

TIPICO CO. LTD

Annual Report and Financial Statements
31 December 2025

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Directors' report

The directors present their report and the financial statements of Tipico Co. Ltd (the "Company") for the year ended 31 December 2025.

Principal activity

The Company operates a betting office accepting bets from its premises in Malta through its intermediaries, which are situated mainly in Germany, and through the internet. The Company's principal activity remains unchanged from prior year.

Performance review

In the year ended 31 December 2024, the Company held a sports betting licence renewed lastly on 7 November 2022 from the Malta Gaming Authority and valid until 6 November 2032. The licence remains active, but it is not currently being utilised by the Company. In the year ended 31 December 2025, the Company held a German sports betting licence granted initially on 9 October 2020 and renewed on 9 December 2022. The licence is valid until 31 December 2027. With this licence, the Company operates the German sports betting offer through its German licence. (Refer to 'Legal aspects surrounding gaming operations' within this same directors' report).

Key performance indicators

The Company reported a gross profit of €251,132,416 (2024: €375,225,661). The decrease of 33.1% (2024: 4.2%) is primarily the result of a decrease in net revenue together with an increase in direct costs. The decrease in net revenue was driven by a decrease in GGR from online and retail channels, reflecting comparatively lower levels of customer activity during the year relative to the prior year, which benefited from a more favourable sporting events calendar. This was further impacted by the transfer of the Austrian business to another Group subsidiary during the period, resulting in a reduction in the Company's customer base and related activity. Furthermore, the increase in direct costs was caused by a number of restructuring initiatives carried out in mid-2024 resulting in the Company to incur an intra-group 'brand and domain' licence fee as well as an intra-group 'sportsbook solution' fee. Direct costs continued to increase in 2025 as these arrangements were in place for the full financial year. There was a decline of 16% (2024: increase of 23%) in the number of unique active customers placing bets through direct online channels whilst we have seen a decline of 13% (2024: 4%) in the number of betting slips coming from retail channels.

After adjusting for administrative expenses and other gains, and other operating income, the Company has generated an operating profit of €203,574,776 (2024: €1,211,773,364). Operating profit decreased by 83.2% compared to the prior year. This decrease is primarily attributable to one-off other gains recognised in 2024 in connection with restructuring initiatives with related parties, including the sale of the brand, the sale of a business comprising the sportsbook software solution, and the sale of the Austrian customer base, which had increased operating profit by €903,750,900 in that year. The profit before tax for the year amounted to €211,527,112 (2024: €1,215,544,520), after considering finance income and finance costs.

As at 31 December 2025, the Company's current assets exceeded current liabilities by €402,032 (2024: current liabilities exceeded current assets by €2,836,725).

Additionally, management's assessment of the recoverable amount of the Company's assets, particularly the impairment assessment of its intangibles, trade receivables and amounts due from payment service providers, took account of performance and payment patterns in 2025. No risk of future impairment was identified.

Directors' report - continued**Performance review** - continued*Financial risk management and exposures*

For financial risks and uncertainties, refer to Note 2 'Financial risk management' that details the key risk factors including market risk (price risk), credit risk and liquidity risk and the Company's approach towards managing these risks.

From an operational risk standpoint, refer to the 'Legal aspects surrounding gaming operations' section within this same directors' report.

Legal aspects surrounding gaming operations

In Germany, Tipico holds nationwide online sports betting licenses, virtual slot machines licenses as well as an online casino license for Schleswig-Holstein. The licenses for online sports betting and virtual slot machines have been issued by the Joint Gaming Authority of the Federal States (*Gemeinsame Glücksspielbehörde der Länder*, "**GGL**" or "**Authority**") on the basis of the State Treaty on the re-regulation of gambling in Germany (*Staatsvertrag zur Neuregulierung des Glücksspielwesens in Deutschland*, "**GlüStV**"), which entered into force on 1 July 2021.

The current sports betting licenses held by the Company and Tipico Karlsruhe Limited are valid until 31 December 2027 and the virtual slot licences held by Tipico Games Ltd and Tipico Karlsruhe Limited are valid until 31 October 2027 and 29 February 2028, respectively. The online casino license for Schleswig-Holstein was issued on 18 September 2024 and has a term of 15 years, i.e. expires on 18 September 2039.

As is common practice in Germany, certain ancillary conditions of the online sports betting and virtual slot machines licenses have been challenged by Tipico and are subject to administrative proceedings. A potential negative outcome of those proceedings and, thus, further restrictions of the permitted offers, may impact their attractiveness, but we would expect such negative impact to be compensated by increased enforcement against operators that do not adhere to the scope of the permitted offers.

Restrictive interpretations of bonus and advertising rules may also have some limitations going forward, although Tipico has successfully challenged certain conditions in court and it is expected that the GGL may loosen certain product restrictions over the coming years. We expect the impact of restrictive interpretations on Tipico's business to be comparably low due to Tipico's strong market position in Germany and high level of visibility due to its retail presence. The continued admissibility of SCHUFA-G checks for limit increase requests remains subject to ongoing discussions with the GGL.

Further, Tipico reached an agreement with the former authority (i.e., the predecessor of the GGL) to clarify the admissibility of certain betting types such as live-bets on half-time result and remaining play time via court proceedings and is entitled to offer those betting types for the duration of the proceedings. Since the proceedings will go through several instances, it will likely take several years until clarification is reached.

Following the issuance of the first sports betting licenses in October 2020, the German federal states also commenced the licensing process for retail locations. Such shop permits are granted by local authorities in the respective federal states on the basis of secondary legislation, namely the Gambling Acts of the individual federal states implementing the GlüStV (*Landesausführungsgesetze*). Tipico has applied for the necessary permits for own premises and premises operated by its franchise partners and as of 31 March 2026 938 licenses have been granted, with 15 shop premises currently awaiting completion of the licensing procedure and 27 rejections currently being challenged.

