

IZI Finance p.l.c.

Interim Condensed Consolidated  
Financial Statements (unaudited)

For the six-months period 1 July to 31  
December 2024

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## Directors' report

The directors present their half-yearly report and the interim condensed consolidated financial statements for the period 1 July to 31 December 2024.

### Basis of preparation

The published figures for the reporting period have been extracted from the unaudited consolidated financial statements of IZI Finance p.l.c. ('the Group') for the six months period ended 31 December 2024 and the comparative period in 2023. The comparative statement of financial position as of 30 June 2024 has been extracted from the audited financial statements of the Group for the period ending on that date. This report is being published in terms of the Capital Markets Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Capital Markets Rules and International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Capital Markets Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited, or reviewed, by the Group's independent auditors.

### Principal activities

IZI Finance p.l.c. (the 'Company') was registered with the Malta Business Registry on 30 December 2021. The Company holds interests in several subsidiaries operating in the gaming industry including the exclusive concession for the management and operation of the National Lottery of Malta, the Dragonara Casino, iGaming and property.

### Review of financial performance

During the first six months, The Group delivered a robust financial performance, across multiple metrics:

- Total Turnover reached € 448.2 million; a 12% increase compared to the € 401.5 million generated in 2023.
- Total Player Winnings amounted to € 402.3 million; a 13% increase compared to the € 356.9 million winnings paid out in 2023.
- Total Gross Gaming Revenue (GGR) reached € 45.3 million; a 5% increase compared to the € 43.0 million of GGR generated in 2023.
- Other Revenue amounted to € 0.29 million compared to € 0.32 million in 2023.

This revenue growth resulted in a solid Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) of € 13.4 million (2023: € 10.8 million), reflecting a substantial increase of 24%. The EBITDA margin improved by 4.5%, rising from 25.0% to 29.5%, signalling enhanced operational efficiency. The EBITDA calculation is detailed in note 3.

National Lottery plc was the largest contributor, accounting for 64% of the total Group's EBITDA. This was followed by Dragonara Gaming Limited which generated 28% of the Group's EBITDA. The remaining 8% of the Group's EBITDA was mainly generated by IZI Interactive Limited and Dragonara Interactive Limited.

### **Operating Profit and Depreciation**

Operating profit for the period rose to € 5.2 million, a material improvement of 68% from the € 3.1 million generated during the same period in 2023. Depreciation and amortisation expenses amounted to € 9.8 million (2023: € 9.2 million), reflecting the Group's ongoing capital investment programme aimed at enhancing operational efficiency and long-term growth. This figure includes the amortisation of the concession fees paid to the Government of Malta by National Lottery plc and Dragonara Gaming Limited.

### **Profit Before Tax**

The Group's profit before tax rose to € 2.7 million (2023: € 0.3 million), representing a remarkable 740% increase. This strong performance was driven by a combination of robust revenue growth, a significant improvement in EBITDA, and lower finance costs, all stemming from the effective management of both operating and non-operating entities.

### **Balance Sheet and Liquidity**

At the close of the reporting period, the Group's total equity increased to € 84.5 million compared to € 83.1 million in June 2024. Total assets stood at € 262.8 million (June 2024: € 268.9 million), and total liabilities decreased to € 178.3 million (June 2024: € 185.8 million).

Notably, during the period ended 31 December 2024, the Group generated positive cash flows from operations amounting to € 11.4 million (2023: € 10.4 million), an increase of 10% over the same period last year. This solid financial foundation positions the Group for accelerated growth in the coming months, particularly in the context that the larger share of the capital investment has now been completed, and the Group is set to derive significant value thereon.

### **State of affairs and outlook**

The Group's robust financial performance underscores strong operational execution across all business units, delivering results in line with the Board's growth projections. This success validates the Group's commercial strategy and business model, driven by a commitment to sustainable growth, strategic technology adoption, and investment in top-tier talent. Moving forward, the Board will work closely with management to sustain momentum while placing a stronger emphasis on efficiency gains, operational optimisation, and synergies across its businesses. By leveraging technology, attracting top talent, and fostering innovation, the Group aims to reinforce its market position and drive long-term growth.

