Together Gaming solutions plc
Mezzanin Office, The George Hotel
Ball Street, Paceville
St. Julians, STJ 3123
Malta

COMPANY ANNOUNCEMENT

Reference: (05/2024)

The following is a company announcement issued by Together Gaming Solutions p.l.c. (C 72231) (the "**Company**") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

APPROVAL OF THE COMPANY'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023.

The Company announces that following Board meetings held on 24 April 2024, the Board of Directors considered and approved the Company's annual report and audited financial statements for the period ended 31 December 2023, a copy of which is attached to this announcement and can also be viewed on the Company's website at https://www.togethergaming.com/relations.

The Board resolved that the audited financial statements be submitted for shareholders' approval at an Annual General Meeting which will be scheduled in due course.

Unquote

By order of the Board.

Edward Licari
Company Secretary
26 April 2024

TOGETHER
GAMING

DIRECTORS' DECLARATION
ON ESEF ANNUAL FINANCIAL REPORTS

We, Mr. Erik Johan Sebastian Skarp and Mr. Michael Warrington, in our capacity as Directors of C 72231 – Together Gaming Solutions p.l.c., hereby certify:

i. That the Annual Financial Report for the year ended 31 December 2023 has been approved by the Board of Directors of the Company and is hereby being made available to the public.

ii. That the Annual Financial Report has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation of the European Single Electronic Format ("ESEF")[1] and the Capital Markets Rules[2].

iii. That the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.

iv. That the Annual Financial Report shall serve as the official document for the purposes of the Capital Markets Rules, and, where the issuer is registered in Malta, the Companies Act (Chapter 386 of the Laws of Malta).

Mr. Erik Johan Sebastian Skarp
Director

Mr. Michael Warrington
Director

CERTIFICATION STATEMENT

[1] Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

[2] Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).

TOGETHER
GAMING

ON THE ESEF ANNUAL FINANCIAL REPORT

We, Mr. Erik Johan Sebastian Skarp and Mr. Michael Warrington, in our capacity as Directors of C 72231 – Together Gaming Solutions p.l.c., and Mr. Edward Licari in my capacity of the Company Secretary of the Board, hereby certify:

i. That the Board of Directors has authorized for issue the Annual Financial Report ("AFR") for the year ended 31 December 2023, that has been prepared in accordance with the terms of the applicable rules and regulations, including the Commission Delegated Regulation on the Europea Single Electronic Format ("ESEF"), and the Capital Markets Rules, which AFR is integrated into the electronic file TGSP_20231231_IND_AFR_391200ZXMFIXKTPMGB12.xhtml, endorsed by the Document ID: xxdcAIPAo75dr5w= for subsequent approval by the auditor

ii. That the AFR referred to above does not include handwritten signatures or electronic signatures due to technical restrictions/difficulties rising from the aforementioned electronic format.

iii. That the AFR referred to above shall serve as the official document for the purposes of the Capital Markets Rules and, where the issuer is registered in Malta, the Companies Act (Chapter 386 of the Laws of Malta).

Mr. Erik Johan Sebastian Skarp
Director

Mr. Michael Warrington
Director

Mr. Edward Licari
Company Secretary

TOGETHER GAMING SOLUTIONS P.L.C.

Annual Report and Financial Statements
31 December 2023

Company Registration Number: C 72231

Directors' report

The Board of Directors presents the audited financial statements of Together Gaming Solutions p.l.c. (the "Company"), registration number C 72231, for the year ended 31 December 2023. The Company is a subsidiary of Gameday Group plc and is part of the broader group of companies of Gameday Group plc, the parent undertaking (the "**Group**"). Gameday Group plc was fully acquired by Cherry with Friends AB on 12 January 2024, and hence thereafter the ultimate parent company of the Group is Cherry with Friends AB (the "Ultimate Group").

The Company has its head office and registered address at Mezzanine Office, The George Hotel, Triq Ball, Paceville, St Julians STJ 3123, Malta.

Principal activities

The Company is the B2B service provider arm of the Group and owner of the Group's key intellectual property asset (the "Intangible Asset") mainly the 'Enji' iGaming platform (the "Platform"), formerly known as the 'Aleacc' iGaming platform, that it provides to its clients under a Malta Gaming Authority B2B licence. The Company offers its iGaming platform as a 'turnkey' solution to licensed operators (including the Group's licensed B2C iGaming operator). The Company also offers its iGaming platform to third-party white label iGaming operators as part of a full-service 'white label' solution for launching and operating online casino and sportsbook websites.

In 2022, after selling the Bethard Brand (the "Brand"), consisting of the Bethard, Fastbet and Betive domains, the Company intended to invest part of the proceeds from the disposal into marketing activities to accelerate growth of the Company's B2B services to third-party iGaming operators. However, there was a lack of investment opportunities in the B2B space, mainly due to the changing regulations.

Early in 2023, the Group had the opportunity to re-purchase the Brand at a significantly lower price than that at which it had been sold. Given this opportunity as well as the lack of investment opportunities in the B2B space, management saw this as a suitable alternative to accelerate growth within the Group and the Company, whilst still retaining significant liquidity for investment in B2B opportunities that may arise in the future once the regulatory environment stabilises. The Brand was re-acquired in Q1 2023, and the Company now offers turnkey solutions to the Group's B2C arm.

Furthermore, in early 2023, the Group embarked on strategic discussions to merge with a prominent Swedish Group of companies, Cherry with Friends AB, specializing in land-based gaming activities across various venues in Sweden. This merger was successfully completed in January 2024. The primary aim of this merger was to harness synergies and propel growth within the B2C online gaming sector. Through the incorporation of different licensed subsidiaries within the Ultimate Group, the Company will be generating new revenues by providing turnkey solutions to facilitate operations across these entities.

Review of the business

During the year, revenue was mainly generated from two different streams: white label services and turnkey services. In early 2023, the Group repurchased the Brand, thereby reintroducing opportunities for indirect turnkey revenue generation for the Company. Despite this, the Company persisted in facing familiar challenges within the B2B sector, leading to the departure of a number of white-label partners throughout the year.

During the year under review, gross revenue totalled €3,246,614 (2022: €4,467,676). Net of directly attributable costs, the revenue of the Company, as disclosed in the financial statements, amounted to €1,839,098 (2022: €2,052,769), corresponding to a year-on-year decrease of 10% (2022: 46%).

Directors' report - continued

Review of the business - continued

As explained above in the previous page, the decline in revenue was primarily attributed to the decrease in the number of white-label partners throughout the year. This reduction, coupled with lower gross revenues for the existing white-label partners, consequently resulted in diminished revenues for the Company in the form of reduced markups and operating fees. Revenue during 2023 was derived from; i) leasing of the platform (turnkey services) amounting to €1,164,894 (2022: €527,890); ii) white label services amounting to €674,204 (2022: €1,524,879).

Cost of sales amounted to €996,348 (2022: €745,275) and mainly consisted of other direct costs (including platform costs) of €986,968 (2022: €630,188). Accordingly, whilst gross revenue decreased to €3,246,614 in 2023 from €4,467,676 in 2022, gross profit decreased to €842,750 from €1,307,494.

Administrative expenses amounted to €3,552,011 (2022: €3,403,294) and mainly consisted of depreciation and amortisation amounting to €2,662,649 (2022: €2,581,151) and employee benefit expenses (including director fees) amounting to €274,930 (2022: €280,732).

Finance costs amount to €740,464 (2022: €953,560), which mainly relates to the 5.9% annual interest on the bonds issued by the Company in July 2019 net of interest income. The decrease in finance costs compared to 2022 was attributed to the Company capitalizing on the rise in interest rates and earning interest on the €1.8 million loan to the parent company. By strategically investing its liquidity in short-term instruments, coupled with the interest earned on the loan to the parent company, the Company generated positive interest, thereby reducing the interest expenses incurred.

The Company reported a loss for the year totalling €2,999,178 (2022: loss of €2,935,235), factoring in amortization costs amounting to €2,606,212 (2022: €2,500,277).