Directors' report - continued**Legal aspects surrounding gaming operations** - continued

Due to the restrictive retail legislation in certain German federal states, since the beginning of the licensing process in 2021 Tipico – as expected – had to close certain premises because they were found unsuitable for receiving premises licenses, primarily due to not fulfilling minimum distance requirements to certain infrastructure (such as other betting shops, gambling venues or sensitive venues such as schools) or due to not receiving building permits. Overall, the business impact of such closures was marginal. Generally, the Group has been able to further expand its market leadership also in the German retail sector.

Player Claims

In recent years, German and Austrian players started filing civil claims against Tipico and other operators. The vast majority of players are supported by third-party litigation funders, which means that (in the absence of insolvency of such funders), they do not incur any risk of legal fees or costs as these are paid by the litigation funders in return for a share in the event of a positive ruling for the player.

The player claims relate to sports betting (in Germany) and online casino games (in Austria and Germany). The players seek reimbursement of their gambling and betting losses primarily on the basis that, due to the fact that Tipico did not hold a local license at the time the players placed their sports bets (in Germany) or used the online casino offer (in Germany and Austria), the contracts pursuant to which such bets were placed and online casino games were played are null and void.

Tipico considers, based on external legal advice regarding the general principles of EU law and CJEU case law, that prior to the introduction of local licensing regimes, or the granting of licenses thereunder, it was permitted to legally offer sports betting and online casino products to customers located in Germany and Austria based on the EU market freedoms, including the freedom to provide services enshrined in Article 56 of the Treaty on the Functioning of the European Union. This view is based on (i) the CJEU having found the German sports betting monopoly to be incompatible with overriding EU law and (ii) the German online casino ban and the Austrian online casino monopoly being inconsistent and thus misaligned with the EU market freedoms.

In Germany, the regulatory landscape shifted with the entry into force of the GlüStV. Prior to this, although sports betting was regulated, no licenses were issued until October 2020. As a result, Tipico, in line with the approach followed by its competitors, relied primarily on Maltese licenses and the EU freedom to provide services under Article 56 of the Treaty on the Functioning of the European Union to offer sports betting and online casino products in Germany.

Players have been seeking to recover their losses from sports betting that occurred under betting contracts entered into before the grant of licenses to Tipico in 2020, as well as in connection with online casino losses incurred prior to Tipico receiving a license for online slots on 6 October 2022. These claims relate to periods during which a general ban on online gambling was in place under earlier legislation, as well as during the so called transitional period from 15 October 2020, when online slots could be offered subject to early implementation of certain product restrictions introduced by the GlüStV, and 6 October 2022, when an online slots license was granted to Tipico. Some players are also alleging Tipico's non-application of certain regulatory requirements set forth in the GlüStV and Tipico's licenses, other German gambling laws and/or certain ancillary provisions in Tipico's licenses, including maximum deposit limits or bets allegedly not included in the authorised scope of the betting offer. Tipico takes the view that these refund claims are without merit as it legitimately offered its services under EU law prior to the introduction of the licensing regime and currently offers its services in compliance with the applicable German regime. It is, therefore, vigorously defending these cases.

While some German courts have upheld the validity of the contracts litigated pursuant to player claims, most have ruled in favour of the players. Several preliminary ruling proceedings regarding the compatibility of the (former) German regulation with EU law are currently pending before the CJEU.

Directors' report - continued**Legal aspects surrounding gaming operations** - continued

As a result, a number of national proceedings in Germany have been suspended pending the outcome of the referrals, which are expected to provide important guidance in the coming months and years on the enforceability of historical contracts and the application of EU law.

Notwithstanding its legal position on the topic, Tipico has dedicated litigation provisions for player claims, with €5.6 million reserved as of 31 December 2025, reflecting Tipico's management's best estimate of probable cash outflows based on legal advice and the current status of the proceedings.

Tipico's approach to managing player claims is focused on efficient claims handling, robust legal defence and, where commercially reasonable, the pursuit of opportunistic settlements. Tipico has implemented a dedicated claims management process, including collaboration with external experts and the automation of key workflows to improve efficiency and reduce costs. The ultimate outcome of the player claims remains uncertain, and Tipico continues to closely monitor legal and regulatory developments and believes it is well positioned to manage these risks.

In light of the above, Tipico's management fully acknowledges that regulation has had and will continue to have an impact on near term growth, to an increasingly lesser extent though. The continued resilience of the Group to respond to such regulatory changes has enabled Tipico to record sustained strong performance and underlying growth. 100% of the Group's revenue is deriving from regulated markets, which the directors consider will position the Group for future growth and success.

Ongoing examination

The Financial Intelligence Analysis Unit (FIAU) conducted a regular, non-event-driven AML compliance examination during Q1 2025. Following this review, the FIAU issued a remediation letter in Q1 2026. Tipico has initiated remediation actions supported by a dedicated project team. The directors do not expect the remediation to result in any material financial impact.

Results and dividends

The financial results are set out on page 13. The directors recommend the payment of a dividend of €135,943,800 (2024: €1,087,076,327).

Directors

The directors of the Company who held office were:

Stefano Buse
Christian Feiner
Mate Bacic (resigned on 30 September 2025)

The Company's Articles of Association do not require any directors to retire.

Pledging of shares

During the year to 31 December 2021, one of the parent companies obtained external funding in the form of third-party borrowings which funds were subsequently pushed down to the immediate parent company. The Company's 100,000 issued share capital having a nominal value of €1 each owned by the immediate parent are being pledged to Unicredit Bank GmbH (formerly known as Unicredit Bank AG), acting as the agent on behalf of the third-party lenders, as collateral to cover the long-term borrowing of the parent company that obtained the external funding. Following the full repayment of the UniCredit loan on 23 April 2026, the related pledge was terminated.

