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Group Financial Results
FY 2022 – January – June 2022

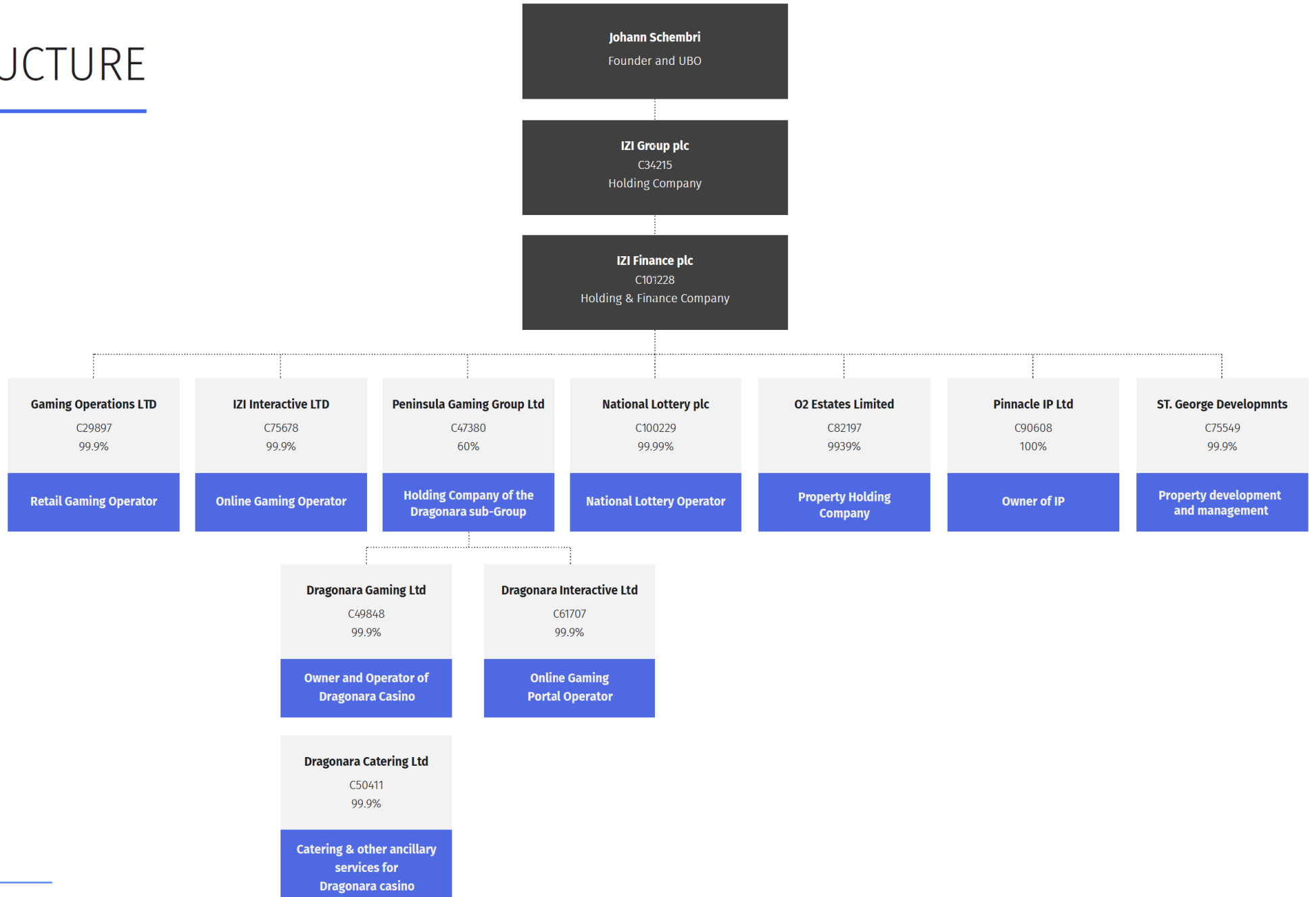
Presentation highlights

- Overview of Group Structure
- Land-based Gaming Market
- Review of FY 2022
- Detailed review of FY 2022 Financials
- FY 2023 Outlook

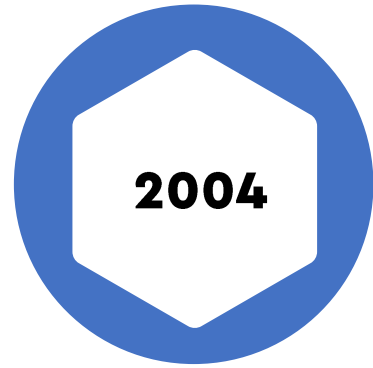
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Overview of Group Structure

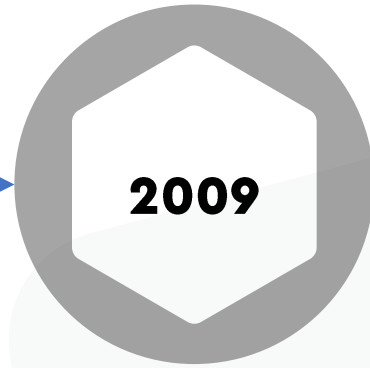
GROUP STRUCTURE



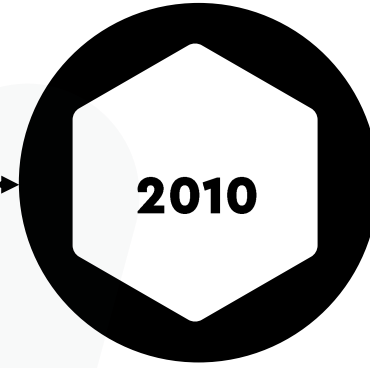
Historical Perspective



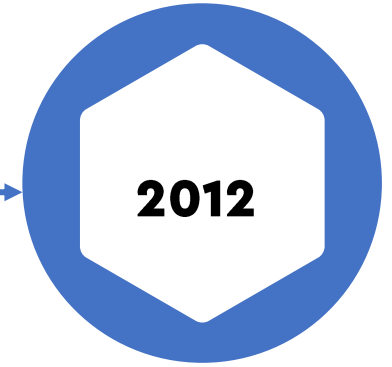
IZI Group is founded



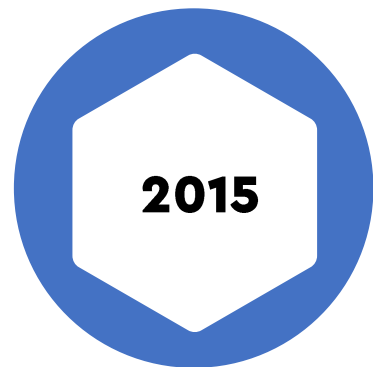
IZI Group participates in the international bid of the Dragonara Casino through a consortium with Novomatic AG and Bianchi Group



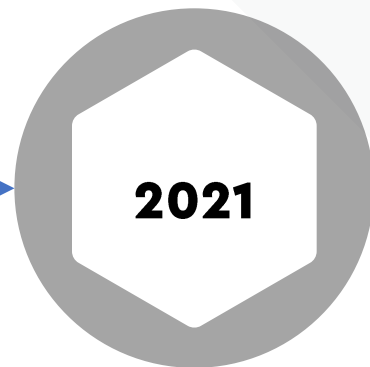
IZI Group commences operations of the Dragonara Casino, investing €20M in the project.



