



# AnglerGaming

**2022**

**ANNUAL REPORT**

**SUSTAINABILITY REPORT**

**AUDITED FINANCIAL STATEMENTS**

ANGLER GAMING PLC, REG. NUMBER C55255, MALTA

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# ANNUAL REPORT

## ABOUT ANGLER GAMING PLC

### General

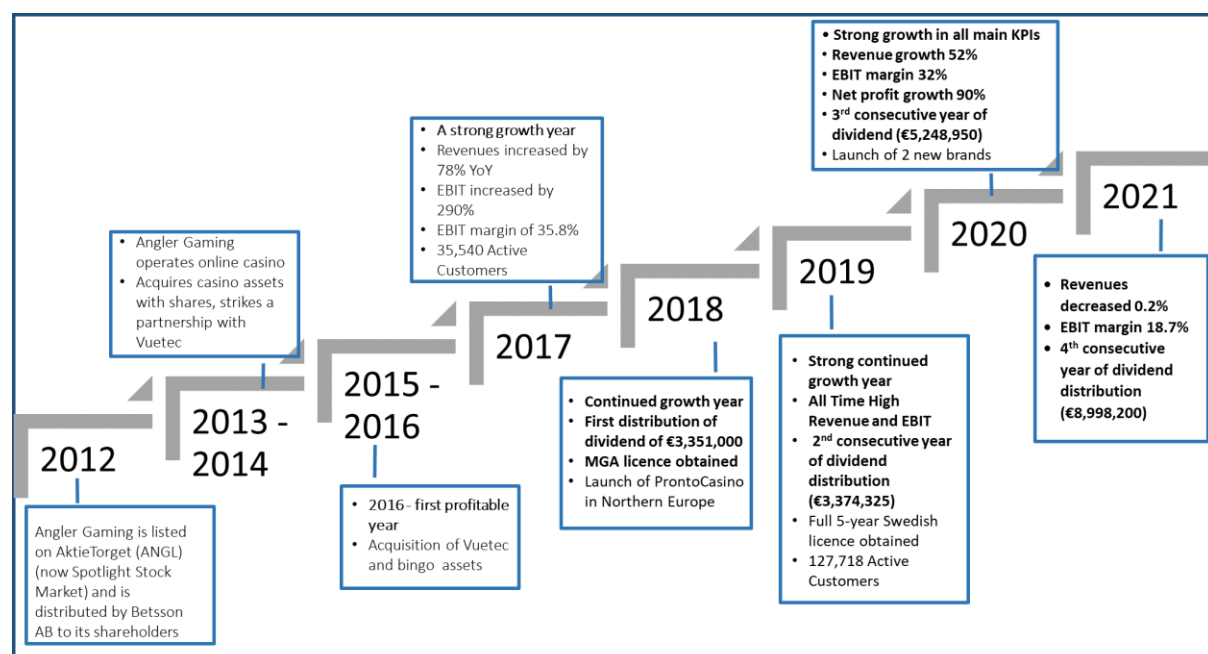
Angler Gaming plc ('Angler Gaming') is a Maltese holding company listed on the Spotlight Stock Market - Stockholm, (ANGL), that invests in companies which provide gaming services over the internet. Angler Gaming has been amongst the very first few companies to have been accepted to the Next Segment (premium segment) on the Spotlight Stock Market.

Angler Gaming's core business is to own and administer shareholding in the internet gambling companies which directly or through partners offer games to end users via Internet. The focus is on investing in niche gaming companies and start-ups with larger flexibility and possibilities to manage the customer databases' values, then growing rapidly in various markets around the world.

The Group of Angler Gaming ('the Group') operates through its operational subsidiaries, which collectively provide predominantly a mix of B2C and B2B gaming services, offered via several brands.

All subsidiaries of Angler Gaming, except the joint venture in the field of affiliate marketing for South American markets where the Groups owns 80%, are fully owned and Angler Group (being Angler Gaming itself and its subsidiaries).