As part of its broader expansion strategy, the Group is actively pursuing its internationalisation strategy, particularly in the Casino, Video Lottery Terminals (VLTs), and Historical Horse Racing (HHR) sectors. Following this reporting period, the Group incorporated a new holding entity in Luxembourg, in which it is holding an 80% stake. This entity will serve as the principal vehicle for the Group's international strategy, facilitating expansion into key markets across Europe and Latin America. Leveraging its established relationships with industry leaders and operational expertise, the Group aims to replicate its successful business model on an international scale. These strategic efforts position the Group to capitalise on high-value opportunities in both mature and emerging markets, reinforcing its commitment to sustainable and diversified growth.

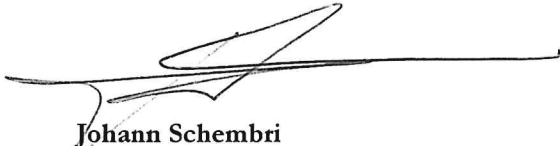
**Directors**

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

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

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

On behalf of the Board,



**Johann Schembri**  
Director



**Christian Gernert**  
Director

Registered address:  
The Quad Central, Q3, Level 11  
Triq l-Esportaturi, Zone 1, CBD  
Birkirkara  
Malta

24 February 2025

## Condensed consolidated statement of comprehensive income


	Note	31 December 2024 (6 months) €	31 December 2023 (6 months) €
Turnover		448,167,990	401,507,589
Player winnings		(402,341,257)	(356,869,529)
Bonus costs		(552,014)	(1,624,313)
<b>Gross gaming revenue</b>		<b>45,274,719</b>	<b>43,013,747</b>
Other revenue		287,839	318,210
<b>Total revenue</b>	4	<b>45,562,558</b>	<b>43,331,957</b>
Other income		323,932	538,953
Staff costs		(7,061,680)	(7,217,138)
Gaming tax		(13,990,158)	(13,614,529)
Other operating expenses		(9,886,200)	(10,787,017)
Depreciation and amortisation		(9,767,946)	(9,156,510)
<b>Operating profit</b>		<b>5,180,506</b>	<b>3,095,716</b>
Finance costs		(2,464,913)	(2,772,574)
<b>Profit before tax</b>		<b>2,715,593</b>	<b>323,142</b>
Tax expense		(1,027,575)	(150,710)
<b>Profit for the period</b>		<b>1,688,018</b>	<b>172,432</b>
<b>Profit for the period attributable to:</b>			
Non-controlling interest		689,052	429,261
Owners of the parent		998,966	(256,829)
		<b>1,688,018</b>	<b>172,432</b>


## Condensed consolidated statement of financial position

	Notes	31 December 2024 €	30 June 2024 €
<b>Assets</b>			
<b>Non-current</b>			
Goodwill		61,595,544	61,595,544
Intangible assets	5	115,616,732	121,364,220
Property, plant and equipment	6	26,758,765	25,774,799
Right-of-use assets	7	42,861,050	43,858,992
Investment properties		2,249,347	2,033,730
Investment in associate		400	400
Other assets		2,574,180	2,879,684
Deferred tax asset		693,197	1,081,253
		<b>252,349,215</b>	<b>258,588,622</b>
<b>Current</b>			
Inventories		814,809	831,137
Trade and other receivables		3,952,393	2,579,743
Current tax receivable		2,836	2,836
Cash and cash equivalents	8	5,649,073	6,887,965
		<b>10,419,111</b>	<b>10,301,681</b>
<b>Total assets</b>		<b>262,768,326</b>	<b>268,890,303</b>

## Condensed consolidated statement of financial position – continued

	Notes	31 December 2024 €	30 June 2024 €
<b>Equity</b>			
Share capital		80,000,001	80,000,001
Accumulated losses		(3,644,346)	(4,643,312)
		<b>76,355,655</b>	<b>75,356,689</b>
Non-controlling interest		8,151,354	7,782,302
<b>Total equity</b>		<b>84,507,009</b>	<b>83,138,991</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Bank borrowings		31,641,099	33,664,200
Debt securities in issue		29,633,761	29,590,674
Trade and other payables	9	51,584,730	56,603,152
Deferred tax liability		9,458,914	8,819,394
Lease liability	7	26,327,206	26,991,731
		<b>148,645,710</b>	<b>155,669,151</b>
<b>Current</b>			
Bank borrowings		7,670,061	7,484,540
Trade and other payables	9	20,445,113	21,122,958
Lease liability	7	1,500,433	1,474,663
		<b>29,615,607</b>	<b>30,082,161</b>
<b>Total liabilities</b>		<b>178,261,317</b>	<b>185,751,312</b>
<b>Total equity and liabilities</b>		<b>262,768,326</b>	<b>268,890,303</b>

