

Allwyn Entertainment Ltd

2025

Annual Report and Accounts



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Allwyn at a glance

Our vision

As the operator of The National Lottery, Allwyn's vision is to change lives every day.

This means not only for the players who win life-changing amounts, but also for the millions who benefit from the over £33m, on average, that The National Lottery raises for Good Causes every week.

Allwyn is committed to growing The National Lottery responsibly and championing its positive impact across the UK. Our ambition is clear: to double Returns to Good Causes from £30m to £60m per week by the end of our 10-year licence in 2034.

Our core values

Trusted



Inclusive



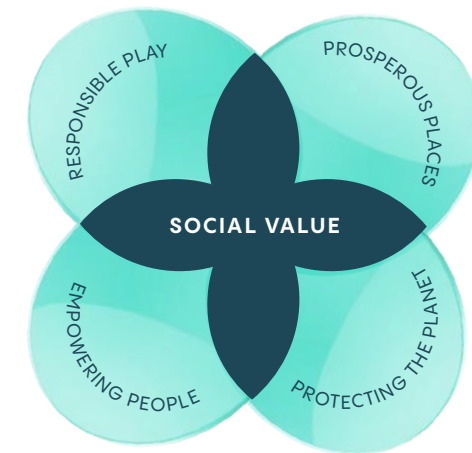
Innovative



How we do business – Our Social Value Framework

As steward of The National Lottery, we care about the way in which we operate and are committed to doing business responsibly. By embedding social value into everything we do, we aim to ensure that growth and impact go hand in hand.

Allwyn's Social Value Framework forms an integral part of this strategy and is founded on four pillars:



Responsible play:

Protecting participants and promoting safe, enjoyable play

Prosperous places:

Supporting communities and high streets to thrive

Empowering people:

Building an inclusive, accessible and fair workplace and National Lottery

Protecting the planet:

Driving towards a net zero National Lottery

Our year in review

Successful completion of biggest-ever technology upgrade to The National Lottery

We upgraded The National Lottery's core gaming and retail technology systems to brand new platforms. This allowed us to start rolling out state-of-the-art lottery terminals to our retail partners,

with over

39,000

installed

by the end of the year. In addition, over 13,000 new permanent-point-of-sale kits were installed.



Focusing on responsibility

Participant Protection is core to our work. National Lottery retailers correctly asked for ID as proof of age at the highest-ever rate – with

93.5%

of retailers asking for ID

as proof of age on their first mystery shopping visit. And we hosted our first Participant Protection Conference during the year, bringing together experts to explore the future of protecting lottery participants' interests.

More places to play

We expanded our retail network through new partnerships, creating more opportunities to sell National Lottery products. This included working with Aldi to deliver The National Lottery at all self-checkouts across its UK stores – making it even easier for shoppers to conveniently pick up their tickets while shopping.

Our 43,500 retail partners received

£225m

in commission for selling National Lottery tickets over the year



More than a millionaire a day

Welsh winners, Richard Davies and Faye Stevenson-Davies beat odds of an estimated 24-trillion-to-one when they won £1m on EuroMillions in 2018 and then won £1m again – this time on Lotto – in 2025, a year in which **we created 377 millionaires.**

Innovation in digital

Ahead of the return of I'm A Celebrity... Get Me Out of Here! to TV screens, we developed a new instant game – one of

104

interactive Instant Win Games launched

across the year – using well-known licensed imagery from the show. This game innovation, alongside exciting new online events, helped **sales for instant games hit a record £1.2bn** during the year – and add 1m new digital players.

Our year in review continued

EuroMillions creates UK lottery history

The EuroMillions roll series that lasted over 10 weeks in Q2, generated both the highest-ever EuroMillions sales of £550m and the **biggest-ever Returns to Good Causes of £190m from a EuroMillions roll series.**

EuroMillions sales hit a record

£2.1bn

this year.

The return of the iconic 'It Could Be You'

The National Lottery brand has been refreshed and strengthened with the famous advertising tagline, which was used to launch The National Lottery in 1994, making a comeback. The slogan has been reimaged to reach new audiences.

Celebrating the impact of The National Lottery across the UK

Events across all the nations celebrated The National Lottery's impact over the last 30 years.

Over

£1.7bn

was raised for National Lottery-funded projects

during 2025, adding to the £52bn raised since 1994, which has funded over 670,000 Good Causes across the UK. And this was on top of the **£967m contributed to HM Treasury** – helping fund public expenditure across the UK.



Investing in Communities

As part of Allwyn's **£1m Social Value Fund**, which supports communities and high streets to thrive, we supported volunteer programmes at the Women's Rugby World Cup 2025 and through our partnership with Bradford 2025 City of Culture.

We also announced the Team GB and ParalympicsGB stars who would be receiving ChangeMaker grants, providing a total of **£100,000 for athletes to promote grassroots projects close to their hearts.** 2025 also saw the return of our Local Retail Champions initiative, which recognised 20 National Lottery retailers, who were crowned for going above and beyond in supporting their local communities.

£1m

Social Value Fund



Chair's statement

Justin King

Building strong foundations for the future

As we reflect on the past year, it is essential to recognise the central role The National Lottery plays in our society. Since 1994, it has been part of the fabric of everyday life, helping raise over £52bn for more than 670,000 projects.

Very few institutions touch communities so widely or so meaningfully. That is why we remain committed to ensuring its continued success, maintaining its unique place in society and growing Returns to Good Causes responsibly over the remainder of our 10-year Licence.

In February 2024, we took over running The National Lottery, its first new operator in 30 years. Through the incredible work done by colleagues, this transition between operators was seamless for our 43,500 retail partners and players alike. With our first full year of operation now firmly under our belt, we're looking to build on all that we've achieved to date.

Over the last two years, we have invested over £450m to modernise and future-proof The National Lottery, which had somewhat stagnated following a lack of investment over recent years. And it has been a defining period of transformation. We have successfully completed the move from old legacy systems to new state-of-the-art retail and digital platforms. This immense programme of work has taken place alongside day-to-day operations, something that was never envisaged in the Competition for the Fourth National Lottery Licence¹.

It has been a major undertaking, delivered with precision, and will improve the player experience, support new, innovative games and promotions, and strengthen our approach to player protection even further. Combined with wholesale improvements across our retail estate, we are building a National Lottery that feels modern, accessible and responsible, wherever and however people choose to play.

This period has not been without its challenges, primarily the impact since 2022 of litigation by third parties against the Gambling Commission's award of the Fourth National Lottery Licence Competition. Allwyn has continuously participated as an interested party in this long process to protect the integrity of our winning bid and to support the Gambling Commission's rigorous competition process.

In April 2026, we welcomed the High Court's clear and comprehensive Judgment in The New Lottery Company's ('TNLC') claim against the Gambling Commission, which confirmed that the Gambling Commission ran a fair and lawful licence competition, properly awarded the Fourth National Lottery Licence to Allwyn, and confirmed the lawfulness of the modifications to the Enabling Agreement. The Court also awarded indemnity costs in favour of the Gambling Commission and Allwyn.

It recognised Allwyn as "a world leader in lottery operations" and found that implementation delays were not Allwyn's fault, but were caused by the non-cooperation of Camelot and IGT and their litigation, and that these were foreseeable by the Gambling Commission.

The Judgment recognised that these issues significantly delayed our ability to implement the transition programmes required by the Enabling Agreement and therefore the start of the transformation programme pursuant to the Fourth Licence. It recognised that these issues negatively impacted both Allwyn and Good Causes.

Chair's statement continued

Allwyn can however now focus all of its resource and effort on delivering what matters most under the Fourth National Lottery Licence: the long overdue, and now complete modernisation of The National Lottery, the relaunch of our Lotto game and the launch of Powerball (for the first time outside of the U.S.) for the enjoyment of our players, and to increase Returns to Good Causes.

The external environment in which we operate remains dynamic and competitive, with society lotteries and prize draw operators challenging the single National Lottery model which was set up to minimise costs and maximise money raised for Good Causes through large-scale jackpots.

However, drawing on the incredible experience and insights of our team, we have made good progress on our commitment to double the amount of money given to Good Causes from £30m to £60m each week by the end of the Fourth Licence term in 2034 – with Good Causes this year at £1.7bn, up 4% compared with 2024², while HM Treasury received over £960m in Lottery Duty.

We're fortunate to benefit from our parent company's international lottery experience, as well as its investment and commitment to benefiting the wider communities within the markets they operate. This can be seen through our £1m annual Social Value Fund, which is funded from Allwyn's own resources, and is designed to complement the work of our retail partners and National Lottery Distributors in helping communities and high streets thrive. Of particular focus this year was our backing of the volunteer programme at the Women's Rugby World Cup 2025, as well as our partnership with Bradford 2025 City of Culture, where we invested into the development of Bradford's legacy volunteer programme.

As we move into 2026, we do so with optimism. My thanks go to the dedication of my colleagues, partners and stakeholders, as well as our Board. We have completed the transition we set out in our winning bid, with a National Lottery now ready to deliver for players, retailers and the communities that rely on it.

Justin King Chair

- 1 Following the successful completion of Allwyn UK's technology transformation and systems upgrades, as set out in our winning bid, the Gambling Commission confirmed in March 2026 that Allwyn has achieved Fully Implemented Commencement. For further information see page 20.
- 2 Like-for-like ('LFL') is defined using 11 months from 2024, dividing by 11 and multiplying by 12 to gross up a full-year equivalent value. For amounts due to Good Causes/NLDF, the prior year excludes the one-off reserve adjustment of £53.5m to ensure LFL comparability.

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Good Causes this year received £1.7bn, up 4% compared to 2024², while HM Treasury received over £960m in Lottery Duty.



CEO's statement



Andria Vidler

**Growth
through
innovation**

This year marked a significant leap forward in The National Lottery's transformation under Allwyn's stewardship, much of it taking place behind the scenes. We have now successfully modernised our digital and retail infrastructure, laying the foundations for a more dynamic, more resilient, future-ready operation.

At the same time, we stayed firmly committed to responsible growth. That focus delivered real impact: Returns to Good Causes increased over the year, fuelled by bold new marketing campaigns and more engaging consumer initiatives.

In short, we did not just maintain momentum, we accelerated it. We completely rebuilt the engine that powers The National Lottery while continuing to deliver for players and for the communities that depend on us, building The National Lottery of tomorrow while delivering more for the UK today.

“

Over £450m has been invested to modernise the core systems that underpin our operations.

£33m

generated for Good Causes every week by National Lottery players

Over £450m has been invested to modernise the core systems that underpin our operations. We completed a comprehensive overhaul of our back-end retail and digital platforms, one of the most complex transitions undertaken in international lottery history. Through meticulous planning, disciplined execution and extensive testing, we delivered more than 30 new systems and executed major data migrations – moving tens of thousands of retailer records, 18 million player records and over three billion historical transactions from old platforms to new ones.

We have also been busy rolling out state-of-the-art retail terminals and a new in-store network powered by Vodafone, with nearly 99% of outlets trading on new terminals by the end of the year. We continued to improve in-store enhancements for players and retailers with modern National Lottery signage appearing nationwide. These upgrades reinforce the critical role retail continues to play as a cornerstone of The National Lottery.

CEO's statement continued

At the start of 2026, we upgraded our digital platforms, launching a new website and mobile apps which are enabling faster account registration, improved navigation and the largest-ever range of online National Lottery games. New enhanced player protection features now provide clearer limits, improved prompts, enhanced cooling-off tools and strengthened age verification checks. These improvements form the basis for a more responsible and future-ready digital offer.

This work has enhanced reliability, efficiency and capability, enabling us to now concentrate on developing new games and interactive, innovative propositions that will keep The National Lottery relevant in an ever-changing external environment.

Strong financial performance in a year of transformation

Despite this being a year of change, financial performance remained robust.

- **National Lottery total sales reached £8.1bn**, an increase of 3.5% on 2024¹
- **Contributions to Good Causes grew to £1.7bn**, up 4% on 2024¹, with an average of £33m raised every week
- Digital channels achieved **record sales of £4.1bn**, up 9.8% on 2024¹, now representing over half of total sales

While digital channels continue to grow, retail remains the backbone of our operations. Our 43,500 retail outlets earned over **£225m in commission** this year, providing meaningful support to high streets across the UK. We have expanded our network through new partnerships, creating more opportunities to sell National Lottery products. This included a nationwide rollout with Aldi, bringing The National Lottery to self-checkouts across all its stores.

Portfolio performance was also positive, with EuroMillions continuing to be a huge draw, reaching **£2.1bn** in sales, outperforming all other member lotteries in the EuroMillions community. Instant Win Games set a record at **£1.2bn**, with 104 games launched during the year and included new and innovative link-ups with major brands like *'I'm a Celebrity... Get Me Out of Here!'*.

Promotional initiatives gave players greater value, providing chances to win beyond the main games and draws. Our EuroMillions Valentine's Day draw made 14 UK millionaires but also awarded 14 winners with trips to the Maldives. These new initiatives supported growth in digital players, with the base now reaching **12.1 million players**.

“

Digital channels achieved record sales of £4.1bn, up 9.8% on 2024¹, now representing over half of total sales.



CEO's statement continued

The National Lottery brand has also been refreshed and strengthened. The reintroduction of the iconic *'It Could Be You'* tagline, featuring real winners within the campaign, helped reach new audiences to support the nation's millionaire-making game Lotto. Our Scratchcard campaigns brought new energy to the category, including innovative Christmas activity that positioned Scratchcards as a surprising and fun way to come together, no matter what the occasion.

And our work to increase public awareness of the impact of National Lottery funding in 2025 was brought to life by Claudia Winkleman's *'Because of You'* film series. These films highlighted projects that are improving lives across the UK, reinforcing the value and importance of National Lottery support.

Upholding the highest standards of Participant Protection

Participant Protection is central to our work. To ensure players continue to enjoy National Lottery games in a safe and responsible way, we expanded our 'Operation Guardian' mystery shopping programme, with 93.5% of retailers requesting ID on the first visit. Meanwhile, our continued investment in tools and data-led interventions supported players in making informed choices and enjoying play safely.

We also hosted our inaugural Participant Protection Conference, bringing together specialists from across the wider Allwyn network and the broader industry to discuss emerging challenges, including AI, digital identity and youth safeguarding.

Looking ahead

The achievements of this year reflect the commitment of our colleagues, the dedication of our partners and the continued support of our 31.5 million players.

As we look forward, we remain focused on delivering a National Lottery that is modern, responsible and relevant, one that continues to deliver for Good Causes and maintains its unique place in the life of the UK.

This year's work has created a stronger, more resilient operational platform that will support growth for the remainder of the licence period and beyond.

Andria Vidler

Chief Executive Officer

- 1 Like-for-like ('LFL') is defined using 11 months from 2024, dividing by 11 and multiplying by 12 to gross up full-year equivalent value. For amounts due to Good Causes/NLDF, the prior year excludes the one-off reserve adjustment of £53.5m to ensure LFL comparability.

Highlights

Total sales of

£8.1bn

Returns to Good Causes of

£1.7bn

On average, weekly amount raised

£33m

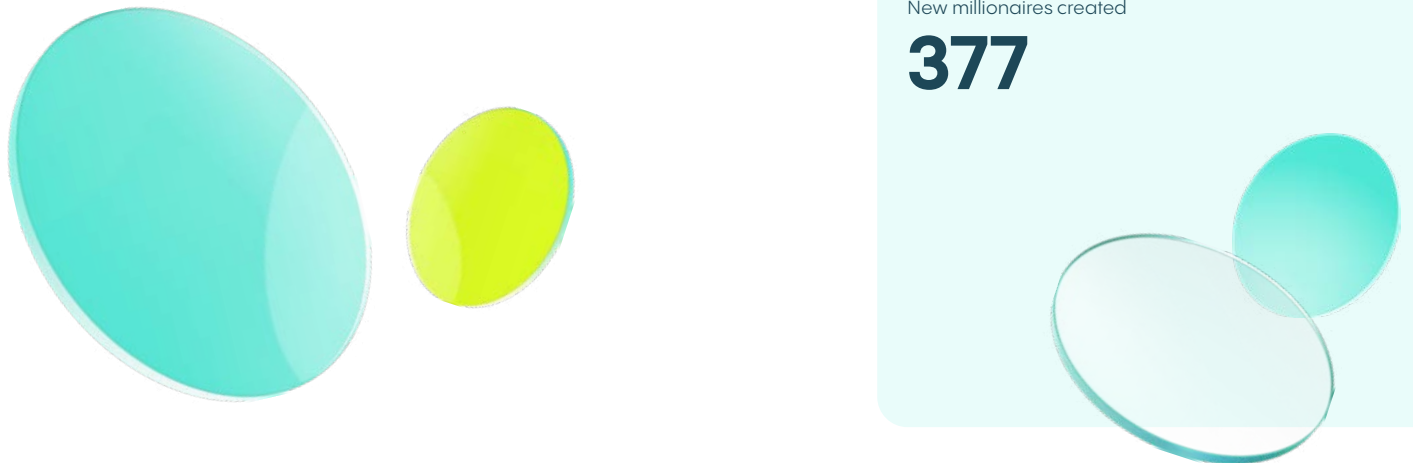
for Good Causes

Prizes to players

£4.6bn

New millionaires created

377



Market overview

Introduction

The macroeconomic environment remains challenging, with a softening labour market, inflation and cost of living continuing to put pressure on the consumer wallet; the overarching narrative for the year was one of caution and subdued optimism.

In parallel, the ever-increasing use of digital platforms and social media has changed how media, gaming and entertainment are consumed, raising players' expectations for engaging and safe digital experiences.

The increasing number of dynamic digital journeys have brought opportunities for easy and spontaneous play, with entertaining and social features creating enhanced experiences.

In the retail environment, shopping behaviour continues to evolve, with greater use of technology to deliver convenience. This has created new ways to shop and buy in-store such as increased self-checkouts and scan & go, and new retail formats such as collection hubs and on-demand deliveries.

Consumers are also focusing more of their time and attention on sustainable businesses with a clear purpose, so it is important for Allwyn to continue to show the impact of Good Cause funding while continuing to run our business in a responsible way.

Competitors

The National Lottery was intentionally set up as a single UK-wide lottery with national reach and the offer of uncapped life changing prizes through the 'National Lottery etc. Act 1993'. This was to minimise operating, advertising and marketing costs, while maximising player participation, prize jackpots and Returns to Good Causes, as well as ensuring player protection through strong regulation. It was created to fund activities that Government cannot, and is the UK's single biggest funder of community, arts, heritage and sport outside of Government.

That founding intent has been diluted over recent years, with industrial-scale society lotteries and prize draws increasingly presenting themselves as pseudo-national lotteries, but without the same level of player protection and Good Cause funding regulation that The National Lottery adheres to. And without the transparency of The National Lottery's Good Causes distribution model of 12 arm's-length bodies that make the funding decisions, and without paying the 12% Lottery Duty that The National Lottery returns annually to the Exchequer.

In 2025 the Government made a clear decision to protect this One National Lottery model, citing the potential impact on The National Lottery as a key factor in its decision not to liberalise society lottery sales limits.

Baroness Twycross, Minister for Museums, Heritage and Gambling, confirmed that, "The Government wants a lotteries sector centred on one national lottery – The National Lottery – whilst continuing to support the hundreds of wider society lotteries that exist. This model has worked successfully for the last 30 years and created the conditions for The National Lottery to flourish and support life-changing projects, alongside a thriving society lotteries sector."

Competition continued to intensify in 2025 from the cumulative impact of more entrants in the raffle, prize draw and digital entertainment sectors. We expect this to remain the case in 2026. In particular, the prize draw sector has grown significantly in recent years with operators offering life-changing cash prizes, property, cars and holidays. Recognising the growth in this sector, the Government announced a new voluntary code of conduct, retaining the right to legislate in the future if needed.



Our business model

Who we work with

Our customers

These are our players and they're central to what we do. We want them to be excited by our games, feel that The National Lottery is relevant to them, and play responsibly.

Our colleagues

We rely on our people to realise our ambitions over the course of our licence, by ensuring they're proud to be part of this unique, consumer-led entertainment business.

Our stakeholders

These include Government, the Gambling Commission and National Lottery Distributors. We work to ensure our stakeholders recognise us as a trusted operator, increasing Returns to Good Causes while delivering world-class Participant Protection.

Our retailers and other partners/suppliers

Our retail partners are our high street ambassadors essential to our success, while our partners help us deliver world-class experiences to our customers.

National Lottery Promotions Unit and Good Cause beneficiaries

We work with these organisations to better connect players to the impact the money they raise has every time they buy a ticket.

What we do

Our role is to raise money for Good Causes in a responsible way, and we do this through:



Games

We offer a balanced and exciting portfolio of National Lottery games that complement, rather than compete against, each other. We will continue to evolve our games, responsibly attracting the broadest possible player base. We will also run campaigns and initiatives to bring people together and better connect them to The National Lottery's unique purpose.



Multi-channel experiences

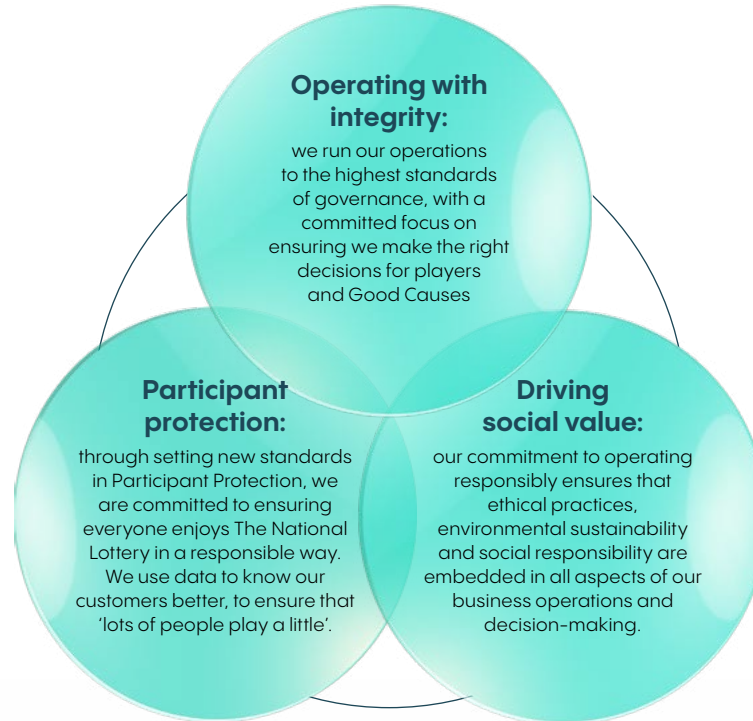
We have two primary games channels – retail and digital. We work hard to continuously provide players with a seamless experience, allowing them to play where, when and how they want.



Innovation

We prioritise continuous innovation to drive value creation, leveraging emerging technologies and data, market trends and customer insights to deliver cutting-edge solutions that meet evolving needs.

How we do it



Everything we do is underpinned by our commitment to our three core values, to be:



Trusted



Inclusive



Innovative

The value we create

Our customers

Over

30 million

people play one or more of our games over the course of the year

Our colleagues

660

colleagues in internal community groups

Our stakeholders

£33m

a week raised for Good Causes

Our partners

43,500

National Lottery retail outlets

Our shareholder

Refer to the Chief Financial Officer's report for how the Fourth Licence remunerates Allwyn (the operator)

Our strategy

Our ambition is to double the Returns to Good Causes by the end of the Fourth Licence in 2034. Our focus remains on responsible growth with ‘lots of people playing a little’, maintaining our independently recognised position of posing a very low risk of causing harm to players.

Our strategy has four enduring priorities; engaged consumers, seamless experiences, transformative operations and inspired people.



Engaged consumers

What it means

To unlock our ambition, we must fundamentally rethink The National Lottery’s relationship with consumers as we transform to be a consumer-centric business. This means understanding our consumers deeply and using data and insight to continually innovate our propositions, giving them more reasons to talk about, play and champion The National Lottery.



Seamless experiences

What it means

We continue to iterate consumer experiences across our digital and retail channels, whether through new promotions and events, refreshing our range of instant games, or testing new in-store technology to offer greater convenience. As ever, we are focused on ensuring that our consumers can play responsibly where, when and how they want.



Transformative operations

What it means

Our completion of the transformation of The National Lottery’s technology infrastructure, in early 2026, signified a significant step-change in our capability to innovate and improve consumer experiences. The successful upgrade of our core gaming and retail technology systems in summer 2025 marked a major milestone on this journey, with the successful deployment of new terminals across the vast majority of our retail network by the end of 2025. This was done with limited consumer disruption, reflecting the careful consideration of our consumers as we drive the change agenda.



Inspired people

What it means

Everything we achieve is powered by our people. We are focused on creating a great place to work, which enables all colleagues to perform at their best. Ensuring our behaviours and actions are aligned with our core values of being trusted, inclusive and innovative is also paramount, as we deliver on our vision to change lives every day.

Everything we do is underpinned by our Social Value Framework:

[Discover more on page 31](#)

Responsible play

Empowering people

Prosperous places

Protecting the planet

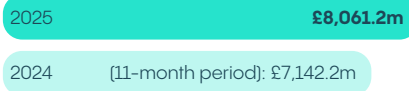
Key Performance Indicators ('KPIs')

Our primary financial KPIs are total sales, Returns to Good Causes (amounts due to the National Lottery Distribution Fund), and the operating result after Implementation Costs. These are also discussed in the [Chief Financial Officer's statement](#).

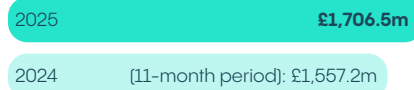
In addition, KPIs are maintained and reported on for a range of specific non-financial performance indicators across each key function of our operations. These assess both progress against strategic measures and licence compliance, and include performance standards for player accessibility, service standards in player and retailer operations and metrics informing the meeting of outcomes as defined in the Fourth Licence.

Financial

Total sales

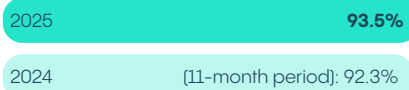


Returns to Good Causes (amounts due to National Lottery Distribution Fund)



Participant Protection

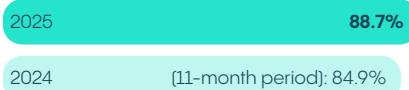
% of retailers sampled who passed an underage mystery shop first visit



% of retailers sampled who passed an excessive play mystery shop



% of retailers sampled who passed a responsible play knowledge check



Sustainability/inclusivity

Mean gender pay gap



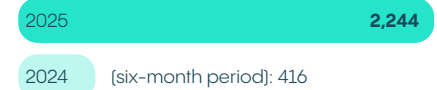
Mean ethnicity pay gap



Number of colleagues in employee community groups



Number of employee volunteering hours



All these KPIs are monitored on a regular basis by a number of executive-led steering groups, the Executive team and the Board via the Compliance and Risk Management Committee. KPIs are also reflected in bonus targets – see [Remuneration Committee](#).

Chief Financial Officer's report



Alan Artz

The year ended 31 December 2025 represents Allwyn UK's first full twelve-month period of operations following the commencement of the Fourth National Lottery Licence. The prior year, ending 31 December 2024, comprised an eleven-month period from February to December 2024. Accordingly, the two periods are not directly comparable and, where relevant, commentary below refers to like-for-like ('LFL') performance¹.

2025 represented a significant year of progress in delivering the Transition and Transformation Programmes required under the Fourth National Lottery Licence. As part of this programme, Allwyn has undertaken the major upgrade of both retailer and digital systems to ensure that The National Lottery is supported by a modern, resilient and scalable technology platform for the long term.

During the year, Allwyn completed the successful overhaul of its core gaming and retail systems, as well as introducing new state-of-the-art terminals. By the end of the year, nearly 99% of the retail estate was trading on the new terminals. This represents one of the most substantial operational changes undertaken by any lottery worldwide to date and provides a strengthened foundation for our retail partners across the UK.

In parallel, Allwyn continued to advance the upgrade of its digital systems. This work was completed just after year end and will support an enhanced player experience, increased reliability and improved flexibility across the digital channel. These transition activities form a critical part of the Fourth Licence framework and position The National Lottery for sustainable growth and increased Returns to Good Causes over the licence period.

I am pleased to report that total sales for the year were £8,061.2m, generating Returns to Good Causes of £1,706.5m from operations. This is approximately £33m on average, every week – or an incredible £54 every single second – for Good Causes across the UK over the period. Compared with 2024¹, total sales are 3.5% higher and Returns to Good Causes are 4% higher.

Total sales for 2025 of

£8,061.2m

Chief Financial Officer's report continued

This performance was achieved amid challenging macroeconomic conditions including sustained inflationary pressures and intensified competition, alongside the complexity of running parallel operations while delivering major Transition and Transformation Programmes. Participation in National Lottery products continued to demonstrate resilience, highlighting the strength of the brand and continued relevance of the lottery's social purpose. Our thanks go to all our players, for making this possible – they should feel very proud of the role that they have played in raising vital funds for Good Causes.

This year Allwyn generated £3,003.3m (2024¹: £2,980.3m, 2024: £2,732.3m) for society as a whole – through Good Causes returns, other payments to the National Lottery Distribution Fund ('NLDF'), Lottery Duty and the commission earned by our retail partners. Including prizes paid, we returned around 94.0% (2024: 95.0%) of all total sales to our winners and to society, even before paying for operating costs.

Allwyn has also continued to invest significant sums in the transformation and technology needed to improve The National Lottery, with £450.5m (2024: £342.0m) spent to date. This compares with £72.0m invested over the final five years of the Third Licence (under Camelot). This investment continues to be funded by Allwyn upfront, accounting for our operating loss after Implementations Costs in the year, with the expected recovery of these costs to take place over the remainder of the licence period. This demonstrates the commitment and passion that the Company has for this fundamental transformation.

Total sales

Total sales for the year ended 31 December 2025 were £8,061.2m (2024¹: £7,791.5m or +3.5%). Within this amount, sales of Draw-Based Games totalled £4,903.6m (2024¹: £4,645.0m). 2024 11-month sales were £7,142.2m.

EuroMillions achieved the highest sales in the UK since 2012, driven by a higher number of rollovers and continued marketing optimisation, contributing 44% of total draw-based game sales. Sales for Instant games (Scratchcards and Instant Win Games) were £3,157.6m (2024¹: £3,146.4m or +0.4%). Instant Win Games achieved the highest sales since they were launched in 2003, with sales of £1,203.5m (2024¹: £1,092.0m or +10.2%), following an expansion of the number of games we offered across the year.