Throughout 2023, the B2B segment faced persistent challenges stemming from ongoing regulatory changes and heightened competition. As a result, the Company remained constrained in identifying significant opportunities for advantageous investments in marketing initiatives to drive B2B sector growth. Consequently, it opted to temporarily suspend investment activities until more favourable prospects emerged within the B2B domain. Meanwhile, both the Group and the Company diligently explored strategic alternatives to reverse this trend, ensuring concerted efforts were directed toward revenue enhancement. To this end, management seized an opportunity early in the year to allocate investments toward repurchasing the former Brand business. This strategic move granted the Company immediate access to revenues derived from the newly acquired B2C assets, facilitated through its platform services. This action resulted in accelerated revenue growth while maintaining adequate liquidity for potential future investments. Simultaneously, Group management-initiated discussions for a strategic partnership aimed at merging with a larger group of companies, seeking to leverage synergies and drive growth within the B2C online gaming sector indirectly leading to further revenue growth for the Company, in the form of turnkey fees through the provision of its platform services to the various entities within the newly formed Group. This merger reached fruition in early January 2024.

Financial Position

The Company's financial position is set out in the statement of financial position on page 11.

At 31 December 2023, the Company's total asset base stood at €24,388,357 (2022: €28,875,839), of which €9,634,003 (2022: €14,971,484) comprised cash and cash equivalents.

The main asset of the Company comprised of the technology platform (the "Platform") which is stated at a net book value of €7,565,357 (2022: €9,386,194) following the amortization charge for the year amounting to €2,606,212 (2022: €2,500,277). During the year the Company invested €785,375 in the intangible asset.

Directors' report - continued

Financial Position - continued

A loan to the parent company, amounting to €1,800,000 (2022: Nil), refers to a loan extended by the Company to the parent company, Gameday Group plc. This loan was provided to enable Gameday Group plc to partially finance the repurchase of the Brand.

Trade and other receivables amounted to €5,152,156 (2022: €4,290,501) of which €4,866,117 (2022: €3,318,277) are related party receivables. Included in trade and other receivables at year-end is a balance receivable related to the disposal of the Brand in 2021 by Gameday Group plc, and the Group's acquisition of Prozone Limited in February 2023. This balance amounts to €3,763,160 (2022: €3,318,277), net of a loss allowance provision.

Following the payment of bond interest amounting to €870,964 (2022: €870,964), cash and cash equivalents amounted to €9,720,543 at year-end (2022: €15,108,696). The decrease in cash was due to cash outflows from investment activities amounting to €2,863,047 (2022: €1,001,403), operational cash outflows of €1,529,786 (2022: €802,438 inflows) and cash outflows from financing activities amounting to €995,320 (2022: €442,404).

The Company's main liabilities are €14,762,100 (2022: €14,762,100) bonds issued to the public in 2019, lease liability amounting to €187,481 (2022: €235,184), and trade and other payables amounting to €863,032 (2022: €2,428,320).

During the year, the Company's share capital remained constant at €20,580,000, which is in line with 2022. The current asset ratio stood at 16.15 at the end of 2023 (2022: 7:78), and hence, its liquidity position remains sufficient for the Company to continue to honour its liabilities for the foreseeable future.

Results and dividends

The financial results are set out in the statement of comprehensive income on page 12. During the year, the directors did not declare any dividend (2022: Nil).

Principal risks and uncertainties faced by the Company

Exposure to the Online Gambling Industry

The Company's main objective is to operate software and iGaming platforms and to provide related services to software and iGaming companies. The Company does not conduct any online gambling operations; however, it is dependent on the online gambling industry, which includes its primary client and the rest of its customers. The entire revenue stream of the Company is concentrated within the iGaming sector and is subject to this concentration risk and performance risk of this sector.

Changing laws and regulations

The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases, also subject to uncertainty and restrictions. Laws and gaming regulations are constantly being introduced in various European and other countries thus prohibiting or restricting operations therein. Future changes to laws and regulations could have a material adverse effect on the Group's business, financial condition, and the results of its operations. The Company expects further jurisdictions to regulate their gaming industry with the consequence of similar impacts on revenues.

Directors' report - continued

Intellectual property rights

The Group also faces the risk that the use and exploitation of its intellectual property rights, including rights relating to its software, may infringe the intellectual property rights of a third party. The expenses to be incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in licence damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any such intellectual property.

Establishing Revenue growth from diversified B2B activities

Before divesting the Brand, the Company heavily relied on Bethard Group Limited, a related entity, for a significant portion of its revenue. Upon selling the Brand and discontinuing this revenue source, the Company pivoted its focus towards acquiring new customers in order to develop its revenues to the levels existing prior to the sale and beyond, in order to consistently sustain its operational cost-base and generate profits.

As anticipated, achieving revenue targets from the Company's B2B activities proved to be arduous, necessitating further time to yield desired outcomes. Management remains vigilant in exploring strategic avenues to address delays in B2B business growth, ensuring concerted efforts are directed towards revenue enhancement. In 2023, seizing an opportunity, the Group reclaimed the Brand previously divested in 2021, albeit at a reduced price. This acquisition secured turnkey revenues for the Company through its platform services, partially mitigating revenue shortfalls in the short-to-medium term. Additionally, it fortified the Group's strategic position and expanded the potential for overall revenue growth.

Throughout 2023, management led strategic discussions culminating in a strategic partnership in early 2024, aiming to merge the Group entities with a larger overseas group of companies, seeking to leverage synergies and drive growth within the B2C online gaming sector consequently driving further revenue expansion for the Company.

In addition to the above, the directors also consider the following risks as being relevant to the Company:

- Global economic uncertainties consequent to the ongoing armed conflict between Russia and Ukraine, Israel and Palestine and the rising inflation across the globe;
- Consolidation of Gambling regulation across Europe and beyond,
- Compliance and regulatory risk, being the risk relating to regulation that could result in restrictions in its customers' operations and risks associated with unregulated markets;
- Credit risk, being the risk, that customers do not pay for the services rendered;
- Impairment risk of intangible assets, being the risk that long-term assets such as intangibles are particularly at risk of impairment due to the fact that the carrying value may be impacted by several unwarranted events and economic circumstances,
- Technological and systems development; and
- Dependence on key individuals having technical expertise of iGaming software development and its associated technology.

The aforementioned risks are not an exhaustive list of potential risks and uncertainties faced by the Company. If any of the risks occur, the Company's business operations, financial condition, and operating results may be adversely impacted.

Directors' report - continued

Going concern assessment

A baseline scenario of profitability and liquidity projections for the period 2024 to 2025 has been reset adopting a prudent approach with conservative assumptions which take into consideration the need to constantly build up new revenues. The revised projections by management for 2024 and beyond, take into consideration the reacquisition of the Brand B2C assets that occurred in Q1 2023, and revenues generated therefrom, in addition to the Group merger with Cherry with Friends AB and the revenues generated by the Company from the platform services to be provided to new group entities, anticipating that B2B revenues will remain constant at the same levels of Q4 2023.

Management's prudent base case scenario foresees a maintenance of the status quo in the white label business, coupled with a ramp-up in turnkey business activities. Additionally, increased revenues are expected from providing turnkey platform services to various B2C subsidiaries within the new merged Group. Projections suggest that 2024 revenue will surpass the Company's operating cost base, with management anticipating a positive EBITDA for the year. However, cash flows are projected to decrease over the forecast period due to anticipated intra-group loans extended to the new ultimate parent company for refinancing existing debt and investments in B2C ventures. Nonetheless, the projections indicate sufficient liquidity for the foreseeable future.

Thus, both Management and the Board express confidence in the Company's ability to fulfil its obligations for the next twelve months. Consequently, they align with the going concern assumptions employed in the preparation of these financial statements. Additionally, please refer to Note 1.1 for further details pertaining to these financial statements.

Events after the reporting period and future developments

In the course of 2023, the Group embarked on strategic discussions to merge with a prominent Swedish Group of companies, Cherry with Friends AB, specializing in land-based gaming activities across various venues in Sweden. This merger was successfully completed on 12 January 2024. Through the incorporation of different licensed subsidiaries within the new Group, the Company will be generating new revenues by providing turnkey solutions to facilitate operations across these entities.

On 13 March 2024, the Company provided a loan of €5,000,000 to Cherry with Friends AB to refinance existing debt and mainly to proceed with immediate investments in B2C ventures. The loan is secured with a fixed interest rate of 6% per annum, maturing on 30 April 2026.