### History Highlights





## 2022 HIGHLIGHTS : FOCUS ON TURN-AROUND OF THE BUSINESS

The year was very challenging, which effected all the important KPIs for 2022 negatively (all figures are compared to 2021):

Revenue decrease in 2022 -27.1%	EBIT decrease in 2022 -127.8%	Earnings per Share decrease in 2022 -146.0%
	EBIT Margin decrease in 2022 -138.06%	Net Profit decrease In 2022 -146.0%
Customer Deposits decrease in 2022 -30.0%	Active Customers decrease in 2022 -1.9%	New Depositing Customers decrease in 2022 -35.8%

In Q1 2022, due to the poor result, the Group CEO took an additional role of Acting Operational CEO to lead the execution of the improvement action plan. The execution of the action plan in 2022 has led to the achievement of the following results:

- Re-positioning of the Group's proprietary I-Gaming platform** – the Group's fully owned proprietary platform is a strong asset. During 2022 the Group invested heavily its existing resources into a new state of the art functions and features, resulting in a competitive, cost-effective and user-focused I-Gaming platform with a high end-user entertainment value. The first proof of the updated and new I-Gaming platform's performance came with the launch of the first new B-to-B partner's casino on the platform mid-December 2022. So far, this launch has been a success, with revenues from this launch already representing 5% of the total Net Gaming Revenues in January 2023. New B-to-B launches will follow and existing B-to-B partnerships are being upgraded to the new I-Gaming platform.
- Increased focus on the B-to-B offerings** – three new B-to-B casino projects were signed in 2022.



- **Tightened cost controls** – several costly or unprofitable affiliate partnerships were closed down, and many others have been re-negotiated, prioritising long term sustainable business over short time revenues at high cost. The Company continued to uphold its earlier decision and policy of lowering marketing investment in Sweden with respect to PremierGaming Ltd, the Group’s subsidiary focusing mainly on Sweden, since this company continues to be discriminated against in Sweden by being denied access to SWISH, despite being a licensed operator in Sweden duly paying Swedish gaming taxes. Moreover, more stringent policies on supplier due diligence and proactive and agile supplier cost and doubtful debts controls have been implemented.
- **Further investment in people** – the investment in a strengthen management team in early 2022 was fundamental for the plans of being a strong player within the industry.
- **Embracing new business verticals** – the Group continued to invest in two of the Group’s relatively new business areas, namely the Sportsbook offer and the Joint Venture within the field of affiliate marketing in South America. As the Group increases its focus on B-to-B offerings, maintaining a competitive Sportsbook as part of its offering becomes an important strategic factor.

In summary, all these efforts aimed at one goal: to re-inject innovation - the ‘trademark’ that made us one of the fastest growing listed I-Gaming companies in the world a few years ago - back into the Group’s DNA.

### Delivering Value to Shareholders

2022 was the fifth consecutive year in which Angler Gaming distributed dividends to its shareholders: based on the results of financial year 2021, the amount distributed in 2022 was €6,373,725.

### Three new B-to-B casino projects signed in 2022

The increased focus and investment in the Group’s propriety gaming platform resulted in that 3 new B-to-B casino projects were signed of which one was launched in December 2022.



## Investing in People and Compliance Processes

The Group continued to invest in its human resources and compliance processes. In particular, the Group's Responsible Gaming and Anti-Money Laundering ('AML') departments, two very important factors for the long-term sustainability of the Group's business, continued to be an area of focus.

## PremierGaming Ltd Performance

PremierGaming Ltd, a subsidiary of the Group with a Swedish and a Malta gaming licence, represented 10% of the Group's revenues in 2022.

## VISION AND STRATEGY

### Vision

Angler Gaming's vision is to be a leading company in the digital gaming entertainment industry, outperforming the competition and delivering the best products and service, while maintaining the entrepreneurial mindset, remaining lean, frugal and agile, and always putting the customers and personnel – our main resource – first and foremost.

In the exciting and fast-growing industry of remote gaming, Angler Gaming works hard to become a bigger player, paying close attention to industry trends and being mindful of the company's positioning.

Angler Gaming is being guided by the following industry growth drivers:

- New technology and local regulation
- Continued and accelerating shift from offline to online gaming
- Expectation of further growth of the global gaming market

## Solid Strategy and Strong Business Model

To deliver on the Company's vision, Angler Gaming strategically positions itself:

- ✓ To enter new markets and segments around the world, responding to early opportunities
- ✓ To become debt-free and to maintain a positive cash flow.
- ✓ To continue investing in a strong business model