Scratchcard performance remains challenging, reflecting ongoing changes in the retail landscape and evolving consumer shopping behaviours, which continue to affect the category. However, this has been partially offset by a refreshed and strengthened portfolio. Over the year, we launched 49 new Scratchcards and enhanced the range to maintain player interest and support retailers despite broader market pressures. Allwyn will continue to innovate and develop customer products to ensure Scratchcards continue to play an important role within the wider Instant offering.



During the year, our digital channel became the largest sales channel, accounting for £4,119.6m (2024¹: £3,753.2m) or 51.1% (2024¹: 48.2%) of overall total sales. Digital was the channel of choice for Draw-Based Games, accounting for 59.5% (2024¹: 57.3%) of all Draw-Based Game sales, while 61.9% (2024¹: 65.3%) of all Instant sales were made via retail outlets. Overall, the digital channel now accounts for over 12.1 million active players² compared with 11.1 million players in the prior year. This continues to be one of the world's leading digital lotteries in terms of revenue and reach, supported by strong engagement across our digital channels.

Prizes

Total prizes for 2025 were £4,555.4m (2024¹: £4,406.5m). This represented 56.5% (2024¹: 56.6%) of total sales, with a prize mix comprising of 51.7% (2024¹: 50.4%) for Draw-Based Games and 48.3% (2024¹: 49.6%) for Instant Win Games. Draw-Based Game prizes were £12.2m (2024¹: £44.2m) higher than statistical expectations, due to the fixed prize matrices of Lotto and Lotto HotPicks.

In any lottery, there are prizes that remain unclaimed. If National Lottery prizes are not claimed within 180 days of either the draw date or the date of play for Draw-Based Games and Instant Win Games, respectively, or 180 days after the close of a Scratchcard game, they are paid to Good Causes.

In accordance with its Licence, Allwyn makes every effort to proactively identify unclaimed Draw-Based Game prizes worth £50,000 or more, via either local or national publicity. Unclaimed and unpaid prizes is £92.1m (2024: £98.6m) or 1.1% of total sales.

Gross Gaming Revenue ('GGR')

GGR was £3,502.5m (2024¹: £3,404.1.0m), representing 43.4% (2024¹: 43.7%) of total sales. 2024 11-month GGR was £3,122.0m.



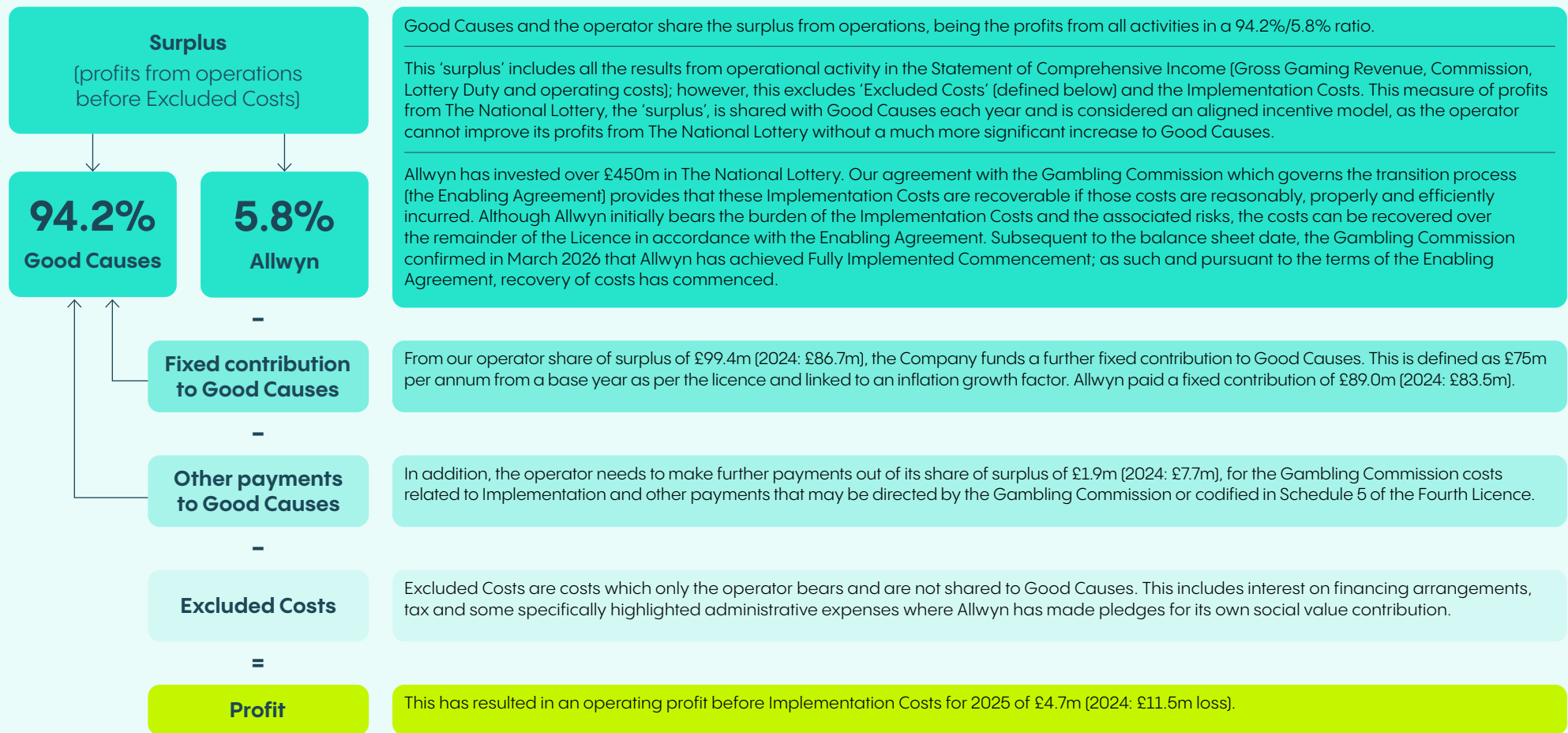
Chief Financial Officer’s report continued

National Lottery Distribution Fund (‘NLDF’)

The NLDF is the central fund from which The National Lottery distribution bodies receive funds for distribution to Good Causes. In aggregate, the total raised as per Statement of comprehensive income (‘SOI’) for Good Causes amounted to £1,706.5m (2024: £1,635.2m). 2024 11-month Good Causes of £1,640.4m included a one-off reserve prize trust payment of £53.5m.

The Fourth Licence economic model aligns the interests and Returns to Good Causes with those of the operator, ensuring that Allwyn (the operator) always acts in the best interests of Good Causes.

The economic model, as detailed in Schedule 5 of the Fourth Licence, has a number of components:



Chief Financial Officer's report continued

National Lottery Distribution Fund ('NLDF') continued

Additional amounts have also always been due to the NLDF from The National Lottery. These relate to unclaimed and unpaid prizes and the interest earned on funds within the Participant Trust arrangement, adjustments that are instructed by the Fourth Licence or the Gambling Commission, less amounts that are paid to the National Lottery Promotions Unit ('NLPU'). Further detail is provided in Note 3 (Non-GAAP measures) to the financial statements.

In 2025, the amounts due to the NLDF from The National Lottery were £1,814.4m (2024: £1,665.9m), which includes £1,706.5m (2024: £1,503.7m) due under Schedule 5 of the Licence, £92.1m (2024: £98.6m) in unclaimed and unpaid prizes, £18.5m (2024: £13.9m) relating to interest earned on funds within the Participant Trust arrangement less £2.7m (2024: £3.8m) withheld for the NLPU funding. 2024 included £53.5m paid from funds in reserves following a directive from the Gambling Commission. The amount due for unclaimed prizes is dependent primarily on Scratchcard game closures.

Lottery Duty

Lottery Duty is £967.4m, which is 12.0% of total sales in accordance with UK legislation applicable to The National Lottery (excluding prize draws and society lotteries).

Retailers' and other commission

Total sales, validation and other commissions is £242.6m, representing 3.0% of total sales (2024¹: 3.1% of total sales). This amount includes retailers' commission and the bank fees associated with digital sales transactions.

Across the UK, more than 43,500 retail outlets sell National Lottery products, the majority of which are independent outlets. Over the period, our retail partners earned £225.6m in commission (2024¹: £228.6m), equating to an average of £5,111 per store (2024¹: £5,260 per store).

We have continued to invest in our retail network, improving the in-store environment through the rollout of new state-of-the-art terminals and updated permanent-point-of-sale. We also expanded the retail estate through new partnerships, offering new and existing retailers the opportunity to sell National Lottery products. In addition, we supported existing retailers through incentive programmes, such as 'Share the Win', which rewards retailers with cash incentives when they sell a high-tier winning ticket.

Retailers receive a commission on sales, structured to support participation and reward performance across The National Lottery portfolio.

Gaming-related operating costs

Gaming-related operating costs include gaming systems and data communication costs relating to maintaining software, terminals and the communications network, along with all expenditure associated with the purchase of Scratchcards, point-of-sale and other consumables and the cost of sales items. Costs in the year were £93.7m (2024¹: £139.6m, 2024: £128.0m). The year-on-year reduction primarily reflects lower monthly core gaming fees, as well as the prior year being impacted by the one-off transition to fair value accounting for revenue (refer to Note 2.6 to the financial statements).

Marketing costs

Marketing continued to be a leading performance-driver in 2025. Investment was focused on supporting our weekly messages to promote life-changing jackpots, big events and instant plays. In particular, our strategy to optimise EuroMillions at all jackpot levels, twice a week, paid back with a significant uplift in base revenue and Good Causes contributions.

The National Lottery brand and its awareness were promoted and protected via partnerships, for example ITV and Virgin Radio, championing its purpose, with a focus on Summer of Women's Sport with original content and promotions. In total, £206.8m (2024¹: £193.0m, 2024: £176.9m) was spent on marketing, with a continued shift towards digital media channels to ensure we targeted all players with accuracy, safety and efficiency.

Other administrative operating costs

Other administrative operating costs were £280.8m (2024¹: £208.8m, 2024: £191.4m), and consisted of depreciation and amortisation, staff salaries and other employee costs, expenses relating to facilities and all other administrative costs. In the prior year, these are the costs incurred from 1 February 2024, when Allwyn took over the operation of the Fourth Licence.

The year-on-year increase has been driven by an increase in people costs to support delivery of the Transition and Transformation Programme and to deliver our strategic initiatives, higher legal costs for litigation cases, and placing assets into service following successful completion of technical cutover in August 2025 when we upgraded our core gaming system and retail infrastructure, and deployed new terminals across the vast majority of our estate.



Operating loss before Implementation Costs

After applying the Fourth Licence economic model, Allwyn recorded an operating profit before Implementation Costs of £4.7m (2024: loss of £11.5m). This represents the net of the Operator share of the surplus of £99.4m, reduced by fixed payments to Good Causes of £89.0m (2024: £83.5m), the funding of the Gambling Commission costs of £1.9m (2024: £7.7m), and other Excluded Costs not shared with Good Causes.

Chief Financial Officer's report continued

Implementation Costs

Implementation Costs are those operating costs associated with the significant investment that Allwyn is making in transforming The National Lottery, for which £49.8m (2024: £103.2m) has been spent in the year.

These costs are defined in the Enabling Agreement, which is the regulatory document that governs the Transition into the Fourth Licence and includes all costs for activities before 1 February 2024, and certain costs incurred and accrued related to Implementation after 1 February 2024.

Costs in the prior year include the operating, marketing development and administrative costs to 31 January 2024 in addition to infrastructure set-up costs, the cost of running the specific Transition and Transformation Programme, including the project management office, staff costs, and software and data development and delivery where the projects do not meet the accounting standards definition of capitalisation.

Allwyn records 100% of Implementation Costs in the period in which they are incurred. This aligns with the Fourth Licence approach, requiring the Operator to fund these costs upfront. These Implementation Costs are recoverable, as described earlier in this report.

The Implementation programme completed shortly after year end in January 2026, with the digital transformation project.

Operating loss after Implementation Costs

The operating loss after Implementation Costs is £45.1m (2024: £114.7m) for the year.

This loss reflects the significant investment Allwyn continues to make in delivering the Transition and Transformation Programme required under the Fourth Licence. Under the Licence's economic model, as governed by the Enabling Agreement, Allwyn is entitled to recover these Implementation Costs over the remainder of the Licence period. Subsequent to the balance sheet date, recovery has commenced, as the Gambling Commission confirmed that Allwyn has successfully delivered its Implementation programme.

Finance income and costs

Net finance costs is £1.9m (2024: £1.5m). Finance income of £3.9m (2024: £6.5m) was earned on cash balances during the year. Finance costs of £5.8m (2024: £8.0m) primarily relate to interest charges on right-of-use assets relating to operating leases of £2.7m (2024: £3.5m), and bank guarantee costs of £0.2m (2024: £3.1m).

The average yield on investment was approximately 4%. Strict controls apply to treasury operations, which are reviewed regularly. The Company's investment policy is approved by the Compliance and Risk Management Committee, and the Board. Funds are only deposited with banks that hold an investment grade credit rating by S&P, Moody's or Fitch, and that meet the Company's treasury policy criteria.

Taxation and VAT

A corporation tax credit of £13.4m (2024: £42.7m) has been recorded for the year. This represents an effective tax rate of 28.5% (2024: 36.7%) and reflects the loss-making position of the Company in the year. Further detail is provided in Note 8 to the financial statements.

All sales are exempt from VAT. Therefore, VAT is not recoverable on Allwyn's costs and is a charge against profits. The VAT cost for the year, including that arising on capital expenditure was £102.8m (2024: £92.4m).

Dividends

No dividends were proposed or paid during the year (2024: £nil). The Directors do not recommend the payment of a final dividend (2024: £nil).

Research and development

Research, primarily relating to the brand and the market environment, is carried out to secure the long-term success of The National Lottery and to ensure sales growth alongside increasing Returns to Good Causes. As a result, Allwyn spent £5.9m (2024: £4.0m) on these activities, including gathering player insights to drive a consumer centric strategy, statistical game analysis and research to support the approach to campaign delivery and strategy.

Financial position at the year end

The financial position reflects the second year of the Fourth Licence and the requirements under the regulatory regime for the operator to fund Transition and Implementation Costs upfront.

Under the economic model, the operator is responsible for this upfront investment, with cost recovery aligned to its share of profits once Fully Implemented Commencement (as defined in the Enabling Agreement) is achieved, and subject to regulatory approval. Net assets of £116.0m (2024: £112.0m) as at 31 December 2025 with negative retained earnings of £268.5m (2024: £234.9m) reflect this upfront investment. Although there is a net current liability position, the weekly Trust arrangement cycle results in positive working capital.

Property, plant and equipment, right-of-use assets and intangible assets

The value of property, plant and equipment, right-of-use assets and intangible assets has increased to £347.1m (2024: £258.7m) in the current year. This increase is due to the investment in implementation assets which account for £150.5m (2024: £96.2m). Investment in implementation assets is also funded by the operator with recovery subject to the process above.



Chief Financial Officer's report continued

Deferred tax

Deferred tax assets of £78.1m (2024: £70.3m) have been recognised in respect of tax losses and capital allowance timing differences.

This development is a function of the delay in the recovery of Implementation Costs, and the Directors believe it probable that future taxable profits will be available, against which these assets can be offset.

Trade and other receivables

Current trade and other receivables is £620.1m (2024: £470.7m), an increase from the prior year balance of £149.4m. This increase predominately relates to an increase in Trust receivables driven by a higher level of prizes and the EuroMillions raffle prize event due to be paid out.

Cash and cash equivalents

The Company continues to invest significantly in the future of The National Lottery, and 'cash on hand' represents the drawdown of the external loan in November 2025 to fund these programmes.

Trade and other payables

Trade and other payables of £847.9m (2024: £849.6m) is broadly consistent with the prior year.

An amount owed to the Company's immediate parent, Allwyn UK Holding Ltd, of £77.2m in the prior year was settled and was offset via a new loan facility with its immediate parent. Further details are included within Note 18 and Note 19 to the financial statements. This was broadly offset by an increase in Trust liabilities due to a higher level of prizes awarded at the end of the year held in Trust.

Lease liabilities

The lease liabilities of £43.7m (2024: £51.2m) primarily relates to obligations under property leases and leases for gaming infrastructure (e.g. terminals).

Provisions

Provisions of £16.7m (2024: £19.0m) mainly relate to the decommissioning of gaming technology and infrastructure and the dilapidation of property sites. Of this amount, £11.5m is current and is expected to be spent on the decommissioning of retailer terminals, satellites and permanent point-of-sale equipment as part of the gaming infrastructure transformation, together with dilapidation spend when certain property leases are due to expire in 2026.

Cash flows

Cash flow from operating activities represents total sales less prize payments, Lottery Duty, payments to the NLDF and operating expenditure, including Implementation Costs.

Cash is received from retailers, net of the prizes paid by them and the commission due to them. Settlement of retailers' debts is on a weekly basis, as are payments due to the NLDF and payments into Trust for the benefit of players.

In accordance with the requirements of the Fourth Licence, to protect prize winners and players, Allwyn has set up certain trust accounts operated by The Law Debenture Trust Corporation plc, which acts as an independent trustee. These accounts form the Participant Trust arrangement.

An amount equivalent to the prizes is deposited into a trust account on a weekly basis, as well as monies taken in advance for draws that have not yet occurred and money held by digital players in their online wallets.

This money is held in Trust until paid out as a prize, or entered into a draw, and is under the control of the trustees until this time. Interest earned on these accounts, after accounting for Trust expenses, is used for the benefit of the NLDF.

Cash decreased in the year by £96.1m (2024: inflow of £83.4m). This is primarily driven by the upfront investment that Allwyn has made in its Transition and Transformation Programme. This is evident in the net cash outflow from operating activities of £109.2m (2024: inflow of £133.0m) and cash flows used in investing activities of £96.8m (2024: £139.0m) for purchase of property, plant and equipment and intangible assets.

As at 31 December 2025, Allwyn had £5.6m (2024: £4.7m) of funds on deposit in a restricted cash trust account as an insurance reserve for the protection of prize winners under the EuroMillions arrangement. Although Allwyn cannot withdraw these amounts until the end of the Fourth Licence, the interest on this account accrues to Allwyn.

Allwyn holds a Surety Bond with HCC International Insurance Company plc to the value of £25.0m (2024: £25.0m). This is held under the terms of the Fourth Licence Trust Deed, providing security for the Trustee.

On 25 July 2025, the Company entered into a new financing agreement with HSBC UK Bank plc. This arrangement extends the Revolving Credit Facility ('RCF') of £60.0m until July 2028, with two one-year extensions beyond this at the option of the lender. The amount drawn down under this facility on 31 December 2025 was £nil (2024: £nil). It also includes a new Term Loan of £80.0m that was drawn down on 6 November 2025 and is repayable in tranches in May, August and November 2027. Further details are included within Note 7 and Note 19 to the financial statements.

Looking ahead

As we look ahead, Allwyn enters the next phase of the Fourth Licence from a position of strengthened capability and renewed momentum. The successful delivery of the Transition and Transformation Programme, including the completion of major retail and digital upgrades, provides a resilient and scalable platform for the years ahead. While we continue to operate in a dynamic external environment, our focus remains firmly on driving sustainable and responsible growth, enhancing the player experience, and maximising long-term Returns to Good Causes. I would like to thank my colleagues, as well as our partners and stakeholders, for their continued commitment and contribution throughout the year. Together, we are building a National Lottery that is stronger, more modern and better positioned to deliver even greater value for society.

Alan Artz Chief Financial Officer

- 1 Like-for-like ('LFL') is defined using 11 months from 2024, dividing by 11 and multiplying by 12 to gross up a full-year equivalent value. For amounts due to Good Causes/NLDF, the prior year excludes the one-off reserve adjustment of £53.5m to ensure LFL comparability.
- 2 Active players represents the distinct digital players between 1 January and 31 December of each year.

Principal risks

Risks, uncertainties and opportunities

We have ambitious plans to grow The National Lottery and ensure that it can compete in an evolving competitive landscape. Our growth plans recognise that operating The National Lottery is a privilege that comes with responsibilities, including protecting our customers, preserving the reputation of The National Lottery and always operating with integrity. We must ensure that our growth plans, including launches of new products and games planned for this year, are balanced against our responsibilities and we do this through a comprehensive risk management and mitigation programme. This starts with the

management and mitigation of our principal risks – the most material risks we have, as identified by our Board – and cascades through the business in our operations and in our governance.

The principal risks are defined by the Board as risks that may have a significant impact on Allwyn’s results and its ability to achieve its strategic objectives. Allwyn has identified 11 principal risks, which are presented below. These risks can occur independently from each other or in combination.

Mitigation and controls

Allwyn adopts mitigation activities in the form of internal controls for all key principal risks, as part

of quarterly internal reviews. Compliance activities related to these internal controls include reporting and oversight by the Compliance and Risk Management Committee (‘CRMC’), the Board and the Executive management team, as well as monitoring compliance with Allwyn’s policies. The effectiveness of risk mitigations against risk definitions is supported through a suite of risk metrics.

Year under review

During the year, the CRMC and the Board conducted reviews of Allwyn’s principal risks. Throughout the year, the Board continued to assess the risk definitions regarding the operation of The National Lottery.

There has been a reduction in the likelihood and impact in the Transformation and Financial, Liquidity and Funding risks due to delivery of the transformation project in January 2026, as confirmed by the Gambling Commission in March 2026, which allows for the recovery of our Implementation Costs. The Technology, Information/Cyber Security and Operations risks have all reduced in likelihood and impact following the delivery of the transformation project and other mitigation activity undertaken during the year. The other principal risks, which have been reviewed regularly in the year and updated, have not significantly changed in their nature or mitigations in the year.

The principal risks and mitigations are set out below:

Commercial

Risk

The risk that failure to create and maintain an appealing and relevant portfolio of games and game brands means the Company is unable to generate positive returns on marketing investment. Further advertising or game-related restrictions cause a reduction in National Lottery marketing and marketing effectiveness.

Mitigations

Allwyn ensures that The National Lottery’s brand and portfolio of games continue to remain relevant to a wider player base through marketing and communications, channel initiatives, game propositions and events. Allwyn adapts its marketing and communication plans, which help to ensure that The National Lottery remains relevant to players with a focus on the impact of Good Causes on society.

Technology

Risk

Technology infrastructure and system failures disrupt the business resulting in a poor Participant experience, lost revenue, reduced contributions to Good Causes, regulatory action by the Gambling Commission, and reputational damage to The National Lottery and Allwyn.

Mitigation

Allwyn routinely assesses the effectiveness of its own infrastructure, services provided by its third-party technology partners and IT security controls, including the regular testing of contingency and recovery processes. Ongoing controls testing and timely security patching of core systems are also integral parts of our security assurance activities.

Allwyn has now completed the technology and systems upgrades to the infrastructure of The National Lottery that underpins achieving Fully Implemented Commencement, and has completed warranty periods in its retail and digital operations following that upgrade.

Principal risks continued

Financial, Liquidity and Funding

Risk

The risk that Allwyn does not have sufficient financial resources to operate and transform The National Lottery as required under Licence Condition 18.1.

The Licence requires that Allwyn demonstrate financial resilience in the short and medium term, and several factors impact on this assessment, including the timing and quantum of the recovery of Allwyn's significant investment in the upgraded infrastructure of The National Lottery. Both the timing and quantum of recovery of the invested sums are subject to a determination process pursuant to the terms of the Enabling Agreement. There is also a risk that any regulatory fine or penalty impacts on our cash flows adversely. These factors together may impact both Allwyn's profitability and cash flows and its ability to operate The National Lottery, as well as impacting our financial resilience, which could ultimately lead to a breach of the Licence or the conditions of any external financing.

Mitigations

Achieving Fully Implemented Commencement, which is the agreed delivery of our bid commitments by the end January 2026, significantly mitigates the financial risk to Allwyn because Allwyn can start to recover its Implementation (invested) Costs from the date that the Gambling Commission determines and confirms that Fully Implemented Commencement has occurred. Confirmation by the Gambling Commission in March that Fully Implemented Commencement has occurred significantly decreases this risk into 2026, with the final determination date being in 2027.

Allwyn has mitigated any ongoing operational risk in 2026 through access, if required, to external funding provided by HSBC (our existing lender), strong internal financial management processes and close Board oversight.

During the year, Allwyn strengthened its liquidity position by entering into a new Term Loan of £80.0m, drawn on 6 November 2025, and also extended its currently undrawn £60.0m Revolving Credit Facility ('RCF') to 2028. Together, these facilities provide the financial flexibility required to support ongoing investment in The National Lottery as we delivered on our ambitious programme to modernise the underpinning Lottery systems and platforms and other capital programmes. Options to extend the RCF or the Term Loan are available if required over the medium term, and Allwyn continues to maintain sufficient headroom to meet covenant requirements under the new financing agreement and to meet obligations as they fall due.

Robust internal processes support effective financial planning and control. These include disciplined cost management, budgeting, and mid-term forecasting of financial performance, covering resource requirements for implementation, transformation activity and ongoing operations. Forecasts incorporate projected inter-month cash positions and covenant metrics.

In the event Allwyn faces legal challenges, regulatory investigation or enforcement, the Board, where appropriate, seeks external independent legal advice. Allwyn currently faces enforcement action arising from the delay to achieving Fully Implemented Commencement in February 2025, which it disagrees with and is defending. In relation to the risk of an adverse outcome in this action, external counsel has confirmed that the likelihood of a significant financial penalty is mitigated by the delivery of Fully Implemented Commencement, as confirmed by the Gambling Commission in March 2026, as well as the range of mitigating actions taken, and the proper application of the Gambling Commission's statutory and public law duties.

Further information is provided in the [Going Concern and Viability Statement](#), including how the Group assesses changes in assumptions outside its control in relation to transformation risk.

Principal risks continued

Information/Cyber Security

Risk

A significant data breach or cyber attack either directly on Allwyn's systems or on a third-party supplier could result in unauthorised access to personal, financial, gaming or confidential information, service disruption due to the loss/unavailability of key operational systems or loss of integrity of gaming systems and resulting trust and customer confidence.

Mitigations

Allwyn remains firmly committed to upholding robust information security standards, maintaining compliance with ISO 27001 and PCI, and this year successfully achieved certification to ISO 22301: Business Continuity Management. This accreditation demonstrates that Allwyn operates in accordance with recognised best practices for building and sustaining a resilient organisation.

We are also continuing to strengthen security awareness and embed a proactive security culture across the business and our partners. These efforts ensure we remain vigilant, resilient, and prepared to respond to emerging cyber threats. This includes engagement with national cyber-security bodies and the National Cyber Security Centre ('NCSC') Trust Group.

Management of Corporate Reputation

Risk

Public and stakeholders' opinion of The National Lottery and Allwyn is of vital importance. Allwyn must promote and protect the reputation of The National Lottery and the value, integrity and strength of The National Lottery brand, as well as manage its own reputation as operator of The National Lottery.

Mitigations

Allwyn focuses on proactively managing the reputation of The National Lottery and Allwyn by anticipating issues and taking steps that help minimise reputational risk upfront. This includes monitoring and protecting brand integrity through developing and running extensive stakeholder and media engagement programmes and activities.

Operations

Risk

Allwyn fails to shift to being more consumer-focused and therefore falls short on delivering an improved customer experience through our Participant-facing processes in retail, digital, winner services and customer care. These failures could lead to poor execution of an ambitious consumer growth strategy and a poor customer service experience.

Mitigations

In 2025, we completed our transformation project with the upgrade of our core retail and digital systems – as well as changes to our back-end corporate systems – to enhance player and retailer experience.

Focus also remained on in-store standards to make The National Lottery unmistakable across the retail estate. Additionally, our outsourced Scratchcard distribution is operational, with ongoing focus centred on continuous improvement with regard to sustained product availability and retailer operational ease.

Allwyn maintains strong working relationships with key suppliers and partners and conducts regular reviews to assess operational performance and resilience.

Principal risks continued

People, Talent and Culture

Risk

The ongoing success of the business is dependent on our ability to attract, develop and retain the right talent, skills and capabilities. Failure to achieve the above could impact on organisational performance.

Mitigations

Allwyn maintains organisational KPIs which track and monitor attrition, absence, levels of engagement, etc. In addition, succession and retention plans for key roles across the business are subject to regular review at operational, Executive and Board level. Allwyn's annual engagement surveys enable us to measure engagement levels across the Company and to implement appropriate actions. Our shared purpose of growing Returns to Good Causes gives us a strong platform to meet our commitments to double those returns by 2034; however, to do so, it is important we show Allwyn as a trusted operator of The National Lottery.

Protecting Participants Interests'

Risk

Failure to protect the interests of every Participant in respect of playing, engaging or being exposed to The National Lottery.

Mitigations

Our first priority as operator of The National Lottery is to protect our Participants. This is embedded in our Licence in the Matters to be Protected. The measure and processes we use for this important purpose were significantly improved by the recent systems upgrades which underpin the operations of The National Lottery. The policies, processes and governance underpinning our approach to Participant protection, including preventing underage play, not encouraging excessive play and promoting responsible play, are embedded in our strategy, plans and operations, to ensure that we prioritise and fulfil our responsibilities to protect the interests of all Participants whilst growing Returns to Good Causes.

Social Value and Environmental

Risk

The Company fails to operate in a socially and environmentally responsible manner resulting in damage to the reputation of The National Lottery and the Company.

Mitigations

Allwyn continues to build the culture and tools needed across the business to embed its environmental and social responsibilities in the way it operates The National Lottery, while building trust in Allwyn through its £1m annual Social Value Fund activities, which focused in 2025 on high-impact volunteer programmes and the continuation of the successful Local Retail Champions campaign. The delivery of Social Value continues to be embedded across the organisation, with mandatory training for all colleagues, Social Value leads in each department and 20% of all colleague bonuses linked to Social Value metrics.

Principal risks continued

Regulatory Environment

Risk

Allwyn's operating approach and regulatory environment are not outcomes-focused and fail to realise the intentions and benefits of the outcomes-based Fourth Licence.

Mitigations

Allwyn has an outcomes-focused approach to its strategy, business planning and governance to support the delivery of licence outcomes, and Regulatory Affairs and Public Affairs specialists to engage in regulatory reform, refinement and effective engagement with the Gambling Commission. This is supported through Allwyn's governance, Executive accountability structure and relevant strategies, policies, processes and procedures to ensure compliant and effective outcomes delivery. Business control functions – such as the Regulatory Affairs, Risk, Compliance, Internal Audit, Procurement and Change & Portfolio Management teams – monitor compliance and support improvement through their activities. The impact of our outcomes-based approach requires alignment with the Gambling Commission's operating model.