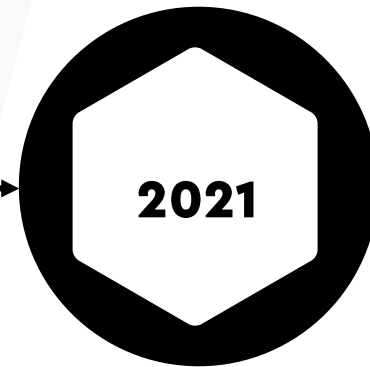
IZI Group launches its first retail gaming network



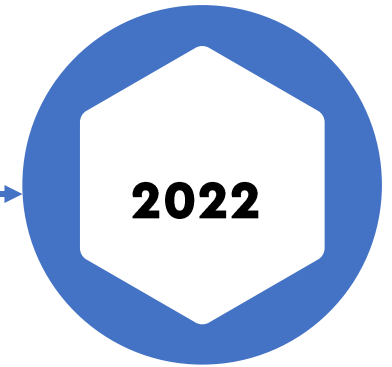
IZI Group rebrands the retail network as IZIBET and launches Sports Betting



IZI Group wins successive concession to operate the Dragonara Casino for the period 2021-2031. The Group establishes National Lottery plc which is declared as the Preferred bidder to operate the National Lottery of Malta from 2022-2032



IZI Finance plc is established in December 2021.



National Lottery plc signs exclusive concession agreement with the Government of Malta to operate the National Lottery for the period 2022-2032

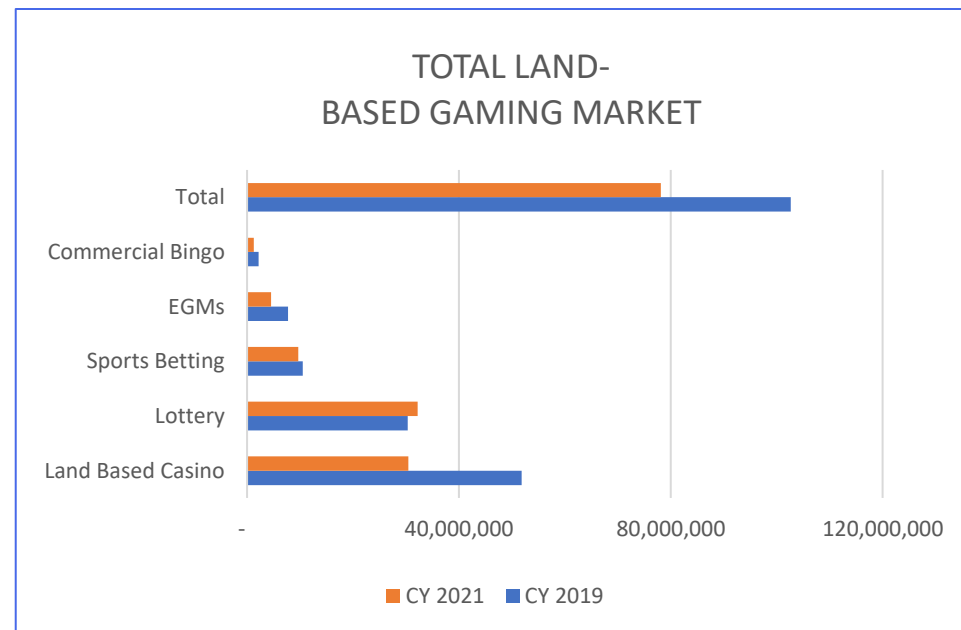
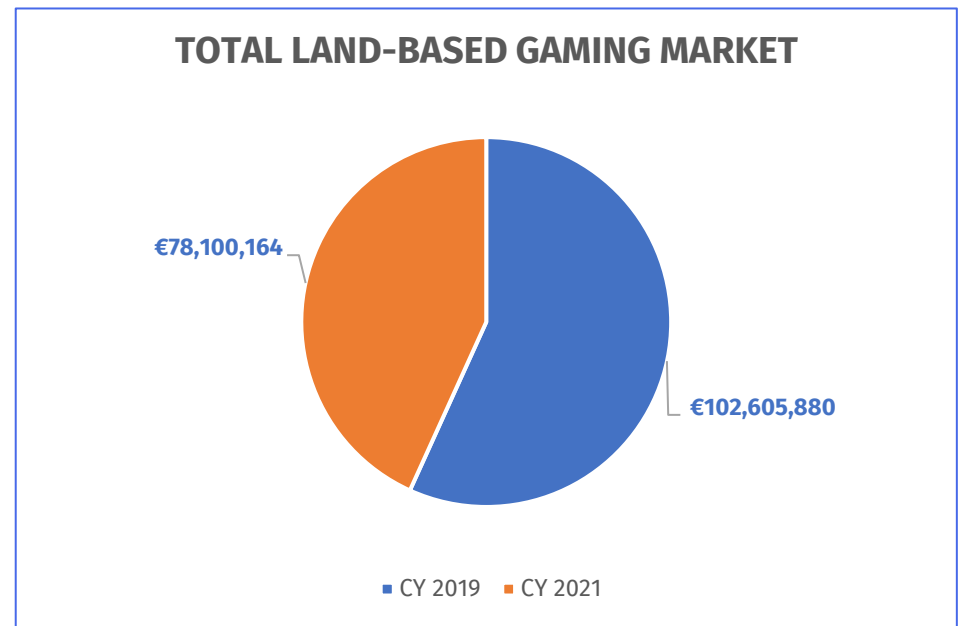
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Land-based Gaming Market

January – December 2021

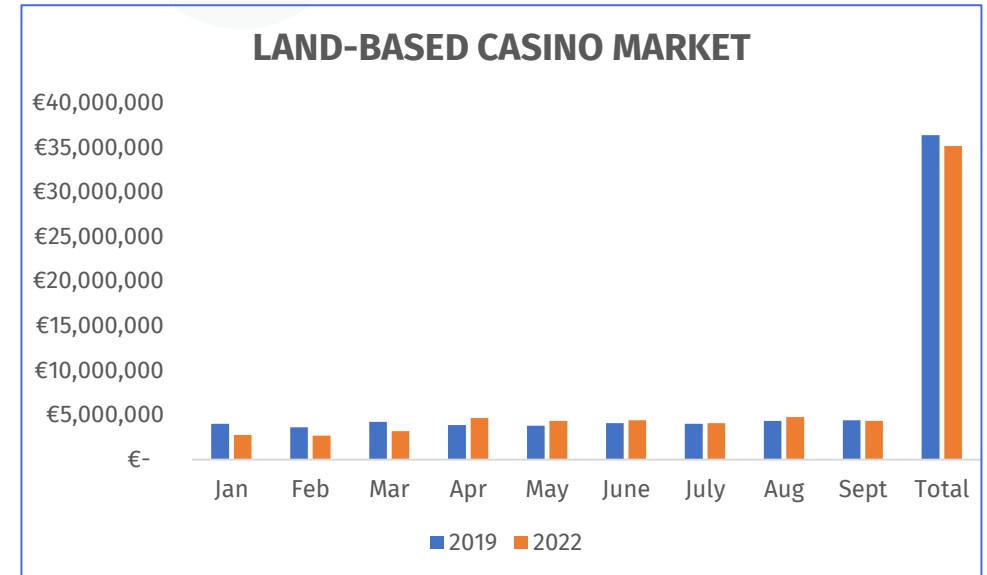
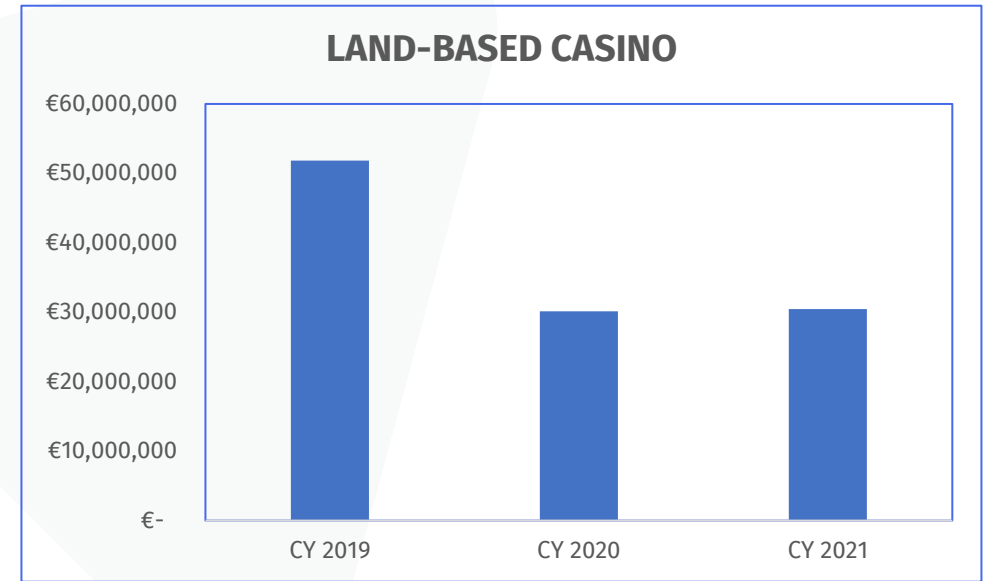
A resilient market hard hit by COVID-19