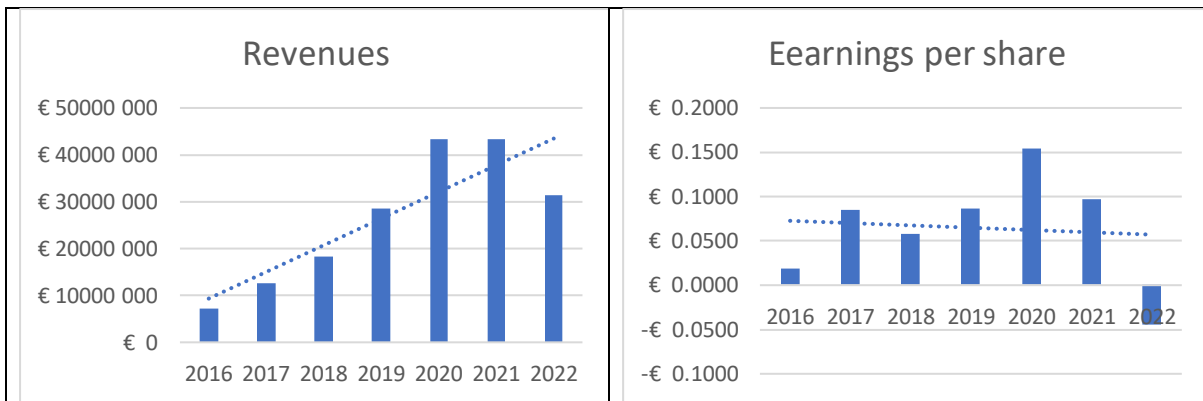
Throughout the years, Angler Gaming has refined its business model, which continues to deliver results. The Company's business model includes the following key components:

- ✓ Maintaining competitive advantage and differentiation by utilising proprietary fully-owned and fully-managed Gaming Platform, which is continuously updated with the latest functionality and the latest technologies;
- ✓ Maintaining low operational cost for both B2C and B2B business segments, thus enabling multi-brand strategy and scalability with lower incremental costs, utilising data driven marketing and CRM;
- ✓ Monitoring and actioning, on a daily basis, multiple key performance indicators, such as number of new depositing customers, cost per new depositing customer and customer life time value per market, channel and product;
- ✓ Ensuring easy, fast and cost-efficient launch of White Label Solutions (for B2B segment) and inhouse brands (for B2C segment);
- ✓ Maintaining small, agile and efficient organisation, composed of diverse and highly qualified and motivated employees (currently from more than 10 countries);
- ✓ Using a proven model for buying and integrating customer databases and brand assets:
  - No need to take over staff;
  - No need to increase staff;
  - Time to market approximately 1-3 months after signed agreement;
- ✓ Using affiliates as a marketing channel, providing us with a low risk acquisition of new customers;
- ✓ Evaluating number of new customers and ARPU on a daily basis when using traditional marketing (TV-commercials, online banners, Google Adds etc) to acquire customers to minimise the investment risk and boost growth;
- ✓ Focusing on both B2C and B2B for a better understanding of customers and changes in customer behaviour;
- ✓ Offering a strong Casino and Sportsbook product both in mobile and desktop, with an addition of Bingo as part of the offer when applicable;
- ✓ Being active in multiple markets (currently in over 20 markets) and constantly evaluating new products, markets and acquisitions.
- ✓ Utilizing growth opportunities in the area of affiliate marketing.

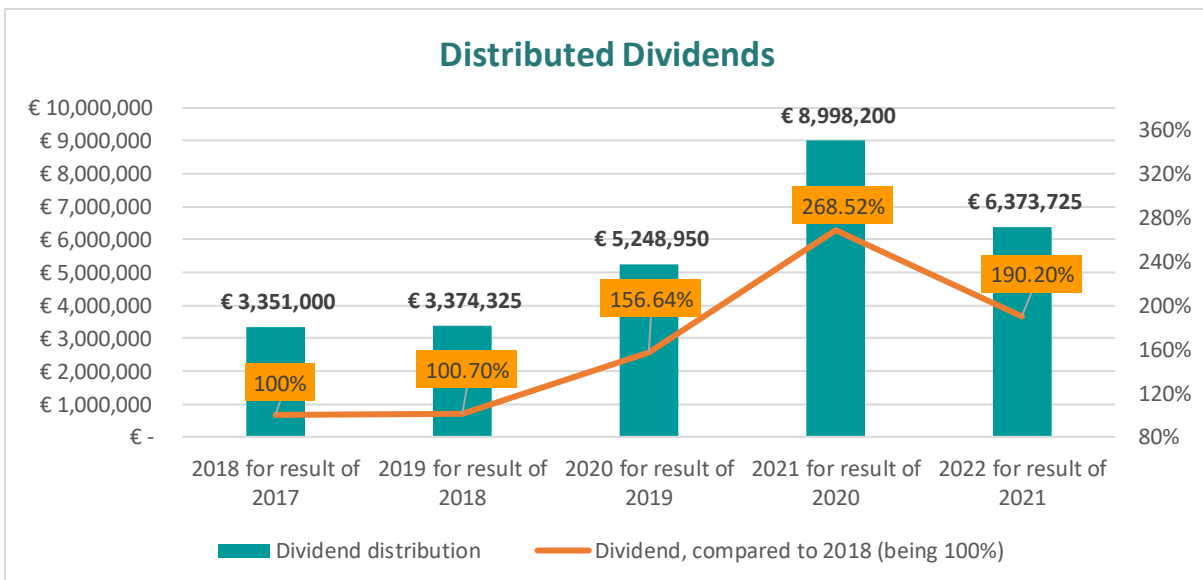
## INVESTMENT CASE

### Strong Track Record in Delivering Shareholder Value

Angler Gaming has a track record in delivering shareholder value:



Each year since 2018 Angler Gaming distributed a dividend to its shareholders:



Over 5 years Angler Gaming's shareholders have received **€27,346,200** in total by way of distributed dividends.