Allwyn undertakes regular engagement with the Gambling Commission of a proactive strategic nature, in reporting and in relation to regulated activities and proposals requiring Gambling Commission approval.

Transformation

Risk

The risk that the transformation programme of work does not deliver our bid commitments or fails to complete.

Mitigations

The scope and scale of the transformation of The National Lottery is highly significant, reflecting the complexity of the technology, operational change and business readiness required. A robust governance framework is in place to oversee this programme, supported by regular internal reviews and frequent engagement with key suppliers and the Gambling Commission throughout the Implementation period. Effective supplier relationship management has been central to progressing transformation activities. There has been extensive work completed in tracking the hundreds of individual application commitments to demonstrate completion of these activities. Following completion of the technology and systems across both retail and digital, the transformation risk is significantly mitigated as the Gambling Commission confirmed in March 2026 that Fully Implemented Commencement has occurred.

How we engage with our stakeholders

At Allwyn, we consider the long-term consequences of our decisions and how these impact our stakeholders – including our people, retailers, suppliers, customers, Government, the Gambling Commission and The National Lottery's distribution bodies. For more information on how Allwyn complies with the requirements of Section 172, see page 52 in [Governance](#).



Our Colleagues

In 2025, we introduced our future-ready People and Places Strategy to unlock a unified culture of growth, connection, simplicity and high performance in our leadership structures, behaviours and everyday actions. The strategy is anchored in our three values – Trusted, Inclusive, Innovative – and our aim is to create a great place to work for everyone. We are fuelled by Purpose but enabled by People.

Gender and ethnicity pay gap reporting

Activity

- We have enhanced policies and benefits in place to help drive gender and ethnicity equality, and we are fully committed to reducing the gender and ethnicity pay gaps even further over the course of The National Lottery licence term. Full reports (published on [Allwyn.co.uk/reporting](https://allwyn.co.uk/reporting)) give more detail on how we are continuing to address the pay gaps.
- We partnered with 'Code First Girls', an external company providing free technology education to women. They supported 90 women through taster courses, to leverage their expertise and further strengthen our offering to women who are interested in technology as a career.
- Although ethnicity pay gap reporting is not a legal requirement, we report on this data voluntarily as part of our ongoing commitment to Diversity, Equity and Inclusion ('DEI') and to be transparent in our journey to drive meaningful change.

Outcome

Decrease in both the mean and median percentages compared to 2024: our mean gender pay gap was down 0.4% at 7.9% with our median gender pay gap down 2.6% to 8.7%.

45% of our senior roles are currently held by women, and we are making progress in our work to increase female representation in senior roles. Please refer to [Nominations Committee](#) for overall gender breakdown across the Company.

Our mean ethnicity pay gap has reduced by 0.5% to 10.2%, and our median ethnicity pay gap is 0.8%.

How we engage with our stakeholders continued

Our Colleagues continued

Colleague engagement

Regular two-way engagement with colleagues during a period of significant change has been key in ensuring the Company can continue to deliver on its commitments and implement technical change as part of its bid to grow The National Lottery responsibly.

Activity

- All colleagues are invited to monthly in-person events, led by the CEO and Executive team, to share key priorities and set direction.
- Major collective achievements are celebrated in channels which are accessible to everyone.
- A digital peer-to-peer recognition platform launched in 2025 has seen a steady increase in engagement.

Outcome

All colleague annual survey: 6% increase in overall favourable engagement at 62%. The results also showed positive increases in colleagues feeling proud to work for Allwyn and that it is a "great place to work".

Diversity, Equity and Inclusion ('DEI')

Activity

- Colleague Communities grew in membership by 21% and delivered 21 events that deepened connection and inclusive behaviours.
- 99.5% completion rate for unconscious bias training and added new bias mitigation checkpoints across key people processes.
- Retained Level 3 Disability Confident Leader status, demonstrating ongoing impact in creating an accessible, supportive workplace for colleagues.
- Our new Headquarters designed with inclusion and accessibility at its heart, the space includes multi-faith rooms, neurodivergent-friendly tools, and fully accessible facilities.

Outcome

Belonging rose to 75% and perceptions of equal treatment to 80% – clear signs of a more inclusive Allwyn.

Health, safety and well-being

Looking after our people and stakeholders is a key priority at Allwyn.

Activity

- We offer comprehensive support via enhanced policies, including private medical insurance, a mental health first aiders programme and Allwyn colleague communities.
- Policies to support colleagues at every stage of their careers, with equal paid leave for mothers and fathers, flexible working and fertility and menopause support.

Outcome

Contribute to Allwyn's high colleague engagement and satisfaction levels, with 89% of colleagues answering, "My manager genuinely cares about my well-being".

Anti-modern slavery and human trafficking

We are committed to embedding anti-modern slavery measures within our business, as all kinds of modern slavery and human trafficking are forbidden within our business and supply chain.

Activity

- Mandatory training for all colleagues, clear internal policies and processes, and awareness-driving initiatives that help our colleagues understand how to identify and prevent modern slavery, and where to access support if needed.

Outcome

All colleagues complete mandatory training modules.

Our Anti-Modern Slavery and Human Trafficking Statement can be found at www.allwyn.co.uk/reporting.

Allwyn Colleague Communities

Activity

- Colleague Communities continue to play a powerful role in shaping a workplace where people feel valued, represented and able to be themselves – creating meaningful spaces for connection, learning and allyship, helping colleagues feel seen and supported.

Outcome

Membership grew to 660 colleagues, strengthening the reach and impact of Communities such as Culture, disABILITY, Parents, Pride and Women's.

How we engage with our stakeholders continued

Our Customers

From accessing National Lottery games – whether at one of our retail partners, or digitally – to getting help and playing safely, every touchpoint needs to work for our customers.

Communicating with our customers

Activity

- Continually research, test and improve our offerings through:
 - research and surveys carried out by our Insights Team; and
 - research and customer intelligence gathered through phone, social media and website response channels.

Outcome

Scored 94% for overall customer satisfaction and 94% for customer ease.

During the year, we received more than 1.1 million customer contacts, with nearly 80% of calls answered within 30 seconds.

An inclusive experience

Activity

- In the digital space, we have committed to making our platforms more accessible, safe and inclusive.

Outcome

Our current National Lottery website and app meet the Web Content Accessibility Guidelines ('WCAG') 2.2 AA standards.

Inclusive design principles across all our Scratchcards and Instant Win Games, ensuring usability for players of all abilities through features like high-contrast colours, clear fonts, and simplified layouts.

100% of our Scratchcards fully recyclable and socially-responsible imagery incorporated into campaigns.

Supporting winners

Activity

- Winners are also a major part of our business, and as well as ensuring the prompt payment of any prizes, we offer support and advice for winners depending on the size of their win.

Outcome

We processed over £820m in prizes of over £50,000, for over 780 winners. They received the assistance from our dedicated Winner Services team. Specialist advisors have regular interactions with these winners to ensure their expectations and concerns are understood and managed. High-tier winners who choose to take publicity also benefit from the guidance and experience of colleagues in our Consumer Communications team. We arranged financial and legal advisory sessions for winners of over £1m. In addition, we encouraged these winners to have an initial conversation with our Well-being team to explore how coaching and/or mindfulness could be beneficial to them.

Paid over 36,500 prizes of between £500.01 and £50,000 through our in-house Winner Services team, totalling £47.7m, with 98% of winners receiving their funds within five days.

How we engage with our stakeholders continued

Our Customers continued

Responsible play

Activity

- As part of the mission to grow The National Lottery responsibly and champion its impact, Allwyn wants to ensure players always have a fun and positive experience.

Outcome

Design: National Lottery products go through a meticulous design process that ensures they only appeal to adults, not vulnerable groups or children, using a triple-layer risk assessment which uses industry-standard tools to assess the risk level of a game's structural and situational characteristics, as well as a risk checklist to identify any further risks posed by the game. If any of these tools identify a risk level which is too high, we will revise the game or, if the risk remains too high, it won't be launched.

Online players: Our behavioural analytics model monitors various play behaviours to detect players who may be at-risk. Once a player is identified as being potentially at-risk, we intervene to encourage a positive change in how they play. Our interventions highlight how their play differs from others, signpost to the tools and support available, and escalate in nature over time – with the content, tone and delivery channel tailored according to how long a player remains at-risk.

If a player fails to respond to our interventions and modify their play behaviour, we take a final step of excluding them from accessing our Instant Win Games for a period of time.

We saw 57% of at-risk players make a change in their behaviour following our intervention.

Setting standards

Activity

- As well as observing our Licence obligations, Allwyn wants to set the standard across the international lottery industry for protecting and promoting the interests of all Participants and players, continually advancing evidence-based best practice across every aspect of their experience. We seek to learn and share insights with lottery colleagues in other Allwyn markets, and beyond.

Outcome

Industry standards: achieved the European Lotteries Responsible Gaming Certification and Level 4 accreditation, the highest level of certification, by the World Lottery Association's Responsible Gaming Framework, recognising our commitment to continuous improvement.

Hosted our first Participant Protection Conference, which brought together colleagues from Allwyn UK, representatives from other Allwyn markets, experts within the lotteries sector, academics, suppliers and partners to explore the future of protecting lottery Participant interests.

Level 3 supporter of the National Council on Problem Gambling's Gift Responsibly Campaign – the highest level of participation – featuring the '18+ Gift Responsibly' mark across all gifting-related advertising and rolled out bespoke creative assets across social media, in-store screens and digital channels.

Allwyn has committed to contributing £1.6m per year to research, prevention and treatment bodies, including GambleAware, GamCare and YGAM.

How we engage with our stakeholders continued

Our Retailers

With 43,500 retail outlets, retail continues to be at the heart of The National Lottery – with the majority of stores being independent retailers. We continue to support our existing retail partners, as well as extend ways our players can buy National Lottery products. To do this, we engage via multiple platforms including retailer training, site visits, articles and telephone support.

In line with our commitment to retailers, it was fitting that the first step on our transformation journey began in retail, with the updating of our core retail and gaming systems over the summer.

Supporting retailers

Activity

- New state-of-the-art lottery terminals to start rolling out across the UK, speeding up transactions for in-store players and retailers alike.
- In the run-up to systems switchover, retailers received comprehensive upgrade support packs, with more than 39,000 phone calls, emails and face-to-face rep visits. Over the period that followed, double the amount of retail support resource – including Retail Sales Executives and engineers – were available on the ground.
- Continued rollout of fresh new look for The National Lottery with new stands and signage.
- Throughout the year, offered ongoing support and training to our retail partners:
 - a range of practical information through articles in our retailer magazine Jackpot;
 - a steady drumbeat of guidance on our National Lottery Retailer Hub website (fnlpartners.co.uk); and
 - via direct mail, email and phone calls, as well as through thousands of in-person visits.

Outcome

By the end of the year, over 39,000 new state-of-the-art terminals were installed.

Over 13,000 permanent-point-of-sale kits installed.

Responsible retailing

As the face of The National Lottery, we require all our retailers to sell our products responsibly. We invest in training and education programmes to assist them to prevent both excessive and underage play.

Activity

- Operation Guardian is designed to help retailers sell National Lottery products more safely. It builds on previous National Lottery operator initiatives by combining mystery shopping with enhanced training and support.
- We hold our retailers to high standards, including compliance with all applicable laws and regulations – such as the Modern Slavery Act 2015. We further supported our retailers in the prevention of modern slavery and human trafficking by raising awareness of this through the multiple communication channels that we have with them.
- By signing our National Lottery Retailer Agreement, retailers have clear visibility of our expectations.

Outcome

Operation Guardian:

- 4,298 Underage Play Mystery Shop visits.
- 4,000 Excessive Play Mystery Shop visits.
- 8,000 Healthy Play Knowledge Check visits.

We updated our Retailer Charter to include a new Alternative Dispute Resolution Service as part of our complaints service.

Rewarding our retailers

Activity

- Our 'Site, Stock, Sell' programme has helped to achieve some of the best-ever in-store standards. As part of the initiative, retailers are automatically entered into a quarterly prize draw when they achieve high standards relating to selling National Lottery games.
- 2025 also saw retailers continue to benefit from 'Share the Win', a rewards initiative which is turning our retail partners into winners when they sell a high-value winning ticket or Scratchcard.

Outcome

We awarded over £560,000 in cash prizes as part of 'Site, Stock, Sell'.

Over £1.6m paid to retailers in Share the Win.

How we engage with our stakeholders continued

Our Suppliers

Working with suppliers

At Allwyn, we see our suppliers as fundamental to the delivery of The National Lottery and, by extension, a vital part of the mechanism that generates much-needed funds for Good Causes.

Working with suppliers

Activity

- Emphasise working in partnership with our suppliers by assigning a dedicated relationship manager to our most significant strategic suppliers.
- We believe strong business relationship depends on prompt payment.
- Work with suppliers that share our aims on delivering social value and support their ability to work in a sustainable and inclusive way.

Outcome

Policy to pay all fully approved supplier invoices within 30 days from date of invoice.

100% of all eligible suppliers completed our questionnaire in 2025 which asked for details of their commitment and achievements on delivering social value, the results of which account for a significant weighting of 13% in our tender process.

Hosted two separate net zero and accessibility webinars for over 100 suppliers during the year.



How we engage with our stakeholders continued

The National Lottery family

Engaging with The National Lottery family

As the operator, our role is critical to The National Lottery's ongoing success. But we work in close partnership with several other bodies, each of which plays a key role as part of The National Lottery family:

The Department for Culture, Media & Sport ('DCMS'),
the Government department responsible for The National Lottery.

The Gambling Commission,
responsible for licensing and regulating The National Lottery following Directions issued under Section 11 of the National Lottery etc. Act 1993 by the Secretary of State for DCMS.

Twelve National Lottery distribution bodies,
each with specialist knowledge of their sectors, which decide which beneficiaries should receive National Lottery funding.

The National Lottery Promotions Unit,
a joint venture between the distributor bodies, Allwyn and DCMS, is responsible for promoting positive public awareness of National Lottery funding and the projects it supports.

Engaging with The National Lottery family

Activity

- Engagement at all levels taking place with DCMS, including through regular tri-lateral quarterly meetings with the Gambling Commission.
- Regular and timely regulatory reporting requirements, submitted to the Gambling Commission, with many reviewed and approved by the Board and its Committees – detailing the Company's performance and compliance across the business operation, including on good governance; measures to protect Participant interests; contributions to National Lottery Good Causes; financial and operational resilience, access and distribution; and branding and IP.
- Quarterly meetings with the Gambling Commission to review key performance standards, and Allwyn aims to optimise performance through a commitment to continuous improvement.
- Regular meetings at all levels with all 12 National Lottery funding distributors across all four nations in the UK through regular meetings at all levels and participation in cross-party forums.

Outcome

Delivery of collaborative campaigns, including The National Lottery Open Week; the 'Because of You' campaign with distributors, Good Causes beneficiaries that they fund and National Lottery ambassador Claudia Winkleman; and events across Scottish, Northern Irish and Welsh Parliaments to celebrate 30 years of The National Lottery.

Social value

At Allwyn, social value means creating measurable, positive impact for people, places, play and the planet through the way we operate. It goes beyond compliance and reporting; it is about embedding social and environmental considerations into our core business operations.

In 2025, we continued to embed social value throughout the business – into our decision-making through our annual business planning, procurement processes and inclusion in Board-level Committees. Our 30 Social Value leads from across all business areas continued to champion best practice and embed social value into planning.

Social value continued to be integrated into performance through a 20% weighting of all colleague bonuses, directly linked to social value outcomes. To drive accountability and impact we focused these on three key areas in 2025: decarbonisation of Allwyn's operations and supply chains, linking colleagues to National Lottery-funded projects through volunteering and creating an inclusive workplace.

Responsible Play

Participant Protection and responsible play are at the heart of our commitment to growing The National Lottery responsibly. Our ambition is to set the global industry standard for protecting participant interests, with a strategic focus on supporting those who come into contact with The National Lottery. This approach not only strengthens trust in The National Lottery but also empowers us to lead by example, ensuring The National Lottery remains a safe and trusted environment for all.

[See How we engage with our stakeholders section.](#)

Empowering People

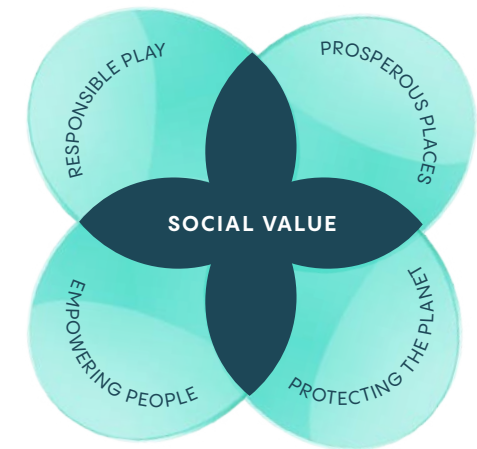
Empowering people is not just about how we support colleagues, but also how we create an inclusive, accessible and fair National Lottery for all our different stakeholders, in particular our customers. In 2025, we advanced our Diversity Equity and Inclusion ambition through practical tools and actions that make inclusion part of everyday decisions. We created an inclusion toolkit which will guide colleagues in embedding diversity and accessibility across product, marketing and workplace activities.

[See How we engage with our stakeholders section.](#)

We transformed the accessibility of National Lottery games in retail with clearer fonts and language, inclusive Permanent Point of Sale design, and enhanced digital screens, embedding recommendations from a full accessibility audit, to create a seamless experience for every player in store.

Social value at Allwyn combines environmental and social responsibilities under one banner, ensuring that our actions deliver real-world impact, not just tick-box actions. It is delivered through our Social Value Framework, which focuses on four priorities:

- Responsible Play** – Protecting participants and promoting safe, enjoyable play
- Empowering People** – Building an inclusive, accessible and fair workplace and National Lottery
- Prosperous Places** – Supporting communities and high streets to thrive
- Protecting the Planet** – Driving towards a net zero National Lottery



Prosperous Places

We want local high streets and communities to thrive. In 2025, our £1m annual Social Value Fund, which is separate to the funds raised for Good Causes, continued to make a difference. In 2025, we developed successful volunteering partnerships; firstly, as the official volunteer partner of the 2025 Rugby Women's World Cup, and then through launching a legacy volunteer programme for the Bradford 2025 UK City of Culture, where volunteers can continue to create impact across the city after 2025. The year also saw the return of our Local Retail Champions initiative, which recognised 20 National Lottery retailers, who were crowned for going 'above and beyond' in supporting their local communities.

Our Impact For Good programme, which connects our diverse colleagues with National Lottery-funded projects across the UK, saw 2,244 hours volunteered and over £94,000 raised through matched fundraising and pay roll giving.

Protecting the planet

Allwyn has made a commitment to creating a net zero National Lottery, aligned with the Science Based Targets Initiative's ('SBTi') Corporate Net Zero Standard, as this is internationally recognised as the best practice definition. In 2025, we made significant progress toward this commitment.

We have already reduced our emissions from our fleet by over 75% per mile travelled, cutting carbon and improving air quality through the transition to hybrid vehicles.

Social value continued

Our move to our new headquarters in central Watford, Clarendon Works, has further reduced emissions by creating a gas-free office, increasing public transport use, and adding electric vehicle ('EV') charging points to support colleagues transitioning to EVs. These changes make our workplace greener and more accessible, while reducing our footprint in the heart of the community.

In 2025, we completed our first full greenhouse gas emissions assessment across Scopes 1, 2 and 3, setting a baseline year of 2024.

Our baseline revealed that 97% of emissions sit within Scope 3 (indirect emissions across our value chain, such as supplier activities and transportation), with only 3% in Scopes 1 and 2¹. This insight drives our collaborative approach: working with suppliers and partners to reduce emissions through our entire value chain. As a result, we partnered with key suppliers to co-create Sustainability Action Plans that deliver measurable impact, combining existing initiatives with new, targeted actions, supported by clear governance, timelines and metrics.

Key achievements:

- Embedding measurable environmental standards in supplier contracts to ensure long-term impact.
- Cutting transport-related emissions through smarter logistics and consolidated ordering.
- Advancing circular practices, such as responsible reuse and disposal of IT equipment, reducing waste and supporting our zero-waste-to-landfill commitment.
- Integrating climate risk into business continuity planning, protecting operations and communities from future disruption.
- Improving transparency through quarterly carbon reporting from key partners, enabling informed decisions that reduce emissions and drive positive change.

By working collaboratively, we're accelerating emissions reductions, strengthening supply chain resilience, and embedding sustainability into everyday decisions.

Looking ahead, we are setting annual reduction targets aligned with SBTi's best practice, linked to all colleagues' bonuses. This ensures sustainability is not just a goal, it's embedded in our culture and incentivised across the business.

¹ Scope 1 covers emissions from sources we directly control, such as company vehicles. Scope 2 relates to indirect emissions from purchased energy for our estate.



Streamlined Energy and Carbon Reporting ('SECR')

Allwyn is committed to taking a robust, science-aligned approach to managing our climate impacts and long-term sustainability. Throughout 2025, we focused on strengthening the foundations of our emissions reduction journey by aligning our work with the Science Based Targets initiative ('SBTi') Corporate Net-Zero Standard and completing our first full greenhouse gas emissions baseline. Using activity from our first year of National Lottery operations, we established a comprehensive 2024 baseline covering Scopes 1, 2 and 3, providing an accurate representation of our carbon footprint and the insights needed to prioritise action across our value chain.

This baseline underpins the development of our net zero strategy, which forms part of our future transition plans and will include set targets. As we continue to embed climate considerations across the business, this report outlines our progress, the frameworks guiding our approach, and the steps we are taking to build long-term climate resilience.

In 2025 we began to develop a transition plan, building on the emissions baseline work, and aligning with the Transition Plan Taskforce ('TPT') framework. The emerging plan is being structured across the TPT's key elements:

- Foundations
- Implementation strategy
- Engagement strategy
- Metrics and Targets
- Governance

Additionally, we have made the following key areas of progress:

- completed and validated our first full greenhouse gas emissions baseline, covering Scopes 1, 2 and 3, providing a robust foundation for target setting;
- reduced Scope 1 and Market based Scope 2 emissions by a total of 75%, supported by a move to a gas-free head office, renewable electricity, and continued fleet decarbonisation;
- initiated development of our transition plan, aligned with the Transition Plan Taskforce (TPT) framework;
- strengthened supplier and colleague capability, including a supplier webinar (50+ partners) and enhanced sustainability training across the business; and
- maintained Planet Mark certification for the third consecutive year and advanced work on our SBTi aligned net zero strategy.

Measure and target

In 2025, we strengthened our carbon measurement by baselining emissions across Scopes 1, 2 and 3. We prioritised activity-based data from suppliers, supplemented with financial data only where necessary, and validated all information through an independent third party. Our 2024 baseline of 70,044 tonnes of CO₂e with 97% sitting in Scope 3, gives us the insight to focus action where it will deliver the greatest emissions reductions and informs the development of our net zero targets.

	2024 (1 Jan – 31 Dec)		2025 (1 Jan – 31 Dec)	
	tCO ₂ e	kWh	tCO ₂ e	kWh
Scope 1	638.6	2,874,710.0	352.1	1,558,339.0
Scope 2 (location-based)****	812.5	3,924,178.1	568.8	3,211,889.6
Scope 2 (market-based)****	1,136.5	3,924,178.1	93.9	3,211,889.6
Scope 3*	1,489.3	317,742.9	1,607.1	189,746.5
* Scope 3 includes Grey Fleet, non-Grey Fleet Business Travel, Waste, Water, Employee Commuting and Transmission and Distribution losses				
	tCO ₂ e	kWh	tCO ₂ e	kWh
Total (location-based)	2,940.4****	7,116,631.1****	2,528.1	4,959,975.0
Total (market-based)	3,264.4****	7,116,631.1****	2,053.2	4,959,975.0
	tCO ₂ e	Intensity	tCO ₂ e	Intensity
Total per employee location-based**	2,940.9****	2.5	2,528.1	1.9
Total per employee market-based**	3,264.9****	2.7	2,053.2	1.5
Total per £1m turnover location-based***	2,940.9****	0.9	2,528.1	0.7
Total per £1m turnover market-based***	3,264.9****	1.0	2,053.2	0.6

** For 2024, this is based on an average of 1,191 full-time equivalents, both permanent and fixed-term contract, between Jan–Nov 2024. For 2025, this is based on an average of 1,361 full-time equivalents, including both permanent and fixed-term contracts, between Jan–Dec 2025.

*** For 2024, this is based on £3,122m GGR (gross gaming revenue) turnover. For 2025, this is based on £3,502m (gross gaming revenue) turnover.

**** In 2024 Allwyn erroneously included the energy consumption of an outsourced data centre, leading to our scope 2 emissions for the year being higher. This has been accounted for in this year's SECR, reducing the energy consumption by 747,288 kWh, Location-based emissions by 154.5 tCO₂e, Market-based emissions by 278.7 tCO₂e and Scope 3 (transmission and distribution loss) emissions by 13.7 tCO₂e. Additionally, our hybrid vehicle energy consumption was revised.

Streamlined Energy and Carbon Reporting ('SECR') continued

Engage and communicate

In 2025, we continued embedding a net zero mindset across the business and our value chain. We hosted a supplier webinar attended by over 50 partners to build capability on greenhouse gas emissions, including what data is required, how to collect it, and why robust reporting matters. We also strengthened capability through mandatory sustainability training for all new colleagues, supported by tailored engagement for specific functions. Additionally, more than 30 social value leads, who represent various functions, had bespoke in-depth training to further aid reduction of our emissions. This work is helping ensure that both our teams and suppliers have the skills and awareness needed to deliver credible, long-term emissions reductions.

Streamlined Energy and Carbon Reporting ('SECR')

The Streamlined Energy and Carbon Reporting ('SECR') framework monitors and reports our energy use, carbon emissions, and the efficiency actions we implement, following the Operational Boundaries methodology set out in the Corporate Accounting and Reporting Standard.

Our market-based emissions fell by 37% from 2024 to 2025, demonstrating the significant progress we have made in reducing the emissions in our operations and reducing our environmental impact.

Energy efficiency actions

Allwyn achieved Planet Mark certification for the third consecutive year in 2025, reinforcing our commitment to continuous environmental improvement. As part of this, we committed to reducing our Scope 1 and 2 market-based emissions by at least 5% annually. Our move to Clarendon Works further reduced this by transitioning to a gas-free site, increasing public transport use, shifting to renewable electricity tariffs, and completing our transition to Plug-in Hybrid Electric fleet vehicles.

Our emissions baseline shows that most of our footprint sits within Scope 3, highlighting the importance of collaborating closely with suppliers and partners to reduce emissions across the value chain. This insight now shapes our priorities and informs our annual SBTi aligned reduction target, linked to all colleague bonuses, ensuring our approach is both data-driven and embedded across the business.



Climate-related financial disclosure

We have aligned our climate-related disclosures with the principles of the International Financial Reporting Standards (“IFRS”) S2 framework, building on our established TCFD-based approach. During 2024, we enhanced our processes to identify, assess, and manage climate-related risks and opportunities, and continued embedding these practices across the business. This section summarises our approach across the four core pillars underpinning both TCFD and IFRS S2, alongside our progress to date and planned next steps towards further alignment with emerging UK Sustainability Reporting Standards. Our disclosure is compliant with the UK Government’s Companies (Strategic Report) (Climate related Financial Disclosure) Regulations 2022.

Our assessment indicates low exposure to physical and transition risks overall, with higher impacts arising only under high warming scenarios, such as reduced customer purchasing power and increased regulatory requirements. We also recognise opportunities in a growing climate-focused market, particularly through more resource efficient manufacturing and expanding digital solutions that support long-term resilience and alignment with climate goals.

Governance structure for climate-related issues

The Board has ultimate responsibility for Allwyn’s social value performance, including climate-related issues, and delegates oversight

to the Compliance and Risk Management Committee (‘CRMC’). The Executive, via the Chief Executive Officer, keeps the CRMC informed of relevant climate matters and required actions. The business will continue to use the climate risk assessment to identify and address the most material issues. This is outlined as part of the Social Value risk in the Principal Risk section on page 22.

Ownership of climate-related risks sits with the business. These risks and opportunities are embedded in functional risk registers and reviewed quarterly by each function. Reviews are supported by challenge and oversight from the Risk team to ensure consistency, completeness, and robustness across the business.

Management’s role

The Executive, led by the Chief Executive Officer, is accountable for our approach to climate-related issues and sustainability. In 2025, the Social Value Director attended the CRMC and reported to the Chief Corporate Affairs Officer, who holds executive responsibility for Environmental, Social and Governance (‘ESG’) matters and sits on both the Compliance and Risk Committee (‘CRC’) and CRMC to ensure climate considerations are embedded in governance and oversight. This structure provides a clear reporting line through which the Social Value Director brings the work and priorities of the Social Value team to the senior leadership.

Skills, experience, and training gaps are regularly reviewed through the CRC and CRMC. Any significant gaps identified are addressed through upskilling and targeted training or, where deemed material, through recruitment. Where critical short-term gaps arise, these are addressed using external contractors or specialist advisors. While we have a broader plan around building skills, we have not

yet implemented a skills knowledge and experience assessment specifically related to climate-related skills and competencies. As part of our transition plans, we will be reviewing the current levels of skills and experience relevant to net zero across the Board members.

The Social Value team is directly responsible for delivering against our sustainability goals, facilitating data collection and verification, and driving continuous improvement across energy, emissions, waste, and responsible business programmes. This structure enables us to meet our regulatory and operational requirements.

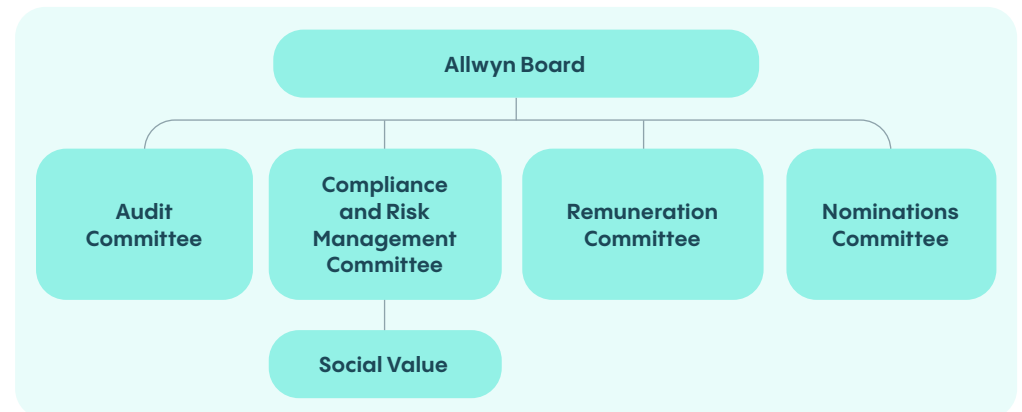
Remuneration

Our 2025 bonus plan included targets for all colleagues, based on the delivery of our Sustainability Action Plan, with contributions from every major function, to ensure the entire business played a role in advancing our climate efforts. Going forwards, the social value bonus metric will evolve to include a specific emissions reduction target, which is SBTi aligned, that must be met.