The Company anticipates increased activity from the turnkey platform services to its B2C subsidiaries within the newly merged group, alongside maintaining the status quo in the white label business, and possibly enhancing turnkey activities.

Directors

The directors of the Company who held office during the year were:

Mr. Erik Johan Sebastian Skarp
Mr. Benjamin Delsinger – resigned on 25 May 2023
Mr. Frank Michael Heinanen – appointed on 1 June 2023
Mr. Edward Licari
Mr. Kari Pisani
Mr. Michael Warrington
Mr. David Bonnet – resigned on 5 February 2024
Mr. Andrew Zarb Mizzi – appointed on 5 February 2024
Mr. Jonas Amnesten – appointed on 5 February 2024

Mr. Edward Licari also held the office of Company Secretary during the year.

Directors' report - continued

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Statement of directors' responsibilities for the financial statements

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

In preparing the financial statements, the directors are responsible for:

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

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

The financial statements of the Company for the year ended 31 December 2023 are included in the Annual Report 2023, which is made available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

RSM Malta were re-appointed as auditors of the Company in 2023.

Directors' report - continued

Disclosure in terms of the Capital Markets Rules

Going concern statement pursuant to Capital Markets Rule 5.62

The Company's revenues will still be driven by the gambling activity of online users of its customers' websites and there still remains a risk that the prolongation of the prevailing unfavourable economic conditions due to the introduction of new laws and regulations in a number of unregulated jurisdictions and the prevailing Global economic uncertainties post the Ukraine and Russia armed conflict and the Israel and Palestine war could suppress overall activity.

As part of the going concern assessment, management has diligently re-evaluated the 2023 performance and the performance forecast for 2024 and beyond. This evaluation encompasses various factors, including the reacquisition of the Brand and the anticipated revenue increase, the expected slow-down in B2B activities, and the strategic merger of the Group, with its consequent potential for the Company's revenue expansion. Despite challenges posed by the introduction of new laws and regulations in unregulated jurisdictions, as well as prevailing global economic uncertainties stemming from ongoing armed conflicts and wars across the globe, the Company remains confident in its outlook. The prudent base case scenario foresees no growth in the white label business, coupled with a ramp-up in turnkey business activities resulting from expected turnkey platform services provided to various B2C subsidiaries within the new merged Group leading to increased revenues. Projections indicate positive EBITDA for the year 2024. However, cash flows are projected to decrease over the forecast period due to anticipated intra-group loans extended to the new parent company for refinancing existing debt and investments in B2C ventures indirectly leading to higher revenues for the Company. Nonetheless, the projections indicate sufficient liquidity for the foreseeable future.

Accordingly, Management and the Board nevertheless remain confident that the Company shall meet its commitments within the next 12 months and consequently, shall continue operating as a going concern.

Pursuant to Capital Markets Rule 5.68

Statement by the directors on the financial statements and other information included in the annual report

The directors declare that to the best of their knowledge, the financial statements included in the Annual Report are prepared in accordance with the requirements of International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit of the Company and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Pursuant to Capital Markets Rule 5.70

Statement by the directors on any material contracts entered into during the period under review

On 14 February 2023, the Company provided a loan of €1,800,000 to Gameday Group plc to part finance the reacquisition of its previously sold B2C business through the acquisition of Prozone Limited. The loan has a fixed rate of interest of 6.25% per annum, which interest is repayable on the 10th of June of each year, with the maturity of the loan being 10 June 2026.

Signed on behalf of the Company's Board of Directors on 26 April 2024 by Mr. Erik Johan Sebastian Skarp (Director and Chairman of the Board) and Mr. Michael Warrington (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements.

Corporate Governance - Statement of Compliance

The Capital Markets Rules issued by the Malta Financial Services Authority require listed companies to observe The Code of Principles of Good Corporate Governance (the "**Code**"). Although the adoption of the Code is not obligatory, companies with securities that are listed on a 'regulated market' (and are subject to the Capital Markets Rules) are required to include, among other things, in their Annual Report, a corporate governance statement and a statement by the directors on the Company's compliance with the Code of Principles of Good Corporate Governance, accompanied by a report of the auditors thereon. Companies that do not have any listed equity securities, including Together Gaming Solutions p.l.c. (the "**Company**"), are exempt from certain requirements relating to the contents of this corporate governance statement.

Compliance

The Company's Board of Directors (the "**Board**") believe in the principles espoused by and the adoption of the Code and the Company has endorsed them to the extent that they are considered complementary to the size, nature, and operations of the Company. In particular, the Board believes that, due to the Company's size, operations and particular circumstances, it is not necessary for the Board to establish the remuneration, nomination and board performance evaluation committees (and the related supporting principles and Code Provisions) that are suggested in the Code, and that the function of these can efficiently be undertaken by the Board itself. However, the Board in any case undertakes, on an annual basis, a review of the remuneration paid to the directors and carries out an evaluation of their performance. The shareholders approve the remuneration paid to the directors at the annual general meeting.

The Board

The Board is responsible for devising a strategy, setting policies and the management of the Company. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company. The Board is also responsible for decisions relating to the redemption of the bond, and for monitoring that its operations are in conformity with all relevant rules and regulations.

Directors meet regularly, mainly to review the operational and financial performance of the Company, any significant matters arising, and to review internal control processes. The Board met formally, remotely seventeen times during the year under review. Seven out of these meetings were attended by the full Board. Board members are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting documents, which are circulated in advance of the meeting. All the directors have access to independent professional advice at the Company's expense should they so require and frequently make use of this facility on various issues.

Throughout the year under review, the Board has regularly reviewed management performance. The Company has in place systems whereby the directors obtain timely information from the Managing Director and other members of the executive management team, not only at meetings of the Board but at regular intervals or when the need arises.

The Board is composed of three executive, and three independent non-executive directors, as listed below:

Mr. Frank Michael Heinanen (Managing Director)
Mr. Erik Johan Sebastian Skarp (Chairman and Executive Director)
Mr. Edward Licari (Executive Director)
Mr. Michael Warrington (Independent Non-Executive Director)
Mr. David Bonnet (Independent Non-Executive Director) (resigned on on 5 February 2024)
Mr. Andrew Zarb Mizzi (Independent Non-Executive Director) (appointed on 5 February 2024)
Mr. Kari Pisani (Independent Non-Executive Director)
Mr Jonas Amnesten (Executive Director) (appointed on 5 February 2024)

The Company Secretary of the Company is Edward Licari.

Corporate Governance - Statement of Compliance - continued

The Board - continued

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Internal controls & risk management in relation to financial reporting

The Board is generally responsible for the Company's system of internal controls and risk management system in relation to the financial reporting and for reviewing its effectiveness. The monitoring of these controls and systems has been delegated to the Audit Committee (as described below). Such a system is designed to achieve business objectives while managing, rather than eliminating, the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses or fraud.

Authority to manage the Company is delegated to the Managing Director and the rest of the executive management within the limits set by the Board. Systems and procedures are in place for the Company to control, report, monitor and assess risks and their financial implications, and to take timely corrective actions where necessary. The Group's finance department carries out the monthly bank, creditors and debtor reconciliations, performs monthly debtor settlement reports, manages employee payroll, manages and administers the accounting and finance functions, prepares monthly management accounts and other data reporting and trend analysis. A policy was put in place during the initial Board meetings held by the Board that lays down the minimum required reports that should be made available to the Board in order to keep it informed in a structured and systematic manner on the operational and financial performance of the Company. Regular financial budgets and strategic plans are prepared, and performance against these plans is actively monitored and reported to the directors on a regular basis.

The Board and Audit Committee are satisfied with the effectiveness of the Company's system of internal controls.

Audit Committee

The Board established an Audit Committee (the "Committee") in 2019 to assist the Board in fulfilling its supervisory and monitoring responsibilities. The Committee operates according to detailed terms of reference established by the Board that reflect the requirements of the Capital Markets Rules as well as current good corporate governance best practices. These terms of reference establish its composition, role, responsibilities and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Committee, which meets at least five times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

The primary purpose of the Committee is to assist the directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. Among other responsibilities, the Committee is responsible for monitoring the financial reporting process and monitoring of the effectiveness of the Company's internal quality control and risk management system in relation to the financial reporting of the Company.