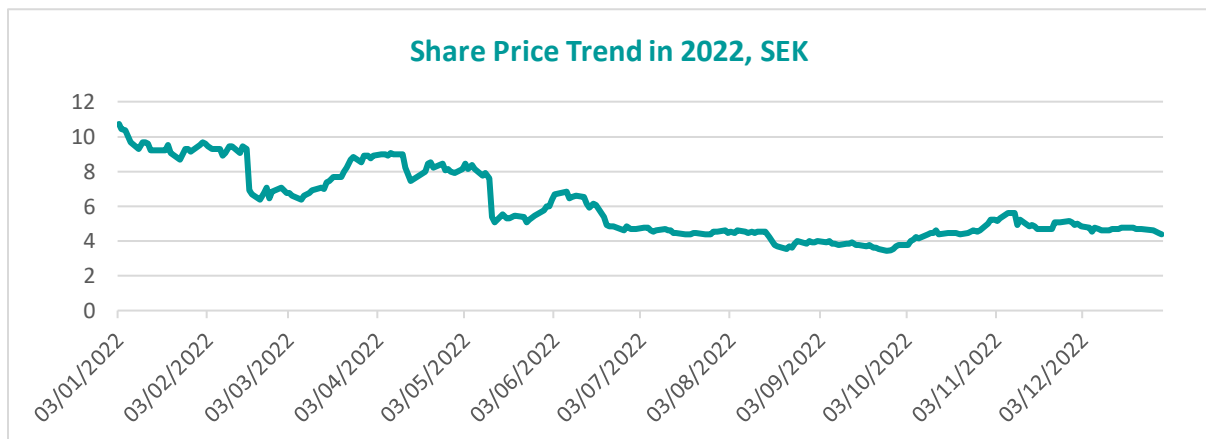
## No Proposed Dividend on the Basis of Financial Results of 2022

The Board of Directors does not recommend distributions of a dividend for the fiscal year 2022 given the challenging 2022 and investments in new innovative projects.

## Share Structure and Ownership

At the end of 2022, Angler Gaming plc had 74,984,995 issued ordinary shares of nominal value €0.01 each. All issued shares are of the same class, having the same rights and one vote per share. Angler Gaming plc has over 15,000 shareholders.

## Share Price Trend



## Risks

When considering an investment in Angler Gaming plc one should be aware of risks connected with the iGaming sector. The Company's main objective is to invest, and to hold shares, in related undertakings and to own manage and administer property of any kind belonging to it. All investments made to date operate and provide related services in the iGaming industry. The laws and regulations surrounding the online gambling industry are complex, frequently being introduced or amended in various countries which may have an adverse effect on the Company, including its business, financial condition and the results of its operations. The business is also exposed to exchange rate fluctuation, changing consumer behaviour and Angler Gaming's ability to operate in a highly competitive and constantly evolving industry.

## CORPORATE GOVERNANCE REPORT

*Corporate governance is a framework of rules, practices and processes by which a company is governed. It is a system of checks, balances and internal controls, whereby the functions, rights and responsibilities for the company's operations are distributed amongst its main governing bodies, ensuring that the interests of the company's shareholders, its board, its management and other stakeholders are balanced, while advancing the company's goals.*

### Corporate Governance in Angler Gaming PLC

Angler Gaming plc ('the Company' or 'Angler Gaming') is a public limited liability company registered and headquartered in Malta and listed on Spotlight Stock Market in Stockholm, Sweden ('Spotlight Market'). In 2019 the Company has been amongst the very first few companies to have been accepted from the start to the Next Segment of Spotlight Market. Next is a segment of the Spotlight Market where companies conform to higher demands and aim to take the next steps in their growth journey.

Angler Gaming places corporate governance at the very core of its operations, recognising its importance for the Company's sustainable, responsible, and efficient operations. Good corporate governance is instrumental for achieving long-term sustainable success and creating value for the shareholders of the Company, while safeguarding interests of the company's employees, customers, other stakeholders, and the community.