Directors' report - continued**Statement of directors' responsibilities for the financial statements**

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period. In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Signed by:



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Stefano Buse
Director

DocuSigned by:



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Christian Feiner
Director

Registered office:
Tipico Tower,
Vjal Portomaso,
St. Julians STJ 4011,
Malta

28 April 2026



Independent auditor's report

To the Shareholder of Tipico Co. Ltd

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of Tipico Co. Ltd (the "company") as at 31 December 2025, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Tipico Co. Ltd's financial statements, set out on pages 13 to 39, comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.



Independent auditor's report - continued
To the Shareholder of Tipico Co. Ltd

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to audits of financial statements in Malta and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with these Codes.

Other information

The directors are responsible for the other information. The other information comprises the *Directors' report* (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.



Independent auditor's report - continued

To the Shareholder of Tipico Co. Ltd

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



Independent auditor's report - continued

To the Shareholder of Tipico Co. Ltd

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 these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 identify during our audit.



Independent auditor’s report - continued

To the Shareholder of Tipico Co. Ltd

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2025* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the Annual Report and Financial Statements 2025 and the related Directors’ responsibilities	Our responsibilities	Our reporting
<p>Directors’ report</p> <p>(on pages 1 to 5)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors’ report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors’ report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors’ report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> the information given in the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors’ report has been prepared in accordance with the Maltese Companies Act (Cap. 386). <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



Independent auditor’s report - continued

To the Shareholder of Tipico Co. Ltd

Area of the <i>Annual Report and Financial Statements 2025</i> and the related Directors’ responsibilities	Our responsibilities	Our reporting
	<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. 	<p>We have nothing to report to you in respect of these responsibilities.</p>




Independent auditor's report - continued

To the Shareholder of Tipico Co. Ltd

Other matter - use of this report

Our report, including the opinions, has been prepared for and only for the company's shareholder as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

DocuSigned by:


E8C0B2DC27FD473...
Ian Curmi

Principal

For and on behalf of

PricewaterhouseCoopers

78, Mill Street

Zone 5, Central Business District

Qormi

Malta

28 April 2026

Statement of financial position

		As at 31 December		
		2025	2024	
		€	€	
Notes				
ASSETS				
Non-current assets				
	Intangible assets	4	5,472,741	9,722,965
	Property, plant and equipment	5	1,310,230	1,353,548
	Deferred tax asset	10	1,973,634	4,330,941
	Total non-current assets		8,756,605	15,407,454
Current assets				
	Trade and other receivables	7	231,402,901	153,503,122
	Cash at bank and other intermediaries	8	154,279,920	222,433,241
	Total current assets		385,682,821	375,936,363
	Total assets		394,439,426	391,343,817
EQUITY AND LIABILITIES				
Capital and reserves				
	Share capital	9	100,000	100,000
	Capital reserves		4,800,000	4,800,000
	Retained earnings		-	-
	Total equity		4,900,000	4,900,000
Non-current liabilities				
	Lease liabilities	5	899,651	1,040,264
	Other financial liabilities	12	3,358,986	6,630,465
	Total non-current liabilities		4,258,637	7,670,729
Current liabilities				
	Trade and other payables	11	163,215,445	125,717,756
	Other financial liabilities	12	3,271,479	3,025,590
	Provisions for other risks and charges	13	5,600,000	8,000,000
	Lease liabilities	5	233,329	360,357
	Current tax liabilities		212,960,536	241,669,385
	Total current liabilities		385,280,789	378,773,088
	Total liabilities		389,539,426	386,443,817
	Total equity and liabilities		394,439,426	391,343,817

The notes on pages 17 to 39 are an integral part of these financial statements.

The financial statements on pages 13 to 39 were authorised for issue by the Board on 28 April 2026 and were signed on its behalf by:

Signed by:

 Stefano Buse
 Director

DocuSigned by:

 Christian Feiner
 Director

Statement of comprehensive income

	Notes	Year ended 31 December	
		2025 €	2024 €
Net revenue		583,568,118	671,659,592
Direct costs	14	(332,435,702)	(296,433,931)
Gross profit		251,132,416	375,225,661
Administrative expenses	14	(49,603,661)	(69,087,796)
Other gains, net	14	-	903,750,900
Other operating income	15	2,046,021	1,884,599
Operating profit		203,574,776	1,211,773,364
Finance income	17	8,124,200	4,742,996
Finance costs	18	(171,864)	(971,840)
Profit before tax		211,527,112	1,215,544,520
Tax expense	19	(78,583,312)	(128,468,193)
Profit for the year - total comprehensive income		132,943,800	1,087,076,327

The notes on pages 17 to 39 are an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital €	Capital reserves €	Retained earnings €	Total €
Balance at 1 January 2024		100,000	4,800,000	-	4,900,000
Comprehensive income					
Profit for the year - total comprehensive income		-	-	1,087,076,327	1,087,076,327
Transactions with owners					
Dividends	20	-	-	(1,087,076,327)	(1,087,076,327)
Balance at 31 December 2024 and 1 January 2025					
		100,000	4,800,000	-	4,900,000
Comprehensive income					
Profit for the year - total comprehensive income		-	-	132,943,800	132,943,800
Transactions with owners					
Dividends	20	-	(3,000,000)	(132,943,800)	(135,943,800)
Capital contributed during the year		-	3,000,000	-	3,000,000
Balance at 31 December 2025					
		100,000	4,800,000	-	4,900,000

The notes on pages 17 to 39 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2025 €	2024 €
Cash flows from operating activities			
Cash generated from operations	21	111,780,269	315,116,202
Interest received		7,322,331	1,227,760
Interest paid		(38,304)	(730,660)
Taxation paid		(104,934,852)	(91,645,342)
Net cash generated from operating activities		14,129,444	223,967,960
Cash flows from investing activities			
Purchase of intangible assets	4	-	(18,655,800)
Payment for licences	12	(2,164,500)	(2,391,003)
Purchase of property, plant and equipment	5	-	(13,606)
Net cash used in investing activities		(2,164,500)	(21,060,409)
Cash flows from financing activities			
Dividends paid		(79,600,000)	(143,978,233)
Principal elements of lease payments	5	(437,968)	(917,118)
Net cash used in financing activities		(80,037,968)	(144,895,351)
Net movement in cash and cash equivalents		(68,073,024)	58,012,200
Cash and cash equivalents at beginning of year		189,033,874	131,021,674
Cash and cash equivalents at end of year	8	120,960,850	189,033,874

Non-cash transactions are disclosed in Note 21.