Enterprise risk management

The Head of Enterprise Risk Management, who reports to the Director of Assurance and Regulatory Affairs, works closely with the Social Value team to identify and assess any climate-related risks. If risks have been identified as having a material impact on the business, the Head of Enterprise Risk Management will work with the appropriate functional risk owner to ensure that controls and mitigations are in place to ensure the risk does not materialise.

In line with our Enterprise Risk Policy, climate-related risks follow the standard escalation pathway. Material issues, such as risks out of tolerance without an action plan, are escalated through operational governance to the CRC and, where appropriate, escalated further to the Board-level CRMC for enhanced scrutiny and decision-making. No climate-related risks have been escalated during the reporting period, and all identified risks are currently assessed as falling within the approved risk appetite and tolerance levels. Any identified gaps in risk or control effectiveness are addressed through enhanced control measures and strengthened mitigation actions, in line with our established risk management framework.



Climate-related financial disclosure continued

Data ownership

Ownership of climate-related data is defined in our Environmental Data Collection Policy and the supporting Environmental Data Collection Procedure. The Senior Net Zero Manager is the Responsible Owner for environmental data, with overall accountability sitting with the Social Value Director and the Chief Corporate Affairs Officer. Operational data collection responsibilities are distributed across Workplace Operations, Social Value, Finance, and Procurement teams, ensuring that emissions data, supplier metrics, and other environmental indicators are captured and managed consistently across the business.

- **Data Preparation, Review and Approval**
Data is sourced from invoices, supplier reports, and internal systems, then recorded in a central spreadsheet with evidence stored in secure drives. Regular reviews by the Social Value and Workplace Operations teams ensures completeness and accuracy, and any corrections require documented justification. At year end, all data is consolidated and verified before being shared with Planet Mark for emissions calculations, following the Greenhouse Gas Protocol and UK Government conversion factors.
- **Assurance**
Assurance is provided through our Risk and Compliance and Internal Audit teams, which review adherence to the Policy and Procedure as part of their approved plans. External assurance is also in place: PwC provides external assurance of our methodologies and calculations, while Planet Mark delivers our annual certification. Additional external assurance may be commissioned as regulatory requirements evolve.

Strategy climate scenario analysis process

As per the IFRS S2 recommendations, Allwyn is committed to completing a wide assessment of climate-related risks and opportunities.

Building on the assessment completed last year, which was conducted in conjunction with Planet Mark, Allwyn has conducted a qualitative assessment of identified climate-related risks and opportunities across climate scenarios. This work scores and ranks material risks and opportunities and their potential impact on the business. During the current reporting period, these scores remained unchanged, and the assessment has continued to be kept under review. We have added the locations of the risk in our operations (downstream, within own operations, or upstream), as well as updated the business response and linked opportunities where applicable.

Risks and opportunities identification process

As part of this review, Allwyn held internal interviews to understand how climate change risks and opportunities may impact different functions across the business and how these are already embedded into business activity. Stakeholder engagement was complemented by industry peer benchmarking and desk-based research to understand climate-related events and policy developments. A list of these identified risks and opportunities, following the IFRS S2 classification, has been collated, and were qualitatively assessed, scored, and ranked to develop an understanding of their relevance and potential impact on the business.

Risk assessment criteria

The criteria used to understand the impacts of the identified risks and opportunities focuses on two distinct parameters: time horizons and

climate scenarios. Climate scenarios define the assumptions used to determine the climate-related actions that might impact the business, over the defined time horizons. Each risk and opportunity were assessed over different time horizons:

- short term: 1 to 2 years (2025 to 2026), aligns with business risk and finance strategy in dealing with the most immediate events that might impact the business;
- medium term: 3 to 6 years (2027 to 2030), interim period in alignment with planned near-term targets; and
- long term: 7 to 26 years (2031 to 2050), aligns with the 10-year Fourth National Lottery Licence up until 2034, and the UK net zero target to decarbonise the UK economy by 2050, anticipating any long-term effects of climate change. Any net zero targets sitting outside the current licence period, will be designed to align with the SBTi, a corporate climate action organisation that enables companies and financial institutions worldwide to set greenhouse gas emissions reduction targets in line with the latest climate science, and ensure continuity even if there is a change in ownership.

Climate scenarios

A range of scenarios were selected to understand the potential impact of climate change risks and opportunities under uncertain future outcomes. We have used three different scenarios to ensure all outcomes of climate change are considered. Following the IFRS S2 climate-related risks and opportunities classification, for each physical and transition risk or opportunity, Allwyn has used climate scenarios published by the Network for Greening the Financial System ('NGFS'), an open-source platform containing a variety of climate indicators including projections on energy demand, commodities prices, etc. Climate projections were obtained from the

Intergovernmental Panel on Climate Change Working Group I ('IPCC WGI') Interactive Atlas, which outlines regional information on climate variations including precipitation, snowfall, wind and temperature. The most recent climate model, CMIP6 has the latest climate change projections available, allowing for an assessment over several shared socioeconomic pathways (SSP1-2.6, SSP2-4.5 and SSP5-8.5). To ensure that we have modelled the risks against different 2100 global temperature predictions it has followed guidance from the IPCC and the REMIND-MAGPIE net zero scenarios and assessed against three different outcomes:

- Orderly Transition – warming is limited to 1.5°–2°C (IPCC's SSP1-2.6);
- Disorderly Transition – warming is limited to 1.5°–3°C (IPCC's SSP2-4.5); and
- Hot House – warming exceeds 3°–5°C (IPCC's SSP5-8.5).

Risk assessment methodology

Allwyn has scored its risks against three main criteria:

- vulnerability (consideration of exposure, sensitivity, and adaptive capacity);
- likelihood; and
- magnitude of impact.

Opportunities have been scored against two main criteria:

- the size of the opportunity; and
- if the businesses can execute this opportunity.

Results

Based on the time horizons, all the risks and opportunities identified below are considered to only be medium or high impact over the long-term horizon. As part of the scoring analysis of each risk, all risks in the short and medium-term horizons are scored as very low or low magnitude of impact.

Climate-related financial disclosure continued

Transition risks

Market Risk

Changing customer behaviours and purchasing power

As a result of acute and chronic effects of climate change, which will likely have a negative impact on the economy, customers may have reduced purchasing power and disposable income. This may impact sales and reduce Returns to Good Causes.

Horizon:
Long

Potential risk:
Medium to High

Location:
Downstream

Scoring rationale:

Effects of climate change in the long term are exacerbated due to an increase in global warming, high probability and impact on UK's economy and consequent loss of Gross Domestic Product ('GDP').

Business Response:

Continue to adapt its marketing communications, game propositions, channel initiatives, and events so that The National Lottery remains relevant to a wider player base with a focus on the impact of Good Causes on society.

Linked Opportunity:

Collaborate with our suppliers to identify opportunities to decarbonise our products in line with our ambitions to increase total sales and Returns to Good Causes.

Reputational Risk

Reputational damage to Allwyn and The National Lottery

Negative perception from internal and external stakeholders if there is a lack of progress against annual emissions reduction or Allwyn's net zero targets.

Horizon:
Long

Potential risk:
Low

Location:
Within own operations

Scoring rationale:

As Allwyn will set out its net zero strategy, which will include its long-term targets, the risk of impact has been determined to be low.

Business Response:

We will set our targets in the next few years using robust baseline data from 2024, which will be SBTi aligned. The term of The National Lottery Fourth Licence is 10 years until 2034, which may restrict Allwyn's ability to invest in longer-term plans; however, Allwyn will be developing interim targets that will be met within this time.

Work on the targets and associated transition plans is well underway; draft targets have been developed and aligned to SBTi. While it had been intended to complete the setting of these targets in 2025, work is ongoing to finalise these.

Climate-related financial disclosure continued

Transition risks continued

Policy and legal

Current and new environmental compliance and mandatory disclosures

Due to an expected increase in the number of mandatory climate-related reporting and disclosures and associated time commitment, Allwyn could fail to fully comply resulting in fines and reputation damage.

Horizon:
Long

Potential risk:
Very Low to
Medium

Location:
Within own
operations

Scoring rationale:

A robust Regulatory Affairs team is in place which monitors any upcoming regulations, and highlights any resource constraints Allwyn might have, so the potential long-term risk is expected to be medium.

Business Response:

Allwyn has developed a draft transition plan detailing how we will address climate-related matters including requisite KPIs. In addition to the Regulatory Affairs team's role in monitoring current and future regulations, the Public Affairs and Social Value teams also monitor key developments across relevant political and policy environments and inform the business of any regulation changes. Allwyn is also part of a working group that consist of our sister and parent companies, where we monitor and share news regarding regulations that affect us.

Physical Risks

Acute risk

Supply chain distribution

Supply chains are vulnerable to climate-induced disruptions in international shipping which could affect its product availability for components from outside the UK and impact operations. Additionally, the likely increase in adverse weather in parts of the UK may have an increased risk of storm-related supply chain disruption. This could impact fleet operations and disrupt ability to service retailers and/or access winners in these regions.

Horizon:
Long

Potential risk:
Very Low to
Medium

Location:
Upstream and
downstream

Scoring rationale:

In the long term, disruption is expected to be medium, as the frequency and severity of sea storms rises due to the increase of temperature.

Business Response:

We continue to ensure there is significant stock in the UK of relevant components from outside the UK to allow for a severe disruption in weather. For fleet operations, the business continues to use and improve its route optimisation, which plans for disruptions such as road closures, and has staffing plans in place to minimise impact from regional disruptions caused by adverse weather.

Linked opportunity:

1. Constituent components are manufactured using recycled materials and designed to support upgrades, reducing plastic waste and future resource use or new orders, limiting exposure to supply chain disruption through reduced replacement of parts.
2. Adopting a zero waste to landfill policy with its suppliers will support the recycling and manufacture of components closer to the UK, reduce operational costs, and strengthens its position in a transitioning low-carbon economy.
3. Replacing fleet with electric vehicles and providing funding for home electric vehicle chargers would ensure that the fleet can operate and charge in the event of disruption to major roads.

Climate-related financial disclosure continued

Physical Risks continued

Chronic risks

Energy efficiency and resilience in supply chain

Increase costs in its supply chain caused by increasing energy costs if energy efficiency solutions are not put in place. All Allwyn facilities are outsourced and rely on electricity, including data centres, resulting in higher energy consumption and energy costs.

Horizon:
Long

Potential risk:
Very Low to Low

Location:
Upstream

Scoring rationale:

While energy costs for Allwyn office operations are relatively stable, the reliance on electricity could lead to long-term cost increases if Allwyn landlords take limited action on energy efficiency measures. This could affect the heating and cooling of office spaces, leading to higher operational costs over time.

Business Response:

It is not expected for Allwyn to face high spikes to energy costs for the data centre due to a Consumer Prices Index ('CPI') linked supplier contract. For Allwyn's estate, office electricity usage is relatively consistent. Additionally, its new Head Office in Watford, where the business moved to in May 2025, has zero gas dependency.

Chronic risks

Absence of net zero strategy

Allwyn is still in the process of developing a net zero strategy, which will consider how to address chronic climate risks (e.g. gradual temperature rises or resource scarcity). These risks could expose the business to operational disruptions over time, particularly if climate risks begin to affect the broader market or specific assets.

Horizon:
Long

Potential risk:
Very Low to Low

Location:
Within own operations

Scoring rationale:

The expected impact is minimal across all time horizons and climate scenarios as Allwyn is already well advanced in developing a robust strategy to address climate risks, including chronic risks, as part of its wider net zero strategy.

Business Response:

Allwyn developed a Sustainability Action Plan in 2025, which provides a structured framework to support the businesses approach to reducing emissions and increasing climate resilience, and will continue to be refined as the business' climate-related response matures. This feeds into and helped create the foundations for the work that was commenced in 2025 to develop a net zero strategy aligned with the Science Based Targets initiative ('SBTi'), informed by Allwyn's completed baseline emissions year and the recommendations identified through the IFRS S2 assessment.

The outcomes of the IFRS S2 and ISSB aligned assessments are being used to inform this evolving approach. In addition, Allwyn has approved Business Continuity Plans ('BCPs') across each function, with climate-related risks and mitigation measures considered for integration within relevant BCPs where appropriate.

Linked opportunity:

1. Supply chain engagement and collaboration:

Allwyn is actively engaging with its supply chain to support supplier emissions reductions and to strengthen alignment with its net zero ambition. This has included hosting a climate and net zero webinar for all suppliers in spring 2025, and the initiation of bespoke Sustainability Action Plans with selected suppliers, supporting shared emissions reduction opportunities across the value chain. There remains an ongoing opportunity to build on this engagement through collaboration with Allwyn Group companies and industry peers.

2. Colleague capability and engagement:

Allwyn colleagues are offered a range of training and engagement opportunities to build their knowledge and skills on climate and sustainability. This includes mandatory training for all new starters, bespoke engagement for different parts of the business, and a series of sessions on our carbon baseline that were rolled out across 2025.

Climate-related financial disclosure continued

Climate resilience

Allwyn is committed to embedding sustainability in our operations and value chain, and we will continue to develop our net zero strategy and targets over the next few years. The climate risk assessment highlights medium-impact climate risks in the long-term horizon. Market risks, such as reduced customer purchasing power due to climate change, have a greater impact in the long-term time horizon, especially in the Hot House scenario, where global economic disruptions are severe. Reputation risks, although low, could have an impact, as failure to meet targets could harm stakeholder perceptions. While impact in the short-term time horizon is minimal, there is an increase in risk in the long term across all scenarios. Policy and legal risks, including non-compliance with climate reporting, may lead to fines or regulatory breaches. This risk grows in the Orderly and Disorderly scenarios as reporting requirements tighten. Acute physical risks, such as climate-induced shipping disruptions, becomes a medium risks in the Hot House scenario, where extreme weather intensifies. However, opportunities exist, particularly in expanding digital solutions in the Orderly and Disorderly scenarios. A stronger digital offering reduces reliance on physical infrastructure and aligns with evolving consumer preferences driven by climate awareness.

To contribute to climate resilience, the business has identified the following key actions to take:

- continue expanding the current Sustainability Action Plan into a net zero strategy;
- fleet decarbonisation by 2030;
- supplier emission reductions and engagement strategy in line with Scope 3 targets once approved;
- liaise with Allwyn Group to ensure climate plans are coordinated where possible across all entities; and
- collect our greenhouse gas emissions annually and review to monitor our emission reduction progress.

Operational resilience

Allwyn has in place Business Continuity Plans ('BCPs') that supports us in building operational resilience to disruption and the capability for effective response to safeguard the business in the event of disruption, including from climate-related matters. We are reporting our climate-related financial disclosures aligned to the IFRS framework. Looking ahead, we will use the results of the IFRS S2 assessment to inform a review of measures necessary to mitigate exposure and capitalise on climate-related opportunities.

Metrics and targets

We monitor our performance across absolute and intensity environmental indicators, keeping the business informed and accountable for its environmental performance and ambition. We measure our carbon footprint (Scope 1 and 2 greenhouse gas ('GHG') emissions) and Scope 3 categories relevant to the business as well as those emissions required for the SECR report. Furthermore, the measurement methodology used by Planet Mark is aligned to the GHG Protocol.

Achieving net zero by 2050 remains aligned with the net zero requirements set out by the UN backed Race to Zero campaign and the Science Based Targets initiative. We are continuing to develop and refine additional climate-related metrics linked to the identified risks and opportunities, which will be progressively incorporated into future IFRS S2 assessments. We successfully baselined our emissions based on our activity in 2024. Any future climate-related metrics will also consider Allwyn Group's publication in May 2026 of its own emissions reduction targets.

Next steps

Work has continued to strengthen Allwyn's alignment with the IFRS S2 recommendations, building on the initial climate-related risk and opportunity assessment.

We will continue to make progress against the IFRS S2 pillars in 2026:

- **Strategy:** We will continue to develop and refine our understanding of the potential financial implications of climate-related risks and opportunities during 2026. The draft transition plan developed to date includes high-level cost assumptions, which will be further assessed and enhanced to improve the accuracy and achievability of estimated costs as data availability and methodological maturity continue to improve.
- **Transition Plans:** We will review and further develop the draft transition plan during 2026, building on work completed to date to strengthen alignment with identified climate-related risks and opportunities and to support longer-term climate resilience.

- **Risk Management:** Climate-related risk identification and assessment will continue to be integrated into existing risk management processes and will be updated alongside the wider business strategy, as required, to ensure continued and consistent consideration of climate-related risks.
- **Metrics and Targets:** We have established an emissions baseline year, and work will continue to progress the development of targets. This will include ongoing consideration of relevant IFRS S2 cross-industry metrics, alongside the refinement of climate-related metrics across our greenhouse gas footprint and identified physical and transition risks.

The Strategic Report on pages 1 to 40 has been approved and signed by order of the board:

Justin King

Chair

24 June 2026



Chair's introduction to Governance



“

The Board remained focused on maintaining strong governance, ensuring continuity of service, and upholding the integrity and reliability that players, colleagues and stakeholders expect.

I am pleased to introduce Allwyn's Corporate Governance Report for 2025 – a year defined by extraordinary transformation, disciplined governance, and a clear commitment to delivering a National Lottery that is modern, responsible and built for the next decade.

2025 marked the first full year of operating under the Fourth Licence, during which the Board oversaw the first part of the most significant technology and operational upgrade in The National Lottery's history – the scale of which was unprecedented. These achievements represented the culmination of years of planning and a level of execution that the Board and I are immensely proud of.

Throughout this period, the Board remained focused on maintaining strong governance, ensuring continuity of service, and upholding the integrity and reliability that players, colleagues and stakeholders expect. We continued to apply the Principles of the UK Corporate Governance Code, complying with – or clearly explaining any departures from – its provisions, particularly where the unique requirements of the Fourth Licence necessitated tailored governance arrangements.

The year also saw meaningful progress in reshaping and strengthening our leadership and oversight structures. We welcomed new members to our Executive team, further enhancing the breadth of expertise in retail, technology, digital, sustainability and governance. Their insights, challenge and stewardship have been instrumental in guiding the organisation through this period of rapid change.

Importantly, the Board remained closely connected to our stakeholders. This included engagement with colleagues throughout the transformation programme and via 'Meet the Board' sessions. These interactions reinforced our commitment to long-term value creation and to the responsible operation of The National Lottery.

Alongside transformation, the Board devoted significant attention to assurance, risk management and financial resilience. We monitored progress against critical milestones, assessed enterprise risks through the Enterprise and Risk Management ('ERM') framework, and approved key strategic submissions to the Gambling Commission to ensure the highest standards of compliance and licence performance.

As we look ahead, 2026 will be a year in which we consolidate the foundations laid during this exceptional period of change. This includes the delivery of the final part of our transformation programme in January 2026 when we moved to new digital platforms. This final phase enables a fully modernised, end-to-end experience for retail and digital players alike.

Alongside this, we will expand our product offering, grow participation responsibly, and continue to drive Returns for Good Causes. The Board remains steadfast in its commitment to ensuring Allwyn operates with integrity, transparency and with a relentless focus on delivering positive outcomes for players and society.

I am extremely proud of the dedication shown by colleagues across Allwyn during a uniquely demanding period, and I would like to thank the Executive team for their leadership, our Non-Executive Directors ('NEDs') for their support and challenge, and our stakeholders for their continued trust. Together, we have delivered a landmark year and set The National Lottery on a path for long-term success.

Justin King
Chair

UK Corporate Governance Code provisions

The UK Corporate Governance Code sets the standards for effective board leadership, transparency, accountability, and long-term sustainable success for UK companies.

The Code is structured into five governance themes:

- | | | |
|--------------------------------------|--|----------------|
| 1 Board Leadership & Company Purpose | 3 Composition, Succession & Evaluation | 5 Remuneration |
| 2 Division of Responsibilities | 4 Audit, Risk & Internal Control | |

The table below outlines each relevant provision and an explanation of how the Company explains its compliance with that provision.

Ref	Title	RAG	Commentary	Page(s)
1	Purpose and Values	●	Compliant – Long-term value, model and strategic outcomes described	Strategic Report, pages 1-3, 10-11 Governance Report, pages 45-47, 51-52
2	Culture Monitoring	●	Compliant – Board monitors culture and alignment; workforce investment explained	Governance Report, pages 45, 51-52
3	Shareholder Engagement	●	Explained non-compliance – Consent to derogate has been given by the Gambling Commission	N/a
4	Stakeholder Engagement	●	Compliant – Due to the Board composition, shareholder voting is conducted by Shareholder Representative Directors. However, if a Board decision is voted against by two or more Independent Directors, the Chair shall notify the Gambling Commission	Governance Report, pages 45-47
5	Workforce Engagement	●	Compliant – Engagement is described	Strategic Report, pages 24-25 Governance Report, pages 51-52
6	Whistle-blowing	●	Compliant – Whistle-blowing arrangements are overseen and routinely reviewed by the Audit Committee	Governance Report, pages 52, 55
7	Conflicts of Interest	●	Compliant – Conflicts of interest management in place and effective	Governance Report, pages 45, 51
8	Raise Concerns	●	Compliant – Board minute practices in place	Governance Report, page 51
9	Chair and CEO Separation	●	Compliant – Chair/CEO roles separate; Chair is independent on appointment and remains within the nine year term guideline	Governance Report, pages 45, 50
10	Independence	●	Compliant – Disclosure of Independent NEDs within	Governance Report, pages 44-47
11	Independence	●	Compliant – At least half of the Board are Independent NEDs	Governance Report, pages 44-47, 52
12	Senior Independent Director	●	Compliant – Senior Independent Director role present; annual meetings without Chair	Governance Report, pages 44-45, 50-51
13	Non-Executive Directors	●	Compliant – NED role in Executive appointments and scrutiny described. Chair meets with the NEDs each month without the Executive present	Governance Report, pages 50-51, 57
14	Board Roles	●	Compliant – Role clarity and attendance disclosed	Governance Report, pages 45-47, 50
15	Other Commitments	●	Compliant – Disclosure and assessment of external commitments covered	Governance Report, pages 45-47, 52
16	Company Secretary	●	Compliant – Company Secretary role and Board responsibility evidenced	Governance Report, pages 50-51
17	Nominations Committee	●	Compliant – Nominations Committee exists; majority independent	Governance Report, pages 44, 57

UK Corporate Governance Code provisions continued

Ref	Title	RAG	Commentary	Page(s)
18	Annual Re-appointment	●	Compliant – Annual re-election in place	Governance Report, pages 47, 52, 57
19	Chair Tenure	●	Compliant – Chair tenure within nine-year guidance	Governance Report, page 52
20	External Search	●	Compliant – Use of external search for NEDs; disclosure planned when utilised. None this year.	N/a
21	Board Evaluation	●	Compliant – Annual Board evaluation occurs; external review in 2025	Governance Report, page 52
22	Evaluation Actions	●	Compliant – Actions from evaluation tracked	Governance Report, page 52
23	NomCo Report	●	Compliant – NomCo reporting in place	Governance Report, page 57
24	Audit Committee	●	Explained non-compliance – Audit Committee includes shareholder-NED; independence explained	Governance Report, pages 44, 55
25	AC Role	●	Compliant – Audit Committee follows standards and assesses financial reporting and controls	Governance Report, page 55
26	AC Report	●	Compliant – Audit Committee work described; Internal Audit function active. Consent to derogate has been given by the Gambling Commission	Governance Report, page 55
27	Fair and Balanced	●	Compliant – Directors' responsibility statement included and affirmed	Governance Report, pages 55, 61
28	Principal Risks	●	Compliant – Robust assessment of risks via ERM framework and CRMC oversight	Strategic Report pages 19-23 Governance Report, pages 53-54
29	Risk Management Framework Effectiveness	●	Compliant (readiness for 2026) – Board monitors the risk management framework; assurance map enhancement planned	Governance Report, pages 53-56
30	Interim Statements	●	Explained non-compliance – Going concern statements handled per policy but no interim financial statements are published. Gambling derogation consent has been given	N/a
31	Viability	●	Compliant – Viability statement assessment included	Governance Report, page 60
32	RemCo	●	Explained non-compliance – RemCo includes shareholder-NEDs; consent to derogate has been provided by the Gambling Commission	Governance Report, pages 44, 58
33	RemCo Role	●	Compliant – RemCo sets remuneration; considers workforce and culture alignment	Governance Report, page 58
34	Director Remuneration	●	Compliant – NED fees reflect role/time; no performance-related elements	Governance Report, page 58
35	Remuneration Consultant	●	Compliant – Use of remuneration consultants identified; independent judgement exercised	Governance Report, page 58
36	Remuneration Schemes	●	Compliant – Long-term shareholding not applicable for any Executive Director	Governance Report, page 58
37	Remuneration Schemes	●	Compliant – Policy and discretion in place	Governance Report, page 58
38	Malus and Claw-back	●	Compliant – This would be applied if required	Governance Report, page 58
39	Pensions	●	Compliant – Executive pension rates aligned to workforce; pay ratio tracking	Governance Report, page 58
40	Contracts Period	●	Compliant – Contract periods (≤12 months).	Governance Report, page 52
41	RemCo Report	●	Compliant – Engagement and discretion	Governance Report, page 58

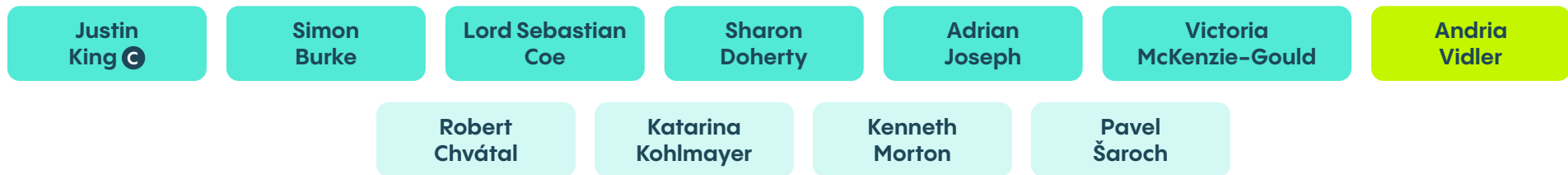
● Non-compliant

● Compliant

Governance framework

Key Independent Non-Executive Director Executive Shareholder-nominated Non-Executive Director Chair

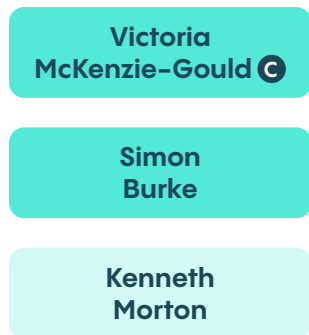
Board



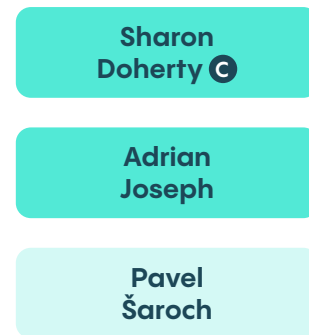
Audit



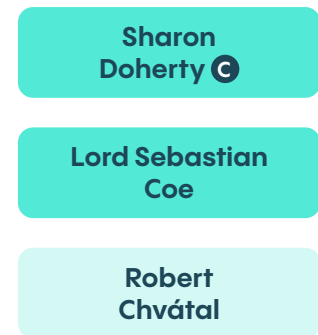
Compliance & Risk



Remuneration



Nominations



Board of Directors

The Board is collectively responsible for the long-term success of the Company and for ensuring compliance with its statutory duties. Under the Companies Act 2006, Directors must:

- **Act within powers** – operate in accordance with the Company's constitution and exercise powers only for their proper purpose.
- **Promote the success of the Company** – act in good faith in a way most likely to benefit members and the statutory duties as a whole, considering long-term consequences, employee interests, relationships with suppliers and customers, environmental and community impact, and maintaining high standards of business conduct.
- **Exercise independent judgement** – make decisions independently, while considering advice where appropriate.
- **Exercise reasonable care, skill and diligence** – apply the care expected of a reasonably diligent person with the Directors' actual knowledge and experience.
- **Avoid conflicts of interest** – prevent situations where personal interests conflict with those of the Company.
- **Not accept benefits from third parties** – avoid benefits offered because of the Directors' position or actions.
- **Declare interests in transactions** – disclose any interest in proposed transactions or arrangements with the Company.

These duties are owed to the Company and underpin the Board's role in setting strategy, overseeing performance, and ensuring accountability and transparency.

The Board considers that its responsibilities are not only to govern operational performance but also to focus on how the Board and colleagues perform in accordance with our desired culture, and that this focus should be continuous rather than periodic. The Chair holds the Board to account to ensure it operates in accordance with expectations and creates the right conditions to encourage open, honest and transparent debate. The Board also holds the Executive to account, via its CEO, to observe that culture in operational delivery.

Note:

- At least half the Board, excluding the Chair, were independent NEDs throughout the year;
- Despite external commitments, a Board review confirmed that all members allocate sufficient time to their duties to the Company.



Justin King CBE
Chair

Role

Justin King leads Allwyn's Board and spearheads the Company's efforts to reinvigorate The National Lottery. One of the best-known names in British retail, Justin has been a leader and innovator in customer-facing businesses for over four decades.



Andria Vidler
Chief Executive Officer

Role

Andria Vidler is the CEO of Allwyn. Andria was formerly EMEA CEO at Tag Worldwide, a global marketing production business, having previously held the position of CEO of EMI in the UK and Ireland. Andria was formerly CEO of Centaur Media, as well as holding senior roles at Capital Radio, Bauer Media and the BBC. Andria was appointed President, Advertising Association early in 2025.



Lord Sebastian Coe
Senior Independent
Non-Executive Director

Role

Sebastian Coe has been President of World Athletics since 2007 and was elected to become a member of the International Olympic Committee in July 2020. He currently serves as a Non-Executive Director of Fortescue Metals Group and Non-Executive Director of Allwyn International AG. He is an advisor of the Wasserman Group and Special Advisor to Vitality Health & Life Group of Companies.

