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PRESS RELEASE

LOTTOMATICA GROUP S.P.A.

TRADING UPDATE, GUIDANCE FOR 2023 FISCAL YEAR AND FINANCIAL POLICY

Rome (Italy), 14 March 2023 – Lottomatica Group S.p.A., previously named Gamma Midco S.p.A. (the “**Company**” and, together with its subsidiaries, the “**Group**”), the holding company of Lottomatica S.p.A, a leading player in the Italian gaming industry, announces an update to its (i) current trading for the period starting on January 1, 2023 and ending on February 28, 2023, (ii) guidance for the 2023 fiscal year, and (iii) financial policy.

Trading update - January and February 2023

- Bets of €4.8 billion for the period starting on January 1, 2023 and ending on February 28, 2023, a 33% increase compared to the same period in 2022 (a 20% increase pro forma for the Betflag acquisition). This reflects a sustained strong momentum of the business across all the segments:
 - a 67% increase in bets in the Online segment compared to the same period in 2022 (a 31% increase pro forma for the Betflag acquisition),
 - a 23% increase in bets in the Sports Franchise segment compared to the same period in 2022, and
 - a 6% increase in bets in the Gaming Franchise segment compared to the same period in 2022.
- Revenues of approximately €281 million for the period starting on January 1, 2023 and ending on February 28, 2023, a 21% increase compared to the same period in 2022 (a 16% increase pro forma for the Betflag acquisition):
 - a 39% increase in revenues in the Online segment compared to the same period in 2022 (a 19% increase pro forma for the Betflag acquisition),
 - a 19% increase in revenues in the Sports Franchise segment compared to the same period in 2022, and
 - a 12% increase in revenues in the Gaming Franchise segment compared to the same period in 2022.
- EBITDA¹ of approximately €104 million, for the period starting on January 1, 2023 and ending on February 28, 2023, a 27% increase compared to the same period in 2022 (a 18% increase pro forma for the Betflag acquisition).

¹ EBITDA is calculated as net profit/(loss) 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

- On February 27, 2023, Moody's Investors Service ("Moody's") upgraded Lottomatica S.p.A.'s corporate family rating to B1 from B2.

Guidance² for 2023 fiscal year and market projections

The Group expects to achieve the following results for the 2023 fiscal year:

- Revenues of €1,570 – €1,670 million.
- EBITDA of €550 – €570 million, with an Online EBITDA of at least €275 million³.
- Capital expenditure:
 - recurring capital expenditure of approximately €65 million,
 - concession capital expenditure of approximately €45 million and
 - one-off growth capital expenditure of approximately €30 million.
- Potential deferred consideration payable of approximately €35 million.

Based on market projections provided by H2G and Prisma-MAG⁴:

- Online⁵ GGR is expected to increase by 15% in 2022-23 and at a CAGR of 13% in the period 2023-27.
- Sports Retail⁶ GGR is expected to increase by 7% in 2022-23 and at a CAGR of 3% in the period 2023-27.
- Gaming Retail⁷ GGR is expected to increase by 6% in 2022-23 and at a CAGR of 3% in the period 2023-27.

Financial policy

- **Listing:** as previously announced on February 27, 2023, the Company resolved at a shareholder meeting to start the process to list the Company's ordinary shares on Euronext Milan (the "**Listing**"). The Listing and its timing will be subject to (i) market conditions, (ii) the admission to listing and trading by Borsa Italiana S.p.A., and (iii) the authorization for the publication of the prospectus by Commissione Nazionale per le Società e la Borsa (the Italian authority for the supervision of the financial markets).
- **Capital structure and target leverage:** the Company plans to raise primary proceeds to achieve a net leverage ratio of approximately 2.5x net financial debt⁸ / Pro Forma run rate EBITDA at the date of the potential Listing. Subject to the Listing, the Company expects to repay the intercompany loan of €250 million, which it has with its sister entity Gamma Bondco S.à.r.l.. Also, on a steady state basis, the Company targets a ratio of net financial debt / EBITDA of 2.0-2.5x.

and impairments; (vi) costs related to M&A and international activities; (vii) integration costs (comprising expenses on corporate restructuring and redundancy); and (viii) other income and expenses that, in view of their nature, are not reasonably expected to recur in future periods.

² The guidance is based on several assumptions, including forecasts provided by H2G and Prisma-MAG and managements' actions that will not necessarily occur. The guidance depends, in part, on external factors that the Group cannot control or can only partially control.

³ Assuming a sports payout in line with historical three year average.

⁴ Source: 2022A figures based on Prisma S.p.A. (MAG). 2023E-2027E based on average estimates from Prisma S.p.A. (MAG) and H2GC

⁵ Online, includes online betting, online casino and other online.

⁶ Sports Retail, includes sports betting, horse betting and virtual betting.

⁷ Gaming Retail, includes Amusement With Prize machines (AWP) and Video Lottery Terminals (VLT).

⁸ Defined as the nominal value of bonds issued plus liabilities under IFRS 16 minus cash.

- **Dividend pay-out of 30% of adjusted net profit⁹**: subject to and effective from the date of Listing, the Company will have in place a dividend policy that will provide for a distribution of the dividends with a pay-out of 30% of the Group's adjusted net profit.

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About Lottomatica Group S.p.A.

With €22.8 billion of bets and €1.4 billion of revenues in FY 2022, Lottomatica is the largest player in the Italian gaming market based on revenues. It operates across three segments: online, sports franchise and gaming franchise. Lottomatica offers safe and engaging gaming experiences across all channels. The Group counts on the expertise of approximately 1,600 direct employees and its large franchising network. As of December 31, 2022, Lottomatica has a customer base of more than 1 million online customers and distributes its gaming products across approximately 18,000 points of sales.

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⁹ Calculated as consolidated net profit adjusted for: (i) amortization and depreciation of higher value allocated to the assets acquired in a business combination as compared to the relevant book value resulting from the accounting records of the acquired company/business as at the acquisition date (ii) other non-recurring costs and income excluded from EBITDA (iii) financial income and expenses that, due to their nature, are not reasonably expected to recur in future periods and (iv) tax effects on such adjustments.

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