The notes on pages 17 to 39 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

(a) Going concern basis of accounting

The financial statements have been prepared on a going concern basis.

(b) Compliance with IFRS and with the Maltese Companies Act (Cap. 386)

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386).

(c) Standards, interpretations, and amendments to published standards effective 1 January 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2025 that have a material effect on the Company's recognition, measurement and presentation of items within these financial statements.

(d) Standards, interpretations and amendments to published standards are not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not yet effective for the Company's current accounting period.

The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Directors are of the opinion that there are no requirements which will have a material impact on the Company financial statements in the period of initial application, other than what is described below.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 (issued on 9 April 2024) was endorsed for use in the European Union on 16 February 2026 and is set to replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance. IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements.

Management is currently assessing the implications of applying IFRS 18 on the Company's financial statements.

The new standard will be applicable from its mandatory effective date of 1 January 2027, with retrospective application, meaning that comparative information will be restated to reflect the new presentation and disclosure requirements introduced.

1. Summary of material accounting policies - continued**1.1 Basis of preparation - continued**

(d) Standards, interpretations and amendments to published standards are not yet adopted - continued

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 1 January 2027) IFRS 19 (issued on 9 May 2024)

IFRS 19 which is yet to be endorsed for use in the EU, will allow eligible entities to voluntarily elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary, as defined in IFRS 10, that does not have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use that comply with IFRS accounting standards.

The new standard will be applicable from its mandatory effective date of 1 January 2027, subject to endorsement for use in the EU, with retrospective application.

(e) Use of judgements and estimates

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

(f) Cost convention and presentation currency

These financial statements are prepared under the historical cost convention. The financial statements are presented in Euro, which is the Company's functional and presentation currency.

1.2 Intangible assets

(a) Sports betting and internally generated software

Intangibles comprise sports betting software that is capitalised on the basis of costs incurred to acquire or internally generate and bring to use the specific software. These costs are amortised over their estimated useful lives of four years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(b) Licences

Sports betting licences comprise longer-term licences required for operating in Germany. Sports betting licences are capitalised on the basis of the costs incurred to acquire them. These costs are amortised on a straight-line basis over their respective lifetimes, five years. Gambling licences are recognised on the basis of expected costs to be incurred over the lifetime of the licences (refer to Note 1.9 for further information).

An intangible asset is derecognised on disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated statement of comprehensive income in the year of disposal.

1. Summary of material accounting policies - continued

1.3 Property, plant and equipment

Property, plant and equipment, comprising computer and office equipment and furniture and fixtures are initially recorded at cost and are subsequently stated at cost less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

	%
Computer and office equipment	25
Furniture and fixtures	10 - 16 $\frac{2}{3}$

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its expected recoverable amount (Note 1.4).

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.5 Financial assets

Classification

The Company classifies its financial assets at amortised cost. The Company does not hold any financial assets that are classified into any of the other IFRS 9 categories of financial assets.

Recognition and derecognition

The Company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

1. Summary of material accounting policies - continued**1.5 Financial assets - continued***Recognition and derecognition - continued*

The Company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset at its fair value.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECLs). It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

At each reporting date, the Company measures the loss allowance on amounts receivable at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, on the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-months ECL.

1.5.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and other intermediaries, net of restricted balances and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.5.2 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1. Summary of material accounting policies - continued**1.6 Investment in subsidiaries**

Investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment.

The results of the subsidiary are reflected in the Company's separate financial statements only to the extent of dividends receivable.

On disposal of a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is recognised as a gain or loss in profit or loss when control is transferred.

1.7 Leases

The Company leases various offices. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. Summary of material accounting policies - continued**1.7 Leases - continued**

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

1.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company's financial liabilities are classified in the following categories: at fair value through profit or loss, financial liabilities measured at amortised cost and other financial liabilities under the IFRIC 1 approach. The fair value of open bets is established by using valuation techniques and with reference to recent transactions.

Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

In cases where there are intangible assets, such as gaming licences, that are valid for over a period of more than one year, and their payments fall due on an annual basis (or any other regular basis), Management has opted to adopt the IFRIC 1 approach. This requires an estimate of the consideration payable over the number of years of the eligibility and be recognised on initial recognition, both as an intangible asset and as a liability. The intangible asset shall then be amortised over the useful life of the asset whilst the liability is reduced through its periodical repayments. Both asset and liability values shall be revised on an annual basis based on the expected licensable activity generated over the life of the licence.

1.9.1 Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1. Summary of material accounting policies - continued**1.10 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Company's activities. Revenue from transactions where the Company is taking positions against players, such as sports betting, is recognised when the outcome of the event is known. Revenue from such gaming transactions is deemed to be financial instruments and is recognised a net fair value gain or loss after the deduction of players' winnings, related bonuses and gaming taxes. This revenue is governed by IFRS 9 and is therefore out of scope of IFRS 15.

Gross winnings revenue on sports betting is defined as the net gain or loss from bets placed after the cost of promotional bonuses within the financial period. Where it is not probable that open sports bets at the end of the financial period will be settled, the associated gross winnings revenue is deferred and presented at fair value as deferred income on the balance sheet.

Interest income is recognised in profit or loss for interest bearing instruments as it accrues, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

1.12 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which an obligation to pay a dividend is established.

