting corner	Sports	1,241
4341	GBO Italy S.p.A.	Bersani betting shops	Horse racing	13
4805	GBO Italy S.p.A.	Giorgetti betting shops	Horse racing	12
4504	GBO Italy S.p.A.	Monti	Sports + Horse racing	358
72000	GBO Italy S.p.A.	Tax regularization pursuant to article 1 co. 643 L. 190/2014	Sports + Horse racing	993

Concession No.	Company	Announcement	Betting offering	Number of rights 2025
4538	Ricreativo B S.p.A.	Monti	Sports + Horse racing	8
4869	Ricreativo B S.p.A.	Giorgetti betting shops	Horse racing	1

Concession No.	Company	Announcement	Betting offering	Number of rights 2025
4584	PWO S.p.A.	Monti	Sports + Horse racing	1
72002	PWO S.p.A.	Tax regularization pursuant to article 1 co. 643 L. 190/2014	Sports + Horse racing	1,002

11.5.7.1.5 *Betting duties ("Imposta Unica")*

Since 1 January 2016, pursuant to the provisions of Article 1, paragraph 945, of Law No. 208 of 28 December 2015, the betting duties ("Imposta unica") for sports and non-sport fixed-odds bets referred to in Legislative Decree 504/98, is applied on the difference between the bets and the winnings paid, with tax rates of 18% for physical network collection and of 22% for online.

From 1 January 2025, pursuant to the provisions of Budget Law 2025, the following betting duties ("Imposta Unica") apply:

- for remote skill games with cash prizes, including card games in tournament mode and card games in modes other than tournament, as well as for fixed-odds games of chance and remote bingo, in the amount of 25.5% of the sums that are not returned to the player, according to the game rule;*
- for fixed-odds sports betting, in the amount of 20.5%, if bets takes place on a physical network, and 24.5%, if bets takes place remotely, applied to the difference between the amount bets and the winnings paid;*

c) *for fixed-odds bets on simulated events, pursuant to Law no. 296 of 27 December 2006, in the amount of 24.5% of the bets net of the amount paid to the player in winnings, according to the game rules.*

11.5.7.1.6 Withdrawal on winnings

From 1 January 2025, pursuant to the provisions of the 2025 Budget Law (Article 1, paragraph 93), the tax applied on fixed-odds horse racing bets is set at 20.5% and 24.5% for those collected on the physical network and for those collected remotely, respectively. Those rates are applied to the difference between the bets amount and the winnings paid, without prejudice to the distribution of the periodic withdrawal pursuant Law no. 205 of 2017.

11.5.7.1.7 Onerous extension of Betting and GAD concessions

With regard to the Group's betting offering, provided both through retail points of sale and online, the concessions expired on 30 June 2016 and have subsequently been operating under an extension. Since 2018, such extension regime has become "onerous".

Betting concessions have been subject to an onerous extension until 31 December 2026, pursuant to the 2025 Budget Law.

ADM Directorial Determination No. 13771/RU of 3 January 2025 provides that:

The annual amount due is paid by the concessionaire, by the owner of the physical network collection or by the owner of the regularized betting points with the methods indicated below:

- for the year 2025, in two installments of equal amount due on 30 April 2025 and 31 October 2025, respectively;
- for the year 2026, in two installments of equal amount due on 30 April 2026 and 31 October 2026, respectively.

With reference to the concessionaires GBO Italy S.p.A., Ricreativo B S.p.A. and PWO S.p.A., the required payments for the year 2025 have been duly settled.

Based on the information available as of the reporting date, management has a reasonable expectation regarding the continuity of the Betting concessions, which are currently subject to an onerous extension until 31 December 2026, and considers it probable that such concessions will continue either through a further extension or through a new tender procedure.

With specific reference to the GAD sector, pursuant to Legislative Decree No. 36 of 31 March 2023, ADM announced the open electronic tender concerning the assignment of concessions for the activities and functions for the operation of public games referred to Legislative Decree No. 41 of 25 March 2024 (i.e. online games), through the activation and management of the remote gaming network, with the exclusion of collection at public places as per the tender notice published in the Official Journal of the European Union on 18 December 2024.