The governance, management and control of Angler Gaming is divided among the shareholders, the Board of the Directors ('the Board') and the executive management of the Company headed by the CEO, in accordance with the applicable regulatory framework, as outlined in this Corporate Governance Report ('CG Report'). This CG Report is, however, not a comprehensive summary of all the applicable rules. It is intended to provide a list of the most relevant sources of corporate governance rules and briefly sum up the most relevant aspects of corporate governance of Angler Gaming. In this context, it should be read together with the provisions of the Malta's Companies Act ('the Companies Act'), Company's memorandum and articles of association and other laws and regulations applicable to the Company.

### Overview of the Regulatory Framework

The principal sources of the corporate rules for the Company are the Malta's Companies Act, the Swedish Corporate Governance Code ('the Code'), the Spotlight Market's Regulations (including the rules applicable to companies listed in the Spotlight Market's Next Segment), the International Financial Reporting Standards (IFRS), and the applicable European Union legislation, including the Market Abuse Regulations ('MAR'). With respect to the Code, it is of



note that it is a self-regulatory instrument, so that the companies are not obliged to comply with every rule in the Code at all times, but are allowed the freedom to choose alternative solutions which they feel are better suited to their particular circumstances, as long as they report every deviation, describe the alternative solution they have chosen and explain their reasons for doing so.

In addition to the external regulatory framework, internally, the regulatory framework consists primarily of the Company's Articles of Association ('the Articles'), the Charter of the Board of Directors, the CEO instructions, the Insider Policy and various internal policies and procedures. This Corporate Governance Report should be read together with all laws, codes and rules applicable to the Company and is only intended as a summary of the most important parts of corporate governance as practised by Angler Gaming.

### Articles of Association

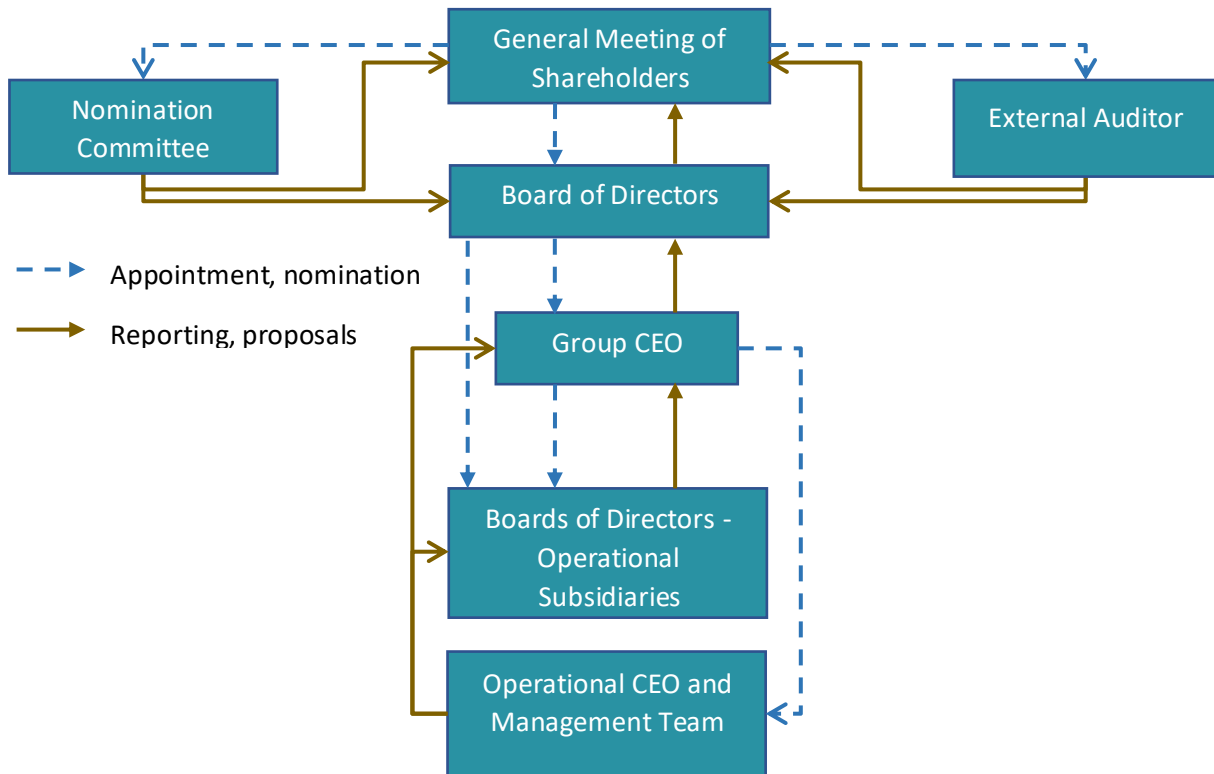
Articles of Association are the principal constitutional document of Angler Gaming. The Articles govern the regulation of internal affairs of the Company, including the procedure for summoning and conducting annual general meetings and extraordinary general meetings, composition of the board, including the minimum and maximum number of directors, the rules for the appointment and removal of board members, the rules applicable to adoption of resolutions, the rules and procedures of the issue of shares of the Company, notices, accounts, reserves, and other matters concerning the internal organisation of the Company and the manner in which the Company's affairs are to be managed.