1. Summary of material accounting policies - continued**1.13 Capital reserves**

The Capital reserve amounting to €4,800,000 included in the Company's reserves represents a gratuitous contribution which arose due to a restructuring process that took place in previous years whereby the said amount represented the excess of the fair value of assets received.

The above reserve is considered to be a non-distributable reserve and would constitute to be a realised profit as the investment is disposed of.

2. Financial risk management**2.1 Financial risk factors**

The Company's activities potentially expose it to a variety of financial risks principally comprising market risk (price risk), credit risk and liquidity risk. The parent company's board of directors provides principles for overall risk management. The Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial year.

(a) Market risk*(i) Price risk*

The Company is exposed to market risk due to the possibility of an unfavourable outcome on events on which the Company has accepted bets. The Company has adopted risk management policies to mitigate this risk. Management monitors the odds real time to determine the appropriate risk levels for certain events and where possible reacts to large risks by, inter-alia, not accepting bets that exceed the maximum risk limit on an individual bet or by closing the event that was offered as a bet. The risk is spread across a large number of events and sports. The Company's exposure to open bets that were provided for in accordance with Note 1.9 was not significant as at 31 December 2025 and 2024 and on this basis, management considers the potential impact on profit or loss of a shift in odds that is reasonably possible at the end of the reporting period to be immaterial.

(b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables (Note 7) and cash and cash equivalents (Note 8). The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount.

For cash and cash equivalents, the Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

2. Financial risk management - continued

2.1 Financial risk factors - continued

Impairment of financial assets

The Company's receivables primarily relate to trade receivables, amounts due from payment providers and amounts due from related parties forming part of the Tipico Group (Note 7). For amounts due from related parties, the Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. At 31 December 2025, the directors consider that related party balances are held with counterparties with a high rating based on the Company's internal rating scale. Management considers the probability of default to be low as the counterparties have a strong capacity to meet their contractual obligations, when also considering the support of the Tipico Group. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance for trade receivables as at 31 December 2025 and 31 December 2024 was as follows:

	2025	2024
	€	€
Opening loss allowance as at 1 January 2025 – calculated under IFRS 9	1,722,601	1,886,830
Decrease in loss allowance recognised in profit or loss during the year	(64,676)	(164,229)
Closing loss allowance as at 31 December 2025	1,657,925	1,722,601

While cash and cash equivalents (Note 8) are also subject to the impairment requirements of IFRS 9, the Company banks only with financial institutions or payment intermediaries with high quality standing or rating and the identified impairment loss was immaterial.

Balances due from payment providers can be withdrawn on demand or at short notice. Accordingly, the directors assess the probability of default taking place immediately after the reporting year. The directors have determined that none of the payment providers have experienced a significant increase in credit risk; as there were no indications at the reporting date that any of the counterparties would be unable to honour their obligations in the very short term, the directors have assessed the allowance for expected credit losses on these balances to be wholly insignificant to the Company.

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 11), other financial liabilities (Note 12), provisions for other risks and charges (Note 13) and current tax liabilities. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations. Management monitors liquidity risk by means of continuous weekly observation of cash inflows and cash outflows. To improve the net cash inflows and to maintain cash balances at a certain level, management ensures that no additional financing facilities are expected to be required over the coming year.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

The amounts disclosed in the table below are contractual undiscounted cash flows:

	Within 1 year €	1-2 years €	3-4 years €	5+ years €
At 31 December 2025				
Trade and other payables (Note 11)	157,054,210	-	-	-
Lease liability	233,329	260,298	610,751	28,601
Total	<u>157,287,539</u>	<u>260,298</u>	<u>610,751</u>	<u>28,601</u>
At 31 December 2024				
Trade and other payables (Note 11)	119,913,426	-	-	-
Lease liability	360,357	210,825	521,176	308,263
Total	<u>120,273,783</u>	<u>210,825</u>	<u>521,176</u>	<u>308,263</u>

2.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company's equity, as disclosed on the face in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities and the support of the Group, the capital level as at the end of the reporting period is deemed adequate by the directors.

2.3 Fair values of financial instruments

At 31 December 2025 and 2024, the carrying amounts of cash at bank, receivables, payables, and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provisions

As disclosed in Note 13, as at 31 December 2024 the Company recognised a provision of €8.0 million mainly relating to sportsbook player claims arising as a result of a change in the legal environment. Based on advice obtained from legal counsel and after applying management's judgement that other than for claims with a matter value of less than €25k, it is the directors' view that the probability of having a possible outflow of economic resources in relation to Germany player claims arising from sports betting is remote. Additional judgements are expected from German courts and the ECJ in the coming months. Based on information available at the time of signing these financial statements, the directors have determined that, despite acknowledging the uncertain environment in which the Company operates, no additional provision or contingent liability is recognised under IAS 37. The directors will persist in reassessing future developments and the impact these may have on the Company. As at 31 December 2025, the provision in relation to sportsbook player claims stands at €5,600,000.

4. Intangible assets

	Software €	Licences €	Internally generated software €	Total €
At 1 January 2024				
Cost	200,588,334	18,569,443	15,148,099	234,305,876
Accumulated amortisation	(146,546,612)	(4,728,724)	(8,992,561)	(160,267,897)
Net book value	54,041,722	13,840,719	6,155,538	74,037,979
Year ended 31 December 2024				
Opening net book value	54,041,722	13,840,719	6,155,538	74,037,979
Additions	16,570,428	-	2,085,372	18,655,800
Disposals	(214,638,280)	-	(17,233,471)	(231,871,751)
Remeasurement	-	(551,449)	-	(551,449)
Amortisation charge	(13,119,985)	(3,627,929)	(1,472,352)	(18,220,266)
Amortisation release on disposal	157,207,739	-	10,464,913	167,672,652
Closing net book value	61,624	9,661,341	-	9,722,965
At 31 December 2024				
Cost	2,520,482	18,017,994	-	20,538,476
Accumulated amortisation	(2,458,858)	(8,356,653)	-	(10,815,511)
Net book value	61,624	9,661,341	-	9,722,965
Year ended 31 December 2025				
Opening net book value	61,624	9,661,341	-	9,722,965
Remeasurement	-	(861,090)	-	(861,090)
Amortisation charge	(21,153)	(3,367,981)	-	(3,389,134)
Closing net book value	40,471	5,432,270	-	5,472,741
At 31 December 2025				
Cost	2,520,482	17,156,904	-	19,677,386
Accumulated amortisation	(2,480,011)	(11,724,634)	-	(14,204,645)
Net book value	40,471	5,432,270	-	5,472,741

The amortisation charge is included in administrative expenses. Gains associated with the disposal of intangible assets are disclosed in Note 14.1.