  
Johann Schembri  
Director

  
Christian Gernert  
Director



## Condensed consolidated statement of changes in equity

	Share capital €	Accumulated losses €	Attributable to the owners of the parent €	Non- controlling interest €	Total equity €
At 1 July 2024	80,000,001	(4,643,312)	75,356,689	7,782,302	83,138,991
Dividends paid to non-controlling interest	-	-	-	(320,000)	(320,000)
Profit for the period	-	998,966	998,966	689,052	1,688,018
<b>At 31 December 2024</b>	<b>80,000,001</b>	<b>(3,644,346)</b>	<b>76,355,655</b>	<b>8,151,354</b>	<b>84,507,009</b>
At 1 July 2023	80,000,001	(5,651,862)	74,348,139	6,995,651	81,343,790
(Loss) profit for the period	-	(256,829)	(256,829)	429,261	172,432
<b>At 31 December 2023</b>	<b>80,000,001</b>	<b>(5,908,691)</b>	<b>74,091,310</b>	<b>7,424,912</b>	<b>81,516,222</b>

## Condensed consolidated statement of cash flows

	Notes	31 December 2024 (6 months) €	31 December 2023 (6 months) €
<b>Operating activities</b>			
Profit before tax		2,715,593	323,142
Adjustments	10	12,093,663	12,305,254
Net changes in working capital	10	(3,403,365)	(2,269,948)
<b>Net cash from operating activities</b>		<b>11,405,891</b>	<b>10,358,448</b>
<b>Investing activities</b>			
Payments to acquire intangible assets		(4,234,324)	(2,101,823)
Payments to acquire property, plant and equipment		(3,449,848)	(4,891,192)
Payments to acquire investment properties		(215,617)	(104,078)
Bank guarantees		-	(25,630)
<b>Net cash used in investing activities</b>		<b>(7,899,789)</b>	<b>(7,122,723)</b>
<b>Financing activities</b>			
Dividends paid to non-controlling interest		(320,000)	-
Proceeds from bank loans		1,831,827	-
Repayments of bank loans		(3,689,404)	(3,439,598)
Repayments of lease liability		(851,843)	(745,324)
Interest paid on lease liability		(675,365)	(673,891)
Interest paid		(1,040,209)	(1,232,369)
<b>Net cash used in financing activities</b>		<b>(4,744,994)</b>	<b>(6,091,182)</b>
<b>Net change in cash and cash equivalents</b>		<b>(1,238,892)</b>	<b>(2,855,457)</b>
Cash and cash equivalents, beginning of period		6,887,965	11,568,859
<b>Cash and cash equivalents, end of period</b>		<b>5,649,073</b>	<b>8,713,402</b>

# Notes to the interim condensed consolidated financial statements

## 1 General information, basis of preparation and statement of compliance with IFRS

The Interim Condensed Consolidated Financial Statements are for the six months ended 31 December 2024 and are presented in Euro, which is the functional currency of the Group. They have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2024.

IZI Finance p.l.c. (the 'Company') is the Group's parent company. It is a public limited liability company incorporated and domiciled in Malta.

The Interim Condensed Consolidated Financial Statements were approved for issue by the Board of Directors on 24 February 2025.

## 2 Summary of accounting policies

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2024.

Certain comparative figures disclosed in the main components of these interim condensed consolidated financial statements have been reclassified to conform with the current period's presentation format for the purpose of fairer presentation.

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

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

$$\text{EBITDA} = \text{Operating Profit} + \text{Depreciation and Amortisation} - \text{Lease Payments}$$

Where:

- Operating Profit is as defined in the condensed consolidated statement of comprehensive income.
- Lease Payments is the sum of Repayment and Interest Paid on Lease Liability as disclosed in the condensed consolidated statement of cash flows.

The Group believes EBITDA provides useful information to investors regarding its operating performance by excluding the impact of interest, taxes, depreciation, and amortisation, which can vary substantially depending on capital structure, asset base, and depreciation policies.