The Audit Committee is composed entirely of independent non-executive directors (each of which satisfies the independence criteria set out in the Capital Markets Rules). In accordance with the Capital Markets Rules, the members of the Audit Committee who were designated as competent in auditing and/or accounting were Mr. David Bonnet (resigned on 31 January 2024) and Mr. Michael Warrington. Unless otherwise decided by the Board from time to time, the Board shall appoint a new Audit Committee Chairman for each financial year. The board decided to retain Mr. Michael Warrington as Audit Committee Chairman during 2023.

Corporate Governance - Statement of Compliance - continued

Audit Committee - continued

The Members of the Audit Committee are:

Mr. Michael Warrington (Chairman) - Appointed as Chairman on 1 May 2021
Mr. David Bonnet (Member) - Resigned on 5 February 2024
Mr. Andrew Zarb Mizzi (Member) - Appointed on 5 February 2024
Mr. Kari Pisani (Member)

Relations with bondholders and the market

The Company publishes interim and annual financial statements, and when required, company announcements. The Board feels these provide the market with adequate information about its activities.

Conflicts of Interest

On joining the Board and regularly thereafter, directors and officers of the Company are informed and reminded of their obligations on dealing in securities of the Company within the parameters of law and Capital Markets Rules. The Company has also set reporting procedures in line with the Capital Markets Rules, Code of Principles, and internal code of dealing.

Signed on behalf of the Company's Board of Directors on 26 April 2024 by Mr. Michael Warrington (Director, Chairman of the Audit Committee) and Mr. Erik Johan Sebastian Skarp (Director and Chairman of the Board) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements.

Statement of financial position

	Notes	Year ended 31 December 2023 €	2022 €
ASSETS			
Non-current assets			
Intangible assets	4	**7,565,357**	9,386,194
Right-of-use assets	5	**169,587**	223,140
Property, plant and equipment	6	**1,636**	4,520
Loan receivable	7	**1,800,000**	-
Deferred tax asset	18	**65,618**	-
Total non-current assets		**9,602,198**	9,613,854
Current assets			
Trade and other receivables	8	**5,152,156**	4,290,501
Cash and cash equivalents	9	**9,634,003**	14,971,484
Total current assets		**14,786,159**	19,261,985
Total assets		**24,388,357**	28,875,839
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	**20,580,000**	20,580,000
Accumulated losses		**(12,025,309)**	(9,026,131)
Total equity		**8,554,691**	11,553,869
Non-current liabilities			
Borrowings	11	**14,723,798**	14,658,466
Lease liabilities	5	**135,071**	187,481
Deferred tax liability	18	**59,355**	-
Total non-current liabilities		**14,918,224**	14,845,947
Current liabilities			
Trade and other payables	12	**863,032**	2,428,320
Lease liabilities	5	**52,410**	47,703
Total current liabilities		**915,442**	2,476,023
Total liabilities		**15,833,666**	17,321,970
Total equity and liabilities		**24,388,357**	28,875,839

The notes on pages 15 - 38 are an integral part of these financial statements.

The financial statements on pages 11 to 38 were approved and authorised for issue by the Board of Directors on 26 April 2024. The financial statements were signed on behalf of the Company's Board of Directors by Mr. Erik Johan Sebastian Skarp (Director and Chairman of the Board) and Mr. Michael Warrington (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements.

Statement of comprehensive income

	Notes	Year ended 31 December 2023 €	2022 €
Revenue	13	**1,839,098**	2,052,769
Cost of sales	15	**(996,348)**	(745,275)
Gross profit		**842,750**	1,307,494
Administrative expenses	15	**(3,552,011)**	(3,403,294)
Net impairment recovery/(losses) on financial and contract assets	2.1b	**41,897**	(253,964)
Operating loss		**(2,667,364)**	(2,349,764)
Other income	14	**402,387**	368,346
Loss on settlement and cancellation of bonds		**-**	(257)
Finance costs	17	**(740,464)**	(953,560)
Loss before tax		**(3,005,441)**	(2,935,235)
Income tax credit/(expense)	18	**6,263**	-
Loss for the year - Total comprehensive loss		**(2,999,178)**	(2,935,235)

The notes on pages 15 - 38 are an integral part of these financial statements.

Statement of changes in equity

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2022	20,580,000	(6,090,896)	14,489,104
Comprehensive loss			
Loss for the year	-	(2,935,235)	(2,935,235)
Total comprehensive loss	-	(2,935,235)	(2,935,235)
Balance at 31 December 2022	20,580,000	(9,026,131)	11,553,869
Balance at 1 January 2023	**20,580,000**	**(9,026,131)**	**11,553,869**
Comprehensive loss			
Loss for the year	**-**	**(2,999,178)**	**(2,999,178)**
Total comprehensive loss	**-**	**(2,999,178)**	**(2,999,178)**
Balance at 31 December 2023	**20,580,000**	**(12,025,309)**	**8,554,691**

The notes on pages 15 - 38 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December 2023 €	2022 €
Cash flows from operating activities			
Loss before tax		**(3,005,441)**	(2,935,235)
Adjustments for:			
Depreciation and amortisation	4,5,6	**2,662,649**	2,581,151
Finance costs	17	**740,464**	953,560
Related party waiver	14	**(402,387)**	-
Net impairment losses on financial and contract assets	2.1b	**(41,897)**	253,964
Gain on derecognition of lease		**-**	(8,850)
Loss on settlement and cancellation of bonds	11	**-**	257
		(46,612)	844,847
Change in operating assets and liabilities:			
Movement in trade and other receivables		**(796,480)**	110,260
Movement in trade and other payables		**(686,694)**	(152,669)
Net cash (used in)/generated from operating activities		**(1,529,786)**	802,438
Cash flows from investing activities			
Payments for the acquisition of intangible assets	4	**(785,375)**	(1,001,403)
Loan to parent company	7	**(1,800,000)**	-
Movement in related party balances	8	**(470,030)**	
Interest income on loan to parent company	17	**96,563**	-
Interest income from treasury bills	17	**95,795**	-
Net cash used in investing activities		**(2,863,047)**	(1,001,403)
Cash flows from financing activities			
Principal elements of lease payments	5	**(60,000)**	(81,000)
Bond interest payments	17	**(870,964)**	(870,964)
Movement in related party balances	9	**(64,356)**	437,734
Movement in shareholder balances		**-**	71,826
Net cash used in financing activities		**(995,320)**	(442,404)
Net movement in cash and cash equivalents		**(5,388,153)**	(641,369)
Cash and cash equivalents at beginning of year		**14,971,484**	15,605,189
Loss allowance movement on cash and cash equivalents		**50,672**	7,664
Cash and cash equivalents at end of year	9	**9,634,003**	14,971,484

Non-cash investing and financing activities are disclosed in Note 9.

The notes on pages 15 - 38 are an integral part of these financial statements.

Notes to the financial statements

1. Material accounting policy information

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

In addition, the Company adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* on 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Management reviewed the accounting policies and updated the information disclosed in Note 1 in certain instances in accordance with the amendments.

1.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS Accounting Standards as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the Company's accounting policies (see Note 3 – Critical accounting estimates and judgments).

Going concern

The Company's revenues are driven by the gambling activity of online users of its customer's websites and there still remains a risk that the prolongation of the prevailing unfavourable economic conditions due to the introduction of new laws and regulations in a number of unregulated jurisdictions and the prevailing Global economic uncertainties post the Ukraine and Russia armed conflict and the Israel and Palestine war could suppress overall activity.

As part of the going concern assessment, management has diligently re-evaluated the 2023 performance and the performance forecast for 2024 and beyond. This evaluation encompasses various factors, including the reacquisition of the Brand by the Group and the anticipated revenue increase, the expected slow-down in B2B activities, and the strategic merger of the Group, with its consequent potential for the Company's revenue expansion. Despite challenges posed by the introduction of new laws and regulations in unregulated jurisdictions, as well as prevailing global economic uncertainties stemming from ongoing armed conflicts and wars across the globe, the Company remains confident in its outlook. The prudent base case scenario foresees no growth in the white label business, coupled with a ramp-up in turnkey business activities resulting from expected turnkey platform services provided to various B2C subsidiaries within the new merged Group leading to increased revenues. Projections indicate positive EBITDA for the year 2024. However, cash flows are projected to decrease over the forecast period due to anticipated intra-group loans extended to the new parent company for refinancing existing debt and investments in B2C ventures indirectly leading to higher revenues for the Company. Nonetheless, the projections indicate sufficient liquidity for the foreseeable future.