5. Property, plant and equipment

	Buildings €	Computer equipment €	Office equipment €	Furniture & fixtures €	Total €
At 1 January 2024					
Cost	7,231,121	2,804,677	599,832	125,761	10,761,391
Accumulated depreciation	(6,141,223)	(2,795,126)	(582,001)	(78,945)	(9,597,295)
Net book value	1,089,898	9,551	17,831	46,816	1,164,096
Year ended 31 December 2024					
Opening net book value	1,089,898	9,551	17,831	46,816	1,164,096
Additions	977,884	13,606	-	-	991,490
Depreciation charge	(767,395)	(13,990)	(9,471)	(11,182)	(802,038)
Closing net book value	1,300,387	9,167	8,360	35,634	1,353,548
At 31 December 2024					
Cost	8,209,005	2,818,283	599,832	125,761	11,752,881
Accumulated depreciation	(6,908,618)	(2,809,116)	(591,472)	(90,127)	(10,399,333)
Net book value	1,300,387	9,167	8,360	35,634	1,353,548
Year ended 31 December 2025					
Opening net book value	1,300,387	9,167	8,360	35,634	1,353,548
Modification	521,935	-	-	-	521,935
Write-off	(655,925)	-	-	-	(655,925)
Depreciation charge	(544,286)	(2,652)	(8,360)	(9,955)	(565,253)
Depreciation released on write-off	655,925	-	-	-	655,925
Closing net book value	1,278,036	6,515	-	25,679	1,310,230
At 31 December 2025					
Cost	8,075,015	2,818,283	599,832	125,761	11,618,891
Accumulated depreciation	(6,796,979)	(2,811,768)	(599,832)	(100,082)	(10,308,661)
Net book value	1,278,036	6,515	-	25,679	1,310,230

5. Property, plant and equipment - continued

Leases

This note provides information for leases where the Company is a lessee.

The balance sheet shows the following amounts relating to leases:

	2025 €	2024 €
Right-of-use assets		
Buildings	1,278,036	1,300,387
	2025 €	2024 €
Lease liabilities		
Current	233,329	360,357
Non-current	899,651	1,040,264
	1,132,980	1,400,621

Additions to the right of use assets during the year amounted to €nil (2024: €977,884).

The statement of profit or loss shows the following amounts relating to leases:

	2025 €	2024 €
Depreciation charge of right-of-use assets		
Buildings	544,286	767,395
Interest expense (included in finance cost) (Note 18)	170,618	230,615

The total cash outflow for leases amounted to €437,968 (2024: €917,118).

6. Investment in subsidiaries

	2025 €	2024 €
Year ended 31 December		
Opening carrying amount	-	40,850,000
Disposals	-	(40,825,000)
Write down	-	(25,000)
Closing carrying amount	-	-
At 31 December		
Cost and carrying amount	-	-

6. Investment in subsidiaries - continued

Disposals in the year to 31 December 2025 amounted to €nil (2024: €40,825,000). Disposals in the year to 31 December 2024 related to the disposal of Tipico Germany Holding GmbH to a related party. The gains on disposal are disclosed in Note 14.1.

7. Trade and other receivables

	2025 €	2024 €
Current assets		
Trade receivables - gross	8,451,901	9,103,537
Less: Provision for impairment of trade receivables	(1,657,925)	(1,722,601)
Trade receivables - net	6,793,976	7,380,936
Amounts due from payment providers	11,537,271	11,383,531
Amounts due from immediate parent company	170,294,369	66,520,100
Amounts due from fellow subsidiaries	39,842,456	67,935,759
Other receivables	2,905,284	75,000
Prepayments and accrued income	29,545	207,796
	231,402,901	153,503,122

The amounts due from fellow subsidiaries are unsecured, interest-free and repayable on demand. The loan amounts due from the immediate parent company are subject to a variable interest rate with an average of 5.69% p.a. (2024: 7.26% p.a.), with interest being due annually (Note 17) and the principal being repayable on demand, with a final repayment date of 31 December 2028.

8. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2025 €	2024 €
Cash at bank and other intermediaries	154,279,920	222,433,241
Less: restricted cash	(33,319,070)	(33,399,367)
Cash and cash equivalents	120,960,850	189,033,874

Included in cash at bank are amounts of €33,319,070 (2024: €33,399,367) that are held in a fiduciary capacity and represent customer monies and agency deposits, whose use is restricted in terms of the gaming regulations and/or intermediary contracts.