On 26 May 2025, four applications were submitted by GBO Italy S.p.A., Betflag S.p.A., PWO S.p.A. and Totosì S.r.l., for a total of five concessions (GBO Italy S.p.A. no. 2, Betflag S.p.A. no. 1, PWO S.p.A. no. 1, Totosì S.r.l. no. 1).

Following a specific communication from the evaluation committee, by decision of the Director of Gaming, No. 594211 of 17 September 2025, the concessions for the operation and remote collection of the games referred to in Article 6 of Legislative Decree No. 41 of 25 March 2024 were awarded, and the list of the awarded companies was published on the ADM's official website. All Group companies were awarded a total of five concessions, in line with the applications submitted and have executed the related concession agreements effective since 13 November 2025.

Pursuant to Article 4.6 of the Administrative Rules, the entities awarded the concession paid a one-off fee of Euro 7 million for each concession requested, consisting of Euro 4 million upon award and Euro 3 million upon effective commencement of the concession-related activities.

11.5.7.2 Bingo

As result of the Budget Law 2025, bingo concessions, expired on 31 December 2024, have been subject to an onerous extension until 31 December 2026 starting from 1 January 2025. The jackpot has been set at a minimum of 70% and a maximum of 71% of the selling price of the bingo cards.

Due to the regulatory changes introduced by the 2025 Budget Law, ADM note No. 43702 of 10 January 2025 established that the annual payment of Euro 108,000.00 for each concession should be paid in two instalments of Euro 54,000.00 each by 31 January and 30 June of each year.

The concessionaire Big Easy Bingo S.r.l. has filed an appeal with the Regional Administrative Court against the ADM note No. 43702 of 10 January 2025 to contest the new additional amounts requested by ADM. For this reason, pending the aforementioned proceedings, the six-monthly payment of Euro 2,800/month for each concession is being made.

With reference to the gaming hall located in Cesenatico (Italy), no further payments will be required during 2025, based on the ADM authorization, as per note No. 0382152 dated 26 June 2025, allowing the compensation of the total amount of Euro 29,000.00 with the amounts already paid in relation to concession agreement No. 003/TL/17/R, as consideration for the concession fee relating to the months from November 2020 to May 2021.

With the judgments published on 2 December 2025, the Regional Administrative Court of Lazio (TAR Lazio) upheld the appeals previously filed by Big Easy Bingo S.r.l. and SEA S.r.l., both concerning the onerous extension provided for by the 2025 Stability Law (Law No. 207/2024).

TAR Lazio ruled that it was necessary to disapply the aforementioned state law and annulled the ADM extension measures that had implemented it. The Court clarified, however, that this does not entail the termination of the concession and provided for the redefinition of the fee, as well as the payment of compensation to the Italian Tax Authority based on actual revenues, in order to prevent unjust enrichment of the concessionaire.

Consequently, with note No. 794229 of 9 December 2025, ADM established that the fee payable by the concessionaires is provisionally set at Euro 2,800.00 per month for the period from 1 January 2025 to 31 December 2026.

ADM further specified that this determination is *temporary and provisional, as it replaces the definitive measure for the time necessary for its adoption, without prejudice to the fact that the final mutual accounts between the parties will be governed by the provisions of the definitive measure*.

11.5.8 ESG Rating

On 6 October 2025, Lottomatica Group S.p.A. received an ESG rating of 12.5 out of 100 from Morningstar Sustainalytics, which corresponds to a low risk of experiencing significant financial impacts from ESG factors. This rating places the Company among the leading entities worldwide within the approximately 70 companies assessed in the 'Casinos and Gaming' industry segment, as well as among the roughly 450 companies evaluated in the broader 'Consumer Services' sector." Furthermore, in February 2026, the Company was designated as an Industry ESG Leader 2026 by Morningstar Sustainalytics.

In February 2025, the Group renewed its certification and received the "Top Employer" Italy 2025 award, obtaining this recognition for the second consecutive year. For the third consecutive year, the Group obtained the certification "Best HR Team" and "HRC Community". Furthermore, the Group joined the CDP (Carbon

Disclosure Project), a leading international non-profit organization that serves as a reference for evaluating the environmental strategies of listed companies, providing detailed disclosure on its sustainability initiatives and obtaining a 'B' rating.