Accordingly, management and the Board remain confident that the Company shall meet its commitments within the next 12 months and consequently, shall continue operating as a going concern.

1. Material accounting policy information - continued

1.1 Basis of preparation - continued

Standards, amendments and interpretations to published standards effective in 2023

In 2023, the Company has adopted amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The term 'significant' was replaced with 'material' in the context of disclosing accounting policy information. In assessing the materiality of the accounting policy information, the Company considers the size of transactions, other events or conditions and their nature.

Amendments to IAS 12 – Deferred tax related to Assets and Liabilities arising from a Single Transaction

Prior to the amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and liability, for example, leases. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The Company now discloses the deferred tax on lease liabilities and right-of-use assets separately arising from the application of IFRS 16.

The Company adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee and endorsed by the EU that are mandatory for the current reporting period. The adoption of these amendments to the requirements of IFRS Accounting Standards as adopted by the EU did not result in substantial changes to the Company's accounting policies impacting the Company's financial performance and position.

Standards, amendments and interpretations to published standards that are not yet effective

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions. The Board of Directors considers the Company to consist of one single segment (2022: one segment), both from a business perspective and a geographical perspective in line with IFRS 8.

1. Material accounting policy information - continued

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Euro is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the statement of comprehensive income on a net basis.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

1.4 Intangible assets

(a) Recognition, measurement and de-recognition

The Company's intangibles is analysed based on its platform (computer software).

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Costs associated with maintaining the platform are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the platform include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

1. Material accounting policy information - continued

1.4 Intangible assets - continued

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

(b) Amortisation of intangible assets

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The estimated useful lives of intangible assets are as follows:

	Useful life
Platform (Computer software)	7 years

The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable.

If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.5 Financial Instruments

1.5.1 Recognition and de-recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expire.

1.5.2 Financial assets

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

The Company's financial assets are mainly financial assets at amortised cost.

1. Material accounting policy information - continued

1.5 Financial Instruments - continued

1.5.2 Financial Assets - continued

Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows (“hold to collect”) and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, financial assets at amortised cost are recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method less impairment losses, if any. Gain or losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of a financial asset at amortised cost, it is recognised as an expense in the period in which the diminution is identified.

The Company’s financial assets under this classification include loan to parent company, cash and cash equivalents, and trade and other receivables (excluding indirect taxation and prepayments).

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost. Equity instruments are not subject to impairment assessment.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2.1b for further details). For cash and cash equivalents, the Company considers expected credit losses to be low since the credit risk rating of the financial institution it banks with is equivalent to the globally understood definition of ‘investment grade’. The Company considers investment grade to be Baa3 or higher per Moody’s or BBB- or higher per Standard & Poor’s or Fitch.

The ECLs are accounted as impairment loss on financial assets and are presented as a separate line item in the statement of comprehensive income.

1. Material accounting policy information - continued

1.5 Financial Instruments - continued

1.5.3 Financial Liabilities

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.

The Company's financial liabilities are mainly financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction cost and are subsequently measured at amortised cost using the effective interest method. All interest-related charges under the interest amortisation process are recognised in profit or loss.

The Company derecognises as a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

Financial liabilities under this category include borrowings, lease liabilities and trade and other payables.

1.6 Share capital

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

1.7 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.8 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1. Material accounting policy information - continued

1.8 Current and deferred tax - continued

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described further below.

Revenue from white label services

In contracting with white label customers (operators that are rebranded under another name), the Company is using its B2B licence and combining this with Prozone Limited's B2C licence in offering the white label service to the third party. Revenue earned by the Company from white label services is stated net of direct related costs.

The consideration for such services generally also includes an initial setup fee. In accordance with IFRS 15, the set-up is not seen as a distinct performance obligation as the customer cannot benefit from the set-up itself but from the agreement as a whole. Accordingly, the set-up fee is being deferred over the period of the agreement.

Revenue from turnkey services

In contracting with own license operators (operators that own their own licences) in offering them the use of the Platform, the Company generates revenue by entering into a revenue share or a fixed arrangement where such revenue is apportioned on an accrual basis over the whole term of the contract.

1. Material accounting policy information - continued

1.10 Leases

1.10.1 Company's leasing activities and how these are accounted for

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

2. Financial risk management

2.1 Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding financial years. The Board of Directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity.

2. Financial risk management - continued

2.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Company's functional currency. The Company has no significant currency risk since substantially all assets and liabilities are denominated in Euro.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from fluctuations in the prevailing levels of market interest rates on the fair values of financial assets and liabilities and future cash flows.

As at the reporting date, the Company has fixed-rate interest-bearing loans and debt (Note 11). Accordingly, its revenue and operating cash flows are substantially independent of changes in market interest rates. In this respect, the Company is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are, however, measured at amortised cost.

As at the reporting date, the Company has an existing loan to its parent company, Gameday Group plc, and investment in treasury bills. The Company's existing loan to its parent company with fixed interest rate exposes the Company to fair value interest rate risk. The Company's existing investment in treasury bills exposes the Company to interest rate risk since its revenue and operating cash flows are dependent of changes in market interest rates.

The Company's exposure to changes in interest rates on bank accounts held with financial institutions was limited and the directors consider any defined shift in interest rates to have an immaterial effect on the Company and its operations.

(b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk at the end of the reporting period is analysed as follows:

	2023	2022
	€	€
Loan receivable (Note 7)	**1,800,000**	-
Trade receivables (Note 8)	**232,653**	1,053,870
Amounts due from related parties (Note 8)	**5,190,718**	3,544,221
Cash at bank (Note 9)	**672,593**	15,108,696
Treasury bills (Note 9)	**9,047,950**	-
Maximum exposure to credit risk	**16,943,914**	19,706,787

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets

The Company has three types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- debt investments carried at amortised cost; and
- cash and cash equivalents

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. On that basis, the loss allowance as at 31 December 2023 for trade receivables was determined to be €232,653 (2022: €322,536).

The loss allowance for trade receivables as at 31 December 2023 and 2022 reconcile to the opening loss allowances as follows:

	2023	2022
	€	€
Opening loss allowance as at 1 January	**322,536**	53,533
(Decrease)/increase in loss allowance on trade receivables	**(89,883)**	269,015
Receivables written off during the year as uncollectible	**-**	(12)
Closing loss allowance at 31 December (Note 8)	**232,653**	322,536

Amounts due from related parties carried at amortised cost

The Company's debt investments carried at amortised cost primarily relate to amounts due from its parent company, Gameday Group plc (Notes 7 and 8), and fellow subsidiary, Prozone Limited (Note 8). The Company measures credit risk and expected credit losses on the amount due from its parent company using probability of default, exposure at default, and loss given default. The directors consider historical analysis and forward-looking information to determine any expected credit loss. The resulting impairment allowance to the Company's loan receivable from it's parent company is insignificant to the Company's financial position and results.

At 31 December 2023, the directors consider that related party balances are held with counterparties with an average rating based on the Company's internal rating scale. The directors consider that there may exist a probability of default taking into account the financial standing of the relevant counterparties and their ability to meet their contractual obligations.

	2023	2022
	€	€
Opening loss allowance as at 1 January	**225,944**	233,331
Increase/(decrease) in loss allowance on related party receivables	**98,657**	(7,387)
Closing loss allowance at 31 December (Note 8)	**324,601**	225,944

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Debt investments carried at amortised cost - continued

Net impairment recovery/(loss) on financial and contract assets recognised in profit or loss

During the year, the following recovery/(loss) was recognised in profit or loss in relation to impaired financial assets:

	2023	2022
	€	€
Increase in loss allowance recognised in profit or loss during the year	**89,882**	(269,003)
Receivables written off during the year as uncollectible	**-**	(12)
Recovery on other financial assets	**(47,985)**	15,051
Recovery/(impairment) on financial and contract assets	**41,897**	(253,964)

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which principally comprise interest-bearing borrowings and trade and other payables (Notes 11 and 12). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows.