9. Share capital

	2025 €	2024 €
Authorised, issued and fully paid		
100,000 ordinary shares of €1 each	100,000	100,000

10. Deferred tax asset/liability

Deferred tax is calculated on all temporary differences under the liability method using the tax rate that is expected to apply to the period when the assets/liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned. The principal tax rate used is 35% (2024: 35%), which is the rate of tax for the Company's profits earned in Malta. The movement in deferred tax balances is analysed as follows:

	Balance at 1 January €	Recognised in profit or loss €	Balance at 31 December €
31 December 2024			
Deferred tax			
Temporary differences on amortisation of intangible assets	(5,437,776)	5,813,828	376,052
Temporary differences on provisions	1,363,212	2,672,520	4,035,732
Other	112,378	(193,221)	(80,843)
Net deferred tax (liability)/asset	(3,962,186)	8,293,127	4,330,941
31 December 2025			
Deferred tax			
Temporary differences on amortisation of intangible assets	376,052	(891,922)	(515,870)
Temporary differences on provisions	4,035,732	(1,495,458)	2,540,274
Other	(80,843)	30,073	(50,770)
Net deferred tax asset	4,330,941	(2,357,307)	1,973,634

11. Trade and other payables

	2025 €	2024 €
Trade payables	2,830,920	3,198,810
Players' accounts	30,844,795	30,881,560
Amounts due to immediate parent company	65,891,245	8,141,415
Amounts due to fellow subsidiaries	40,886,200	59,258,621
Gaming and indirect taxes	16,601,050	18,433,020
Accruals and deferred income	6,161,235	5,804,330
	163,215,445	125,717,756

Amounts due to the immediate parent company and fellow subsidiaries are unsecured, interest free and repayable on demand.

12. Other financial liabilities

Other financial liabilities refer to liabilities arising in respect of annual payments for gaming licences in Germany. Management has opted to adopt the IFRIC 1 accounting treatment as disclosed in Note 1.9.

	2025 €	2024 €
Other financial liabilities		
Current	3,271,479	3,025,590
Non-current	3,358,986	6,630,465
	6,630,465	9,656,055

13. Provisions for other risks and charges

	2025 €	2024 €
Legal provision – carrying amount	5,600,000	8,000,000

The provision recognised mainly relates to sportsbook player claims arising as a result of a change in the legal environment.

The entity has a number of claims currently subject to ongoing legal review. In accordance with applicable legal procedures, certain rulings may become final and enforceable depending on the value of the claims. As a result, the entity has recognised a provision in relation to these matters.

As disclosed in Note 3, the basis for the provision is subjective and inherently uncertain and is dependent on management's best assessment.

14. Other income and expense items

14.1 Other gains

	2025 €	2024 €
Net gain on sale of business including software	-	314,000,900
Net gain on sale of brand	-	308,700,000
Net gain on sale of subsidiary	-	207,975,000
Net gain on sale of customer base	-	73,100,000
Net loss on write-down of investment	-	(25,000)
	-	<u>903,750,900</u>

14.2 Expenses by nature

Direct costs

	2025 €	2024 €
Intercompany charges and other direct costs	332,435,702	296,433,931

Administrative expenses

	2025 €	2024 €
Employee benefit expense (Note 16)	2,328,370	7,784,167
Amortisation and depreciation (Notes 4 and 5)	3,954,387	19,022,304
Payment services and bank charges	34,913,627	24,740,711
Provisions for other risks and charges (Note 13)	(2,400,000)	7,800,000
Other expenses	10,807,277	9,740,614
Total administrative expenses	49,603,661	69,087,796

Fees charged by the auditor, exclusive of VAT, for services rendered during the financial years ended 31 December 2025 and 2024 relate to the following:

	2025 €	2024 €
Annual statutory audit	100,000	97,650

15. Other operating income

Other operating income relates to income which is ancillary to the Company's main activity.

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16. Employee benefit expense

	2025 €	2024 €
Wages and salaries	2,261,013	9,463,746
Social security costs	67,357	405,793
Less: employee cost capitalised as part of intangible assets	-	(2,085,372)
	2,328,370	7,784,167

During the year under review, the Company employed, on average, 24 employees (2024: on average, 146 employees).

17. Finance income

	2025 €	2024 €
Bank interest	122,850	55,721
Other interest	8,001,350	4,687,275
	8,124,200	4,742,996

Amounts included within other interest receivable, amounting to €7,951,557 (2024: €3,536,689), relate to a loan carried out with the immediate parent company (Note 7).

18. Finance costs

	2025 €	2024 €
Other interest	1,246	741,225
Lease interest (Note 5)	170,618	230,615
	171,864	971,840

19. Tax expense

	2025 €	2024 €
Current tax charge	76,226,005	136,761,320
Deferred tax charge/(credit) (Note 10)	2,357,307	(8,293,127)
Tax expense	78,583,312	128,468,193

19. Tax expense - continued

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2025 €	2024 €
Profit before tax	211,527,112	1,215,544,520
Tax on profit at 35%	74,034,489	425,440,582
Tax effect of:		
Disallowed expenses	26,250	10,441
Interest income subject to tax at 15%	(24,569)	(11,144)
Effect of loss on investment	-	8,750
Effect of gain on disposal of subsidiary	-	(72,791,250)
Effect of gain on sale of brand	-	(108,045,000)
Effect of gain on sale of customer base	-	(25,585,000)
Effect of gain on sale of software	-	(80,430,000)
Effect of prior year deferred tax	822,839	211,112
Effect of other differences	516,896	-
Effect of prior year tax charge	3,207,407	-
Permanent differences	-	(10,340,298)
Tax charge	78,583,312	128,468,193

No tax charge arose on the gain from the disposal of the subsidiary in 2024 as this related to a transfer of shares in a Maltese company, which is exempt from tax in accordance with the provisions of the Income Tax Act. Additionally in 2024, no taxation arose on the gains from the transfers of the brand, customer base, and software, as these were intragroup transactions qualifying for tax deferral under the applicable provisions of the Income Tax Act.