In March 2025, the Group obtained the renewal of its ISO 27701 certification for its privacy and data security management system and in September 2025, it obtained the ISO 14064 certification for the Group's Carbon Footprint. Together with ISO 14001:2015 certification, renewed in November 2025, these certifications confirm a continuously improving environmental management system.

On 15 September 2025, the Company also announced that it had achieved the highest "AAA" score in the MSCI ESG Ratings assessment, placing it in the "Leader" category. MSCI ESG Research provides ESG ratings for global public companies and selected private companies on a scale from "AAA" ("Leader") to "CCC" ("Laggard"), based on exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

With reference to its ESG objectives for 2025, the Group identified 124 initiatives, of which (i) 98% have been completed, (ii) 2% have been initiated in the last part of the year and will be concluded in 2026.

11.5.9 IPO and admission to listing of Lottomatica Group

On 3 May 2023, Lottomatica Group successfully completed its initial public offering (the "IPO") and the listing of its ordinary shares on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A.. The total gross proceeds from the IPO were Euro 600 million, of which (i) Euro 425 million of new shares issued by the Company through a capital increase excluding the option right (the "Capital Increase"); and (ii) Euro 175 million of existing shares held and offered by Gamma Topco S.à r.l. ("Gamma Topco"). Gamma Topco also granted to the stabilization manager an option, exercisable, in whole or in part, to purchase up to 10,000,000 additional Lottomatica Group's ordinary shares held by itself. This option was not exercised, as communicated by the Company on 25 May 2023. Following the completion of the offer, the total number of shares held by the market and making up the free float was equal to 28.25% of the Company's share capital.

The gross proceeds from the Capital Increase of Euro 425 million were used, together with cash on hand for:

- repayment in full of the principal amount of the Euro 250 million loan granted by Gamma Bondco S.à r.l., plus accrued and unpaid interest of Euro 30.3 million and the payment of the prepayment penalty due to the early extinguishment for an amount of Euro 16.5 million;
- repayment in advance of a portion of the Euro 300 million senior secured floating rate notes due 2025 amounting to Euro 100 million, plus accrued and unpaid interest for an amount of Euro 1.7 million;
- payment of the transaction costs in relation to the Capital Increase, including underwriting commissions of Euro 11.5 million, advisor and other costs of Euro 16.0 million;
- payment of the commitment fees in relation to the Bridge Facility signed on 12 April 2023 of Euro 13.8 million and to the Revolving Credit Facility of Euro 4.0 million;
- payment of the cash consideration of Euro 4.3 million in relation to the Faro Games Transaction (as defined below).

It should be noted that the remaining amount of the arrangement fees of Euro 4.5 million recognized with reference to the previous revolving credit facility agreement was reversed to the income statement, following the signing on 3 May 2023 of the Revolving Credit Facility.

It should be noted that on 1 June 2023, Gamma Topco S.à r.l. completed the contribution in kind of its equity investment in Lottomatica Group S.p.A. to Gamma Intermediate S.à r.l.

11.5.10 Faro Games transaction

On 3 April 2023, Lottomatica Group, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) and Faro Games S.r.l. ("**Faro Games**") entered into a framework agreement (the "**Framework Agreement**"), as subsequently amended, governing the terms and conditions under which Faro Games, as previous owner of 1,464,054 shares of GGM S.p.A. (the "**GGM Shares**"), disposed of its investment in GGM S.p.A. (the "**Faro Transaction**").

Pursuant to the Framework Agreement, effective as of 3 May 2023, Faro Games sold to Lottomatica Group 142,339 GGM Shares for Euro 4.3 million and contributed in-kind the remaining 1,321,715 GGM Shares to Lottomatica Group, in exchange for 4,408,190 new ordinary shares issued by the Company on 3 May 2023 (1.75% of total shares issued). Then, Lottomatica Group contributed in-kind the GGM Shares to Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.)

11.5.11 2023 Refinancing

On 1 June 2023, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued the June 2023 Notes for a total principal amount of Euro 1,115 million. Net proceeds were used to fund (i) the early repayment of the senior secured notes issued on 1 April 2021 and 23 July 2020 for a total principal amount of Euro 1,115 million in addition to accrued and unpaid interest (the "**2023 Notes Repaid**"); and (ii) the payment of make-whole related to their early repayment for Euro 12.7 million.