The Company's Articles have been adopted by the shareholders at a general meeting. The articles of association are available in their entirety at the Company's website (<https://www.anglergaming.com/articles-of-association/>).

### Division of Authority

The shareholders of the Company exercise their powers on the Company at General Meetings of Shareholders, the Company's highest decision-making body. The influence of shareholders on the affairs of the Company is yielded primarily through electing the Board members and voting at the Company's General Meetings of Shareholders on the matters within their powers. As a general principle, the Board of Directors is vested with all the powers of the Company that are not reserved to the General Meeting of Shareholders under the Companies Act or the Memorandum or Articles of Association of Angler Gaming. The Board of Directors' main responsibility is for the Company's organisations structure and the overall vision of the Company, while the CEO's responsibility is the management of the Company. Angler Gaming acts through two principal organs: the general meeting of shareholders and the Board of Directors.

## Corporate governance model at Angler Gaming plc



## Shareholders

### General Meeting of Shareholders

Shareholders exercise their influence in the Company at the general meetings, where the shareholders decide on matters which fall within their competence. The general meetings may be of two kinds: Annual General Meetings and Extraordinary General Meetings. Angler Gaming must hold an Annual General Meeting once every year. At Annual General Meetings shareholders of the Company, in practice and among other matters, approve the annual report and financial statements of the Company, resolve on the distribution of dividends and elect members of the Board of Directors, as well as appoint the external auditor for the Company. All other general meetings are extraordinary general meetings.

Each shareholder enjoys number of rights in connection with general meetings, including the right to participate and vote, the right to receive a notice of a general meeting, and the right to demand a poll at the meeting. Some of the most significant powers reserved to the general meeting of shareholders are the power to appoint and remove board members, to alter the memorandum and articles of association, to increase share capital, to approve annual financial statements, to declare dividends (not exceeding the amount recommended by the



Board), and the power to appoint and remove auditors.

Decisions at the general meetings of the company are normally taken by the shareholders by a simple majority of votes, with each share giving a shareholder the right to one vote at any general meeting. However, certain decisions prescribed under the Companies Act and the memorandum and articles of association of the Company must be approved by an extraordinary resolution which requires higher voting thresholds: (a) not less than seventy-five percent in nominal value of the shares represented and entitled to vote at the general meeting; and (b) at least fifty-one percent in nominal value of all the shares entitled to vote at the general meeting.

### **2022 Annual General Meeting**

The 2022 Annual General Meeting of Angler Gaming was held on 17<sup>th</sup> June 2022 in Malta. At the meeting, shareholders representing 7.44% of the issued shares and voting rights were present in person or by proxy. All proposed ordinary resolutions were approved at the Annual General Meeting. In summary, the resolutions adopted by the general meeting comprised of:

- approval of the financial statements of the Company and the Group, including the directors' report and the auditor's report for the financial year ending 31<sup>st</sup> December 2021;
- approval of distribution of the final ordinary gross dividend distribution of € 6,373,725 (€0.085 per share) to the shareholders of the Company on the basis of the financial results in the financial year ending 31<sup>st</sup> December 2021;
- re-election of all members of the Board standing for re-election, i.e. Ralf Feldt, Olga Finkel, Thomas Kalita and James Scicluna, and re-election of Olga Finkel as the Board's Chairperson, - all for the period until the end of the next Annual General Meeting;
- reappointment of Mr Walter Rizzo (MGI Malta) as the auditor in charge; and
- allocation of the amount not exceeding €160,000 per annum for Board's remuneration covering the ordinary duties of directors and resolution that the auditors' fees shall be payable in accordance with the approved invoices.

### **2023 Annual General Meeting**

The upcoming Annual General Meeting of Angler Gaming plc will be held on 16<sup>th</sup> June 2023. The date of the 2023 Annual General Meeting had been published in the interim report and, together with the relevant information on the Nomination Committee and the submission of any shareholder proposals, was published on the Company's website. After a few years of holding the Annual General Meeting was held in Malta due to COVID-19, in 2023 the AGM will be held in Stockholm. Shareholders may participate in the Annual General Meeting by attending in person or by means of a proxy attending in person. The proxy does not need to be a shareholder in the Company. More information will be stated in the Notice of the Annual General Meeting.