	On Demand	**Due within one year**	**Between 1 and 2 Years**	**Between 2 and 7 Years**	**Total**
31 December 2023	**€**	**€**	**€**	**€**	**€**
Borrowings (Note 11)	**-**	**870,964**	**1,741,928**	**14,762,100**	**17,374,992**
Trade and other payables (Note 12)	**863,032**	**-**	**-**	**-**	**863,032**
Lease liabilities (Note 5)	**-**	**52,410**	**101,303**	**33,768**	**187,481**
Total	**863,032**	**923,374**	**1,843,231**	**14,795,868**	**18,425,505**
31 December 2022					
Borrowings (Note 11)	-	883,060	1,766,120	14,762,100	17,411,280
Trade and other payables (Note 12)	2,428,320	-	-	-	2,428,320
Lease liabilities (Note 5)	-	47,703	52,410	135,071	235,184
Total	2,428,320	930,763	1,818,530	14,897,171	20,074,784

The Company continues to assess its funding requirements to ensure that adequate funds are in place to meet its financial liabilities when they fall due.

2. Financial risk management - continued

2.2 Fair value estimation

At 31 December 2023 and 2022, the Company does not have financial instruments carried at fair value.

The carrying amounts of the Company's cash and cash equivalents, trade and other receivables (excluding indirect taxation and prepayments), and trade and other payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

Fair value estimation of the Company's borrowings is disclosed in Note 11.

Comparison of the Company's loan receivable and lease liabiltities are as follows:

	2023		2022	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
31 December 2023	**€**	**€**	**€**	**€**
Loan receivable	**1,800,000**	**1,800,000**	-	-
Future interest on loan receivable	**225,000**	**225,000**	-	-
Lease liabilities	**187,481**	**196,888**	**235,481**	**256,888**

2.3 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;
- to maintain an optimal capital structure to reduce the cost of capital; and
- to comply with requirements of the Prospectus issued in relation to the 5.9% 2024-2026 Bonds (Note 11).

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets. The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

3. Critical accounting judgments, estimates and assumptions

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree that would warrant their description as critical in terms of the requirements of IAS 1 except for impairment of intangible assets with an indefinite useful life. For further details about intangibles assigned a definite useful life, refer to Note 4.

4. Intangible assets

	Platform **€**
Year ended 31 December 2022	
Opening net book amount	10,885,068
Additions	1,001,403
Amortisation charge	(2,500,277)
Closing net book amount	9,386,194
As at 31 December 2022	
Cost	17,944,628
Accumulated amortisation	(8,558,434)
Closing net book amount	9,386,194
Year ended 31 December 2023	
Opening net book amount	**9,386,194**
Additions	**785,375**
Amortisation charge	**(2,606,212)**
Closing net book amount	**7,565,357**
As at 31 December 2023	
Cost	**18,730,003**
Accumulated amortisation	**(11,164,646)**
Closing net book amount	**7,565,357**

Additions to the platform of €785,375 represent capitalised costs based on external invoices received from third parties.

For impairment testing, the Company conducts a thorough assessment of the intangible asset, employing a comprehensive approach to evaluate its ongoing value and viability. This assessment includes an in-depth analysis of relevant market conditions, encompassing factors such as competitive dynamics and industry trends.

4. Intangible assets - continued

The platform is used by the Company's Group B2C arm and serves as a turnkey and white label platform provider, indicating its continued relevance and viability within the gaming industry. The Company consistently invests in the development and enhancement of the platform to ensure it remains aligned with evolving industry requirements and technological advancements. This ongoing investment demonstrates the Company's commitment to maintaining the platform's competitiveness and value proposition within the gaming industry.

Having considered the constant development of the Company's platform, the Company's plans, and the fact that the platform has been assigned a definite useful life and is being accordingly amortised, management considers that the platform did not demonstrate any impairment triggers.

5. Leases

The Company entered into an office lease agreement on 1 March 2022 for a period of 5 years, ending 31 March 2027.

The table below shows the right-of-use assets as at 31 December 2023:

	Rights-of-use assets - premises
Cost	
Opening balance	397,893
Additions	267,768
Disposals	(397,893)
Balance at 31 December 2022	267,768
Opening balance	**267,768**
Balance at 31 December 2023	**267,768**
Accumulated amortisation	
Opening balance	132,631
Disposals	(165,789)
Amortisation	77,786
Balance at 31 December 2022	44,628
Accumulated amortisation	
Opening balance	**44,628**
Amortisation	**53,553**
Balance at 31 December 2023	**98,181**
Carrying amount	
As at 31 December 2022	223,140
As at 31 December 2023	**169,587**

5. Leases - continued

	2023	2022
	€	€
Lease liabilities:		
Current	**52,410**	47,703
Non-current	**135,071**	187,481
	187,481	235,184

Movements in lease liabilities during the year are as follows:

	2023	2022
	€	€
At 1 January	**235,184**	32,355
Additions	**-**	267,768
Interest expense	**12,297**	16,061
Lease payments	**(60,000)**	(81,000)
	187,481	235,184

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

	2023	2022
	€	€
Depreciation charge of right-of-use assets		
Premises	**53,553**	77,786
Interest expense (included in net finance expense, see Note 17)	**12,297**	16,061

The cash outflow relating to the principal element of lease payments amounted to €60,000 (2022: €81,s).

6. Property, plant and equipment

	Total	**Office Equipment**	**Furniture & Fittings**
	€	**€**	**€**
Year ended 31 December 2022			
Opening netbook amount	7,608	5,606	2,002
Depreciation charge	(3,088)	(2,838)	(250)
Closing netbook amount	4,520	2,768	1,752
As at 31 December 2022			
Cost	13,857	11,353	2,504
Accumulated depreciation	(9,337)	(8,585)	(752)
Closing netbook amount	4,520	2,768	1,752

6. Property, plant and equipment - continued

	Total	Office Equipment	Furniture & Fittings
Year ended 31 December 2023			
Opening netbook amount	**4,520**	**2,768**	**1,752**
Depreciation charge	**(2,884)**	**(2,633)**	**(251)**
Closing netbook amount	**1,636**	**135**	**1,501**
As at 31 December 2023			
Cost	**13,857**	**11,353**	**2,504**
Accumulated depreciation	**(12,221)**	**(11,218)**	**(1,003)**
Closing net book amount	**1,636**	**135**	**1,501**

7. Loan receivable

	2023 **€**	2022 €
Loan to parent company	**1,800,000**	-

The loan to the parent company has an interest rate of 6.25% and matures on 10 June 2026.

8. Trade and other receivables

	2023 **€**	2022 €
Trade receivables from contracts with customers	**232,653**	1,053,870
Less: Loss allowance on trade receivables	**(232,653)**	(322,536)
Trade receivables, net of loss allowance	**-**	731,334
Amounts due from related parties, net of loss allowance (Note 2.1b and Note 19)	**4,866,117**	3,318,277
Indirect taxation	**169,014**	163,980
Prepayments and accrued income	**117,025**	76,910
	5,152,156	4,290,501

Amounts due from related parties as at 31 December 2023 are net of a loss allowance of €324,601 (2022: €225,944). These amounts are unsecured, interest-free, and repayable on demand.

9. Cash and cash equivalents

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

	2023	2022
	€	€
Cash at bank and in hand	**672,593**	15,108,696
Treasury bills	**9,047,950**	-
Less: expected credit losses	**(86,540)**	(137,212)
	9,634,003	14,971,484

An amount of €9,047,950 (2022: nil) was held in Treasury Bills maturing in March 2024, yielding an interest rate of 3.44% and 3.33%.

Net debt reconciliation

The following is an analysis of net debt and the movements in net debt for each of the periods presented:

	2023	2022
	€	€
Borrowings (including bond issue costs) (Note 11)	**(14,723,798)**	(14,658,466)
Lease liabilities (Note 5)	**(169,587)**	(235,184)
Cash and cash equivalents	**9,634,003**	14,971,484
Net debt	**(5,259,382)**	77,834

As disclosed in Note 11, borrowings are subject to a fixed rate of interest and non-cash movements relate to the amortisation of bond issuance costs and the accrual of bond interest costs.