- ▶ Land-Based Gaming Market operated at **76%** of the CY2019 base year. The largest 2 verticals, Land-Based casinos and National Lottery experiencing largest rates of recovery in the market.



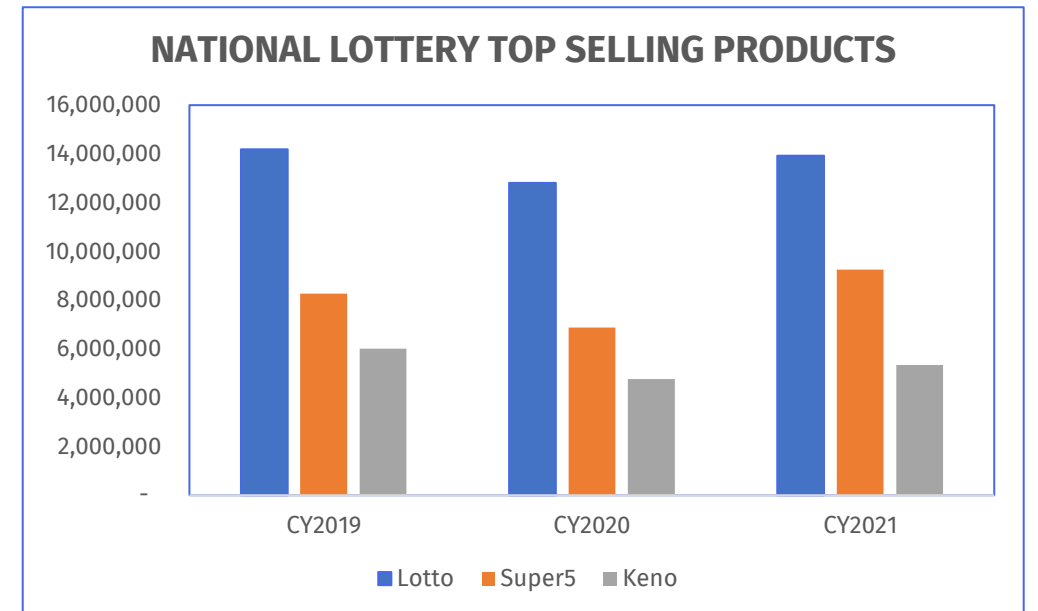
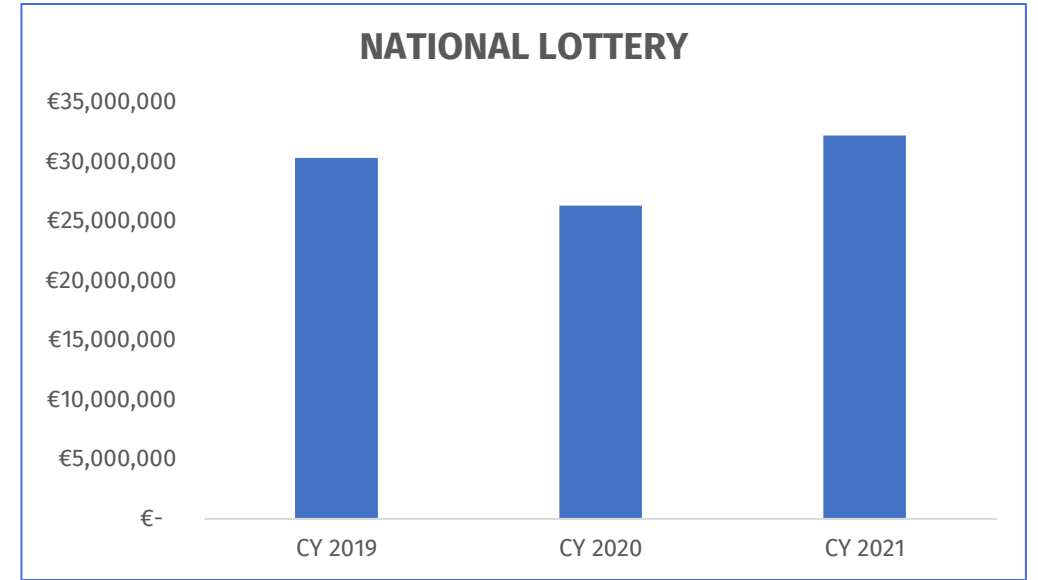
Casino market expected to fully recover in 2022

- ▶ The land-based casino market operated at only **59%** of the CY2019 threshold but **has recovered fully** in the first 9 months of CY2022.