Board of Directors continued



Simon Burke
Independent
Non-Executive Director

Role

Simon Burke is a chartered accountant with over 30 years' experience in the consumer, retail and leisure sectors. He was the Chair of Bakkavor Group Plc until its sale in January 2026, and is currently the Chair of Blue Diamond Group and Audit Chair of the London Philharmonic Orchestra.



Sharon Doherty
Independent
Non-Executive Director

Role

Sharon Doherty currently works as the Chief People and Places Officer at Lloyds Banking Group and brings significant executive experience from organisations with large, diverse workforces in the technology, telecommunications, and aviation sectors from her roles at Finastra, Vodafone and BAA Heathrow Airport.



Adrian Joseph OBE
Independent
Non-Executive Director

Role

Adrian Joseph is a leading data and AI technologist with over 25 years' experience across artificial intelligence, analytics and digital transformation. He currently serves on the Technology Advisory Board of NatWest. His recent executive roles included: Chief Data and AI Officer at BT; a Senior Partner and Head of Data and AI at EY; and over a decade at Google in senior leadership roles across cloud, digital and data science.



Victoria McKenzie-Gould
Independent
Non-Executive Director

Role

Victoria McKenzie-Gould has worked in executive leadership roles in high-profile, consumer-facing brands undergoing significant change, such as Tesco, Britvic Plc and Marks & Spencer Plc. Victoria is now leading the Magnum Ice Cream Company Plc's Global Corporate Affairs and Sustainability function as part of the Executive team.



Robert Chvátal
Non-Executive Director

Role

Robert Chvátal is CEO of the Group and is the former CEO of Allwyn Česko a.s. (formerly SAZKA a.s.), having joined in 2013. He is also a member of the Board of Directors of individual companies within the Group, including Greek lottery operator, Allwyn Hellas (formerly OPAP), and serves on the Supervisory Board of Austrian Lotteries.

Board of Directors continued



Katarina Kohlmayer
Non-Executive Director

Role

Katarina Kohlmayer has been CFO of KKCG since joining in 2014. Prior to joining KKCG, she was Managing Director at Morgan Stanley. Katarina is also a member of the Board of Directors of KKCG and of individual companies within the Group, including OPAP, as well as serving on the Supervisory Board of Austrian Lotteries and Allwyn North America.



Kenneth Morton
Non-Executive Director

Role

Kenneth Morton has been the CFO of the Group since 2020, prior to which he was the Head of Corporate Finance at KKCG Group a.g. Kenneth has spent more than two decades in various corporate finance positions and has extensive experience in capital markets and M&A.



Pavel Šaroch
Non-Executive Director






Role

Pavel Šaroch has been CIO of KKCG Group a.g. since 2010, having joined KKCG in 2008. Pavel is also a member of the Board of Directors of KKCG, and of individual companies within the Group, including Allwyn Hellas, as well as serving on the Supervisory Board of Austrian Lotteries.

Membership and attendance

Attendance of Directors at Board and Committee meetings during the year was as follows:

Key  = Chair

Director	Board meetings attended	Audit	CRMC	Nominations	Remuneration
Justin King 	20/20	–	–	–	–
Andria Vidler (CEO)	20/20	–	–	–	–
Lord Sebastian Coe ¹	11/20	0/4	–	1/4	–
Simon Burke	17/20	4/4 	9/9	–	–
Sharon Doherty	19/20	–	–	4/4 	5/5 
Adrian Joseph	17/20	–	–	–	4/5
Victoria McKenzie-Gould	13/20	4/4	9/9 	–	–
Robert Chvátal	20/20	–	–	4/4	–
Katarina Kohlmayer	18/20	4/4	–	–	–
Kenneth Morton	20/20	–	9/9	–	–
Pavel Šaroch	12/20	–	–	–	4/5

The table shows the number of meetings attended by each Director against the number of meetings they were entitled to attend. Our Articles of Association and each Committee's Terms of Reference provide further information on the requirements for meetings being quorate.

1 Through continuous assessment, and the annual re-appointment process, it has been determined that although attendance may have been less than some of the other Directors, significant value is added to the Board and Committees through membership. Attendance is well in excess of the contracted committed time and the year in review had an extraordinary amount of Board and Committee meetings.

Executive Committee

We have brought together an impressive leadership team with extensive experience in lottery, retail, gaming, digital and entertainment sectors. In addition to Andria Vidler, Chief Executive Officer, our Executive Committee as at 31 December 2025 comprises:



Alan Artz
Chief Financial Officer

Role

Alan Artz joined Allwyn and Camelot in 2023 in a dual role to support the smooth transition between the Third and Fourth National Lottery licences. Alan joined from William Hill, where he served as the CFO for the online business and also took responsibility for the retail business. Alan previously held senior finance roles in several blue-chip companies including Sky, BT and Barclays.



Richard Dawkins
Managing Director – Digital
(from November 2025)

Role

Richard Dawkins was appointed into the role of Managing Director – Digital as part of an internal appointment in a competitive recruitment process. Prior to joining Allwyn, Richard was President at Bauer Media Audio. He previously worked at the BBC.



Mark Hughes
Chief Security Officer

Role

In addition to The National Lottery's Draw Operations, Mark Hughes manages all aspects of Cyber & Information Security, physical security, organisational resilience, and counter-fraud operations. Previously, Mark served as Chief Security Officer at Vodafone, where he dedicated 16 years to senior security and intelligence roles, collaborating closely with Government and law enforcement agencies to safeguard critical national infrastructure and spearhead major cyber and fraud improvements.



Chris Lyman
Chief Customer Officer

Role

Chris Lyman joined Allwyn in 2023 from Lotto New Zealand, where he served as Chief Executive since 2018. Prior to that, Chris was the Chief Operating Officer for five years. During his tenure, Lotto New Zealand embraced digital play and experienced record levels of growth. Chris previously held several roles in UK retail, specialising in channel growth and operations.



Alastair Ruxton
Chief Corporate Affairs Officer

Role

Alastair Ruxton led the delivery of Allwyn's successful bid to operate the Fourth National Lottery Licence. Alastair was previously a member of the London 2012 bid team and worked with the Organising Committee for the London 2012 Olympic and Paralympic Games from start to finish. Alastair originally trained as a lawyer.

Executive Committee continued

**Samantha Sheriff**

Chief People & Places Officer

Role

Samantha Sheriff previously served as Chief People Officer at both Allwyn and Camelot during 2023, taking on a dual role to support the smooth transition from the Third to the Fourth National Lottery Licence. She joined Allwyn from SymphonyAI, the leaders in delivering value for retailers and Consumer Packaged Goods through agentic AI. Samantha has previously worked in senior people leadership roles across retail, professional services, software and technology, construction and luxury hospitality. Samantha also serves as an Independent Co-Opted member on the Surrey Police & Crime Panel.

**Mark Smith**

Chief Technical Officer

Role

Mark Smith previously served as Chief Technology Officer at ITV, spearheading the launch of ITV Hub and, more recently ITVM. Mark was previously at the BBC, with responsibility for the building and running of BBC iPlayer. Prior to this, he was Director of Online Delivery and Operations at Sky, where he worked across a wide range of consumer-facing digital services.

**Sarah Venning**Chief Strategy and Transformation Officer
(from November 2025)**Role**

Sarah Venning joined Allwyn from Merlin Entertainment. Her career also includes senior executive and board roles across retail, hospitality, transport, entertainment and media, including the John Lewis Partnership, Pret A Manger, and Heathrow Airport.

**Harry Willits**

Chief General Counsel

Role

Harry Willits joined Allwyn in 2022. Harry has held a series of senior legal roles in the leisure and entertainment industry, including serving as Group General Counsel at William Hill, General Counsel and Company Secretary at Gala Coral Group, and General Counsel and Company Secretary at Luminar Plc. Harry was previously Head of Leisure at law firm Wragge & Co.



Board member responsibilities

Chair's role:

The Chair of the Board has specific responsibilities:

- Creating conditions for overall Board and individual Director effectiveness
- Promoting a culture of openness and debate, setting a Board agenda focused on strategy, performance, shared value creation, culture, stakeholders and accountability
- Ensuring effective decision-making processes and challenges to major proposals
- Fostering constructive relations between Executives and Non-Executive Directors

Chief Executives' role:

Allwyn's CEO is a member of the Board of Directors. Within the parameters established by the Board, the CEO:

- Plays a pivotal role in shaping the strategic direction
- Collaborates with the Chair of the Board to define a broad and forward-looking agenda
- Determines and oversees the execution of the Board's directions and policies
- Disseminates the mission and strategic direction to the workforce

Non-Executives' role:

Allwyn's Non-Executive Directors (including Shareholder Representative and Independent Non-Executive Directors) are chosen for their breadth of experience and their appropriate calibre. Their role is to:

- Bring specialist knowledge, valuable insight and key contacts in relevant industries
- Bring objectivity to Board deliberations (particularly where they are deemed independent)
- Provide constructive challenge, strategic guidance and hold management accountable

Senior Independent Non-Executives' role:

In addition to the role responsibilities for the Non-Executive role, the Senior Independent Non-Executive's role is to:

- Act as sounding board for the Chair and provide support where needed
- Lead the annual evaluation of the Chair and address any concerns that arise
- Serve as an intermediary for other Directors, helping resolve conflicts and ensuring constructive board dynamics

Company Secretary's role:

Not a Board Director, but to support the Board, Allwyn's Company Secretary ensures adherence to legal and regulatory requirements and promoting good governance. Their role is to:

- Ensure compliance with statutory and regulatory requirements
- Implement decisions made by the Board
- Organise and attend Board meetings, preparing agendas and taking minutes
- Advise the Board on governance matters
- Maintain statutory records and ensure filings with relevant authorities



Activities of the Board

The CEO maintains day-to-day management responsibility for the operations, implementing strategies and policies agreed by the Board and its Committees. Largely driven by our transformation of The National Lottery, an extraordinarily busy year with 20 Board meetings held. They followed a formal agenda, which included regular reporting from the CEO.

Throughout 2025, Allwyn applied the Principles of the UK Corporate Governance Code and complied with (or were given the Gambling Commission's consent to depart from) its provisions. Consistent with Principle C, governance reporting in this section focuses on Board decisions and their outcomes in the context of Allwyn's strategy and objectives.

Strategic oversight and transformation delivery

The Board devoted substantial time to overseeing the Transformation Programme. This included Board decisions and oversight that enabled the biggest tech upgrade since The National Lottery first launched in 1994, in what was the biggest lottery transformation anywhere in the world. The scale and complexity of this project involved the delivery of over 30 new systems, including a completely new back-end gaming system, and a series of complex data migrations, including the transfer of tens of thousands of retailer records and millions of transactions from the old to the new systems. Nearly 40,000 new retailer terminals were subsequently installed across the retailer network. The Board:

- approved the Mid-Term Plan, ensuring alignment with strategic priorities and regulatory requirements;
- monitored progress against critical testing and cutover readiness milestones. In June and July, it endorsed plans for the above

implementation, including parallel running and technical cutover sequencing; and

- ensured compliance with the Gambling Commission assurance requirements, safeguarding continuity of service and reinforcing Allwyn's commitment to integrity and reliability in lottery operations.

These decisions were pivotal in delivering outcomes aligned with Allwyn's strategic objectives.

Product and market development

Consistent with the Company's growth strategy, the Board approved several significant product Licence applications and business cases that will result in an expanded consumer offering throughout 2026. These decisions were informed by detailed market analysis, risk and compliance assessments, and consumer research, supporting Allwyn's strategic goal of sustainable revenue growth.

Financial and risk management

The Board maintained rigorous oversight of financial resilience and risk management. It engaged external advisors to strengthen assurance and considered benchmarking to support its Assurance and Resilience Statements to the Gambling Commission. In addition, the Board:

- approved certain contracts and key submissions and assurances; and
- had oversight of regulatory relationships and key commercial partnerships.

These actions demonstrated proactive risk management and stewardship of resources, ensuring Allwyn remained on track to meet its obligations under the Licence and deliver a healthy and viable operation of The National Lottery while protecting stakeholder interests.

governance

At the beginning of each substantive Board meeting, the Chair met with the Non-Executive Directors for a private session in the absence of the CEO and other senior management. This autumn, the Senior Independent Director also met with the other Non-Executive Directors without the Chair being present.

All Board members are free to raise issues at Board meetings. Director challenges, proposed actions and decisions are recorded in the Board minutes. If two or more Independent Directors vote against a decision that is passed, the Chair is required to notify the Gambling Commission – this did not happen. Upon resignation, a Non-Executive Director with any concerns can circulate them to the Board via a written statement to the Chair – there were none in the reporting year.

Throughout the year, all Directors had access to the Company Secretary, who was responsible for ensuring that Board procedures were followed. There was also a procedure in place enabling any Director, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

The Board continued to uphold high governance standards through:

- regular evaluation of Board effectiveness and committee structures;
- using one-to-one appraisals and the outputs from the effectiveness reviews, to evaluate Directors' performance and approve for re-appointment;
- an off-site strategy session in October to review annual progress and mid-term priorities, reinforcing alignment between Board oversight and Allwyn's strategic direction;
- approval of key compliance artefacts, including the Annual Assurance Statement

and Board Assurance Statements, evidencing adherence to Licence conditions and regulatory requirements; and

- receiving and reviewing updates of Committee activity and escalations, deep dives into business topics of importance and other matters for the Board's information.

Induction and training

Where appropriate, Allwyn provides an induction programme for Directors comprising a combination of meetings, visits, briefing materials, and the opportunity to meet stakeholders. Material content includes, amongst other things: management structure; strategy; annual business plans and performance reporting; security; Trust arrangements; and the regulatory framework.

Conflicts

Ahead of each Board meeting, Directors are asked to declare any actual or perceived conflicts of interest: these are recorded and actions are taken to avoid any compromised integrity. Annual and ad hoc declarations of interest are also required. Both of these processes, in addition to external independence assessments where appropriate, were used to support the annual re-appointment process of the Directors, including the Chair.

Workforce engagement

The Board considered that its workforce engagement arrangements in 2025 were effective in not only ensuring regular, structured dialogue and clear feedback loops into decision-making, but also its ability to embed and indeed monitor the Company's culture. Continuing from 2025, and supplemented by the annual employee survey, Allwyn's chosen mechanism involved Non-Executive Directors joining an Allwyn town hall via our 'Meet the

Activities of the Board continued

Board' series to discuss topics relating to Digital, AI and DE&I. This included an opportunity for colleagues to ask questions to the designated Board members. Non-Executive Directors also attended regular meetings relating to the transition to hear directly from the team; share knowledge and thank them on behalf of the Board. In addition to this, Executives' direct reports regularly attended Board meetings to present and discuss specific topics. The Executive team (including Board Director Andria Vidler) also hosted 'Meet the Executives' sessions with colleagues to encourage open dialogue.

Stakeholder engagement

Engaging with key stakeholders is seen as critical by the Board to foster trust and collaboration. In compliance with the UK Corporate Governance Code, Allwyn's Board effectively engages with its stakeholders to ensure that it understands their interests and concerns. The Board also has oversight over management activity in engaging with stakeholders with reporting to Board and Board Committees, covering key activities and output.

Allwyn's Board of Directors includes four Shareholder Representative Directors. This ensures that shareholder representation is considered for every Board discussion and decision.

Allwyn regularly updates stakeholders through annual reporting, regulatory filing and frequent press releases to keep stakeholders informed about key activities and performance. Through the Corporate Affairs function, the Board is kept abreast of any wider stakeholder concerns.

For more information on stakeholders, please see the How we engage with our stakeholders Section in the Strategic Report.

Culture

Together with workforce and stakeholder engagement, the Board assessed and monitored Allwyn's culture through multiple lenses: colleague survey indices; attrition trends; whistle-blowing themes; audit culture observations; qualitative feedback from site visits; and reports on any actions taken to embed the desired culture.

Board evaluation and effectiveness

The Board agrees with the Financial Reporting Council's UK Corporate Governance Code that there should be a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors.

Each year, the Board considers the effectiveness of its Board members (including the Chair) ahead of re-appointment processes. The consideration includes assessing: the independence of Independent Directors; other commitments that Directors may have; performance against Director Duties; and whether the Board continues to have an adequate balance of skills to deliver its long-term strategy.

In 2025, the Board commissioned an externally facilitated review of its effectiveness, conducted by Lintstock Limited, an independent advisory firm specialising in governance evaluations. The review encompassed confidential surveys and structured interviews with Directors and key stakeholders, supplemented by observation of Board and Committee meetings. This process provided a holistic assessment of Board performance, committee dynamics, and individual Director contributions, benchmarked against best practice and peer comparisons.

The review confirmed that the Board has operated effectively under exceptionally demanding conditions. It also identified several developmental priorities to support the organisation's transition into a more stable, business as usual environment.

The evaluation highlighted the need for the Board to rebalance its focus following delivery of its transition plan, shifting from intensive regulatory delivery towards longer-term strategic, commercial and organisational priorities, including strengthening growth plans, enhancing market and player insight, and increasing attention on organisational effectiveness. It also recommended a more deliberate approach to governance evolution, including rationalising Board and Committee cycles over time, improving the clarity and proportionality of Board materials, and ensuring management increasingly owns its interface with the Board.

The Board has carefully considered these recommendations and has agreed a set of follow-up actions that will be taken forward during 2026. These include:

- adjusting the annual Board cycle to create more space for strategic, market and customer-focused discussions;
- improving the quality, clarity and timeliness of Board and Committee papers;
- strengthening the organisation's stakeholder engagement model; and
- increasing focus on organisational culture, leadership capability and succession planning.

The Board welcomes these insights and is committed to implementing the recommended improvements to ensure it remains effective, forward looking and appropriately focused on enabling the organisation to deliver sustainable performance for the remainder of the licence.

S172(1) Companies Act 2006

Section 172(1) of the Companies Act 2006 requires Directors to act in the way that they consider, in good faith, would most likely promote the success of the Company and in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term interests of the Company's colleagues;
- the need to foster business relationships with suppliers, customers and others;
- the impact on the community and the environment
- the desirability to maintain a reputation for high standards of conduct; and
- the need to act fairly between members of the Company.

The Board of Directors is aware of its responsibilities and considers it has acted in accordance with its statutory duties by having regard to the matters set out above.

Risk Management and Internal Control

Licence compliance

The Directors are responsible for maintaining and operating a system of corporate governance, internal control and risk management, which is suitable for ensuring compliance with the Fourth Licence to operate The National Lottery, Section 6 Licences to promote games, and any other provisions imposed by or under any statute which relates to the running of The National Lottery. This system of internal control includes regular reporting of Allwyn's performance against the outcomes of the Fourth Licence and compliance and regulatory matters to the Executive team, the Compliance and Risk Management Committee and the Board.

Managing risks

Under The National Lottery operating licence, Allwyn is required to establish and maintain an effective system of corporate governance, internal control and risk management.

To achieve this, Allwyn operates a 'three lines of defence' model, with the first line functions that own and manage risks, the Central Risk and Compliance function acting as the second line and Internal Audit acting as the third line.

The Assurance teams within the first line embed the Assurance, Compliance and Risk frameworks and objectives across the functions, with particular focus on enhancing risk management, controls activity, real-time compliance, governance, outcomes and monitoring activities. The review of risk and internal controls is an integrated, embedded management process, and is designed to support management's decision-making.

The function is responsible for assessing the effectiveness of risk and compliance activities in the first line, to support an effective control environment across the business. The purpose of the second line Risk and Compliance function is to ensure that the Company maintains an Enterprise Risk Management ('ERM') process that demonstrates the effective risk management and corporate governance processes and compliance expected under the licensing requirements. The key outputs from this activity are the principal risk registers and the functional risk registers, which give top-down and bottom-up views of risk.

In addition, the function ensures that there is adequate insurance in place to protect the assets of the business.

The purpose of the Internal Audit function (third line) is to provide independent and objective assurance, advice and insight on the adequacy and effectiveness of governance, risk management, compliance and internal controls. This includes the effectiveness of first-line and second-line activities and is achieved through a programme of reviews according to an annual plan of work agreed by the Audit Committee. The plan is based on a continuous assessment of business risk and controls across the business, but taking into consideration the transition to the Fourth Licence in the prior year and the transformation agenda.

Risk roles and responsibilities

Board of Directors:

The Board carried out a robust assessment of the Company's principal risks during the year and provided oversight over the ERM process to ensure that it informed, developed and helped achieve Allwyn's objectives.

Compliance and Risk Management Committee ('CRMC'):

This Committee reviewed management's identification of the significant risks (principal risks) in accordance with the ERM process, and the controls in place, and being developed, to mitigate exposures in line with the agreed risk appetite and tolerance.

The Committee considered the Company's key risk profile and the actions taken and controls in place or plans to mitigate exposures.

Compliance and Risk Committee ('CRC'):

A sub-committee of the Executive, this committee reviewed the risk appetite and tolerance, considered the overall risk position and evaluated the effectiveness of the ERM process. Findings were communicated to the Executive Committee for review.

[See Principal risks.](#)

Risk owners:

Risk owners are typically the senior managers responsible for the Company's functions/operational teams and are responsible for ensuring that the ERM process is followed.

Risk management process

The ERM process and systems of internal control are designed to manage, rather than eliminate, risk and to ensure that the Company's strategic objectives are achieved. At the start of the Licence, Company-wide communication and training sought to ensure a high level of risk awareness in the Company, and together with risk reporting to the Board, allowed the Board to ensure that focused steps were taken to address risk exposures.

The ERM process applies the principle of identifying risk from a strategic, operational and external perspective (top-down), along with an understanding of the Functional risk registers (bottom-up). This approach is summarised in the five steps on the next page.

These steps require input from all departments within the Company and facilitate management's understanding of the risks facing their departments, as well as managing these risks within the risk appetite/tolerance established by senior management and agreed by the Board and CRMC.

Risk Management and Internal Control continued

1

Risk Identification

Risks are identified by each function, classifying risks into nine main risk categories under a common taxonomy (see Risk categories, appetite and tolerance section to the right). Each identified risk is recorded in a risk mitigation plan and assessed for impact on the organisation and likelihood of occurrence.

2

Risk Assessment and Measurement

Risk assessment includes consideration of (a) the likelihood of the risk and (b) the impact of the risk occurring on the achievement of Allwyn's objectives within a specified timeframe. This review of risk is undertaken on a quarterly basis.

3

Risk Response and Action

For each identified risk, the business unit/function is required to establish a 'response' to manage the risk based upon the agreed risk appetite and tolerance for that risk category.

4

Monitoring

Risk and response activities are monitored by the risk owner on a regular basis to ensure that their risks remain within tolerance.

5

Reporting

The Board and CRMC require the results of the ERM process to be regularly reported to them in their oversight capacity, and to gain assurance that risks are being proactively managed (and mitigated) within the approved risk tolerance levels.

Risk categories, appetite and tolerance

All risks identified within the business, whether functional or principal, were allocated to one or more of the risk categories below:

1. Strategic
2. Financial
3. Commercial
4. Operational and Technology
5. Information Security
6. People
7. Regulatory
8. Reputation and Brand
9. Integration, Transition and Change

The Company's risk appetite, which is set by the Board, clearly articulates the amount of acceptable risk within which the Company can operate. The established risk appetite and tolerance provide direction and boundaries for consistent, measured, risk-aware decision-making throughout the business, and guides the Company in taking the right level of risk. There is a clear difference between the two concepts. Risk appetite is about intent, while tolerance is more pragmatic – we cannot eliminate risk and therefore we set acceptable limits within which to manage it. A scale of low to high illustrates the range of risk appetite, as well as risk tolerance, across each of the nine categories of risk. For example, the Company might have taken more risks in the pursuit of commercial objectives than it would have done with respect to legal or regulatory requirements.

Matters reserved for the Board

The Board discharges its responsibilities by delegating certain Board oversight and decision-making authority to relevant Board Committees. The authority of the Committee is described within its Terms of Reference. Where this is not delegated, the matter is reserved for the Board. Certain matters are also reserved for the shareholder as described within the Company's Articles of Association.

Board Committees

Audit Committee



Simon Burke

Audit Committee Members

The Audit Committee comprises:

Simon Burke (Chair)
Victoria McKenzie-Gould
Lord Sebastian Coe
Katarina Kohlmayer

Role and responsibilities

The Audit Committee supports Allwyn's corporate governance framework by overseeing and challenging the effectiveness of internal controls and the internal and external audit functions. Its responsibilities include:

- monitoring the integrity of financial statements and related reporting;
- overseeing the independent external audit and resolution of audit findings;
- ensuring compliance with legal and regulatory requirements; and
- safeguarding shareholder interests through robust financial reporting and control processes.

The Committee also advises the Board on whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

Meetings and governance

The Committee met four times during 2025, reflecting a year of exceptional operational complexity including the delivery of the largest technology and operational transformation in The National Lottery's history. Each meeting followed a structured agenda and included:

- private sessions with both the external auditors (PwC) and the Head of Internal Audit;
- deep dives into key areas of financial statement judgements, controls and risk; and
- review of progress against the audit plan and the internal audit plan.

The Committee Chair ensured papers were of appropriate quality and provided sufficiently early to support robust scrutiny.

Key activities in 2025

The Audit Committee oversaw a significant programme of work, marked by heightened scrutiny due to transformation related financial judgements, data migrations and new system implementations. In 2025, the Audit Committee's work included:

Financial reporting and judgements

- Reviewed and challenged accounting policies, key estimates and significant judgements.
- Reviewed the Annual Report and Accounts prior to Board approval, ensuring appropriate transparency of disclosures.
- Considered the robustness of the going concern and viability assessments, including sensitivity modelling, stress-testing and implications for financial resilience.

External audit oversight

- Approved PricewaterhouseCoopers LLP's ("PwC") audit plan, including areas of audit focus, materiality thresholds and reliance on controls.
- Reviewed PwC's independence, objectivity and team resourcing.
- Monitored audit findings and ensured management addressed control observations promptly.
- Confirmed satisfaction with PwC's performance and noted improvements from prior years.

Internal Audit and control environment

- Monitored the effectiveness of the Internal Audit function and approved the risk-based audit plan.
- Reviewed Internal Audit findings, thematic insights and progress of management actions.

- Oversaw the strengthening of the internal control framework.

Whistle-blowing

- Monitored the effectiveness of the Whistle-blowing Policy and reviewed outcomes and trends from investigations.
- Confirmed that whistle-blowing processes remained accessible, trusted and aligned with the UK Corporate Governance Code expectations.

Regulatory and Licence-related assurance

- Reviewed key financial reporting obligations under the Fourth Licence, including:
 - Assurance Statements to the Gambling Commission;
 - controls and processes for Implementation Cost reporting; and
 - governance over players' Trust arrangements.

External auditors

PwC continued as the Company's external auditors. The Committee assessed the effectiveness of the relationship through regular interaction at all Committee meetings which PwC attended, and remained satisfied that their performance and independence were in line with UK professional and regulatory requirements.

Simon Burke

Chair of the Audit Committee

Board Committees continued

Compliance and Risk Management Committee ('CRMC')



Victoria McKenzie-Gould

CRMC

Members

The CRMC comprises:

Victoria McKenzie-Gould (Chair)
Simon Burke
Kenneth Morton

Role and responsibilities

The CRMC oversees the development and implementation of Allwyn's compliance and risk management framework, including adherence to the Fourth National Lottery Licence. Acting on behalf of the Board, the Committee:

- ensured effective risk management processes and systems were in place;
- provided assurance that risks were managed within agreed risk appetite;
- oversaw compliance with legal, regulatory and Licence requirements; and
- monitored exceptions and maintained accurate, timely risk information to support decision-making.

In line with Licence obligations, the CRMC adopted and implemented risk management arrangements that were fit for purpose and reflected best practice. The Committee monitored:

- compliance with Licence conditions and internal strategies, policies, processes and procedures;
- any irregularity, fraud or material misconduct by staff or subcontractors;
- the adequacy and effectiveness of Allwyn's risk management arrangement; and
- reporting to the Gambling Commission.

Meetings and governance

The CRMC met nine times during 2025, with shareholder representation at each meeting. The Chair, supported by the Company Secretary, ensured that Directors received sufficient, accurate and timely information to enable effective contribution.

The Committee assisted the Board in determining the nature and extent of principal risks the Company was willing to take to achieve its objectives. It ensured an appropriate framework for managing risk, including setting risk appetite, and reviewed the detailed status of risk management throughout the year.

Key activities in 2025

Risk management framework

- Reviewed and approved the risk management framework.
- Reviewed and approved the risk appetite statements.
- Received and reviewed the Internal Audit Opinion on Risk Management.

Principal risks

- Agreed the Principal risks facing the Company.
- Reviewed and challenged all risks, with specific focus on risk outside of agreed appetite and tolerance and tasked management with remediation.
- Received and challenged specific activities in relation to key Principal risks including Cyber Security.

Regulatory and Licence-related assurance

- Reviewed reporting obligations under the Fourth Licence, including:
 - Assurance Statements to the Gambling Commission; and
 - Performance Reports to provide assurance that risk management supports strategic objectives.



Strategies, policies, processes and procedures

- Approved the Company's strategies, policies, processes and procedures on behalf of the Board.

Exceptions

- Monitored exceptions, including root cause analysis.
- Reviewed, challenged and tracked remedial steps taken by the business.

Victoria McKenzie-Gould
Chair of the CRMC

Board Committees continued

Nominations Committee



Sharon Doherty

Nominations Committee Members

The Nominations Committee comprises:

Sharon Doherty (Chair)
Lord Sebastian Coe
Robert Chvátal

Role and responsibilities

The Nominations Committee leads the Board appointments process and ensured that:

- succession plans for Independent Non-Executive Directors and Executive Board members were in place where appropriate;
- a diverse and robust pipeline of future leaders was developed, reflecting the skills and expertise required; and
- a formal, rigorous and transparent procedure was adopted for the re-appointment of Directors.

The Committee also oversaw Allwyn's Diversity, Equity and Inclusion Policy, ensuring that the Board and leadership would reflect the diversity of Participants and communities.

Meetings and governance

The Committee met four times during 2025, with shareholder representation at each meeting. The Chair, supported by the Company Secretary, ensured that Directors received accurate, timely and clear information to enable effective contribution. The Committee reported to the Board on how it discharged its responsibilities.

Key activities in 2025

- Agreed the annual re-appointment of Directors and considered senior management succession planning.
- Considered the review of the operating model to support future governance needs.
- Approved the appointment of Lintstock to facilitate an independent Board evaluation.