As disclosed in Note 2.1.b, in 2022, the borrowings principal balance was reduced by €5,237,900, leaving a borrowings outstanding principal balance of €14,762,100.

Reconciliation of movements of liabilities to cash flows arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those which cash flows were, or future cash flows will be, classified in the Company's statements of cash flow as cash flows from financing activities.

	Note	**Balance at 1 January 2023**	**Cash flows from financing activities**	**Non-cash flows from financing activities**	**Balance at 31 December 2023**
		€	€	€	€
Lease liabilities	5	235,184	(60,000)	12,297	**187,481**
Borrowings	11	14,658,466	-	65,332	**14,723,798**
Accrued interest on bonds	12	390,105	(870,964)	872,067	**391,208**
Amount owed to related parties	12	878,595	(64,356)	(814,239)	**-**
		16,162,350	(995,320)	135,457	**15,302,487**

10. Share capital

	2023	2022
	€	€
Authorised		
30,000,000 (2022: 30,000,000) ordinary shares of €1 each	**30,000,000**	30,000,000
Issued and fully paid		
20,580,000 (2022: 20,580,000) ordinary shares of €1 each	**20,580,000**	20,580,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

11. Borrowings

	2023	2022
	€	€
Non-current		
5.9% 2024-2026 Bonds	**14,723,798**	14,658,466

	2023	2022
	€	€
Principal bonds outstanding	**14,814,736**	20,000,000
Gross amount of bond issue costs	**(403,061)**	(403,061)
Bond settlement and release of bond issue cost	**-**	(5,185,264)
Amortisation of bond issue costs to 31 December	**312,123**	246,791
Amortised cost and closing carrying amount	**14,723,798**	14,658,466

Interest on the 5.9% 2024-2026 Bonds is payable annually in arrears, on 22 July of each year. As at 31 December 2023, the Bonds were trading slightly below par at €99, with the most recent trading price of €100.50 as at 15 April 2024.

In the comparative period, the parent company acquired outstanding bonds from a related party and used these bonds to offset a receivable due to the Company. The settlement of the €5,185,521 receivable due to the Company resulted in a net loss of €257.

Accrued interest as at 31 December 2023 amounted to €391,208 (2022: €390,105) as disclosed in Note 12.

12. Trade and other payables

	2023	2022
	€	€
Trade and other payables	**359,975**	903,980
Amount owed to related parties (Note 19)	**-**	878,595
Accruals and deferred income	**111,849**	255,640
Accrued interest on bonds (Note 11)	**391,208**	390,105
	863,032	2,428,320

Amounts owed to related parties are interest-free, unsecured, and repayable on demand.

13. Revenue

	2023	2022
	€	€
Income generated from related parties	**1,839,098**	2,010,269
Income generated from third parties	**-**	42,500
	1,839,098	2,052,769

The Company generates revenues in the form of turnkey and platform fees charged to licensed operators. Additionally, it generates revenue from white label services offered to white label customers. The Company's revenue in 2023 and 2022 is analysed as follows:

	2023	2022
	€	€
White label services	**674,204**	1,524,879
Turnkey fees	**1,164,894**	527,890
	1,839,098	2,052,769

The Company is treating all revenue generated from different revenue streams as a single revenue segment in accordance with internal management reporting. In Q1 2023, after the Group bought back the Brand, the Company resumed generating revenue from turnkey fees earned from the Brand.

14. Other income

	2023	2022
	€	€
Related party waiver	**402,387**	-
Legal compensation	**-**	359,496
Gain on derecognition of lease	**-**	8,850
	402,387	368,346

During the reporting period, a fellow subsidiary went into dissolution, and consequently the amount owed to this subsidiary was waived off.

In 2022, the Company was awarded compensation for the marketing fees paid in relation to a former brand ambassador agreement.

15. Expenses by nature

	2023	2022
	€	€
Cost of sales		
Brand awareness marketing	**9,380**	115,087
Other direct costs (including platform costs)	**986,968**	630,188
Total cost of sales	**996,348**	745,275
Administrative expenses		
Employee benefit expense (Note 16)	**274,930**	280,732
Professional fees	**63,947**	132,829
Depreciation and amortisation (Notes 4, 5, 6)	**2,662,650**	2,581,151
Bank charges	**28,623**	43,009
Exchange rate variance	**44,541**	59,584
Other operating expenses	**477,320**	305,989
Total administrative expenses	**3,552,011**	3,403,294

Auditor's fees

Fees charged by the auditor for services rendered during the financial year ended 31 December relate to the following:

	2023	2022
	€	€
Annual statutory audit	**30,800**	29,400
Other non-audit services	**2,000**	2,000
	32,800	31,400

Other non-audit services relate to assisting with ESEF compliance and assistance in reviewing the interim financial statements.

16. Employee benefit expenses

	2023	2022
	€	€
Wages and salaries	**229,240**	272,143
Social security costs	**45,690**	8,589
	274,930	280,732

The average number of employees employed during the year to 31 December 2023 amounted to 6 employees (2022: 5 employees).

Included in the total employee benefit expense is an amount of €55,000 (2022: €154,461) relating to directors' fees, €55,000 (2022: €55,000) relating to non-executive directors fees and €66,161 (2022: €99,461) relating to fees paid to an executive director.

17. Net finance costs

	2023	2022
	€	€
Interest payable on bonds	**870,964**	870,964
Amortisation of transaction costs	**65,332**	66,535
Lease interest and finance charges	**12,297**	16,061
Interest received from loan to parent company (Note 7)	**(96,563)**	-
Interest received from Treasury Bills	**(111,566)**	-
	740,464	953,560

Interest payable on bonds falls due on the 22 July of each financial year for the bond duration. The first interest payment fell due on 22 July 2020. The amount of interest payable in 22 July 2023 was €870,964.

The amount of accumulated interest due from 23 July to 31 December 2023 amounted to €391,208.

18. Income tax

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

	2023	2022
	€	€
Loss before tax	**(3,005,441)**	(2,935,235)
Tax at 35%	**(1,051,904)**	(1,027,332)
Tax effect of:		
Deductible temporary differences	**-**	-
Current-year losses for which no deferred tax asset is recognised	**1,051,904**	1,027,332
Disallowed expenses & other differences	**-**	-
Recognition of deferred tax liability	**65,618**	-
Recognition of deferred tax asset	**(59,355)**	
	6,263	-

As at 31 December 2023, the Company has unutilised tax losses amounting to €34,577,036 which can be applied against future taxable income (2022: €33,279,980). These have not been recognised in these financial statements since it is uncertain when the Company will have taxable profits against which these can be utilised.

As at 31 December 2023, the deferred tax asset and deferred tax liability presented in the statement of financial position pertain to the deferred tax on lease liabilities and the right-of use assets, respectively.

19. Related parties

The directors consider the companies forming part of the Group to be related parties as they are ultimately owned by the same beneficiaries at the end of 2023.

The Company is a subsidiary of Gameday Group plc, the ultimate parent company. The registered office of both companies is situated at Mezzanine Office, The George Hotel, Triq Ball, Paceville, St Julians STJ 3123, Malta. Gameday Group plc had 60 shareholders, most of whom had less than 10% shareholding. Gameday Group plc has no ultimate controlling partyat the end of the reporting period, but was subsequently merged with Cherry with Friends (please refer to Note 23).

Gameday Group plc prepares the consolidated financial statements of the Group, of which Together Gaming Solutions p.l.c. forms part. These financial statements are filed and available for public inspection at the Registrar of Companies in Malta.

During 2023, the companies forming part of Gameday Group included Bethard Group Limited, which was placed into dissolution on 11 September 2023, Prozone Limited and World Class Services Limited. Together Gaming Solutions p.l.c. had related party transactions with these subsidiary companies and its parent company Gameday Group plc as detailed below.

(1) On 14 February 2023, the Company provided a loan of €1,800,000 to Gameday Group plc to part finance the reacquisition of its previously sold B2C business through the acquisition of Prozone Limited. The loan has a fixed rate of interest of 6.25% per annum, which interest is repayable on the 10th June of each year, with the maturity of the loan being 10 June 2026. Interest paid by Gameday Group plc to the Company during the year amounted to €96,563.