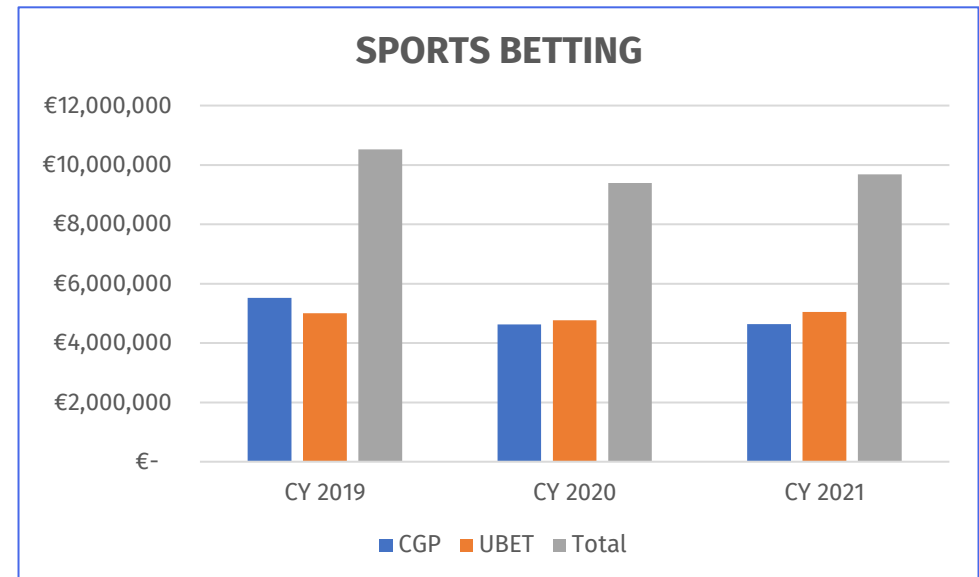
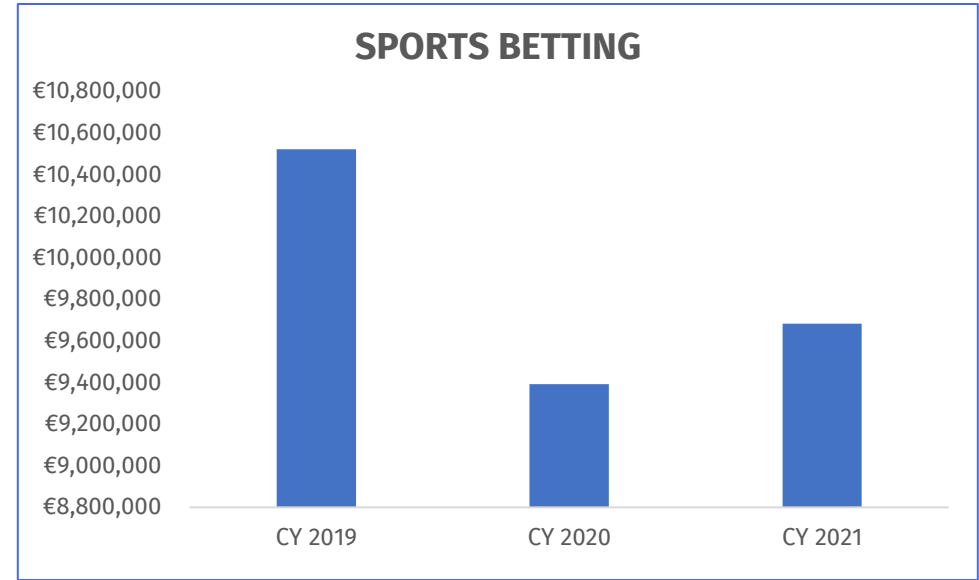
National Lottery market has fully recovered

- ▶ The **National Lottery** market has **outperformed** from the CY2019 levels increasing the market value by **6%**. **Super5** outperforming CY2019 levels, **Lotto** at **98%** and **Keno** at **89%**.



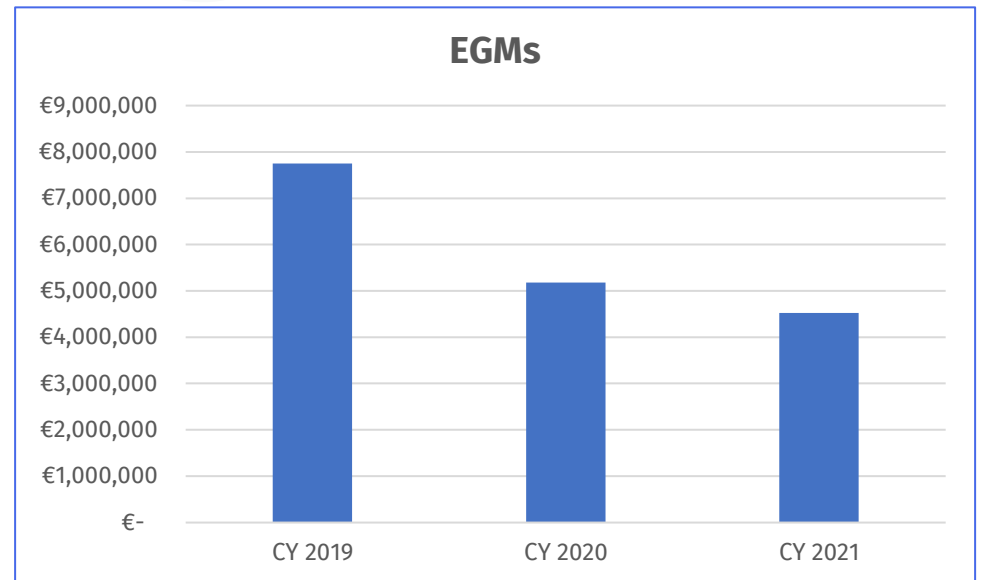
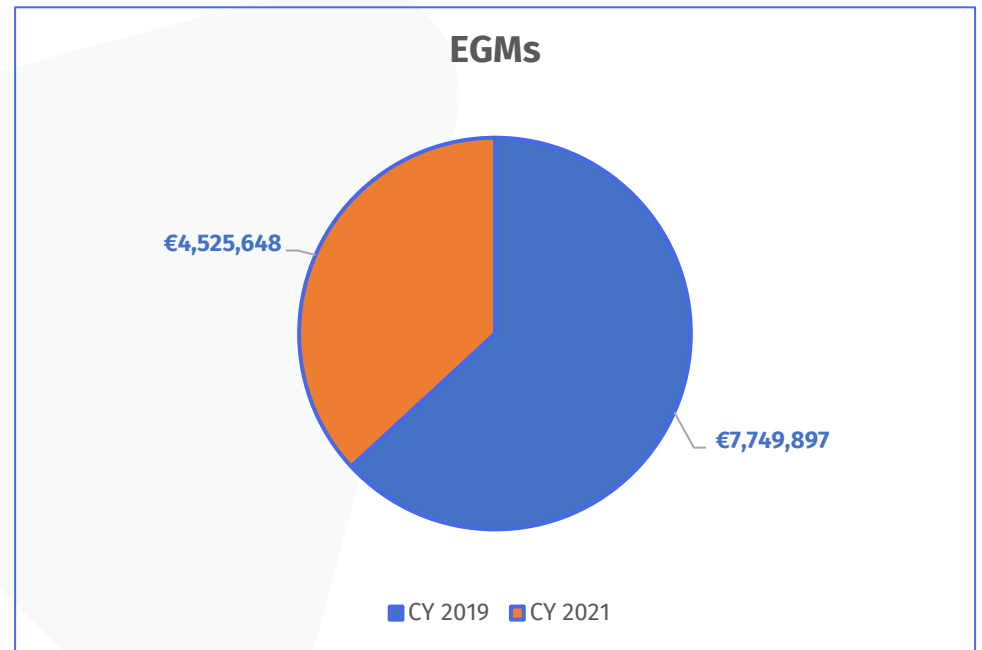
Sports betting edging closer to CY2019 levels

- ▶ Sports betting services offered by Controlled Gaming Premises (CGP) operators and UBET operated at **92% CY2019** levels.



EGMs still lagging other verticals in terms of recovery

- ▶ EGMs (Slot Machines) operating at only **58%** of CY2019 levels. Recovery in CY2022 is underway but rate of recovery is slower when compared to the rate of recovery in other verticals.



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Performance Review

July 2021 – June 2022

Key Accomplishments



Signed exclusive concession agreement with the Government of Malta to operate the National Lottery of Malta.



Successfully completed financing strategy through a bond issue and loan agreement.



Successfully launched the National Lottery operation on July 5, 2022, in a record pre-launch timescale.



Successfully implemented a voluntary resignation scheme – a key component of the modernisation process of the retail National Lottery network.

Key Accomplishments



Commenced the refurbishment programme for the national lottery distribution network.



Launched the new mother brand for national lottery and product brands for the various national lottery products.



Completed the Studio facilities required for the draw of 2 of the most important lottery products in the local market, namely Lotto and Super5.



Signed supply agreement for the provision of online lottery services, projected to launch in Q1 2023.

Key Accomplishments



Commenced the modernisation process at the Dragonara Casino with the replacement of the gaming product.



Replacement of Casino Management System for Dragonara Casino, to be completed by Q2 2023.



Unprecedented growth in Sports Betting.