It should be noted that, with reference to the June 2023 Notes, the ancillary costs incurred for the related issue amounted to Euro 29.6 million, mainly attributable to professional fees connected with the completion of the aforementioned transaction for Euro 24.1 million and the issue discount amounting to Euro 5.5 million (relating to the notes issued with a variable coupon).

Finally, it should be noted that the refinancing also involved:

- the acceleration of the amortized cost on ancillary costs relating to the 2023 Notes Repaid of Euro 10.8 million, which were fully expensed in the three months ended 30 June 2023 following the related early repayment;
- the finance income of Euro 19.8 million due to the closing of the hedging derivative following the repayment in advance of the floating rate share of the notes issued on 23 July 2020;
- negative carry deriving from the negative difference between the interest income accrued on the escrow account and the interest expense accrued on the 2023 Notes Repaid for the period from 1 June 2023 to the repayment date amounting to Euro 2.5 million.

11.5.12 Acquisition of Ricreativo B S.p.A.

On 11 March 2023, GGM S.p.A. (now Lottomatica Gaming S.p.A.) signed the agreement for the acquisition of the entire share capital of Ricreativo B S.p.A., a company involved in the management of amusement machines (AWP and VLT), gaming halls as well as betting collection activities. The acquisition was completed in September 2023. The consideration, amounting to Euro 42.7 million, was agreed as the sum of a base price plus the net financial position as determined based on contractual provisions. This amount was paid (i) for Euro 11.5 million in cash (of which 50% on the date of completion and the remaining 50% on 24 monthly instalments from that date) and (ii) for the remaining part through the assignment to the seller of newly issued shares of GGM S.p.A. (now Lottomatica Gaming S.p.A.), following the capital increase which occurred at the same time as the completion of the acquisition, for an amount of Euro 31.2 million (including the share premium).

11.5.13 Acquisition of Iris S.r.l. and Bingo Service S.r.l.

On 30 November 2023, Big Easy S.r.l. signed the agreement for the acquisition of the entire share capital of Iris S.r.l. The consideration for the acquisition amounting to Euro 0.4 million, plus adjustment price.

On 11 December 2023, Big Easy S.r.l. signed the agreement for the acquisition of the entire share capital of Bingo Service S.r.l. The consideration for the acquisition amounting to Euro 2.0 million, plus adjustment price.

Both the companies are involved in Bingo and betting collections through AWP and VLT.

11.5.14 Purchase of minority shares Billions Italia S.r.l.

On 23 January 2024, Gamenet S.p.A. finalized the agreement to acquire the remaining 30% of share capital of Billions Italia S.r.l. for Euro 6.5 million, owned by Dgplay S.r.l.. Out of this amount, Euro 3.3 million was paid upon signing the contract, and the remaining portion will be paid in 12 monthly instalments starting from June 2024.

11.5.15 Acquisition of SKS365 Malta Holding Limited

On 24 April 2024, GBO S.p.A. finalized the acquisition of the entire share capital of SKS365 Malta Holding Limited, an omnichannel operator in the Italian online and sports betting market, with approximately 600 thousand registered online users, highly recognized brands ("Planetwin365" and "PlanetPay365") and a retail network of about 1,000 sports betting shops.

The consideration for the acquisition was Euro 621.5 million, including leakages and ticking fees, contractually determined. The transaction was financed through a combination of available cash and the proceeds from the issuance of the December 2023 Notes.

It should be noted that SKS365 Malta Holding Limited is the parent company of the operating company SKS365 Malta Limited, which was renamed to PWO Limited (now PWO S.p.A.) following the acquisition.

11.5.16 2024 Refinancing

On 29 May 2024, Lottomatica S.p.A. (subsequently merged into Lottomatica Group S.p.A.) issued the May 2024 Notes for a total principal amount of Euro 900 million.

Net proceeds were used, together with the cash available, to fund (i) the early repayment of the 2022 Notes and the 2023 June Floating Rate Notes, in addition to accrued and unpaid interest; and (ii) the payment of make-whole related to their early repayment of Euro 26.4 million.