(2) During 2023, the Company retained the following trading agreements and carried out related party trading transactions in line with these agreements:

- a business development services agreement with Worldclass Services Limited allowing for the recharging of expenses including the share attributable to white label customers (Note 13).
- an intangible asset licence agreement with Worldclass Services Limited giving rise to revenues earned from related parties (Note 13).
- sub-licensing agreement with Worldclass Services Limited giving rise to revenues earned from third parties.

(3) During 2023, Bethard Group Limited went into dissolution, and consequently, it was resolved and agreed to waive the amount of €402,387 owed by the Company to this fellow subsidiary.

Related party balances at year end were as follows:

	2023	2022
	€	€
Amounts due from fellow subsidiary	**1,176,467**	-
Amounts due from immediate parent	**4,014,251**	3,544,221
	5,190,718	3,544,221
Amounts owed to fellow subsidiaries	**-**	(878,595)

20. Significant risks and uncertainties

The Company’s main objective is to operate software and iGaming platforms and to provide related services to software and iGaming companies. The Company does not conduct any online gambling operations; however, it is dependent on the online gambling industry, which includes its primary client and the rest of its customers. The entire revenue stream of the Company is concentrated within the iGaming sector and is subject to this concentration risk and performance risk of this sector.

The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases, also subject to uncertainty and restrictions. Laws and gaming regulations are constantly being introduced in various European and other countries thus prohibiting or restricting operations therein. Future changes to laws and regulations could have a material adverse effect on the Gameday Group’s business, financial condition, and the results of its operations. The Company expects further jurisdictions to regulate their gaming industry with the consequence of similar impacts on revenues.

Before divesting the Brand, the Company heavily relied on Bethard Group Limited, a related entity, for a significant portion of its revenue. Upon selling the Brand and discontinuing this revenue source, the Company pivoted its focus towards acquiring new customers in order to develop its revenues to the levels existing prior to the sale and beyond, in order to consistently sustain its operational cost-base and generate profits.

As anticipated, achieving revenue targets from the Company's B2B activities proved to be arduous, necessitating further time to yield desired outcomes. Management remains vigilant in exploring strategic avenues to address delays in B2B business growth, ensuring concerted efforts were directed towards revenue enhancement. In 2023, seizing an opportunity, the Group reclaimed the Brand previously divested in 2021, albeit at a reduced price. This acquisition secured turnkey revenues for the Company through its platform services, partially mitigating revenue shortfalls in the short-to-medium term. Additionally, it fortified the Gameday Group's strategic position and expanded potential for overall revenue growth.

Throughout 2023, management led strategic discussions culminating in a strategic partnership in early 2024, aiming to merge the Company and its local group entities with a larger overseas group of companies, seeking to leverage synergies and drive growth within the B2C online gaming sector consequently driving further revenue expansion for the Company.

In addition to the above, the directors also consider the following risks as being relevant to the Company:

- Global economic uncertainties consequent to the ongoing armed conflict between Russia and Ukraine, Israel and Palestine and the rising inflation across the globe;
- Consolidation of Gambling regulation across Europe and beyond.
- Compliance and regulatory risk, being the risk relating to regulation that could result in restrictions in its customers' operations and risks associated with unregulated markets;
- Credit risk, being the risk, that customers do not pay for the services rendered;
- Impairment risk of intangible assets due to the fact that the carrying value may be impacted by several unwarranted events and economic circumstances.
- Technological and systems development; and
- Dependence on key individuals having technical expertise of iGaming software development and its associated technology.

20. Significant risks and uncertainties - continued

These risks are not an exhaustive list of potential risks and uncertainties faced by the Company. If any of these risks occur, the Company's business operations, financial condition, and operating results may be adversely impacted.

21. Comparative financial information

Certain comparative figures have been reclassified to conform with the current year's presentation.

22. Statutory information

Together Solutions p.l.c. is a public liability company and is incorporated in Malta, with its place of business at Mezzanine Office, The George Hotel, Triq Ball, Paceville, St Julians STJ 3123, Malta. The immediate and ultimate parent company is Gameday Group plc, a limited liability company incorporated and domiciled in Malta, whose company registered address is Mezzanine Office, The George Hotel, Triq Ball, Paceville, St Julians STJ 3123, Malta.

23. Events after the reporting period

During the course of 2023, the Group embarked on strategic discussions to merge with a prominent Swedish Group of companies, Cherry with Friends AB, specializing in land-based gaming activities across various venues in Sweden. This merger was successfully completed on 12 January 2024. Through the incorporation of different licensed subsidiaries within the new Group, the Company should be generating new revenues by providing turnkey solutions to facilitate operations across these entities.

On 13 March 2024, the Company provided a loan of €5,000,000 to Cherry with Friends AB to refinance existing higher interest debt and mainly to proceed with immediate investments in B2C ventures. This loan is secured through a pledge of shares of Cherry with Friends AB's land-based subsidiary, with a fixed interest rate of 6% per annum, maturing on 30 April 2026.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Together Gaming Solutions p.l.c. ("the Company"), set out on pages 11 - 38, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee in accordance with the provision of Article 11 of the EU Regulation No. 537/2014 on specific requirements regarding statutory audits of public-interest entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of both the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Code of Ethics for Warrant Holders in Malta. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company are in accordance with the applicable laws and regulations in Malta and that we have not provided any non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap 281).

The non-audit services that we have provided to the Company during the year are disclosed in Note 15 to these financial statements.

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the Audit of the Financial Statements - continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters 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.

Valuation of Intangible Asset

The Company's intangible asset which is the Platform and is carried at cost less accumulated amortisation with a carrying value of €7,565,357 as at 31 December 2023.

Further detail is included in Note 4 to these financial statements.

Management believes that there are no impairment triggers due to constant development to the Platform. This assessment also considers management's future plans for this asset and that this asset was assigned a definite useful life and is being amortised.

Audit Response

We evaluated the suitability and appropriateness of management's assessment by checking the performance of the Company with the projections prepared by management. We also assessed the appropriateness of disclosures in relation to the impairment assessment.

Based on our work performed, we noted that the carrying value and the related disclosures are consistent with the explanations and evidence obtained.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, and the corporate governance statement of compliance, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the Report on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the Audit of the Financial Statements - continued

Other Information - continued

Under Article 179(3) of the Maltese Companies Act (Cap. 386), we are required to consider whether the information given in the directors' report is compliant with the disclosure requirements of Article 177 of the same Act.

Based on the work we have performed, in our opinion:

- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386);
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Responsibilities of the Directors and those charged with governance for the Financial Statements

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

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

The directors have delegated the responsibility for overseeing the Company's financial reporting process to the Audit Committee.

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the Audit of the Financial Statements - continued

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 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the Audit of the Financial Statements - continued

Auditors' Responsibilities for the Audit of the Financial Statements - continued

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Code of Principles of Good Corporate Governance

The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Capital Markets Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures. In our opinion, the Statement of Compliance with the Principles of Good Corporate Governance set out on pages 8 - 10 has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on Other Legal and Regulatory Requirements - continued

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the annual financial report of Together Gaming Solutions p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

Responsibilities of the directors
The directors are responsible for the preparation of the annual financial report, including the financial statements, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Auditors' responsibilities
Our responsibility is to obtain reasonable assurance about whether the annual financial report, including the financial statements, comply in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report, in XHTML format.

- Examining whether the annual financial report has been prepared in XHTML format.

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

Opinion
In our opinion, the annual financial report for the year ended 31 December 2023 has been prepared in XHTML format in all material respects.

RSM

INDEPENDENT AUDITORS' REPORT - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on Other Legal and Regulatory Requirements - continued

Other matters on which we are required to report by exception

Under the Maltese Companies Act (Cap. 386), we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- proper returns adequate for audit have not been received from branches we have not visited; or
- the financial statements are not in agreement with the accounting records and returns; or
- we were unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

We also have responsibilities under the Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

Appointment

We were first appointed to act as auditors of the Company by the shareholders of the Company on 15 October 2021 for the year ended 31 December 2021, and we were subsequently reappointed by the shareholders at the Company's general meeting for the financial years thereafter. The period of uninterrupted engagement as statutory auditor of the Company is three financial years.

This copy of the audit report has been signed by

Bertrand Spiteri *(Principal)*

for and on behalf of

RSM Malta
Registered Auditors

26 April 2024