Results Highlights – FY 2022* (6 months)

Group Revenue
€17.16M

**Group
EBITDAR**
€2.75M

Net Assets
€85.91M

* Considering 6 months operation from January 1, 2022, till June 30, 2022. Source: Audited Financial Statements FY2022.

Strong FY2022* performance in all business verticals

EBITDAR

€5.88M in EBITDAR
against a budget of
€5.14M.

1

Revenue and Other Income

€32.1M in Revenues and Other Income
against a budget of €28.4M

2

3

Profit after Income Tax (PAIT)

Total Comprehensive Income of
€578K against a budgeted loss
of €1.2M

* Full year operation from July 1, 2022, till June 30, 2022. Source: Management Accounts.

Best performance ever at the Dragonara Casino

Market Share

39% share in terms of market value and **40%** in terms of attendance.

1

Taxable GGR

€16.5M in GGR a **20%** increase from **FY2019** and an increase of **81%** with the **FY2021** performance.

2

3

EBITDAR

Growth factor of **3.2** when compared to **FY2021** resulting in an EBITDAR of **€4.4M**

Sports Betting fully recovered but EGMs still lagging the FY2019 levels

Market Share

64% share in terms of market value in EGMs and **80%** share in Sports Betting within the CGP market.

Overall market share in Sports Betting at **48%**

1

Taxable GGR

€3.7M in GGR from Sports Betting, equal to **89%** of 2019 levels, and **€4.6M** from EGMs, equal to **58%** of 2019 levels.

2

3

EBITDAR

An **EBITDAR** of **€2.23M** outperforming FY2021 by a factor of **1.31**

Online operations growing steadily

Gross Gaming Revenue

Yearly revenues of **€1.6M**
in line with budget.

1

Active Players

Growth factor of **2.5** in active players resulting in an increase in deposits by a factor of **3.3**

2

3

EBITDA

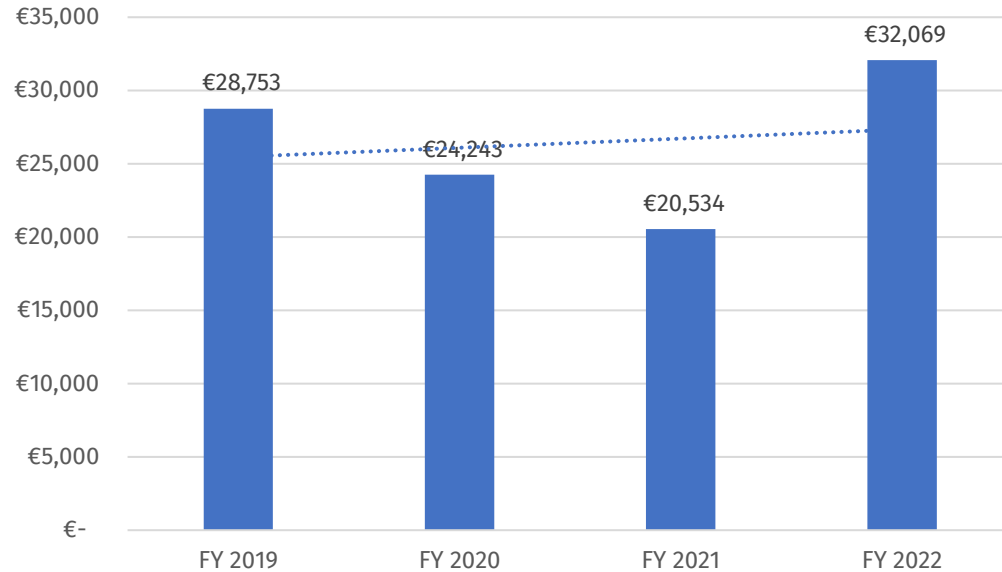
Improvement in EBITDA of **€264K** resulting in break even for the year.

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Detailed review of FY 2022 Financials

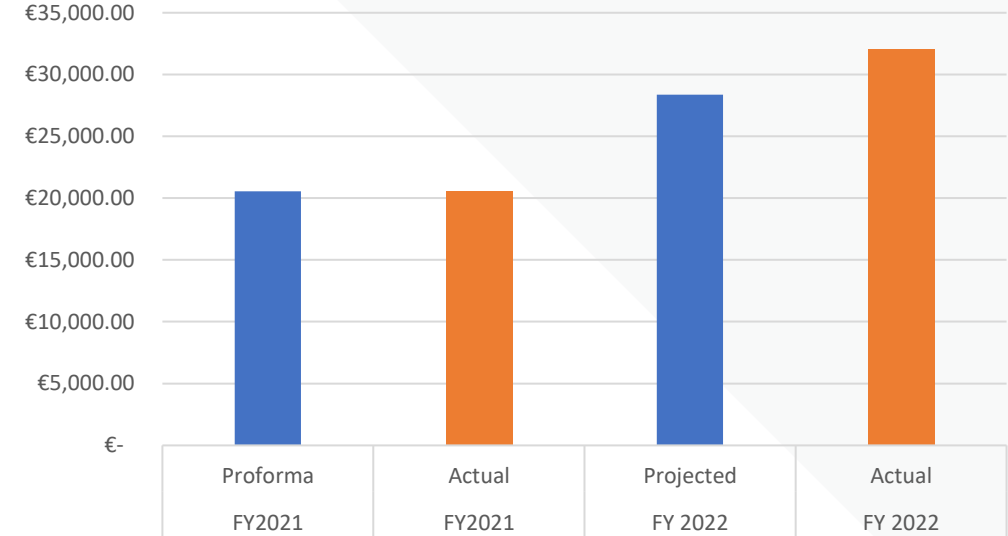
Group GGR & Other Income

Revenue & Other income in €000's



FY2022 outperformed the benchmark year **FY2019** by a factor of **1.12**.

Revenue & Other income in €000's

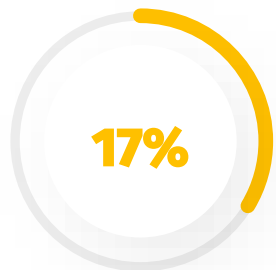


FY2022 is ahead of financial projections presented in the prospectus by a factor of **1.13**.

CAPEX Investment Programme



DRAGONARA CASINO



An investment of €1.436M has been undertaken to primarily invest in new products within the Casino. Future investments to be staggered at a slower pace than anticipated.



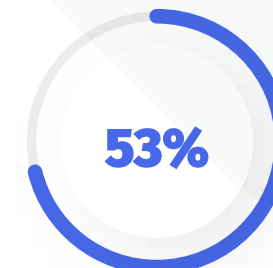
RETAIL DISTRIBUTION UPGRADE



An investment of €76,000 has been undertaken in the own retail network as priority was given to the investments required to launch the National Lottery operation.