Shareholders who would like to attend the Annual General Meeting must be entered as direct shareholders in the register of shareholders maintained by Euroclear Sweden on 9<sup>th</sup> June 2023 (the record date) and must notify the Company of their intention to attend, in accordance with the Notice of the Annual General Meeting.

Notice of the 2023 Annual General Meeting, forms for appointing a proxy and further information about the Annual General Meeting will be published on the Company's website ([www.anglergaming.com/corporate-governance/shareholders-meetings/](http://www.anglergaming.com/corporate-governance/shareholders-meetings/)) no later than four (4) weeks ahead of the meeting. The Annual General Meeting will be also announced in the Swedish national business Newspaper Dagens Industri.

### **Corporate Calendar 2023**

The interim quarterly reports for 2023 will be published as follows:

- Q1 2023 report will be published on 16<sup>th</sup> May 2023
- Q2 2023 report will be published on 17<sup>th</sup> August 2023
- Q3 2023 report will be published on 16<sup>th</sup> November 2023
- Q4 and the year end 2023 report will be published on 20<sup>th</sup> February 2024.

### **Nomination Committee**

Nomination Committee is a drafting body for the shareholders' meeting made up of members who are appointed by the Company's owners. Nomination Committee proposes candidates for the post of chairperson and other members of the Board, as well as fees and other remuneration to each member of the Board. Additionally, Nomination Committee presents proposals for a chair for the annual general meeting and the election and remuneration of the statutory auditor, as well as any recommendations for the next nomination committee. Nomination Committee's recommendations will be reported in the Notice to the AGM and on the Company's website. Angler Gaming's Nomination Committee is composed of four members, of whom three represent the Company's largest shareholders, and the fourth is the chairperson of the Board.

Regardless of how the Nomination Committee's members are appointed, they promote the common interests of all shareholders. In its proposal to the shareholders general meeting, the Nomination Committee follows the requirements of the Swedish Corporate Governance Code. In particular, with respect to the recommendations on the candidates for the post of chair and members of the Board of Directors, Nomination Committee gives particular consideration to the requirements of breadth and versatility of the Board, as well as the requirement to strive for gender balance.

Nomination Committee ahead of the 2023 Annual General Meeting was appointed and constituted as follows:

- Robert Zammit, appointed by Knojt Ltd; Chairman of the Nomination Committee;



- Peter Hamberg, appointed by the family Hamberg and associated entities;
- Johan Öhman, appointed by Draconia A.B.;
- Olga Finkel, Chairperson of the Board of Angler Gaming plc.

### **Board of Directors**

The Board of Directors is ultimately responsible for the general governance of Angler Gaming, its proper administration and management and general supervision of its affairs. The Board determines the strategy and the goals of the Company, identifies sustainability issues' impact on the business of the Company, ensures the existence and the monitoring of an appropriate system for controls over the Company's operations and its risks, as well as of the external communications of the Company and their conformity to the standards of openness, reliability, accuracy and relevancy. Moreover, the Board is responsible for the appointment, evaluation and, if necessary, dismissal of the Chief Executive Officer (CEO) and the overseeing of the performance of the CEO and executive management and the evaluation of Angler Gaming's financial position and results. Board members have an obligation to work in the best interest of the Company and are accountable for their performance to the shareholders of the Company.

### **Composition of the Board of Directors**

The Articles of Angler Gaming require that the Board consists of not less than 2 and not more than 5 directors. The Swedish Corporate Governance Code requires a company to have not less than 3 directors. The members of the Board are usually appointed by the annual general meeting of the Company for the period until the conclusion of the following annual general meeting, after which they are eligible for re-election. The Articles also empower the Board to appoint any person to be a director either to fill a casual vacancy or as an additional director, provided that the total number of directors does not exceed five.

The shareholders of Angler Gaming may, by means of an ordinary resolution, remove any Board member from the office. The process of appointment and removal of Board members is conducted in terms of the Articles of Association of Angler Gaming and the Companies Act.

At the Annual General Meeting of the Company held on 17<sup>th</sup> June 2022, the shareholders have re-elected Ralf Feldt, Olga Finkel, Thomas Kalita and James Scicluna as Board members for the period until the end of the next Annual General Meeting. One director, Michael Bennett, did not stand for re-election due to retirement.