Diversity, Equity and Inclusion ('DEI')

Allwyn is committed to equity and inclusion across its workforce and leadership. The Board aims to maintain gender and ethnic diversity in line with best practice and stakeholder expectations.

Representation is a key pillar in our DEI strategy and sets our approach to hiring diverse talent across all areas and levels across the organisation. Core initiatives in this pillar are ensuring we commit to diverse shortlists from a gender and ethnicity perspective, ensuring our suppliers are able to produce diverse shortlists by design and ensuring, where possible, that our interview panels are as diverse as possible. We track and monitor data across these activities and in 2025, we shared the data of diverse shortlists and interview panels for senior appointments with the Board to measure progress.

Sharon Doherty

Chair of the Nominations Committee

Board members (incl. CEO)

Total Board members	11
Male Board members	7
Female Board members	4
% Male Board members	64%
% Female Board members	36%

Exec members

Total Exec members	11
Male Exec members	7
Female Exec members	4
% Male Exec members	64%
% Female Exec members	36%

Senior management members (Exec and direct reports)

Total senior management members	55
Male senior management members	30
Female senior management members	25
% Male senior management members	55%
% Female senior management members	45%

Employees (permanent and fixed term contracts Only – Excludes Exec and senior team)

Total employees	1,411
Male employees	728
Female employees	683
% Male employees	52%
% Female employees	48%

Board Committees continued

Remuneration Committee



Sharon Doherty

Remuneration Committee

Members

The Remuneration Committee comprises:

Sharon Doherty (Chair)
Adrian Joseph
Pavel Šaroch

Role and responsibilities

The Remuneration Committee ensures propriety and transparency in decisions regarding remuneration for the Executive Leadership team, the Chair of the Board, and Independent Non-Executive Directors ('NED's'). Its approach aligns with Allwyn's mission to grow The National Lottery responsibly, in line with the business plan and broader social value commitments.

The Committee's responsibilities include:

- setting and reviewing the remuneration policy for Executive Leadership;
- ensuring that remuneration structures support performance, delivery of business strategy, and Returns to Good Causes;
- overseeing bonus schemes linked to profitability, social value targets, and individual performance, with capped payouts and provisions for underperformance; and
- reviewing wider workforce pay matters and considering these in policy decisions.

Meetings and governance

The Committee met five times during 2025, with shareholder representation at each meeting. The Chair, supported by the Company Secretary, ensured that Directors received accurate, timely and clear information to enable effective contribution. The Committee reported to the Board on how it discharged its responsibilities.

Key activities in 2025

- Reviewed and approved employee pay and bonus scheme rules, Participant pools, and allocation of the bonus pool across functions and demographics.
- Confirmed that CEO and Executive Leadership remuneration comprises fixed elements (base salary, benefits, pension contributions or cash allowance) and variable elements (annual bonus and long-term incentive plans).
- Oversaw cash-based long-term incentive plans designed to complement annual bonuses, incentivise delivery of strategic goals, and support retention of Executive talent.
- Considered the independence of Ellason LLP as remuneration advisors.
- Reviewed gender and ethnicity pay gap reporting.

In performing these activities, the Remuneration Committee:

- ensured that NEDs remuneration is fee-based only and contained no performance-related elements;
- always sought benchmarking from our independent advisors;
- engaged with shareholders on every salary over £230,000 in accordance with our Articles;
- applied discretion where appropriate and essential. For example, although they were not applied in the reporting period, ensured that clawback provisions are included specifically in bonus and long-term incentive schemes should any emerging trends help determine appropriate triggers and application;
- discussed gender and ethnicity pay gaps extensively and lessened the gaps in 2025;
- gave clear directions on expectations on performance-related remuneration; and

- ensured that pension arrangements for the Executive team were in line with the wider organisation.

Remuneration policy

The Committee is satisfied that the remuneration policy operated as intended during 2025 and that remuneration paid reflected performance over the period.

Sharon Doherty

Chair of the Remuneration Committee

Directors' Report

Board of Directors

The Directors who held office during the year and up to the date of signing were:

- Robert Chvátal
- Andria Gibb (known as Andria Vidler)
- Katarina Kohlmayer
- Kenneth Morton
- Justin King
- Pavel Šaroch
- Sharon Doherty
- Victoria McKenzie-Gould
- Simon Paul Burke
- Lord Sebastian Newbold Coe
- Adrian Christopher Joseph

Company Secretary

- Harry Willits

Shareholder

The Company is an immediate subsidiary undertaking of Allwyn UK Holding Ltd, incorporated in the United Kingdom. Allwyn UK Holding Ltd is a subsidiary of Allwyn International AG, a leading multi-national lottery operator.

The largest group of undertakings in which the results of the Company are consolidated is that headed by KKCG AG.

Political contributions

Regulated by the Gambling Commission, the Company plays a pivotal role in UK public life, delivering critical funding for the 12 National Lottery Distributors to distribute for the benefit of community, sport, arts and heritage in the UK, its nations and regions and locally. As such and while remaining politically neutral, the Company has engaged with stakeholders, so they are aware of its forthcoming plans during the Fourth Licence to grow The National Lottery responsibly and champion its impact. As part of this outreach, this has included engagement with all major political parties sitting in Parliaments and elected bodies in the UK, including the devolved administrations.

The Company has not made any contributions in cash or in kind to any political party, whether by gift or loan. However, the definition of "political donations" under the Companies Act 2006 (the 'Act') is wider than the ordinary meaning of the term and includes certain types of activity that may not be commonly understood as political donations. There were no political contributions or political donations in 2025.

Going concern

As necessary for submissions to the Gambling Commission in accordance with the Fourth Licence, management has prepared detailed budgets and cash flow forecasts. For the purposes of assessing going concern, the Directors have leveraged these wider forecasts and have determined an assessment period of at least 18 months from the date of approval of the Annual Report and Accounts (the 'going concern period').

The going concern assessment focuses on whether the Company has adequate resources to continue in operational existence and to meet its obligations as they fall due over the going concern period, including detailed consideration of forecast liquidity, intra-month cash low points and compliance with its financial covenants throughout the period. The analysis is based on Board approved forecasts.

For the purposes of the going concern assessment, management performed sensitivity analysis to stress-test forecast liquidity, intra-month cash low points and covenant headroom over the going concern period. This included severe but plausible downside scenarios covering commercial performance, cost pressures and excluded or non-allowable costs, together with reduced recovery of Recoverable Implementation Costs ('RIC'), both individually and in combination.

The Directors paid particular attention to the final determination of RIC recovery and the associated true-up mechanism, given its importance to cash generation and financing headroom. In assessing this, the Directors considered a range of partial recovery outcomes, and the extent to which these could be absorbed within existing liquidity and covenant headroom. While this matter is not fully within the Company's control, it is expected to develop over time and therefore will be identifiable sufficiently in advance for management to evaluate and, where appropriate, implement sufficient mitigating actions within its control.

The Directors also considered the potential enforcement case. This included the current fact pattern and correspondence (including delivery of Fully Implemented Commencement), supporting economic analysis and external legal advice. Based on that assessment, including the applicable regulatory framework and the Commission's statutory and public law duties, the Directors consider the risk of licence revocation to be remote. The Directors also do not consider that any reasonably plausible enforcement outcome would be expected to impair the Company's ability to make payments as they fall due over the going concern period.

Across the scenarios assessed, and after taking account of identified mitigating actions where relevant, the Company maintains sufficient liquidity and remains in compliance with its financial covenants throughout the going concern period. This reflects the availability of committed financing, including the Revolving Credit Facility and Term Loan, together with management's ability to take appropriate actions to manage short-term liquidity if required. The Directors also note that the latest forecast remains broadly aligned with budget in cash terms and that cash performance to date has tracked materially ahead of forecast and budget, consistent with management's prudent approach to cash flow forecasting. Accordingly, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore continue to adopt the going concern basis in preparing the financial statements.

Directors' Report continued

Viability statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors have assessed the viability of the Company over a three-year period from the balance sheet date, taking into account its current position, future prospects and principal risks. The Directors consider a three-year assessment period to be appropriate as it aligns with the Company's medium-term planning horizon, allowing for meaningful assessment of the potential impact of principal risks and downside scenarios.

This Viability statement should be read alongside going concern in the preceding section, which explains the basis of the Directors' assessment of the Company's ability to continue as a going concern for the 18 months from the date of approval of the Annual Report and Accounts. The stress-testing undertaken to support both assessments is summarised below.

The viability assessment is based on the same underlying financial forecasts as the going concern assessment and reflects management's latest expectations for trading performance, cost pressures, capital investment, working capital movements and the operation of RIC recovery mechanisms.

The Company's business model continues to benefit from the strength of The National Lottery brand, a diversified portfolio of games, and established retail and digital channels. Following delivery of the Transformation Programme in January 2026, investment is now increasingly focused on new initiatives, including games and broader commercial activity, to support future growth and relevance. Against this backdrop, the medium-term forecasts anticipate improved operating performance and cash generation as these initiatives develop and recovery mechanisms continue to apply.

To assess viability over the three-year period, management performed sensitivity analysis across a range of operational, regulatory and financial downside scenarios, including matters outside the Company's control. These scenarios included reduced commercial performance, delays to planned initiatives, sustained higher inflation, increased non-allowable or discretionary costs, and reduced recovery of Implementation Costs. The risks were assessed both individually and in combination, including under severe but plausible downside scenarios.

The most significant sensitivity in the assessment remains the final determination of RIC recovery and the associated true-up mechanism, given its importance to medium-term cash generation and financing headroom. However, this is a risk that would develop over time and is therefore expected to be identifiable sufficiently in advance for management to evaluate a range of potential mitigating actions, which could include financing-related measures if appropriate. The Company's economic model also provides a degree of resilience against adverse commercial downside scenarios, as lower commercial performance would be expected to reduce returns payable under the Licence framework, thereby partly cushioning the cash impact.

Against that backdrop, across the scenarios assessed, and after taking account of identified mitigating actions where relevant, the Company maintains sufficient liquidity and remains within its covenant requirements. This reflects the availability of the Revolving Credit Facility together with a range of additional mitigating actions, including the ability to rephase non-committed capital expenditure, take further operational cost efficiency measures, and use working capital and supplier financing levers to manage short-term cash volatility.

The Board also considered the enforcement matter as part of its assessment of principal risks and severe but plausible downside scenarios over the three-year period. Having regard to the current fact pattern, delivery of Fully Implemented Commencement, supporting analysis and legal advice, the Directors do not consider that the enforcement matter gives rise to a plausible scenario that would undermine the Company's viability over the assessment period.

The assessment was also informed by the principal risks and uncertainties that could threaten the Company's business model, future performance, solvency or liquidity. The Board oversees the Company's risk management and internal control framework on a rolling basis, supported by quarterly reviews of the key risk register by senior management and oversight by the Compliance and Risk Management Committee. The Committee also considers material risk and control matters as they arise. Principal risks include financial, liquidity and funding; regulatory, including recovery of costs under the Licence; commercial performance; technology; information and cyber security; social value and environmental; protecting Participants' interests; corporate reputation; people, talent and culture; operations; and transformation. Further detail is set out in [Principal risks](#).

Taking into account the Company's current performance, the existence and unexpired period of the Company's licence to operate The National Lottery, the existence of the three-year forecast, the financial resources available through the Revolving Credit Facility and Term Loan, and the principal risks and uncertainties facing the Company, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2028.

Future developments

The Company's sole activity is to operate The National Lottery in the UK under the Fourth Licence, which became effective on 1 February 2024.

All of our key planned activities to deliver this have been discussed throughout the Strategic Report, where appropriate and applicable.

The Company carried out research and development activities during the year. These activities primarily related to brand and market research to support the long-term performance of The National Lottery.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and officers' liability insurance in respect of itself and its Directors.

Directors' Report continued

Statement of disclosure of information to auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material

departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the Annual Report and Accounts to be fair, balanced and understandable and provides the information necessary for the shareholder to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Andria Gibb¹

Director
24 June 2026

1 Referred to as Andria Vidler throughout the Annual Report and Accounts.



Independent auditors' report to the members of Allwyn Entertainment Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Allwyn Entertainment Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- The scope of our audit covers a single legal entity, whose operations are solely in the UK and the business operates as one segment.

Key audit matters

- Assessment of Going Concern
- Capitalisation of Assets

Materiality

- Overall materiality: £17.5 million (2024: £15.6 million) based on 0.5% of Gross Gaming Revenue ('GGR').
- Performance materiality: £13.1 million (2024: £11.7 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Complex Supplier Arrangements, which was a key audit matter last year, is no longer included because of there being no new complex supplier arrangements entered into during the current period. In the prior year, a significantly higher volume of complex supplier arrangements was entered into, primarily because it was the first year of lottery operations and ongoing capital expenditure for the technology upgrades and transition. These arrangements were appropriately established and assessed in the prior year. As a result, the related significant risk identified previously is no longer considered applicable in the current year. Otherwise, the key audit matters below are consistent with last year.

Independent auditors' report to the members of Allwyn Entertainment Ltd continued

Report on the audit of the financial statements continued

Key audit matter

How our audit addressed the key audit matter

Assessment of Going Concern

The quantum and timing of recovery of the implementation costs in relation to the technology upgrade potentially could give rise to a liquidity risk, specifically whether the company is able to operate within its financing facilities and comply with all related covenants. Additionally, the notice of potential enforcement action from the Gambling Commission regarding a missed contractual milestone in the Enabling Agreement. This led us to identify going concern as a key audit matter.

See the section "Conclusions relating to going concern" below for how we addressed this key audit matter.

Capitalisation of Assets

The key areas of judgement in this process involve differentiating between capital and operating expenditures and determining the timing of when the assets are brought into use, from which point they are amortised/depreciated. The significance of these judgements, combined with the materiality of the associated amounts, has led us to identify the capitalisation of assets as a key audit matter. Intangible assets and property, plant and equipment are disclosed within note 9 and note 10 of the financial statements.

As part of the delivery of the Transition and Transformation Programme, the Company continued to incur substantial capital expenditure on intangible assets and property, plant and equipment. The assets are split over three types: internally generated software which relates to the development of software assets needed to operate The National Lottery, including the core gaming platform, website and app development; externally implemented software costs that relate to development of the core gaming platform and ongoing development of the digital gaming platform; and physical property, plant and equipment, including terminals, permanent-point-of-sales and other hardware related expenses.

A total of £68.3 million (2024: £42.1 million) of intangible assets was capitalised during the year, £59.1 million (2024: £0.6 million) were brought into use during the year and £72.0 million (2024: £72.4 million) remained as assets under construction. A total of £49.1 million (2024: £118.1 million) of property, plant and equipment was capitalised during the year, £138.0 million (2024: £nil) were brought into use during the year, and £30.9 million (2024: £115.4 million) remained as assets under construction. An item is recognised as an asset when it is probable that the future economic benefits attributable to the item will flow to the entity, and the cost of the asset can be measured with reliability.

Our audit procedures included, but were not limited to, the following:

- Understood management's process for determining whether costs related to a specific project should be expensed or capitalised. If capitalised, we further understood the process for categorising these costs as pertaining to either property, plant and equipment or intangible assets.
- Obtained copies of the underlying agreements, analysed key terms and services, and evaluated management's assessments regarding the accounting treatment of specific additions during the year. Our assessment focused on whether the capitalisation criteria were met by evaluating whether it is probable that future economic benefits attributable to the item will flow to the entity.
- For assets brought into use, we assessed whether the asset is actively used and if it is forecasted to generate economic benefits.
- For capitalised costs, we obtained management's detailed calculations to verify the amounts recorded for the period. We ensured these aligned with the underlying agreements, timesheets, and invoices for non-salary costs. Where applicable, we corroborated this information with our understanding of the project. The findings were discussed with management and we found that the judgements made by management were reasonable and that the capitalisation of assets and that the timing of assets brought into use were appropriately accounted for and disclosed in the financial statements.

Independent auditors' report to the members of Allwyn Entertainment Ltd continued

Report on the audit of the financial statements continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The scope of our audit covers a single legal entity, whose operations are solely in the United Kingdom and the business operates as one segment. The audit is covered by one team based in the United Kingdom.

The impact of climate risk on our audit

As part of our audit, we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£17.5 million (2024: £15.6 million).
How we determined it	0.5% of Gross Gaming Revenue ('GGR')
Rationale for benchmark applied	We have applied this benchmark as it is our understanding that Gross Gaming Revenue ('GGR') is a principal measure monitored by the Company's shareholder in assessing the financial performance of the Company.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £13.1 million (2024: £11.7 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £873,000 (2024: £780,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the entity's business model and economic factors. We evaluated the assumptions in the cash flow forecasts under the base case and severe but plausible downside scenarios, which included commercial downside, profit downside, reduced RIC recovery and combined downside cases. We verified that the projected cash flows align with management's underlying assumptions and plans. We assessed the sufficiency of management's sensitivity analysis along with mitigating actions within management control. We reviewed the revolving credit ('RCF') and term loan facilities agreement. We confirmed that the RCF is active as of the date of this report, and valid through the going concern period. The forecast for the going concern period indicates utilisation of the RCF, resulting in interest charges. We have assessed the impact of related interest charges over the going concern period and confirmed that the company is forecast to remain within the covenants. We obtained the correspondence from the Gambling Commission which confirmed that Fully Implemented Commencement has been delivered. We obtained the correspondence from the Gambling Commission which confirmed that RIC recovery can begin with final recovery rates to be determined in 2027. In response to the potential enforcement matter, we have evaluated management's conclusions, supported by the previously obtained independent legal opinion, alongside internal assessment provided by the Company's Legal General Counsel and the mitigating factors put forward. We have assessed and are satisfied with the independence, objectivity, and competence of the external independent legal counsel.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Allwyn Entertainment Ltd continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Corporate governance statement

ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability, and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by the auditor. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and consisted only of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Independent auditors' report to the members of Allwyn Entertainment Ltd continued

Reporting on other information continued

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the Fourth National Lottery Licence granted by the UK Gambling Commission and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results primarily in revenue and profit and potential management bias in accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Making enquiries of senior management within finance, those outside of finance and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in significant accounting estimates, to address the risk of management bias;
- Review of meeting minutes of the Audit Committee, Compliance and Risk Management Committee, Board of Directors and other committees, and review of internal audit reports;
- Review of relevant correspondence with the UK Gambling Commission in respect of matters relevant to ongoing compliance with the Fourth National Lottery Licence; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue and EBITDA to ensure they are appropriate.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 consent in writing.

Independent auditors' report to the members of Allwyn Entertainment Ltd continued

Reporting on other information continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Alex Hookway

[Senior Statutory Auditor]

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

24 June 2026

Statement of comprehensive income

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Gross Gaming Revenue ('GGR')	4	3,502.5	3,122.0
Lottery Duty		(967.4)	(857.1)
National Lottery Distribution Fund	3	(1,706.5)	(1,557.2)
Retailers' and other commission		(242.6)	(222.9)
Gaming-related operating costs		(93.7)	(128.0)
Marketing costs		(206.8)	(176.9)
Other administrative operating costs		(280.8)	(191.4)
Operating profit/(loss) before Implementation Costs		4.7	(11.5)
Implementation Costs		(49.8)	(103.2)
Operating loss after Implementation Costs	5	(45.1)	(114.7)
Finance income	7	3.9	6.5
Finance cost	7	(5.8)	(8.0)
Loss before taxation		(47.0)	(116.2)
Tax credit on loss	8	13.4	42.7
Loss for the financial year and total comprehensive income attributable to the owners of the Company after tax		(33.6)	(73.5)

The accompanying notes on pages 72 to 94 form part of the financial statements.

Statement of financial position

as at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Intangible assets	9	139.0	84.8
Property, plant and equipment	10	170.1	123.1
Right-of-use assets	11	38.0	50.8
Deferred tax assets	12	78.1	70.3
Trade and other receivables	14	11.4	9.3
Total non-current assets		436.6	338.3
Current assets			
Inventories	13	1.8	2.1
Trade and other receivables	14	620.1	470.7
Cash and cash equivalents	15	124.6	220.7
Total current assets		746.5	693.5
Total assets		1,183.1	1,031.8
Current liabilities			
Trade and other payables	18	(841.3)	(761.6)
Borrowings	19	(0.5)	–
Lease liabilities	20	(8.6)	(13.8)
Provisions	21	(11.5)	(11.4)
Total current liabilities		(861.9)	(786.8)

	Note	2025 £m	2024 £m
Non-current liabilities			
Trade and other payables	18	(6.6)	(88.0)
Borrowings	19	(158.3)	–
Lease liabilities	20	(35.1)	(37.4)
Provisions	21	(5.2)	(7.6)
Total non-current liabilities		(205.2)	(133.0)
Total liabilities		(1,067.1)	(919.8)
Net assets		116.0	112.0
Equity			
Called-up share capital	22	0.4	0.3
Share premium account	22	384.1	346.6
Accumulated losses		(268.5)	(234.9)
Total Shareholders' funds		116.0	112.0

The accompanying notes on pages 72 to 94 form part of the financial statements.

The financial statements on pages 69 to 71 were approved by the Board of Directors on 24 June 2026 and were signed on its behalf by:

Justin King
Chair

Andria Gibb¹
Chief Executive Officer

1 Referred to as Andria Vidler throughout the Annual Report and Accounts.

Statement of changes in equity

for the year ended 31 December 2025

	Note	Called-up share capital £m	Share premium account £m	Accumulated losses £m	Total Shareholders' funds £m
As at 1 January 2024		0.3	266.6	(161.4)	105.5
Share capital issued	22	–	80.0	–	80.0
Loss for the financial year		–	–	(73.5)	(73.5)
As at 31 December 2024		0.3	346.6	(234.9)	112.0
As at 1 January 2025		0.3	346.6	(234.9)	112.0
Share capital issued	22	0.1	37.5	–	37.6
Loss for the financial year		–	–	(33.6)	(33.6)
As at 31 December 2025		0.4	384.1	(268.5)	116.0

Statement of cash flows

for the year ended 31 December 2025

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Loss after tax		(33.6)	(73.5)
Adjustments for:			
Depreciation and amortisation	5	33.0	26.5
Loss on disposal of fixed assets		1.7	–
Tax credit	8	(13.4)	(42.7)
Finance income	7	(3.9)	(6.5)
Finance cost	7	5.8	8.0
Cash flows used in operating activities before movements in working capital		(10.4)	(88.2)
Movements in working capital			
Decrease/(Increase) in inventories	13	0.3	(1.9)
Increase in trade and other receivables	14	(152.1)	(444.9)
Increase in trade and other payables	18	58.9	668.5
Decrease in provisions	21	(5.9)	(0.5)
Cash (used in)/generated from operations		(109.2)	133.0

	Note	2025 £m	2024 £m
Cash flow (used in)/from operating activities		(109.2)	133.0
Group relief receipts		5.5	14.9
Interest received		3.9	5.3
Net cash flow (used in)/from operating activities		(99.8)	153.2
Cash flows used in investing activities			
Purchase of intangible assets	9	(51.2)	(42.1)
Purchase of property, plant and equipment	10	(45.6)	(96.9)
Net cash outflow used in investing activities		(96.8)	(139.0)
Cash flows from/(used in) financing activities			
Interest paid		(2.7)	(4.7)
Other finance costs		(0.9)	(1.2)
Loans from Group companies		–	4.8
Repayment of lease liabilities	20	(13.2)	(9.7)
Share capital issued	22	37.5	80.0
Proceeds from external loan	19	79.8	–
Net cash flow from financing activities		100.5	69.2
Net (decrease)/increase in cash and cash equivalents		(96.1)	83.4
Cash and cash equivalents at 1 January	15	220.7	137.3
Cash and cash equivalents at 31 December	15	124.6	220.7

Notes to the financial statements

1. General information

Allwyn Entertainment Ltd (the 'Company') operates and promotes The National Lottery in the United Kingdom and the Isle of Man. It holds the licence to operate until 31 January 2034.

The Company is a private company limited by shares, incorporated, domiciled and registered in England, in the UK. The registered number is 13157556 and the registered address is 37-39 Clarendon Road, Watford WD17 1JA.

2. Material accounting policies

The accounting policies set out below, unless otherwise stated, have been applied consistently in the financial statements.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by fair values.

The presentation currency of these financial statements is GBP Sterling, and all values are presented in millions (£m), rounded to nearest £0.1m unless otherwise stated.

The preparation of financial statements in compliance with adopted IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed in Note 2.5.

2.2 New standards, amendments, IFRIC interpretations and relevant disclosure requirements

The International Accounting Standards Board has issued a number of minor amendments to IFRSs that became effective from 1 January 2025 or are effective in subsequent years, some of which have not yet been endorsed for use in the UK. The amendments that became effective on 1 January 2025 have not had a significant impact on the Company, and the future amendments are not expected to have a significant impact.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted. These standards (except for IFRS 18, discussed later), amendments (except for IFRS 9 and IFRS 7, discussed later) or interpretations are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted the standard and is assessing the impact on future presentation and disclosure requirements.

The IASB issued amendments to the Classification and Measurement of Financial Instruments. Amendments specifically are to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* in May 2024 and are effective for annual reporting periods beginning on or after 1 January 2026. These amendments clarify recognition and derecognition requirements of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer; clarify and add further guidance on the SPPI (solely payments of principal and interest) assessment, address financial instruments with contractually variable cash flows; and introduce new related disclosure requirements for instruments held at fair value through other comprehensive income. The derecognition clarification introduces a new exception for certain financial liabilities settled through an electronic cash transfer system, allowing derecognition once an irrevocable payment instruction has been initiated and specified criteria are met. The Company has not early adopted the amendment and is currently assessing the impact and disclosure requirements.

2.3 Going concern

As necessary for submissions to the Gambling Commission in accordance with the Fourth Licence, management has prepared detailed budgets and cash flow forecasts. For the purposes of assessing going concern, the Directors have leveraged these wider forecasts and have determined an assessment period of at least 18 months from the date of approval of the Annual Report and Accounts (the 'going concern period').

The going concern assessment focuses on whether the Company has adequate resources to continue in operational existence and to meet its obligations as they fall due over the going concern period, including detailed consideration of forecast liquidity, intra-month cash low points and compliance with its financial covenants throughout the period. The analysis is based on Board approved forecasts.

For the purposes of the going concern assessment, management performed sensitivity analysis to stress-test forecast liquidity, intra-month cash low points and covenant headroom over the going concern period. This included severe but plausible downside scenarios covering commercial performance, cost pressures and excluded or non-allowable costs, together with reduced recovery of Recoverable Implementation Costs ('RIC'), both individually and in combination.

The Directors paid particular attention to the final determination of RIC recovery and the associated true-up mechanism, given its importance to cash generation and financing headroom. In assessing this, the Directors considered a range of partial recovery outcomes, and the extent to which these could be absorbed within existing liquidity and covenant headroom. While this matter is not fully within the Company's control, it is expected to develop over time and therefore

Notes to the financial statements continued

2. Material accounting policies (continued)

2.3 Going concern (continued)

will be identifiable sufficiently in advance for management to evaluate and, where appropriate, implement sufficient mitigating actions within its control.

The Directors also considered the potential enforcement case. This included the current fact pattern and correspondence (including delivery of Fully Implemented Commencement), supporting economic analysis and external legal advice. Based on that assessment, including the applicable regulatory framework and the Commission's statutory and public law duties, the Directors consider the risk of licence revocation to be remote. The Directors also do not consider that any reasonably plausible enforcement outcome would be expected to impair the Company's ability to make payments as they fall due over the going concern period.

Across the scenarios assessed, and after taking account of identified mitigating actions where relevant, the Company maintains sufficient liquidity and remains in compliance with its financial covenants throughout the going concern period. This reflects the availability of committed financing, including the Revolving Credit Facility and Term Loan, together with management's ability to take appropriate actions to manage short-term liquidity if required. The Directors also note that the latest forecast remains broadly aligned with budget in cash terms and that cash performance to date has tracked materially ahead of forecast and budget, consistent with management's prudent approach to cash flow forecasting. Accordingly, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore continue to adopt the going concern basis in preparing the financial statements.

2.4 Segmental reporting

The Company has no equity or debt securities traded in a public market and is not in the process of issuing such securities. The Company is, therefore, outside the scope of IFRS 8 *Operating Segments* and, as such, has not presented operating segment disclosures.

2.5 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates, judgements and assumptions are based on past experience and various other factors deemed appropriate as of the date of the preparation of financial statements and are used where the carrying amounts of assets and liabilities are not readily available from other sources or where uncertainty exists in applying the individual accounting policies. Actual results may differ from those estimates on which management's estimates are based.

The critical estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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.

Judgements and estimates

Implementation Costs – judgement

The Directors note that there are judgements involved in the application of the Enabling Agreement language in respect of the classification of costs as Implementation Costs. Costs considered Implementation Costs include amounts incurred and accrued in respect of Implementation activity, which are defined within the Enabling Agreement and are subject to detailed governance arrangements. The amounts treated as Implementation Costs as at year end are consistent with those reported within these processes, which removes much of the judgement at the balance sheet date.

Capitalisation and impairment of assets – judgement

Judgement is exercised in the recognition, measurement, and presentation of non-current assets for property, plant and equipment, intangible assets, and right-of-use assets. Judgement is applied in determining whether costs incurred meet the criteria for capitalisation under the relevant accounting standards. This assessment includes evaluating whether expenditure results in the creation or enhancement of an identifiable asset that will generate future economic benefits, or whether such costs should instead be recognised as an expense as incurred. This evaluation also covers the classification and accounting treatment of spend related to software-as-a-service ('SaaS') arrangements, where management must determine whether the arrangement conveys control of an identifiable asset or constitutes a service contract, in line with the latest IFRS Interpretations Committee guidance.

Management is further required to apply judgement in determining the appropriate useful lives of capitalised assets based on expected consumption of economic benefits and operational experience. Assets are categorised and depreciated or amortised in accordance with established accounting policies, which are reviewed annually to ensure they remain appropriate.

In assessing assets for indicators of impairment, management evaluates both external and internal sources of information, including market conditions, operational performance, and technological changes. Where indicators exist, impairment testing is performed in accordance with IAS 36 *Impairment of Assets*, requiring estimation of recoverable amounts, which involves the use of assumptions relating to future cash flows, discount rates, and growth expectations. These estimates are inherently subjective and could result in adjustments to the carrying values of assets.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.5 Judgements and estimates (continued)

Deferred tax assets – judgement

In recognising deferred tax assets related to deductible temporary differences, the Directors have had to make a judgement around the probability that taxable profit will be available against which the deductible temporary difference can be utilised. Given the Company has a licence to operate The National Lottery under the Fourth Licence until 2034, and the fact that most of the temporary differences arising at the balance sheet date relate to the significant start-up costs rather than ongoing operating matters, it is considered appropriate that the deferred tax asset can be fully recognised.