20. Dividends

	2025 €	2024 €
Gross dividend on ordinary shares	208,943,970	1,223,829,288
Tax at source	(73,000,170)	(136,752,961)
Net dividend on ordinary shares	135,943,800	1,087,076,327
Net dividend per share	1,359.44	10,870.76

21. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	2025 €	2024 €
Operating profit	203,574,776	1,211,773,364
Adjustments for:		
Amortisation of intangible assets (Note 4)	3,389,134	18,220,266
Depreciation of plant and equipment (Note 5)	565,253	802,038
Net gain on disposal of subsidiary and intangible assets (Note 14)	-	(903,750,900)
Movement in provisions (Notes 7 and 13)	(2,464,676)	7,835,711
Restricted cash (Note 8)	80,297	(1,415,309)
Changes in working capital:		
Trade and other receivables	(74,033,234)	(53,089,647)
Trade and other payables & other financial liabilities	(19,331,281)	34,740,679
Cash generated from operations	111,780,269	315,116,202

Non-cash financing activities during the year related to €56,343,800 (2024: €1,002,076,327) of dividends that were not paid during the year (Note 20) as well as a capital contribution of €3,000,000. During the year ending 31 December 2024, the disposal of software was completed via intercompany arrangements and classified as a non-cash transaction (Note 4).

22. Related party transactions

All companies forming part of the Tipico Group together with its shareholders are considered by the directors to be related parties.

The Company entered into transactions with related parties that include shareholders, directors and their connected parties, and entities that are related by way of common shareholders or directors.

The following transactions were carried out by the Company with related parties:

	2025 €	2024 €
Sale of goods and services		
Commission payable to group undertakings (disclosed within net revenue)	(71,213,117)	(79,354,928)
Support services provided to other related parties	138,360,029	17,886,137
Purchase of goods and services		
Purchase of tangible and intangible assets from fellow subsidiaries	-	(16,539,654)
Rental of premises from related parties	(296,802)	(804,555)
Support services provided by other group undertakings	(206,070,720)	(309,625,984)

22. Related party transactions - continued

Dividends due to the parent company are disclosed in Note 20. The net gains on the sale of software, the sale of the brand, the sale of the customer base and the sale of the subsidiary to related parties during the year ending 31 December 2024 are disclosed in Note 14.1, as these transactions are related party transactions.

The Company entered into service agreements with fellow subsidiaries. Such agreements enable the Company to procure services from the service providing entities, which in turn charge out the related costs to the Company at an agreed upon price base. These costs have been included within the line-item Support services provided by other related parties. The remuneration is either based on a cost-plus mark-up or on the higher of a cost-plus mark-up (except significant third-party costs incurred) and a fee on the procured volume of direct and indirect costs, which volume has been capped with a minimum and maximum as defined in the agreements between the related parties.

Year-end balances owed by or to the parent company, fellow subsidiaries and other group undertakings arising principally from the above transactions and cash advances, are disclosed in Notes 7 and 11 to these financial statements.

During the year ending 31 December 2024, the Company entered into a 'brand and domain' licence agreement with its immediate parent company. The agreement gives the Company the right to use the brand and domain rights (IP rights) held by the immediate parent company. The consideration for the grant of the licence is a revenue-based licence fee calculated on a monthly basis with consideration given to a yearly minimum fee. This agreement remained in effect during the year ended 31 December 2025.

During the same year, the Company also entered into a 'sportsbook solution' service agreement with a related party. The provider holds all the rights and title in the sports betting software solution. Under this agreement the Company is entitled the right to install and use this software in its own name for any commercial purpose within the course of its ordinary business operations. As consideration for the provision of this service, the Company pays a revenue-based service fee calculated on a monthly basis. This agreement also remained in effect during the year ended 31 December 2025.

23. Contingencies

The Company is facing litigation brought forward by a former franchise partner for an alleged wrongful contract termination and damages of up to €11,500,000 allegedly suffered as a result of such termination. The Company believes the claim to be without merit and continues to litigate the matter vigorously.

Separately, the Company has recently been served with a new claim in Cyprus brought by an entity connected to prior unsuccessful litigants, seeking €88,840,421. The allegations either repeat matters already rejected by courts in Austria and Malta or consist of newly constructed claims based on a purely hypothetical business opportunity in Cyprus. The Company considers this action to be entirely unsubstantiated and will vigorously contest it in full.

24. Events after the reporting period*Sale of majority stake in Tipico Group*

On 28 October 2025, the Company's ultimate shareholder, CVC Capital Partners VII, signed a binding agreement with Banijay Group, an unrelated third party, for the sale of a majority of its stake in Tipico Group. As part of the transaction, Tipico is expected to be combined with Betclac within a new gaming sub-group referred to as "Banijay Gaming". This transaction has been completed with an effective date of 23 April 2026.

Under the agreed terms, Banijay Group acquired a majority interest in Tipico from CVC for cash consideration and became the controlling shareholder of the combined gaming group upon completion. CVC and the founders of Tipico and Betclac will retain minority shareholdings.

As this event represents a change in ownership at the ultimate shareholder level, it does not affect the recognition or measurement of assets, liabilities, income or expenses in these financial statements for the year ended 31 December 2025. The Company's operations continue to be presented as continuing operations.

25. Statutory information

Tipico Co. Ltd is a limited liability company and is incorporated in Malta. The immediate parent company of Tipico Co. Ltd is Tipico Group Limited, a company registered in Malta, with its registered address at Tipico Tower, Vjal Portomaso, St. Julians, STJ 4011.

As at the reporting date, the immediate parent company of Tipico Group Limited was Tackle Acquisition S.à r.l., a company incorporated in Luxembourg with its registered address at 20, Avenue Monterey, L-2163 Luxembourg.

The ultimate shareholders of Tipico Group Limited up to 23 April 2026 were limited partnerships with CVC Capital Partners VII Limited, general partner of CVC Capital Partners VII (A) L.P., CVC Capital Partners VII Associates L.P. and CVC Capital Partners Investment Europe VII L.P., a limited company governed by the laws of Jersey and having its registered office at 27 Esplanade, St. Helier, Jersey JE1 1SG, Channel Islands, registered with the Jersey Financial Services Commission under number 122497.

From 23 April 2026 onwards, control of the Group was acquired by Betclac Holding SAS, a company incorporated in France. As a result of this transaction, the ultimate shareholder of Tipico Group Limited became Lov Group Invest SAS, a private company incorporated in France.