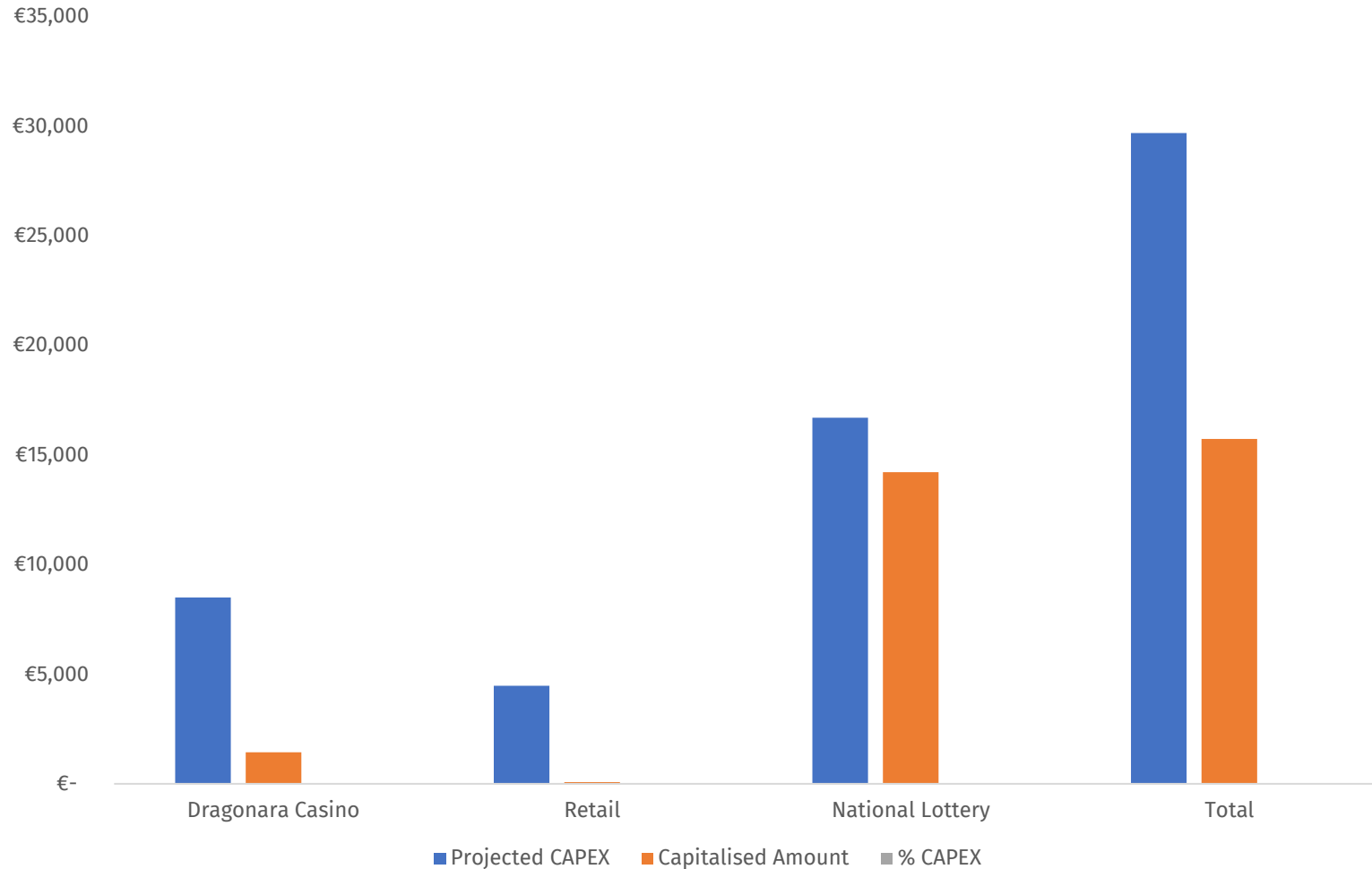


NATIONAL LOTTERY



An investment of €8.784M has been primarily in the NL systems, acquisition of retail licenses via the voluntary resignation scheme.

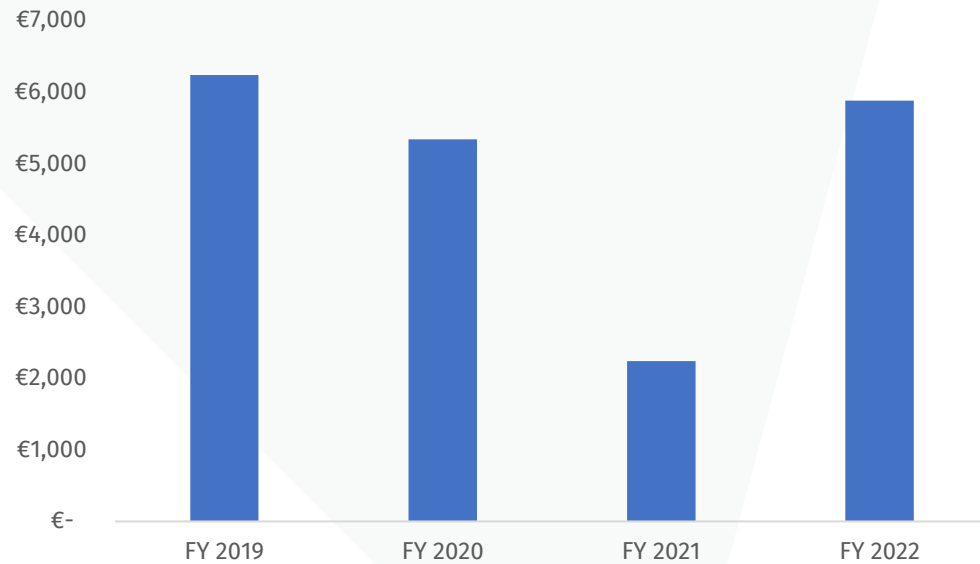
CAPEX Investment Programme



A total of **€15.72M** has been capitalised by the Group subsidiaries, the largest portion of which for the setting up of the NL operations. **53%** of the total CAPEX plan has been activated.