With reference to the May 2024 Notes, ancillary expenses for the issuance amounted to Euro 10.9 million and was mainly attributable to professional expenses.

The refinancing also involved the acceleration of the amortized cost on ancillary costs relating to the 2024 Notes Repaid of Euro 21.3 million, which were fully recognized following the early repayment.

11.5.17 Merger of The Box S.r.l. and Slottery S.r.l. into Big Easy S.r.l.

On 24 April 2024, the shareholders' meetings of the companies involved approved the plan for the merger by incorporation of Slottery S.r.l and The Box S.r.l. into Big Easy S.r.l., pursuant to Article 2501-ter of the Italian Civil Code. The aforementioned merger is part of a project to reorganize and simplify

the Group's organizational and corporate structure, with the aim of facilitating corporate governance and coordination activities, as well as achieving cost savings and improved operational efficiency. The merger became effective on 1 June 2024 with accounting and tax effects backdated to 1 January 2024.

11.5.18 Acquisition of minority share of New Matic S.r.l., transfer to Jolly Group S.r.l. and subsequent merger

On 13 May 2024, Gamenet S.p.A., which owned 51% of the share capital of New Matic S.r.l., acquired the remaining 49% shareholding, thereafter owning 100% of the share capital. The consideration for the acquisition of the minority shares amounted to Euro 0.4 million, fully paid.

On 22 May 2024, Gamenet S.p.A., sold its entire shareholding in the company New Matic S.r.l. to Jolly Group S.r.l. for Euro 1.0 million. Subsequently, on 7 June 2024, the boards of directors of New Matic S.r.l. and Jolly Group S.r.l. approved the plan for the merger by incorporation of the former into the latter, prepared in accordance with Article 2501-ter and 2505 of the Italian Civil Code. The merger has become effective on 5 August 2024, with accounting and tax effects backdated to 1 January 2024.

11.5.19 Merger of Lottomatica S.p.A. into Lottomatica Group S.p.A.

On 18 June 2024, the board of directors of the companies involved approved the plan for the direct merger by incorporation of Lottomatica S.p.A. into Lottomatica Group S.p.A., pursuant to Articles 2501-ter and 2505 of the Italian Civil Code. The aforementioned merger serves a variety of purposes, such as, inter alia, the optimization of cash flow management within the group headed by the Company, the integration of the control structures of the companies involved in the merger, the simplification of the shareholding structure with a consequent increase in decision-making efficiency and management streamlining, as well as the reduction of operating costs, accounting and administrative requirements.

On 24 October 2024, the deed of merger of Lottomatica S.p.A. into Lottomatica Group S.p.A. was signed. The merger had legal effects from 1 November 2024, with accounting and tax effects backdated to 1 January 2024.

As of the effective date of the merger, the Company has taken over, by full right and without interruption, all the active and passive legal relationships pertaining to Lottomatica S.p.A. (including the outstanding notes and the revolving credit facility agreement).

11.5.20 Acquisition of Rete Gioco Italia S.r.l.

On 23 July 2024, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60 % of the share capital of Rete Gioco Italia S.r.l., a company operating in the management of halls as well as AWP and VLT devices within them. The consideration for the acquisition amounted to Euro 14.9 million plus price adjustment.

11.5.21 Acquisition of Bakoo S.p.A.

On 24 July 2024, Marim S.r.l. finalized the acquisition of the entire share capital of Bakoo S.p.A., a company operating in the development and implementation of gaming software in the AWP, VLT and online markets. The consideration for the acquisition amounted to Euro 4.4 million.

11.5.22 Merger of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l.

On 11 September 2024, the board of directors of the companies involved approved the plan for the merger by incorporation of Iris S.r.l., Bingo Service S.r.l., Kristal Palace S.r.l., Il Galletto Fortunato S.r.l. and AB Games S.r.l. into Battistini Andrea S.r.l., pursuant to Articles 2501-ter and 2505 of the Italian

Civil Code. The aforementioned merger is aimed at harmonizing the corporate structure to the one of the Group's "Bingo" business line. The merger became effective on 22 November 2024 with accounting and tax effects backdated to 1 January 2024. The Company has been renamed Big Easy Bingo S.r.l..