Other – estimate

There are a number of other estimates used in the financial statements that are made in the process of applying the Company's accounting policies. These relate to the discount rate and the incremental borrowing rate applied to measure long-term decommissioning and dilapidation provisions and lease liabilities. Also, the Directors have had to make an estimate of the expected outflows relating to unsettled gaming contracts. This has involved Level 2 observable inputs primarily relating to actual historical transactions demonstrating prize payout percentage. Scratchcard prizes have been estimated at the theoretical prize payout for individual games.

2.6 Revenue recognition and Revenue from gaming contracts

Revenue from gaming activities (Gross Gaming Revenue or 'GGR') arises across a portfolio of games that includes draw-based games, Scratchcards and interactive Instant Win Games. GGR represents the margin between the ticket sales amount and prizes after recording any GGR fair value adjustment for future gaming contracts.

All revenue is derived from and originates in the United Kingdom and the Isle of Man.

The presentation of GGR is consistent with common practice within the gaming industry and that of the Allwyn Group.

Draw-based games

Draw-based games are lottery games that have fixed odds or parimutuel elements of their prize matrices. For fixed odds prizes, the exact prize amount is specified within the game rules and the total quantum of prizes fluctuates depending on the incidence of winners. For parimutuel prizes a proportion of the ticket sale is set aside for each prize tier and prizes move only in proportion with the number of tickets sold. The Company operates a prize pool mechanism for some games where, in addition, a predetermined percentage of the ticket sales is allocated to a prize reserve. All draw-based games contain fixed odds in their prize structures and therefore are considered to be financial instruments, with GGR recognised in the statement of comprehensive income in accordance with IFRS 9 *financial instruments*.

When a player purchases a draw-based game ticket from the Company, the unsettled position is considered a derivative financial instrument. The value of the unsettled position is contingent on the outcome of the draw and therefore, from the point that players have purchased tickets until the point that the draw is finalised, the Company has variability in its return from the open position based on the outcome of the draw.

When a ticket is purchased, the resulting unsettled prize liability is initially recognised at fair value within Unsettled gaming contract accruals in Trade and other payables. This includes amounts relating to the expected future obligations payable in respect of Lottery Duty and amounts due to the National Lottery Distribution Fund ('NLDF') on the advanced tickets sales.

The Company has used data that is publicly available to derive the basis for the fair value calculation of prize liabilities for draws that have yet to take place. The methodology assumes that the fair value is equal to the obligations that become due once the draw completes in respect of prizes to be paid to winners and is considered to be a Level 2 measurement in the IFRS 13 valuation hierarchy. The prize value includes recognition in full for the contribution to the prize pool or reserve. This allows rollover funds to be carried forward to subsequent draws, and for special events to be funded.

The difference between the transaction price for the ticket and the initial fair value of the prize liability is recognised immediately in the statement of comprehensive income within GGR (for sales less prizes) and within Gaming-related operating costs (for Lottery Duty and NLDF). The prize liability is subsequently measured at fair value with changes in the fair value recognised in GGR or Gaming-related operating costs.

Once the draw occurs, the prize liability for tickets in that draw becomes fixed. At this point, the prize liabilities are reclassified from Unsettled gaming contract accruals to Trust Liabilities within Trade and other payables, until settled. At the same time, Lottery Duty and NLDF are reclassified to Lottery Duty payable and Amounts payable to the NLDF, respectively.

Scratchcards

Retailers act on behalf of the Company and sell tickets to customers. Retailers are therefore agents of The National Lottery and earn a commission from the Company (the principal), for tickets sold.

GGR in respect of Scratchcards comprises sales which is recognised at the point that the pack of Scratchcards is settled by the retailer, which is considered to be the best estimate of when the tickets are sold to the player, less prizes which is calculated as a percentage of ticket sales in line with the theoretical payout for that game.

Settlement is calculated as the earlier of:

- payment by the retailer;
- when 60% of the lower value prizes have been claimed; or
- 30 days from activation of the pack of Scratchcards.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.6 Revenue recognition and revenue from gaming contracts (continued)

Instant Win Games ('IWGs')

IWGs are online games. When a Participant plays an IWG, it is instant, and the performance obligation is immediately satisfied. GGR for IWGs comprises the price of the IWG ticket, which is recognised as sales less prizes, which is the actual amount paid to winning Participants.

Unclaimed prizes

If prizes remain unclaimed for 180 days from either the draw date for draw-based games, the close of a Scratchcard game, or the date of play of an interactive Instant Win Game, they are paid to the National Lottery Distribution Fund. These amounts are not charged to the Statement of Comprehensive Income as they are already included as a prize cost and do not change their nature. There is a reduction in the prize liability on the Statement of financial position (within Trust liabilities) and an equal reduction in the Trust receivable balance, the account in which money in respect of prizes is held, and from which the payment for unclaimed prizes is made.

2.7 Lottery Duty

Lottery Duty is 12.0% of gross ticket sales and becomes due in line with HMRC regulations at the point that the draw occurs, the scratchcard ticket sale is recorded or the IWG is played. This amount is reflected within Lottery Duty expense on the Statement of Comprehensive Income. The fair value adjustment to Lottery Duty in respect of ticket sales for which the draw has not occurred is presented within Gaming-related operating costs.

2.8 National Lottery Distribution Fund

The NLDF is the central fund from which the National Lottery distribution bodies draw down funds for distributing to Good Causes. Amounts charged to the Statement of Comprehensive Income align with the Fourth Licence economic model and include:

- a share of the surplus before Implementation Costs after adjusting for a number of specifically excluded items;
- an additional fixed payment;
- the Gambling Commission Implementation Costs as per the Enabling Agreement; and
- for the prior year, additional costs that the Gambling Commission instructs Allwyn to pay, including reserve releases.

The NLDF expense presented on the face of the Statement of Comprehensive Income is shown based on draws that occurred during the year and in line with the Fourth Licence. The adjustment to NLDF in respect of ticket sales for which the draw had not occurred is presented within Gaming-related operating costs.

2.9 Retailers' and other commission

Retailers receive a commission on sales, structured to support participation and reward performance across The National Lottery portfolio.

Amounts charged to the Statement of Comprehensive Income represent commissions arising due to:

- retailers based on sales and in-store prize payments to date per the above;
- the Company's agent in respect of fees paid for the processing of debit card payments which arise when players load or unload money to and from their interactive wallet to enable them to participate in The National Lottery using the interactive channel; and
- other sales-related commissions.

2.10 Implementation Costs

Costs relating to implementation are recorded in line with the Enabling Agreement definition, which requires that this category only includes costs as at the date that implementation completes (defined as Fully Implemented Completion in the Enabling Agreement) that are:

- Incurred or accrued in relation to activities undertaken either:
 - before the licence start date (1 February 2024); or
 - after the licence start date relating to implementation redundancy costs of Third Licence staff or costs of undertaking Outstanding Implementation Steps being specific activity governed by the Enabling Agreement processes relating to the Allwyn bid and related change requests.
- Implementation Costs in the Statement of Comprehensive Income reflect the expense elements of implementation. Capitalised assets relating to implementation are held separately within Property, plant and equipment and Intangible assets, this enables the depreciation and amortisation to be presented and tracked separately from non-implementation assets.
- Implementation Costs and related capitalised asset values are updated to reflect actual costs incurred for this activity.

After delivery of Fully Implemented Commencement (i.e. the delivery of the Transition and Transformation Programme by the Company) is confirmed by the Gambling Commission, the Company can start to recover a portion of these Implementation Costs as a deduction from payments to the NLDF, in line with Schedule 5 of the Fourth Licence.

The Enabling Agreement details a process after Fully Implemented Commencement whereby the Gambling Commission will determine the quantum of the Implementation Costs (both expenses and capitalised assets) that are 'Recoverable'. These Recoverable Implementation Costs will be fully recovered over the remaining period of the licence.

As these costs are only recoverable against future revenues earned for the NLDF and Allwyn does not have an unconditional right to recovery, no receivable for these costs is recorded. The recovery of Implementation Costs will be recorded in future years as an income to Allwyn over the period it is paid.

Costs incurred or accrued are subject to a final process as defined in the Enabling Agreement and will represent actual spend in relation to these activities. All other costs cannot be Implementation Costs as defined and are within operating costs in line with the licence requirements.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.11 Finance income and finance cost

Interest income and interest expense are recognised using the effective interest rate method.

In calculating interest income/expense, the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired, or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.12 Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in GBP Sterling (£m), rounded to the nearest £0.1m, which is the Company's functional and the Company's presentation currency.

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies in the statement of financial position date are re-translated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

2.13 Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising when:

- certain types of income or expense are non-taxable or are disallowable for tax; or
- certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

VAT

All costs include the attributable value added tax to the extent that it is not recoverable. Sales of lottery tickets are exempt from VAT. Therefore, VAT is not normally recoverable on the Company's costs and is a charge against profits.

2.14 Intangible assets

Intangible fixed assets held for use in the business are stated at cost less any subsequent amortisation and accumulated impairment losses.

Internally generated costs

Software costs are broken down between internally generated and separately acquired assets. Internally generated costs are recognised as intangible assets if the following criteria are met:

- it is technically completed and available for use;
- it can be demonstrated that the software will generate probable future economic; and
- the expenditure attributed to the set-up can be reliably measured.

Any costs that do not meet the above criteria are expensed immediately in the income statement. Intangible assets purchased separately, such as software licences, that do not form an integral part of related hardware, are capitalised at cost.

Amortisation is provided on a straight-line basis over the estimated useful economic life of the asset, less any estimated residual value. Under the terms of the Fourth Licence the Company will operate The National Lottery until 31 January 2034. As a general rule the amortisation period will be compared with the end of the Fourth Licence and shortened if necessary. The amortisation basis for the principal asset categories is as follows:

- licence cost – over 10 years or the end of the Fourth Licence;
- separately acquired software – between 3 and 5 years or the end of the Fourth Licence depending on the asset; and
- internally generated software – between 3 and 10 years or the end of the Fourth Licence depending on the asset.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.14 Intangible assets (continued)

Cloud computing arrangements

Cloud computing arrangements such as software-as-a-service are evaluated to determine whether they contain a lease or an intangible asset or neither. Where the arrangement is not determined to be a lease, and the Company receives a resource that it can control, an intangible asset is recognised. If a cloud computing arrangement does not contain a lease or an intangible asset, then the right to access the underlying software in the cloud computing arrangement is generally a service contract. In such cases the fees paid for the cloud computing service are expensed in the income statement as the service is received.

2.15 Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and impairment. The cost of property, plant and equipment includes the estimated cost of removing and disposing of the terminal assets held at retailer sites. Assets under construction are not depreciated until they are brought into use.

Depreciation is provided on a straight-line basis to write off the cost or valuation, less estimated residual value of each asset in equal instalments over its expected useful life. Under the terms of the Fourth Licence the Company will operate The National Lottery until 31 January 2034. As a general rule the depreciation period will be compared with the end of the Fourth Licence and shortened if necessary.

The depreciation basis for the principal asset categories for assets is as follows:

- **Leasehold improvements** – over the unexpired period of the lease or the end of the Fourth Licence.
- **Computer hardware (excluding central gaming)** – the shorter of four years and the period to the end of the Fourth Licence.
- **Central gaming systems, Interactive hardware and Enterprise Resource Planning hardware** – the period to the end of the Fourth Licence or planned replacement date if earlier.
- **Fixtures and fittings** – the shorter of five years and the period to the end of the Fourth Licence.
- **Media screens** – the shorter of three years and the period to the end of the Fourth Licence. Lottery terminals – the period to the end of the Fourth Licence or planned replacement date if earlier.
- **Permanent point-of-sale ('PPOS') equipment** – the shorter of two to five years and the period to the end of the Fourth Licence.
- **Other plant and equipment** – between two and five years, or planned replacement date or the period to the end of the Fourth Licence.

Impairment of non-financial assets

Property, plant and equipment and intangible assets are assessed annually for indicators of impairment, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent

of the cash inflows from other assets or group of assets (cash-generating units). The Company will assess whether an impairment is required using forecast cash flow information and estimates of future earnings with reference to their useful economic lives.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is taken as the higher of an asset's fair value less costs of disposal and value in use. All impairment charges are recognised immediately in the income statement.

2.16 Leases

At the beginning of an arrangement and annually through review of new contracts entered into, the Company assesses whether a contract contains a lease. If an agreement is or contains a lease the Company recognises a right-of-use asset and a lease liability in the Statement of Financial Position on a present value basis. Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset or to restore the asset to previous condition at the end of the lease, and any lease payments made in advance of the lease commencement date.

Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability as a result of reassessment or lease modifications. Depreciation is charged over the shorter of the asset's useful life and the lease term on a straight-line basis.

The leases are subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect the lease payments made and measuring the carrying amount again should any changes in the lease be made or where extension options are reasonably certain to be extended (or not terminated).

Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company once again assesses if an agreement is or contains a lease only if the terms and conditions of the agreement change.

The Company has opted not to apply the subsequent recognition and measurement requirements indicated in IFRS 16 to short-term leases and those in which the underlying asset has a low value. Payments associated with these are recognised as an expense in the income statement on a straight-line basis over the term of the lease. Short-term leases are leases with a term of 12 months or less without a purchase option.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.17 Financial instruments

Exposure to credit, interest rate, currency and liquidity risks that arise in the ordinary course of the Company's business are minimised by the policies and controls as disclosed in Note 17.

The following policies for financial instruments have been applied in the preparation of the Company's financial statements:

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, call deposits, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Short-term deposits invested in Money Market Funds are stated at fair value through the Statement of Comprehensive Income.

Bank overdrafts that are an integral part of the Company's cash management are included in cash and cash equivalents where they have a legal right of set-off against positive cash balances. If the cash position after the set-off of the overdrafts amounts to a net overdraft, these amounts are classified as borrowings but are still classified as cash and cash equivalents for the purposes of the Statement of cash flow.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings comprise amounts drawn down against the Company's financing agreement and bank facilities. They are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as creditors: amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

All borrowing costs are recognised in the Statement of Comprehensive Income in the financial year in which they are incurred.

2.20 Inventories

Inventories consist of Scratchcards and consumables (i.e. terminal rolls, playslips and ribbons). Scratchcards are carried on a unit cost basis and are expensed when the Company recognises the revenue for that stock. Consumables are valued at the lower of cost, calculated on the first-in, first-out basis, or net realisable value. Provisions are made for obsolete or slow-moving stock.

2.21 Financial assets

Financial assets are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently at either amortised cost or fair value, depending on the classification of the financial instruments as described below.

Classification of financial assets

Debt instruments that meet both the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet both the following conditions are measured subsequently at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Additionally, on initial recognition, an irrevocable election may be made to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.21 Financial assets (continued)

By default, all other financial assets are measured subsequently at fair value through profit or loss ('FVTPL').

Impairment of financial assets

IFRS 9 established an approach for the impairment of loans and trade receivables, an expected loss model, which focuses on the risk that a debt will default rather than when a loss has been incurred. Under the 'expected credit loss' model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring.

The Company has opted to use the simplified approach measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

For trade and other receivables, the Company is not exposed to any significant credit risk to any single counterparty or group of counterparties.

Recoverability of receivables

Debtors are considered credit impaired when management consider that the Company will not be able to collect all amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is credit impaired. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income within other administrative operating costs.

When a trade receivable subsequently becomes uncollectable, it is written off against the loss allowance account, in the period in which this is identified. Subsequent recoveries of amounts previously written off are credited against other administrative operating costs in the Statement of Comprehensive Income. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.22 Financial liabilities

Classification of financial liabilities

All financial liabilities are classified as measured at amortised cost using the effective interest method, or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses, and gains and losses on derecognition are recognised in profit or loss. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligations under that liability are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.23 Provisions

Provisions are recognised where the Company has legal or constructive present obligations as a result of past events, that will probably require an outflow of resources to settle, and this outflow can be reliably measured, as detailed below.

Provisions are made for the cost of decommissioning terminals, communications equipment held at retailer sites, lottery point-of-sale equipment held at retailer sites, and the disposal of these assets. A further provision comprises amounts in respect of lost or destroyed terminals.

Provisions are also made for dilapidation, being the best estimate of the cost of bringing certain premises back to their original state as required by lease agreements, severance costs and future legal costs where there is a present legal or constructive obligation to incur this cost.

For long-term provisions with expected settlement beyond one year, management measures the provision at the present value of management's best estimate of the expenditure required to settle the obligation. This present value is determined using a discount rate that reflects the current market assessment of the time value of money. The accretion of the provision over time, resulting from the passage of time and the application of the discount rate, is recognised as interest expense in the statement of comprehensive income.

Notes to the financial statements continued

2. Material accounting policies (continued)

2.24 Pensions

The Company operates the Company Personal Pension Plan, a defined contribution scheme. The cost of contributions is charged to the Statement of Comprehensive Income in the year to which it relates.

2.25 Share capital and reserves

The Company recognises the issue of shares or other equity instruments as equity when it issues those instruments, and another party is obliged to provide cash or other resources to the entity in exchange for the instruments. The Company measures the equity instruments at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

3. Non-GAAP measures

The following non-GAAP measures are used in the Annual Report and Accounts, and are reconciled to the Statement of comprehensive income:

	2025 £m	2024 £m
National Lottery Distribution Funds as per the SOCI		
National Lottery Distribution Fund ('NLDF') as per Schedule 5 of the Licence	1,706.5	1,503.7
Payment to the NLDF from funds in reserves	–	53.5
	1,706.5	1,557.2
Amounts due to the NLDF from The National Lottery		
NLDF per the SOCI	1,706.5	1,557.2
Plus: Trust Income earned	18.5	13.9
Plus: Unclaimed and unpaid prizes that would have been previously recognised within prizes and dormant wallet payments	92.1	98.6
Less: NLP funding pursuant to condition 13.6	(2.7)	(3.8)
	1,814.4	1,665.9

Amounts due to the NLDF from The National Lottery for the 12-month period of £1,814.4m above compares with an amount of £1,665.9m for the last 11-month period.

In the prior year £53.5m was paid to the NLDF from reserves following a directive from The Gambling Commission. This amount does not represent player funds or unclaimed prizes but is historic prize accounting cost that was transferred within the Players Trust arrangements at licence start date. The Gambling Commission instructed it to be paid to the NLDF and not shared with Allwyn as part of the incentive model.

	2025 £m	2024 £m
Returns to society		
Payments to the NLDF from The National Lottery	1,814.4	1,665.9
Lottery Duty per the SOCI	967.4	857.1
Retailers commission	225.6	209.3
	3,007.4	2,732.3
Returns to society and winners		
Returns to society	3,007.4	2,732.3
Plus Prizes paid to Participants per Note 4	4,555.4	4,039.3
	7,562.8	6,771.6

4. Gross Gaming Revenue ('GGR')

The Company is operated and managed as a single business segment in one geographical area, the United Kingdom and Isle of Man, across a portfolio of games designed to maximise the reach of The National Lottery. Total GGR is analysed as follows:

	2025 £m	2024 £m
Draw-based games	4,903.6	4,258.0
Scratchcards	1,954.1	1,883.2
Instant Win Games ('IWGs')	1,203.5	1,001.0
Total sales	8,061.2	7,142.2
Prizes for draws played, Scratchcards and IWGs	(4,555.4)	(4,039.3)
GGR fair value adjustment for future gaming contracts (see Note 17)	(3.3)	19.1
Gross Gaming Revenue ('GGR')	3,502.5	3,122.0

Notes to the financial statements continued

5. Operating loss after Implementation Costs

The operating loss after Implementation Costs is stated after charging/(crediting):

	2025 £m	2024 £m
Staff costs (Note 6)	119.0	97.9
Depreciation of right-of-use assets (Note 11)	18.5	22.0
Depreciation of property, plant and equipment (Note 10)	10.0	3.3
Amortisation of intangible assets (Note 9)	4.5	1.3
Lease expenses relating to low-value assets and short-term leases (Note 20)	1.9	1.2
Audit fees payable to the Company's auditors	1.1	0.9
Audit-related assurance services	0.4	0.7
Other licensee Income	(0.6)	(0.2)

Within the operating loss after Implementation Costs there are £58.9m (2024: £110.5m) of excluded costs and £(0.6)m (2024: £(0.2)m) of excluded licensee income as per Schedule 5 of the Licence. The excluded costs relate primarily to Implementation Costs but also include other costs that the Operator bears, and Schedule 5 of the licence specifically calls out.

Implementation Costs include all operating costs incurred and accrued that meet the definition of the Enabling Agreement in line with the accounting policies. They primarily relate to costs to run the Transition and Transformation Programme including the project management office, people costs including staff and contractors and various operating costs relating to technology changes where these do not meet capitalisation criteria.

Included within the operating loss after Implementation Costs, tangible assets and intangible assets additions are £102.8m of VAT (2024: £92.4m).

6. Employee numbers and costs

The Company employed on average 1,389 people during the year (2024: 1,141). The total number of employees as at 31 December 2025 was 1,439 (2024: 1,338).

In the prior year, on 1 February 2024, when the Company became the operator of the Fourth Licence, the majority of the previous operator's employees transferred to the Company by virtue of Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').

Employee expenses	2025 £m	2024 £m
Employee costs (including Directors) comprise:		
Wages and salaries	98.6	85.2
Social security costs	15.8	8.9
Other pension costs	4.6	3.8
	119.0	97.9

Monthly average number of employees	2025	2024
Retailer and consumer services	473	484
Sales and marketing	254	114
Information technology	255	197
Finance, administration and other	373	325
Transition and transformation	34	21
	1,389	1,141

Employee numbers and costs include some employees who perform, or partly perform, services for a fellow Group company. An agreed cost recharge structure for these costs is in place.

Notes to the financial statements continued

6. Employee numbers and costs (continued)

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund during the year of £4.6m (2024: £3.5m). Contributions amounting to £nil (2024: £0.1m) were payable to the fund at the year end.

	2025 £m	2024* £m
Key management personnel compensation		
Short-term employee benefits	5.7	5.1
Other long-term benefits	2.0	1.3
Post-employment benefits	0.2	0.2
Termination benefits	0.2	–
Total key management personnel compensation	8.1	6.6

* The key management personnel compensation for the prior year has been restated to include amounts paid to Non-Executive Directors of £0.7m.

Total key management compensation includes amounts that are paid or due to the eleven (2024: nine) members of the Board of Directors and nine (2024: eight) individuals who are members of the UK Executive Board employed by the Company during the reporting period.

For information on the Company's long-term incentive plan, refer to the Directors' emoluments disclosure below.

	2025 £m	2024 £m
Directors' emoluments		
Salaries and short-term employee benefits	2.2	2.2
Long-term incentive plans	0.5	0.3
Aggregate emoluments	2.7	1.8

	2025 £m	2024 £m
Highest-paid Director's emoluments		
Salaries and short-term employee benefits	0.9	0.9
Long-term incentive plans	0.5	0.3
Aggregate emoluments	1.4	1.2

As at 31 December 2025, the Board of Directors comprised eleven members: the Chair Justin King, CBE, five additional Independent Non-Executive Directors, four Shareholder-Nominated Non-Executive Directors and one Executive Director (the Chief Executive Officer). The Director's emoluments include amounts for Directors who are either directly employed or appointed by the Company. Contained within total emoluments are accrued amounts that require the Director to be employed by the Company at the time of payment.

The highest-paid Director in 2025 will receive £1.4m for their services as Director from Allwyn Entertainment Ltd (2024: £1.2m), subject to long-term incentive plan performance.

At the end of the financial year, no Directors were members of the defined contribution pension scheme (2024: none) and one Director received cash in lieu of pension contributions (2024: one).

Contained within long-term benefits are accrued amounts relating to the Company's long-term incentive plan. The long-term incentive plan runs to the end of the Licence with three-yearly cycles. The 2024-2026 cycle was approved at the June 2024 Remuneration Committee, with targets set for each year of the performance period recognising the challenge in setting long-term targets at the start of the new Licence and the cost impact of a delayed technical transition. The 2025-2027 cycle was approved at the February 2025 Remuneration Committee, with the payout being dependent upon performance targets being achieved in 2027. The accrual represents the current best estimate with payout dependent upon meeting strategic milestones enabling achievement of performance targets at the end of the performance period. No long-term incentive plan payments were made in 2025 (2024: £nil). The long-term incentive plans follow industry best practice with stretching targets and measurable performance.

7. Finance income and finance cost

	2025 £m	2024 £m
Finance income		
Bank interest	3.9	6.5
Total finance income	3.9	6.5
Finance cost		
Revolving Credit Facility fees	(1.6)	(1.4)
Bank guarantee costs	(0.2)	(3.1)
Interest charges on lease liabilities (Note 20)	(2.7)	(3.5)
Interest charge on related parties	(0.6)	–
Interest charge on bank loan	(0.7)	–
Total finance cost	(5.8)	(8.0)

Notes to the financial statements continued

7. Finance income and finance cost (continued)

Contained within interest charges on lease liabilities is £0.2m (2024: £0.4m) relating to operating lease liabilities that are Implementation Costs and £2.5m (2024:£3.0m) from operating leases within the underlying operations. In both these instances, these leases represent ongoing lottery operating costs (rental payments and lottery equipment) and do not represent any financing arrangement. The split between depreciation and interest of these lottery costs is a judgement based on IFRS accounting standards.

Borrowing arrangements

From October 2021 to July 2025, the Company held a Revolving Credit Facility ('RCF') of £60.0m with HSBC UK Bank plc. The arrangement included interest on drawn amounts based on the Sterling Overnight Index Average ('SONIA') rate plus a margin and a commitment fee of 2% on undrawn amounts. The committed term of this RCF was 5 years, expiring in October 2026. The arrangement fees paid in respect this facility amounted to £1.05m (paid upfront).

In the prior year, the Company was required to hold cash in a designated bank account for the sole purpose of paying fees due on the RCF. This requirement lapsed on 30 April 2024 and the cash became available for use by the Company from 1 May 2024.

On 25 July 2025, the Company signed a new financing agreement with HSBC UK Bank plc. The new financing agreement comprises of two parts:

- 1) The Company entered into a new Term Loan of £80.0m, which was drawn down on 6 November 2025. The loan is repayable in three tranches over 18, 21 and 24 months. The tranches fall due in May 2027 (25%), August 2027 (25%) and November 2027 (50%) respectively, with each tranche calculated as a percentage of the outstanding loan value.

The Term Loan attracts interest of SONIA plus a margin which is paid quarterly commencing February 2026. An arrangement fee of £0.5m has been deducted from the carrying amount of the Term Loan and amortised over its term.

- 2) A new RCF agreement was entered into for £60.0m, replacing the former RCF agreement. The new RCF agreement expires in July 2028, and includes two additional one-year extensions at the option of the lender which could extend the maturity to July 2029 and July 2030 respectively. The RCF has a commitment fee of 1% on undrawn amounts and interest on drawn amounts based on the SONIA rate plus a margin. As at 31 December 2025 the Company has not drawn down on the RCF. The arrangement fees paid in respect of this new RCF agreement amounted to £0.6m and were paid upfront, and are amortised over the term of the financing agreement.

Under the terms of the RCF agreement that was in place up to July 2025, and replicated within the new financing agreement, the Company is required to comply with the following financial covenants at the end of each annual and quarter reporting period:

- The net leverage ratio should be below 3.0 x. For quarter one of 2026, the net leverage ratio is permitted to be 4.0 x
- The interest cover ratio should be above 4.0 x

The Company has complied with these covenants throughout the reporting period.

Bank Guarantee costs

The Company was the beneficiary of an equity commitment made to it by Allwyn International AG and the Company's immediate group parent company Allwyn UK Holding Ltd, under which total commitments of £328.7m and US\$70.0m had been committed. This commitment was backed by guarantees provided by a syndicate of banks, which would provide funding for the Company to proceed with transition and transformation plans, should Allwyn and Allwyn UK Holding Ltd not be able to fulfil their equity commitment. The fees above represent the costs of the guarantee payable in the financial year. During the year, the equity committed became fully settled and the bank guarantees were therefore released. At the year end, there were no outstanding equity commitments or related guarantees. At 31 December 2024, outstanding equity commitments were £9.5m and US\$35.4m, with related guarantees of the same quantum.

Notes to the financial statements continued

8. Tax credit on loss

Total tax credit recognised in the income statement:

	2025 £m	2024 £m
Current tax		
Current taxation credit for the year	(4.0)	(1.3)
Tax in respect of prior years	(1.6)	(6.0)
Total current tax	(5.6)	(7.3)
Deferred tax		
Deferred taxation credit for the year	(7.7)	(36.1)
Tax in respect of prior years	(0.1)	0.7
Total deferred tax	(7.8)	(35.4)
Total tax credit on loss	(13.4)	(42.7)

Tax in respect of prior years of £1.6m (2024: £6.0m) relates to the settlement of group relief within the UK Group.

Reconciliation of tax on loss

The effective tax rate was 28.5% credit (2024: 36.7% credit) and is explained below:

	2025 £m	2024 £m
Loss before taxation	(47.0)	(116.2)
Tax credit using the UK corporation tax rate of 25% (2024: 25.0%)	(11.8)	(29.0)
Expenses not deductible for tax	0.1	2.1
Tax adjustments in respect of permanent differences	–	(10.4)
Tax in respect of prior years	(1.7)	(5.4)
Remeasurement of tax to expected utilisation rate	–	–
Total tax credit on loss	(13.4)	(42.7)

Factors that may affect future tax charges

Deferred tax is recognised at 25.0%, to the extent that tax losses will unwind in a future period.

9. Intangible assets

	Licence cost £m	Internally generated software £m	Totals £m
Cost			
At 1 January 2024	12.2	31.8	44.0
Additions	0.9	41.2	42.1
At 31 December 2024	13.1	73.0	86.1
Additions	–	68.3	68.3
Transfer	–	(8.0)	(8.0)
Disposal	–	(1.6)	(1.6)
At 31 December 2025	13.1	131.7	144.8
Accumulated amortisation			
At 1 January and 31 December 2024	1.2	0.1	1.3
Charge for the year	1.3	3.2	4.5
At 31 December 2025	2.5	3.3	5.8
Net book value:			
At 31 December 2025	10.6	128.4	139.0
At 31 December 2024	11.9	72.9	84.8

Licence costs are specifically identifiable costs incurred and arising directly from the award of the Fourth Licence. The cost will give rise to future economic benefits in the form of revenues from the Fourth Licence. They are stated at cost and will be amortised over the life of the Fourth Licence starting on 1 February 2024 and ending on 31 January 2034.