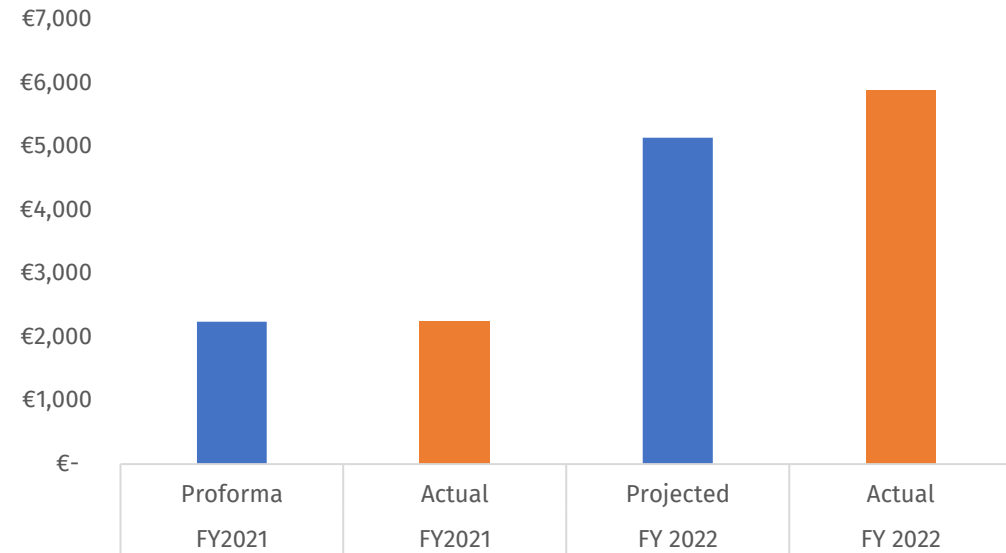
Group EBITDAR

EBITDAR in €000's



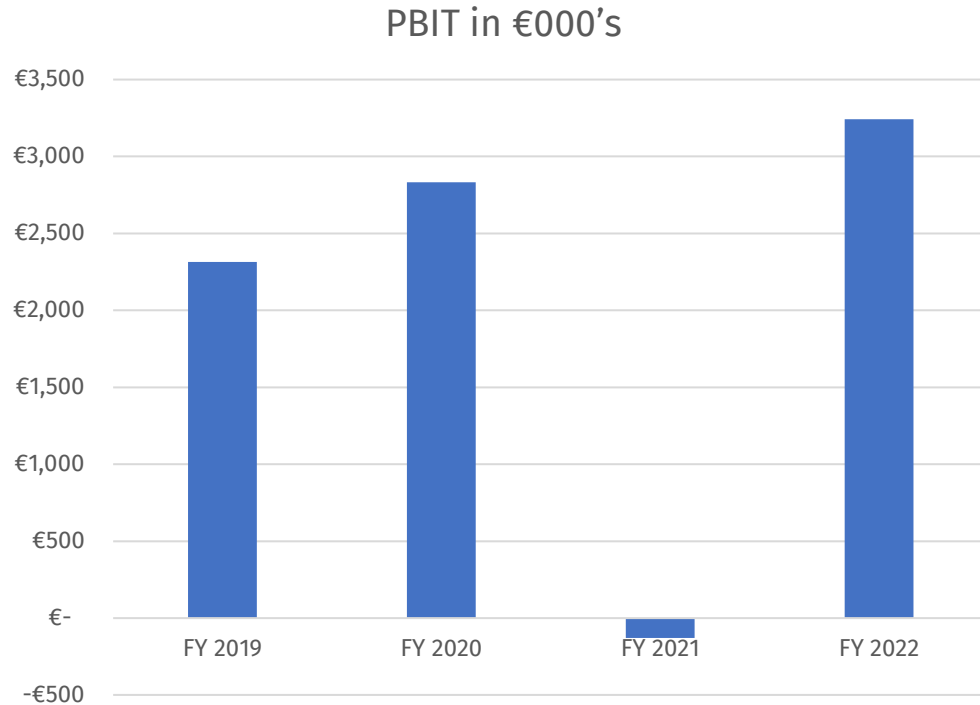
EBITDAR in **FY2022** at **94%** level of benchmark year **FY2019**

EBITDAR in €000's

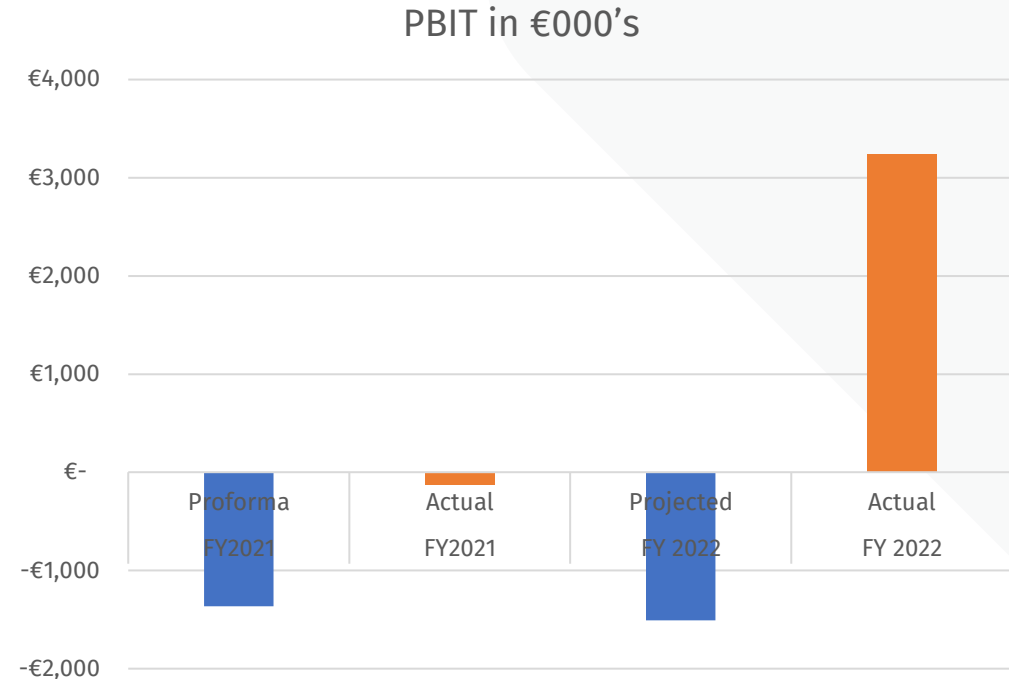


EBITDAR in FY2022 surpassed the Prospectus projections by a factor of **1.14**.

Group PBIT



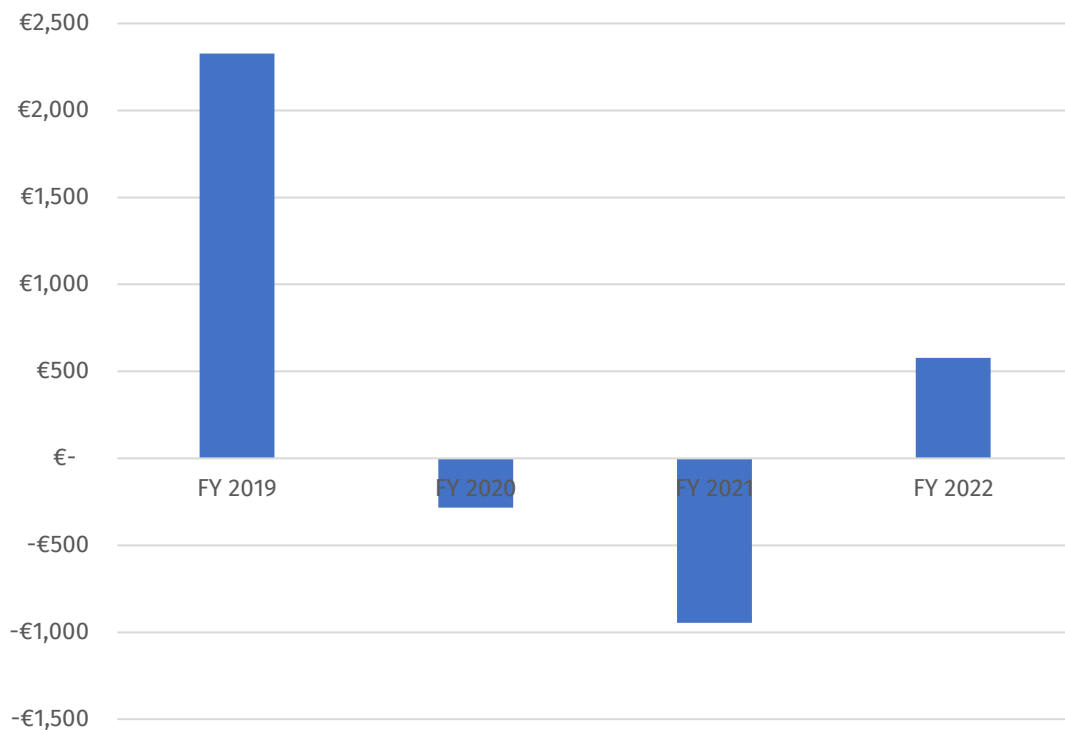
The Group registered its **highest PBIT** as it continues its recovery from the downturn of FY2021.



The Group **PBIT** has outperformed the **FY2019** benchmark year by a factor of **1.4** and the projections of the Prospectus by **€4.7M**

Group PAT

PAT in €000's



The Group generated a PAT of €578,000 following a loss of €967,000 a year earlier.