EBITDA for the reporting period is as follows:

	<b>31 December 2024 (6 months) €</b>	<b>31 December 2023 (6 months) €</b>
Operating profit	5,180,506	3,095,716
Add: Depreciation and amortisation	9,767,946	9,156,510
Less: Rent payments	(1,527,208)	(1,419,215)
<b>EBITDA</b>	<b>13,421,244</b>	<b>10,833,011</b>
Total revenue	45,562,558	43,331,957
<b>Percentage of EBITDA over total revenue</b>	<b>29.5%</b>	<b>25.0%</b>

#### **4 Segment reporting**

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

Segment information for the reporting period is as follows:

	<b>31 December 2024 (6 months) €</b>	<b>31 December 2023 (6 months) €</b>
National Lottery	30,219,709	30,493,045
Dragonara Casino	12,931,410	11,258,149
iGaming	2,123,600	1,262,553
Others Revenue	287,839	318,210
<b>Total revenue</b>	<b>45,562,558</b>	<b>43,331,957</b>

#### **5 Intangible assets**

The Group's intangible assets includes concession fee, acquired software licences, trademark and domains, key money and internally developed website. Acquisitions during the period amounted to € 370,330 whilst depreciation for the period amounted to € 6,117,818.

#### **6 Property, plant and equipment**

Property, plant and equipment acquired during the period amounted to € 3,565,190 whilst depreciation for the period amounted to € 2,581,224.

## 7 Right-of-use assets and lease liability

During the period, the Group leased some commercial premises to be transformed into National Lottery point of sales. Total lease payments during the period amounted to € 1,527,208.

Total depreciation of right-of-use assets for the period amounted € 1,068,904.

## 8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	31 December 2024 €	30 June 2024 €
Bank deposits	2,399,190	3,220,364
Cash in hand	3,249,883	3,667,601
	<b>5,649,073</b>	<b>6,887,965</b>

## 9 Trade and other payables

	31 December 2024 €	30 June 2024 €
<b>Non-current</b>		
Concession fee payable	50,519,407	54,395,901
Provisions	500,000	500,000
Cash guarantees from agents	157,500	207,500
Amounts owed to parent company	407,823	768,183
Amounts owed to other related party	-	600,000
<b>Financial liabilities</b>	<b>51,584,730</b>	<b>56,471,584</b>
Statutory liabilities	-	131,568
<b>Total non-current liabilities</b>	<b>51,584,730</b>	<b>56,603,152</b>
<b>Current</b>		
Concession fee payable	7,740,487	7,727,987
Trade payables	5,473,187	5,474,443
Players funds	239,969	220,005
Provisions	907,028	966,734
Amounts owed to other related parties	-	245,742
Accruals	2,157,944	2,032,818
Other payables	162,108	309,203
<b>Financial liabilities</b>	<b>16,680,723</b>	<b>16,976,932</b>
Statutory liabilities	3,764,390	4,146,026
<b>Total current liabilities</b>	<b>20,445,113</b>	<b>21,122,958</b>

## 10 Cash flow adjustments and changes in working capital

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

	31 December 2024 (6 months) €	31 December 2023 (6 months) €
<b>Adjustments:</b>		
Depreciation and amortisation	9,767,946	9,156,510
Interest expense	2,464,913	2,772,574
Provision for jackpots and cash and bonus points	(139,196)	376,170
	<b>12,093,663</b>	<b>12,305,254</b>
<b>Net changes in working capital:</b>		
Changes in inventories	16,328	81,909
Changes in trade and other receivables and other assets	(1,067,146)	459,149
Changes in trade and other payables	(2,352,547)	(2,811,006)
	<b>(3,403,365)</b>	<b>(2,269,948)</b>

## 11 Post balance sheet events

The Group incorporated a new holding entity in Luxembourg, securing an 80% stake, which will serve as the holding company for its international business operations.

## Statement pursuant to Capital Markets Rule 5.75.3

We confirm that to the best of our knowledge:

- the interim financial statements give a true and fair view of the financial position of IZI Finance p.l.c. as at 31 December 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting), and
- the interim Directors' Report includes a fair view of the information required in terms of Capital Market Rules 5.81 to 5.84.



**Johann Schembri**  
Director

24 February 2025



**Christian Gernert**  
Director