Internally generated software relates to the development of software assets needed to operate The National Lottery. This includes assets under construction of £72.0m (2024: £72.4m), including website and app development. Within the year, £59.1m of internally generated software was brought into use (2024: £0.6m), aligning with implementation project delivery.

Internally generated software additions in the year include £58.0m (2024: £36.8m) related to Implementation.

Notes to the financial statements continued

10. Property, plant and equipment

	Leasehold improvements £m	Plant and equipment £m	Totals £m
Cost			
At 1 January 2024	0.4	8.5	8.9
Additions	3.6	114.5	118.1
At 31 December 2024	4.0	123.0	127.0
Additions	–	49.1	49.1
Transfer	9.7	(1.7)	8.0
Disposals	–	(2.2)	(2.2)
At 31 December 2025	13.7	168.2	181.9
Accumulated depreciation			
At 1 January 2024	0.2	0.4	0.6
Charge for the year	0.2	3.1	3.3
At 31 December 2024	0.4	3.5	3.9
Charge for the year	1.0	9.0	10.0
Disposals	–	(2.1)	(2.1)
At 31 December 2025	1.4	10.4	11.8
Net book value			
At 31 December 2025	12.3	157.8	170.1
At 31 December 2024	3.6	119.5	123.1

Included in the above are assets under construction within property, plant and equipment totalling £30.9m (2024: £115.4m), including the remaining terminals and permanent-point-of-sale units to be replaced across the retail estate. During the year £138.0m (2024: £nil) of assets, primarily terminal and permanent-point-of-sale units were replaced across the retail estate.

Property, plant and equipment additions include £0.4m (2024: £14.7m) related to Implementation.

11. Right-of-use assets

	Properties £m	Plant, equipment and motor vehicles £m	Totals £m
Cost			
At 1 January 2024	8.8	–	8.8
Additions	38.2	29.5	67.7
Lease Modifications	(3.1)	–	(3.1)
At 31 December 2024	43.9	29.5	73.4
Additions	3.1	3.1	6.2
Disposals	(4.1)	–	(4.1)
At 31 December 2025	42.9	32.6	75.5
Accumulated depreciation			
At 1 January 2024	1.4	–	1.4
Charge for the year	5.3	16.7	22.0
Lease modifications	(0.8)	–	(0.8)
At 31 December 2024	5.9	16.7	22.6
Charge for the year	6.3	12.2	18.5
Lease modifications	–	–	–
Disposals	(3.6)	–	(3.6)
At 31 December 2025	8.6	28.9	37.5
Net book value			
At 31 December 2025	34.3	3.7	38.0
At 31 December 2024	38.0	12.8	50.8

Notes to the financial statements continued

11. Right-of-use assets (continued)

The right-of-use asset additions reflect the Company's leasing of office spaces, studio facilities, communication equipment and motor vehicles. Modifications during 2024 resulted from changes to the break clause for the Magdalen House and Moor properties (previous head office properties). These changes shortened the lease term, which in turn reduced the carrying value of the associated lease liability and right-of-use asset. The lease liability position is given in Note 20. The Company does not use leases as financing arrangements and these represent costs associated with core lottery operations.

12. Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets with current taxation liabilities. At the year end, the offset amounts are as follows:

	2025 £m	2024 £m
Deferred tax assets:		
To be recovered after more than 12 months	78.1	70.3
Deferred tax assets	78.1	70.3
Deferred tax liabilities:		
To be settled after more than 12 months	–	–
Deferred tax liabilities	–	–
Deferred tax assets (net)	78.1	70.3

The gross movement on deferred tax is as follows:

	Accelerated capital allowances £m	Losses £m	Total £m
At 1 January 2024	(2.1)	37.0	34.9
Credit/(charge) to the Statement of Comprehensive Income	10.4	25.0	35.4
At 31 December 2024	8.3	62.0	70.3
Credit/(charge) to the Statement of Comprehensive Income	3.3	4.5	7.8
At 31 December 2025	11.6	66.5	78.1

Deferred tax assets of £78.1m (2024: £70.3m) have been recognised in respect of tax losses and tangible asset timing differences, where the Directors believe it is probable that future taxable profits will be available against which these assets can be offset over the term of the Fourth Licence. The losses do not expire.

Details of the deferred tax asset, and amounts recognised in profit or loss, are shown above and have been calculated at the enacted rate of tax which is expected to apply when the tax losses are utilised and have not been discounted. The enacted rate used was 25.0%.

13. Inventories

	2025 £m	2024 £m
Playslips, terminal rolls and other consumables	1.8	2.1
	1.8	2.1

Inventory consumed during the year amounted to £4.1m (2024: £3.7m). Inventory purchased during the year amounted to £3.8m (2024: £5.6m). Inventory includes playslips, terminal rolls and other consumables. No provision has been raised or reversed against the inventory balance in the current year (2024: £nil).

14. Trade and other receivables

	2025 £m	2024 £m
Current assets		
Trust receivables	583.0	435.4
Trade and other receivables	20.3	19.0
Amounts owed by group undertakings	4.6	5.2
Prepayments and accrued income	12.0	10.8
Fees relating to financial instruments	0.2	0.3
	620.1	470.7
Non-current assets		
Prepaid expenses	5.5	4.4
EuroMillions deposit	5.6	4.7
Fees relating to financial instruments	0.3	0.2
	11.4	9.3

Notes to the financial statements continued

14. Trade and other receivables (continued)

Trust receivables comprise the amounts due from the Trust to the Company for unclaimed prizes and accumulated interest totalling £451.8m (2024: £286.5m), together with amounts held by the Trust in respect of future draws both in the form of draw-based games payments from players in advance of draw date sales and interactive wallet balances of £131.1m (2024: £148.9m).

The amounts held in Trust may be invested by the Trustee with Asset Managers that are compliant with our ESG criteria within our policies, and have investment grade credit ratings.

At 31 December 2025, the Company had on deposit £5.6m (2024: £4.7m) of funds in a restricted cash trust account as a reserve related to insurance arrangements for the protection of prize-winners under the EuroMillions Community agreements.

Although the Company cannot currently withdraw these amounts until the end of the Fourth Licence, the interest on these accounts accrues to the Company.

Fees relating to financial instruments are amounts paid for RCF fees and are being amortised over the life of the RCF. See Note 7 for further details on the RCF.

Trade receivables balance primarily represents amounts due from retailers.

As of 31 December 2025, trade receivables of £20.4m (2024: £19.2m), were not yet due for collection in accordance with the normal collection cycle. The recoverability of trade receivables held with multiple retailers is assessed on the retailers' level of credit risk and a credit loss allowance is recognised accordingly. Balances due from independent retailers are credit impaired when the debt becomes more than one week past due.

Amounts owed by related parties are unsecured, interest-free and repayable on demand. The ageing analysis of gross trade receivables and credit loss allowance is as follows:

	2025 £m	2024 £m
Current	20.4	19.2
7 days to 3 months	0.4	0.1
Credit loss allowance	(0.5)	(0.3)
	20.3	19.0

The credit risk policy that the Company operated meant that the Company minimised its exposure to past due debt.

At 31 December 2025 £0.2m of trade receivables were more than 30 days past due. Details of the credit risk policy are provided in Note 17.

Movements on the Company's credit loss allowance are as follows:

	2025 £m	2024 £m
At 1 January	0.3	–
Credit loss allowance recognised during the year	0.5	0.6
Unused amounts	–	–
Utilised	(0.3)	(0.3)
	0.5	0.3

All movements in the credit loss allowance have been included in other administrative operating costs in the Statement of Comprehensive Income. Expected credit losses are based on the probability of default in the retailer estate based on previous experience and changes in the wider economic environment.

The other classes within trade and other receivables do not contain credit impaired assets.

The carrying amounts of the Company's trade and other receivables are denominated in GBP Sterling.

The maximum exposure to credit risk in the prior year was the carrying value of each class of receivable mentioned above. With the exception of the Retailer bond deposits of £15.1m (2024: £13.5m), the Company did not hold any collateral as security.

In line with IFRS accounting standards and as outlined in Note 2.10, no receivable has been created for the recovery of Implementation Costs. £450.5m has been spent by 31 December 2025 (2024: £342.1m), of which £300.0m is in operating costs (2024: £245.9m) and £150.5m (2024: £91.1m) has been capitalised as a property, plant and equipment or intangible Asset. Recovery of these amounts is subject to the process in the Enabling Agreement.

Notes to the financial statements continued

15. Cash and cash equivalents

Cash at bank and in hand comprise the Company's bank accounts and short-term deposits. Fixed and floating charges have been given in respect of certain assets to the Trustee.

The Company's cash balances can be analysed as follows:

	2025 £m	2024 £m
Cash at bank	18.6	116.2
Short-term bank deposits	106.0	104.5
	124.6	220.7

Amounts held in short-term bank deposits comprise amounts held in either deposit accounts or Money Market Funds, with interest earned rates at 31 December 2025 of 3.34% to 4.73%.

Deposit accounts and Money Market Funds are redeemable on demand.

16. Credit quality of financial assets

External credit ratings are obtained for each trade receivable counterparty at the point at which the Company starts to trade with that retailer to confirm the creditworthiness of the retailer. See Note 17 for details on the Company's credit control policy for trade receivables.

The Company monitors and ensures that the credit ratings of banks and Money Market Funds where the Company holds cash and short-term deposits are prime rated in compliance with the agreed parameters issued by the Allwyn Board. As at 31 December 2025, financial assets totalling £106.0m (2024: £104.5m) were held in deposit accounts and Money Market Funds with a prime rating across the three main rating agencies.

Cash at clearing bank and the trust accounts were held with HSBC UK Bank plc, which has a Moody's short and long-term rating of P1 and A1 (stable) respectively. None of the financial assets that are not yet due have been renegotiated in the last year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned above.

17. Financial risk management

Exposure to credit, interest rate, foreign exchange, liquidity and capital risks arise in the normal course of the Company's business. The likely impact of these risks on the Company's performance is deemed to be immaterial and, therefore, no sensitivity analysis has been presented in these financial statements. The risks mentioned below were relevant during year.

a. Credit risk

Credit risk primarily arises from short-term credit extended to retailers. From the start of the Fourth Licence, credit insurance is held for the Company's multiple store retailers and independent retailer estate. Management has a credit policy in place with the exposure to credit risk being monitored on an ongoing basis. Credit evaluations are performed on all customers at the point at which the Company starts to trade with that retailer. If the uninsured credit risk exposure is significant, Allwyn will request a bond deposit as collateral to protect against any future payment default. This is held for a minimum of two years, during which period payment patterns are monitored. Amounts invoiced to retailers are collected within three working days. If a retailer fails to make payment on the due date, the retailer's terminal is suspended until the debt is cleared.

Retailer agreements set out the Company's credit policy for late payments.

Allwyn regularly reviews its established credit policy and debt collection processes and ensures that the policies and processes are appropriate addressing any additional exposures to increased credit risk. At the year end, having reviewed the credit balances extended to retailers, no significant concentrations of credit risk were identified. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the Statement of Financial Position.

The Company's investment policy restricts investment to Money Market Fund deposit accounts to carefully selected counterparties that have strong credit quality and a strong capacity for timely payment of short-term deposit obligations. Further information on credit quality of financial assets is given in Note 16. The carrying value of financial assets approximates to fair value.

b. Interest rate risk

The Company entered into a new £60.0m RCF on 25 July 2025, formally replacing the previous RCF which was entered into on 13 October 2021 and due to expire on 13 October 2026. The new RCF agreement permits short-term borrowings at floating rates of interest (SONIA plus margin), became available upon signing of the agreement.

Financial covenants on the leverage and interest cover existed on this facility arrangement during the period. No funds were drawn down under the facility in the current year (2024: undrawn).

On 6 November 2025, the Company entered into a new Term Loan of £80.0m, repayable in three tranches after 18 months, 21 months, and 24 months – falling due in May 2027, August 2027, and November 2027 respectively. The Term Loan attracts interest of SONIA plus a margin.

Notes to the financial statements continued

17. Financial risk management (continued)

b. Interest rate risk (continued)

The related party loan relates to amounts owed to Allwyn UK Holding Ltd, the Company's immediate parent, for amounts settled on the Company's behalf incurred between 2021 and 2024. The loan agreement was signed on 10 December 2024 and terminates on 31 January 2034. The facility is unsecured and has an interest rate of SONIA plus a margin on drawn down amounts. On 24 November 2025, £77.9m was drawn down, and on 31 December 2025 £0.6m of interest was capitalised.

Short-term bank deposits are predominantly placed in fixed-rate deposit accounts with short maturities, ensuring funds are readily available while earning a fixed interest return until maturity. The average rate of return on deposit accounts used by the Company during the year was 4.04% (2024: 4.26%). Short-term bank deposits in the financial year 2024 and 2023 are predominately denominated in GBP Sterling.

c. Foreign exchange risk

The Company is exposed to foreign exchange risk on purchases that are denominated in a currency other than GBP Sterling (£). The currency giving rise to this risk is primarily US Dollars ('USD'). During the year, the Company did not participate in any derivative or hedging contracts due to the minimal volume and value of foreign transactions. Transactions denominated in foreign currencies are accounted for in line with our accounting policy detailed in Note 2.

Included within other administrative operating costs in the Statement of Comprehensive Income are £0.5m (2024: £nil) net foreign exchange gains.

d. Liquidity risk

As per the new signed financing arrangement mentioned in Note 7 with HSBC UK Bank plc, £80.0m was drawn down during the year. This arrangement contains covenants, tested quarterly, including a maximum level of leverage of less than or equal to 3.00 and a minimum level of interest cover of greater than or equal to 4.00, both of which the Company has met.

The Loan incurs interest of SONIA plus a margin (Facility A) and an interest period of 3 months.

The undrawn level of this facility, together with the Company's cash balances, were the key measures of the Company's liquidity. The Company's cash was subject to regular daily, weekly and monthly cycles that were factored into long-range cash flow forecasts, which were regularly updated and reviewed by management. Liquidity is centralised through banking arrangements and any surplus cash is deposited with well-rated banks or Money Market Funds, typically for a term of between one day and three months, depending on projected cash.

The table below is a maturity analysis for the Company's financial liabilities, which show the remaining contractual maturities at the year end. The amounts disclosed are contractual undiscounted cash flows. Included in amounts under lease liabilities are amounts in respect of property, plant and equipment and motor vehicle leases.

	Maturing less than 1 year £m	Maturing between 1 and 2 years £m	Maturing between 2 and 5 years £m	Maturing greater than 5 years £m	Total contractual cash flows £m	Carrying value £m
At 31 December 2024						
Lease liabilities	12.9	9.3	16.2	21.8	60.2	51.2
Trade and other payables	757.6	6.5	4.3	–	768.4	768.4
Amounts owed to group undertakings	4.0	–	–	77.2	81.2	81.2
At 31 December 2025						
Borrowings	0.5	87.6	–	127.8	215.9	158.8
Lease liabilities	10.7	7.3	17.2	18.0	53.2	43.7
Trade and other payables	837.5	–	6.6	–	844.1	844.1
Amounts owed to group undertakings	3.8	–	–	–	3.8	3.8

e. Capital risk

The Company defines capital as total equity. The Company's objectives when managing capital are to safeguard its ability to trade and meet obligations as they fall due, so that it can continue to provide returns for shareholders. The Company had access to significant credit facilities during the year, as disclosed in Note 7.

Notes to the financial statements continued

17. Financial risk management (continued)

f. Financial assets and liabilities at amortised cost and fair value

Financial assets comprise of:

	2025 £m	2024 £m
Cash and cash equivalents (Note 15)	124.6	220.7
Trade and other receivables (excluding prepayments and accrued income)	613.5	464.3
	738.1	685.0

The total carrying value of financial assets at fair value through profit and loss is £124.6m (2024: £220.7m), comprising Cash and cash equivalents, specifically Money Market Funds. These Money Market Funds are classified as Level 1 under the fair value hierarchy defined in IFRS 13 *Fair Value Measurement*. The Directors believe that their carrying value equates to the fair value.

Financial liabilities comprise of:

	2025 £m	2024 £m
Trade payables and other payables (Note 18)	847.9	849.6
Borrowings (Note 19)	158.8	–
Lease liabilities (Note 20)	43.7	51.2
	1,050.4	900.8

Within trade payables are accruals for unsettled gaming contracts of £29.9m (2024: £37.4m), which are recorded at fair value. The Company has used Level 2 observable inputs to fair value the obligations associated with advanced ticket sales. The movement in the fair value in these unsettled gaming contracts has been taken to the Statement of Comprehensive Income and included in the Revenue from gaming activities (cost of £3.3m (2024: income of £19.1m)) and Gaming-related operating costs (cost of £3.2m (2024: £18.3m)).

The rest of the financial liabilities are at amortised cost.

18. Trade and other payables

a. Current liabilities

	2025 £m	2024 £m
Trust liabilities	526.0	414.2
Amounts payable to the NLDF	28.0	92.5
Lottery Duty payable	83.3	81.5
Trade payables	44.9	19.8
Unsettled gaming contract accruals	29.9	37.4
Amounts owed to group undertakings	3.8	4.0
Accruals	79.6	54.3
Other payables	45.8	57.9
	841.3	761.6

Trust liabilities includes obligations to players for unclaimed prizes, amounts planned for future prize payments and player online interactive and subscription balances. As at 31 December 2025, the Company had transferred £583.0m (2024: £435.4m) into the relevant Trust accounts to meet player obligations and unsettled gaming contract obligations (Note 14). Trade receivables will be received into the Trust arrangement and account for the difference.

Amounts payable to the NLDF in the current year relate to the final amounts due for the 2025 contributions to Good Causes.

Lottery Duty payable is recognised when the game is played and is calculated as 12% of gross ticket sales for games played.

The balances presented in trade payables are not secured.

Amounts included within Unsettled gaming contract accruals represent the fair value of liabilities for draws that have been entered into by players but have not yet been played; and comprise estimated amounts due to players for future payouts and estimated amounts due to regulatory authorities for future obligations.

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

Other payables includes Retailer bond deposits of £15.1m (2024: £13.5m) due to retailers.

Notes to the financial statements continued

18. Trade and other payables (continued)

b. Non-current liabilities

	2025 £m	2024 £m
Amounts owed to group undertakings	–	77.2
Other payables	6.6	10.8
	6.6	88.0

Since the inception of the Company, it has received financial support from Allwyn UK Holding Ltd, its immediate parent company, relating to certain costs that were settled including the Guarantees described in Note 7, on its behalf. The amount was disclosed as long-term trade and other payables as at 31 December 2024. During the year, this amount was settled and was offset via a new loan facility with its immediate parent. See Note 19 for further details on this transaction.

The other payables include deferred payments relating to new lottery terminals delivered in 2024 and due in 2026 and 2027, and an employee long-term incentive scheme payable in 2027.

19. Borrowings

	2025 £m	2024 £m
Current liabilities		
Term Loan (net of arrangement fees)	(0.5)	–
Total	(0.5)	–
Non-current liabilities		
Term Loan (net of arrangement fees)	(79.8)	–
Amounts owed to group undertakings (Note 24)	(78.5)	–
Total	(158.3)	–

On 6 November 2025, the Company entered into a new Term Loan of £80.0m, repayable in three tranches over 18, 21 and 24 months. The tranches fall due in May 2027 (25%), August 2027 (25%) and November 2027 (50%) respectively, with each tranche calculated as a percentage of the total outstanding amount.

The Term Loan attracts interest of SONIA plus a margin. An arrangement fee of £0.5m has been deducted from the carrying amount of the Term Loan and amortised over its term. Amounts due within 12 months are presented as current borrowings.

The amounts owed to group undertakings relate to a loan owed to Allwyn UK Holding Ltd, the Company's immediate parent, for amounts settled on its behalf between 2021 and 2024. A loan agreement signed on 10 December 2024, maturing on 31 January 2034, provides an unsecured facility bearing interest of SONIA plus a margin. On 24 November 2025, £77.9m was drawn down

and £0.6m of interest was capitalised on 31 December 2025. The loan was used to settle the Company's invoices owed to its immediate parent and was offset against long-term Trade and other payables rather than paid in cash.

20. Lease liabilities

The table below shows the movement in the lease liability during the year:

	Properties £m	Plant, equipment and motor vehicles £m	Total £m
2025			
At beginning of financial year	38.1	13.1	51.2
Plus: Non-cash movements			
Additions	3.2	3.1	6.3
Disposals	(0.5)	–	(0.5)
Interest payable on leases	2.0	0.7	2.7
Less: Cash movements			
Repayment of lease liabilities (including interest)	(5.3)	(10.7)	(16.0)
Total liability	37.5	6.2	43.7

As disclosed elsewhere, the underlying substance of these leases is not a financing arrangement and the interest paid is the imputed interest as per IFRS 16.

	Properties £m	Plant, equipment and motor vehicles £m	Total £m
2024			
At beginning of financial year	7.5	–	7.5
Plus: Non-cash movements			
Additions	35.7	21.3	57.0
Lease modifications	(2.4)	–	(2.4)
Interest payable on leases	2.3	1.2	3.5
Less: Cash movements			
Repayment of lease liabilities (including interest)	(5.0)	(9.4)	(14.4)
Total liability	38.1	13.1	51.2

Notes to the financial statements continued

20. Lease liabilities (continued)

	2025 £m	2024 £m
Split between		
Current liabilities	8.6	13.8
Non-current liabilities	35.1	37.4
Total liability	43.7	51.2

Lease liabilities are calculated by discounting fixed lease payments using an estimated incremental borrowing rate at the lease inception date in line with IFRS 16. The discount rates applied to leases range between 4.0% and 7.2% (2024: between 4.0% and 7.2%).

The table below shows the split of lease liabilities by their discounted contractual maturities.

	2025 £m	2024 £m
Less than 1 year	8.6	13.8
1-2 years	5.6	6.5
2-3 years	4.2	4.2
3-4 years	4.4	3.7
4-5 years	4.6	3.9
More than 5 years	16.3	19.1
Total	43.7	51.2

Short lease commitments

At 31 December 2025, the Company had the following total minimum lease payments under non-cancellable leases which meet the criteria of being short-term leases or leases for which the underlying asset is of low value:

	2025 £m	2024 £m
Lease expense relating to low-value assets and short-term assets not included in measurement of lease liabilities (Note 5)	1.9	1.2

Lease expense for low-value and short-term assets comprises short-term motor vehicle leases and properties leased on an ongoing renewal basis.

21. Provisions

	2025 £m	2024 £m
Decommissioning	12.1	12.9
Dilapidations	3.6	5.9
Other	1.0	0.2
	16.7	19.0

The movement in the provisions are as follows:

	Decommissioning £m	Dilapidation £m	Other £m	Total £m
As at 1 January 2025	12.8	6.0	0.2	19.0
Provided for in year	3.5	0.1	0.7	4.3
Charged in year	0.4	0.1	0.1	0.6
Released in year	–	(0.7)	–	(0.7)
Provision utilised in year	(4.6)	(1.9)	–	(6.5)
At 31 December 2025	12.1	3.6	1.0	16.7

Provisions have been classified as follows:

	2025 £m	2024 £m
Current	11.5	11.4
Non-current	5.2	7.6
	16.7	19.0

The decommissioning provision relates to the cost of decommissioning existing terminals, communications and lottery point-of-sale equipment held at retailer sites, and disposing of these assets, which are currently being used within the retailer estate. It also includes amounts in respect of lost or destroyed terminals and associated contractual costs. These costs are based on contractual commitments in place at 31 December 2025.

The dilapidation provision is the best estimate of the cost of bringing back leased premises to their original state, as required by operating lease agreements.

Notes to the financial statements continued

22. Share capital

	2025 Number m	2025 £m	2024 Number m	2024 £m
Allotted, called up and fully paid				
Ordinary shares of £1	0.4	0.4	0.3	0.3
Share premium	n/a	384.1	n/a	346.6
	0.4	384.5	0.3	346.9

On 18 February 2025, the Company issued 38,000 ordinary shares of £1.00 per share, at a premium of £986. The amount raised from the share issues amounted to £37.5m.

Ordinary share capital

Ordinary shares have a par value of £1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Share premium

The Company has issued shares for in excess of the par value of the shares and are held under the share premium reserve.

23. Commitments and contingencies

As disclosed in the 2024 Annual Report and Accounts, the Company missed a contractual milestone in the Enabling Agreement due to the delay to the Technical Cutover. The Company have continued to work with the Gambling Commission to assess the implications, and subsequently Fully Implemented Commencement (as defined in the Enabling Agreement) was confirmed by the Gambling Commission in March 2026. The Gambling Commission's enforcement action started in March 2025 and remains ongoing. The Directors cannot yet determine a view on, or estimate the extent of, any fine or penalty that the Gambling Commission may seek to impose. Allwyn disagrees with the enforcement action and has made its position clear to the Gambling Commission. Accordingly, no provision has been recognised and the matter continues to be disclosed as a contingent liability.

At the year end, the Company had entered into a number of commercial arrangements as part of the transition and transformation plan to build the infrastructure necessary to run the Fourth Licence. At 31 December 2025, the balance of these commitments was £6.1m (2024: £16.5m).

24. Related parties

The Company's immediate parent is Allwyn UK Holding Ltd (incorporated in the UK), which owns all the Company's shares.

The Company holds an investment in 'Services aux Loteries en Europe SCRL' ('SLE') which was transferred at £nil consideration from Camelot on 1 February 2024. The Company had the following transactions with and balances due to/from SLE, a société cooperative à responsabilité limitée incorporated in Belgium:

(Amounts below are all net of VAT.)

	2025 £m	2024 £m
Purchases from SLE	1.7	1.3
Amounts due to SLE	0.2	0.3
Amounts billed to SLE	0.3	0.2
Amounts due from SLE	–	–

The main purpose of SLE is to provide services to lotteries in Europe which participate in the EuroMillions game. The head office is located in Belgium at Herrmann-Debrouxlaan 44–46, 1160 Oudergem, Belgium.

As stated in Note 25, the Company is an immediate subsidiary undertaking of Allwyn UK Holding Ltd and is part of a wider group. During the year, the Allwyn Group of Companies had various group transactions with the Company.

These transactions are as follows:

	2025 £m	2024 £m
Purchases with related parties		
Parent company	0.8	3.0
Ultimate parent and parent undertakings	1.2	1.3
Fellow subsidiary undertakings with common control	18.3	16.1
	20.3	20.4
Cost recharges to related parties		
Parent company	0.1	0.1
Fellow subsidiary undertakings with common control	1.2	2.3
	1.3	2.4

Notes to the financial statements continued

24. Related parties (continued)

	2025 £m	2024 £m
Receivables and other debtors		
Fellow subsidiary undertakings with common control	4.6	5.2
	4.6	5.2
Payables and other creditors		
Parent company	–	77.2
Ultimate parent and parent undertakings	0.2	1.2
Fellow subsidiary undertakings with common control	3.7	2.8
	3.9	81.2
Borrowings		
Parent company	78.5	–
	78.5	–

Justin King was engaged as a consultant during the bid period by Allwyn Services UK Ltd ('ASUK'), through Harbury House Limited ('HH'), a company controlled by him. In the prior year, HH received £250,000 (excluding VAT) for those consultancy services. ASUK terminated the contract with HH prior to the appointment of Justin King to the Board of the Company.

Sir Keith Mills was engaged as a consultant during the bid period by ASUK, through KEM Management Limited ('KEM'), a company controlled by him. In the prior year, KEM received £400,000 (excluding VAT) for those consultancy services. ASUK terminated the consultancy contract with KEM prior to the appointment of Sir Keith Mills to the Board of the Company.

The Company has been supported by its immediate parent company Allwyn UK Holding Ltd, which has invested £384.5m (2024: £384.4m) to date by way of shares issued for cash.

In the prior year, the Company had group transactions with Camelot UK Lotteries related to transferring of assets and liabilities at the commencement of the Fourth Licence term, including £683.9m in relation to secured obligations of the Third Licence Players' Trust and corresponding cash, or rights to cash, to enable these to be settled during the Fourth Licence; as well as the allocation of pass-through costs between the two entities and ensuring correct supplier charging over the transition period. A net amount of £17.5m was transferred to the Company from Camelot UK Lotteries Limited. None of these costs were considered provision of goods or services by either entity.

During the year, the Company recharged costs of £1.2m (2024: £2.8m) to other group entities with no margin. These charges represented the costs incurred to provide certain administrative duties on behalf of other group entities. In addition, the Company received £5.5m (2024: £14.9m) in payment for group relief losses used by fellow group subsidiaries.

The Company leases its London office under IFRS 16 *leases*. With effect from 31 October 2025, the landlord, HEVF 2 New Bond Street S.à.r.l, became a related party as it became part of the Group structure. Lease payments to this related party for the period from 31 October 2025 totalled £0.1m. The lease is on arm's-length commercial terms.

25. Ultimate parent company and parent company of the larger group

Allwyn UK Holding Ltd (incorporated in the United Kingdom, registered number 13154201) is the immediate 100% parent of the Company.

Allwyn International AG (formerly Allwyn International a.s.) (registered in Switzerland) is the immediate 100% group parent of Allwyn UK Holding Ltd. Allwyn International AG prepares consolidated financial statements that are publicly available.

Subsequent to the balance sheet date, the immediate parent of Allwyn UK Holding Ltd is now Allwyn Global Holding AG, a company registered in Switzerland.

The Company's ultimate parent undertaking and controlling party is the Valea Foundation, registered in Liechtenstein. KKCG AG is the parent company of the largest group for which consolidated financial statements are prepared.

The ultimate parent entity forms part of a wider group that is publicly listed on the Athens Stock Exchange following the combination with OPAP subsequent to the balance sheet date.

26. Post balance sheet events

Subsequent to the balance sheet date, the Company achieved Fully Implemented Commencement, as confirmed by the Gambling Commission, representing completion of the key technology deliverables under the Enabling Agreement.



Allwyn Entertainment Ltd

Registered and Head Office

37-39 Clarendon Road
Watford
WD17 1JA

Other offices

Unit 5, Tiger Court
Kings Business Park
Knowsley
L34 1BH

Unit 3, Catalina Approach
Omega South
Warrington
WA5 3UY

The Burlian
3 Dering Street
W1S 1AA

Registered company number in
England and Wales: 13157556
Incorporated and domiciled in the UK

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC UK Bank plc
1 Centenary Square
Birmingham
B1 1HQ

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