PAT in €000's



The Group generated PAT at the level of 25% of the benchmark year FY2019 and outperformed the Prospectus projections by €1.5M

Group Income Statement

€000's	FY2021	FY2022 ACTUAL	FY2022 PROJECTED	VARIANCE
Revenue	20,164	30,490	28,054	2,435
Other Income	370	1,579	311	1,267
Staff Costs	(5,565)	(8,739)	(7,435)	(943)
Gaming Tax	(5,019)	(7,917)	(7,238)	(679)
Other Operating Expenses	(7,710)	(9,895)	(8,553)	(1,402)
EBITDA	2,240	5,878	5,139	678
Depreciation & Amortisation	(2,368)	(2,637)	(5,160)	2,575
Operating Profit (Loss)	(128)	3,241	(21)	3,253
Finance Costs	(1,237)	(1,810)	(1,824)	23
PBIT	(1,365)	1,431	(1,845)	3,276
Tax (expense) / credit	419	(853)	659	(1,512)
PAIT	(946)	578	(1,186)	1,764

Better than projected revenues in the Group subsidiaries, converting a projected loss of **€967K** into a PAIT of **€578K** a positive variance of **€1.764M**

Ratio Analysis

	FY2021 PROFORMA	FY2022 ACTUAL	FY2022 PROJECTED	VARIANCE
EBITDA MARGIN	11.1%	19.08%	18.3%	0.78%
CURRENT RATIO	0.4X	1.25X	2.3X	(1.05X)
CASH RATIO	0.2X	1.1X	2.1X	(1.0X)
INTEREST COVER RATIO	1.8X	2.49X	2.8X	(0.31X)
GEARING RATIO	8%	18.79%	18.7%	0.09%
NET DEBT TO EBITDA	3.3X	3.42X	3.8X	(0.38X)

Performance ratios are in line with expectations.

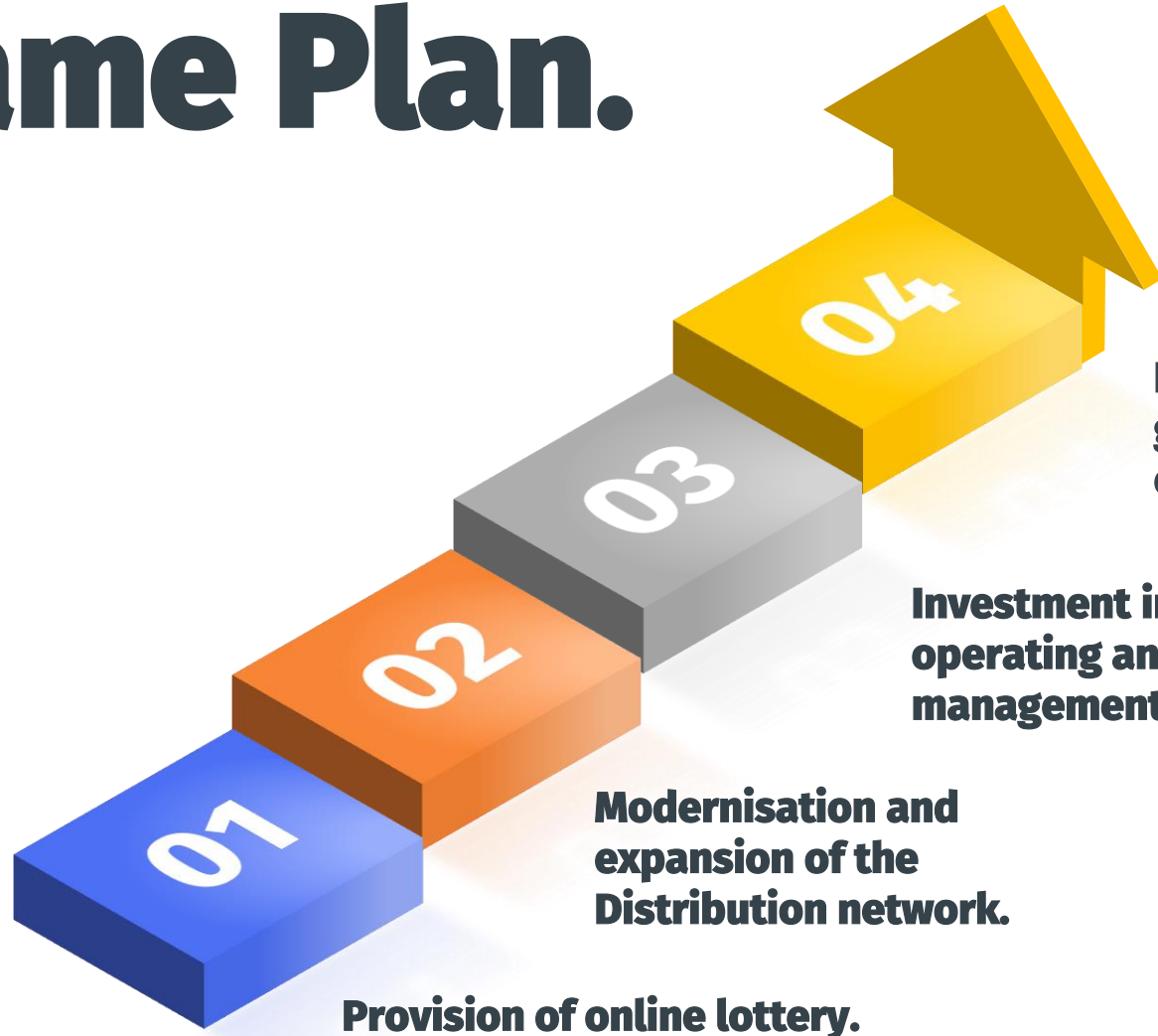
Statement of Financial Position

	FY2021 PROFORMA	FY 2022 ACTUAL	FY 2022 PROJECTED	CHANGE
ASSETS				
NON-CURRENT	140,152	262,585	150,087	112,498
CURRENT	2,630	21,175	21,275	(100)
TOTAL ASSETS	142,782	283,760	171,362	112,398
LIABILITIES				
NON-CURRENT	51,035	180,897	77,493	103,404
CURRENT	6,060	16,944	9,369	7,575
TOTAL LIABILITIES	57,095	197,841	86,862	110,979
EQUITY				
SHARE CAPITAL	80,000	80,000	80,000	0
RETAINED EARNINGS	0	(290)	(921)	631
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	80,000	79,710	79,079	631
NON-CONTROLLING INTEREST	5,685	6,209	5,421	788
TOTAL EQUITY	85,685	85,919	84,500	1,419
TOTAL EQUITY & LIABILITIES	142,780	283,760	171,362	112,398

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FY 2023 OUTLOOK

Strategic Game Plan.



Provision of online lottery.

Modernisation and expansion of the Distribution network.

Investment in new operating and management systems.

Introduction of improved game concepts and enriched player benefits.

Synergies from merged operations within the retail gaming market.

▼ FY 2023 OUTLOOK

“Strong outlook for Dragonara Casino as market is expected to outperform pre-COVID 19 levels. Dragonara Casino expected to outperform budget”

“Positive outlook for Sports Betting as retail operations are merged with National Lottery. FIFA World Cup 2022 Qatar to boost revenues”

“Outlook for lottery draw-based games linked to the roll out of the distribution network. Delays in the full roll out will impact performance of games such as Super5 that have an inherent elastic demand”

“EGMs also linked to the roll out of distribution network and the product upgrade. Slower than expected start to the year, recovery expected in Q3 & Q4 of FY2023”

“Online operations expected to perform at par with budget”

Key Milestones

Complete roll
out of
refurbished
shops for
National
Lottery

Extend National
Lottery network
to coincide with
launch of
ScratchIZ

Prepare for
introduction of
Eurojackpot
product

Sustain cost
effectiveness
programme
through merger

Introduce
loyalty
programme for
EGMs

Launch National
Lottery online
sales

Implementation
of new casino
management
system at
Dragonara
Casino

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Thank you