11.5.23 Acquisition of majority shares of IMA S.r.l.

On 17 December 2024, Marim S.r.l. finalized the agreement for the acquisition of the remaining 51% of the share capital of IMA S.r.l. for Euro 0.2 million held by IGT Europe Gaming BV. Following this transaction, Marim S.r.l. controls 100% of the share capital of IMA S.r.l..

11.5.24 Acquisition of Sea S.r.l.

On 15 October 2024, Big Easy S.r.l. finalized the acquisition of the entire share capital of Sea S.r.l., a company that operates in the legal gaming sector with specific regard to bingo games as well as in the management of AWP and VLT machines. The consideration for the acquisition amounted to a total of Euro 6.0 million. In addition, an additional and possible price component of a variable amount may be paid in 2026 depending on the financial performance of the company during the year 2025.

11.5.25 Acquisition of Cristaltec S.p.A.

On 13 January 2025, Lottomatica Videolot Rete S.p.A. finalized the acquisition of 60% of the share capital of Cristaltec S.p.A., a company involved in the development and distribution of online games, AWP and VLT games. The agreed consideration amounted to Euro 5.0 million, including price adjustments.

On 31 March 2025, Lottomatica Videolot Rete S.p.A. converted part of its shares into non-voting shares, reducing its voting rights to 37.40% from the original 60%.

11.5.26 Merger by incorporation of SKS365 Malta Holding Limited into GBO S.p.A.

On 4 February 2025, the deed of merger by incorporation of SKS365 Malta Holding Limited (the **"Merged Company"**) into GBO S.p.A. (the **"Merging Company"**) was signed. For legal purposes, the merger will take effect from the first day of the month following the date of registration of the deed of merger in the Register of Companies of the place where the Merging Company has its registered office pursuant to art. 35 of Legislative Decree 19/2023. Pursuant to article 2504-bis of the Italian Civil Code and applicable Italian tax legislation and article 6(1)(f) of Maltese Law 28/2023, the activities of the Merged Company were considered as carried out on behalf of the Merging Company as of 1 January 2025 for accounting and tax purposes in Italy.

11.5.27 Cross-border transformation of PWO Limited into PWO S.p.A.

On 4 February 2025, the preliminary steps for the transformation of PWO Limited (formerly SKS Malta Limited) into a joint stock company under Italian law were completed. The transformation came into effect from 1 March 2025.

11.5.28 Acquisition of Distante S.r.l.

On 1 April 2025, the acquisition by Lottomatica Videolot Rete S.p.A. of 65% of the share capital of Distante S.r.l. became effective. Distante S.r.l. is a company engaged in the rental, management, and maintenance of AWP gaming machines. The acquisition price amounted to Euro 15.1 million.

11.5.29 2025 Refinancing and amendment to the terms of the existing revolving credit facility

As described in Note 9.16.1, on 13 May 2025, Lottomatica Group S.p.A. issued the May 2025 Notes for a principal amount of Euro 1,100 million.

Proceeds from the May 2025 Notes were used to finance the early repayment of the fixed rate senior secured notes maturing in 2028 and the floating rate senior secured notes maturing in 2030, issued by Lottomatica S.p.A. (now merged into the Company) on 1 June 2023 and 14 December 2023 respectively, in addition to accrued and unpaid interest and the make-whole payment due to early repayment.

Furthermore, on 23 April 2025, the Company entered into an amendment and restatement agreement with all relevant lenders to modify the existing revolving credit facility, which includes (i) an extension of the maturity date of the credit line, (ii) a reduction in the interest rate, and (iii) an upside of the commitments available thereunder.

11.5.30 Launch of share buyback program

As per the authorization granted by the Shareholders' Meeting of the Company held on 30 April 2025 and the resolution adopted by the Board of Directors on 6 May 2025, the Company announced the launch, effective from 18 June 2025, of its share buyback program (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 realize potential acquisitions or other projects that can provide attractive returns for the Company that require the use of the Company's cash, the buy-back programme may be interrupted or reduced.

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 around Euro 500 million (of which Euro 300 million had already been incurred as of 31 December 2025 and approximately Euro 200 million is expected to be incurred in 2026).

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' Regulation, and in accordance with Article 5 of the MAR Regulation. In accordance with Article 2357, paragraph 1, of the Italian Civil Code, the purchase of treasury shares must in any case be carried out within the limits of distributable profits and available reserves resulting from the latest approved financial statements at the time each transaction is carried out.

The treasury shares shall be purchased under the price conditions specified in Art. 3, paragraph 2, of Delegated Regulation 2016/1052/EU. 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. The duration of the Programme has been established in a period of maximum 18 months.

11.5.31 Disposal of shares by Gamma Intermediate S.à r.l.

On 17 June 2025, Gamma Intermediate S.à r.l. completed the disposal of its entire stake in Lottomatica Group S.p.A., equal to 21.3% of the share capital, through a private placement.

11.5.32 Inclusion in the STOXX Europe 600 Stock Index

On 23 June 2025, the Company became part of the STOXX Europe 600 index (SXXP). The STOXX Europe 600 is a stock index comprising 600 top European companies, representing an extensive and diversified coverage of different industries within Europe's developed economies, and is published by STOXX Limited.

11.5.33 Inclusion in the FTSE MIB Index

Effective from 22 September 2025., the Company became part of the FTSE MIB Index, which includes the top 40 Italian companies by market capitalization and stock liquidity.

11.5.34 Acquisition of 20% of Sportbet S.r.l.

On 16 December 2025, GBO S.p.A. completed the acquisition of 20% of the share capital of Sportbet S.r.l., a company operating in the remote gaming and betting collection sector under an ADM licence. The transaction was carried out through the subscription of a reserved capital increase approved by Sportbet S.r.l. for Euro 2.0 million, fully paid in by GBO S.p.A..

11.5.35 Disposal of shareholdings in Bakoo S.p.A.

On 18 December 2025, Marim S.r.l. signed an agreement for the sale of its entire stake in Bakoo S.p.A., representing 100% of the share capital. The agreement provides for the transfer of 51% to Cristaltec S.p.A., 23% to GMI19 S.r.l., and the remaining portion to two private investors. The total consideration amounts to Euro 12 thousand. The legal and economic effects of the disposal take effect from 1 January 2026.

11.5.36 Reorganization of the Group

During the year, the Group initiated a significant corporate reorganization aimed at simplifying the Group's structure, streamlining management costs, and improving operational and tax efficiency through the consolidation of homogeneous activities under a single controlling entity ("**Reorganization**"). The Reorganization provides for: (i) the partial carve out of the equity investments held by Lottomatica Videolot Rete S.p.A. in Rete Gioco Italia S.r.l., Cristaltec S.p.A., Distanto S.r.l., and Big Easy S.r.l. in favor of GGM S.p.A., and (ii) the partial carve out of the equity investments held by Gamenet S.p.A. in Billions Italia S.r.l., Jolly Group S.r.l., and Gnetwork S.r.l. in favor of GGM S.p.A.. As part of the Reorganization, GGM S.p.A. was renamed "Lottomatica Gaming S.p.A..".

The Reorganization will be effective for accounting purposes as of 1 January 2026. All necessary corporate approvals were obtained during the year.

11.6 Significant events occurring after 31 December 2025

11.6.1 Acquisition of 60% of Center Games S.r.l.

Effective 1 January 2026, Ricreativo S.p.A. completed the acquisition of 60% of the share capital of Center Game S.r.l., a company engaged in the management and maintenance of AWP gaming machines. The base consideration amounted to Euro 3.5 million.

11.6.2 Reorganization of the Group

As part of the internal reorganization of the Group, the Company initiated the transfer of its technology division to its subsidiary Totosì Servizi S.r.l., through the subscription of a capital increase to be paid in kind by contributing the business unit. In connection with the transaction, the subsidiary is renamed “Lottomatica Technology & Operations S.r.l.”. The transaction is effective from 1 February 2026.

The transaction is part of a project to streamline governance and intragroup services, aimed at creating a specialized hub for the management and delivery of technological services within the Group.

Rome, 2 March 2026

Chief Executive Officer

Guglielmo Angelozzi

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LOTTOMatica

Lottomatica Group S.p.A.

€765,000,000 4.625% Senior Secured Notes due 2032

OFFERING MEMORANDUM

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The date of this offering memorandum is May 7, 2026.