At the end of October 2022, the number of Angler Gaming's directors changed from 4 to 3, as James Scicluna resigned from the board for personal reasons. Currently, Angler Gaming has 3 directors and, therefore, satisfies the requirements of both its Articles of Association and the Code.



Only one elected member of the Board (Thomas Kalita) is a member of the executive management. Three directors for the majority of the year (Olga Finkel, Ralf Feldt and James Scicluna) and two directors for the last two months of the year (Olga Finkel, Ralf Feldt), i.e. the majority of the Board members, are independent from the Company and its executive management. Three directors for the majority of the year (Olga Finkel, Ralf Feldt and James Scicluna) and two directors for the last two months of the year (Olga Finkel, Ralf Feldt), are independent from the Company's principal shareholders.

Members of the Board of Directors elected by the 2022 Annual General Meeting	Olga Finkel	Ralf Feldt	Thomas Kalita	James Scicluna (until 31 October 2022)
Position	Chairperson of the Board	Board Member	Board Member CEO	Board Member
Board members since	2020	2016	2019	2016 - 2022
Independence in relation to the Company and senior management	Yes	Yes	No	Yes
Independence in relation to major shareholders	Yes	Yes	No	Yes
Own and related parties' shareholding & votes (as of the date of this Report)	300,000	60,000	6,000,000	-
	0.40%	0.08%	8.00%	0.00%
Attendance at Board meetings	8 out of 8	8 out of 8	8 out of 8	5 out of 5

### Chairperson of the Board of Directors

The Chairperson of the Board is responsible for ensuring that the work of the Board is conducted efficiently and that the Board fulfils its obligations. In particular, the Chairperson is to organise the lead the work of the Board to create best conditions for the Board's activities, ensure that the Board gets regular updates and information, and develops its knowledge of the Company. The Chairperson is also to ensure that the work of the Board is evaluated annually. Chairperson is elected by the shareholders of the Company at the annual general meeting and holds office until the conclusion of the next annual general meeting, being eligible for re-election. At the 2022 Annual General Meeting Olga Finkel was re-elected to serve as Chairperson of the Board.

### Board Meetings

The work of the Board is organised in accordance with the rules set under the Companies Act, the Articles and the Code. Additionally, the Board has adopted the Charter of the Board, setting out rules of procedure regulating Board's work. During 2022, the Board of the





Company held eight Board meetings, each attended by all directors of the Company. The Board meetings were convened to oversee the Company's business, continuously monitor the financial performance, including Angler Gaming's key performance indicators, major developments within the Group, as well as to discuss strategic matters. The Company's interim reports are approved quarterly.

The Company's auditors report to the Board on their findings.

The Annual Report is approved at the board meeting convened for this purpose.

### **Remuneration Committee**

According to the Code, the Board is either required to establish a remuneration committee or, if the Board considers it more appropriate, the entire Board may perform the remuneration committee's tasks, on condition that no Board member who is also a member of the executive management participates in this work. Considering the relatively small number of employees across the Group and that there are no active share-based incentive schemes, the Board to date has been of the view that it is not necessary to establish a remuneration committee and that the tasks of the remuneration committee may be performed by the entire Board without the CEO (as the only member of the executive management who is also a Board member). As Angler Gaming and number of employees of the Group grow, the Board may reconsider its position, if it determines that establishing a remuneration committee would be beneficial for the Company.

### **Chief Executive Officer**

The Chief Executive Officer (CEO) of Angler Gaming is primarily responsible for the Company's day-to-day management and for leading and developing the business of the Company. The CEO reports to the Board of Angler Gaming and is required to keep the Board informed about Angler Gaming's performance, financial position and important developments, as well as to prepare financial reports for the Board's review and approval. The Company's CEO also heads and leads the work of the management team. Thomas Kalita, also a member of the Board, is the Company's CEO.

### **Evaluation of the Board's and the CEO's work**

In 2022, the Board and the CEO were evaluated through an evaluation questionnaire and assessment with the aim of developing the Board's working methods and efficiency. The evaluation was focused on assessing the skills, competence of the board members, the appraisal of the CEO and the efficiency, timeliness and quality of the information flow between the Board and the CEO. The results of this evaluation were discussed by the Board and reported to the Nomination Committee to guide it in its work of proposing candidates to the Board of Directors.



## **Remuneration**

The principles that the Company and Angler Gaming Group applies to remuneration for members of the Board and the executive management are designed with the aim of ensuring that the Company has access to the competence required at a cost appropriate to the Company, and that they have the intended effects for the Company's operations. Any variable remuneration is to be linked to pre-determined and measurable performance criteria aimed at promoting the Company's long-term value creation, paid only if said criteria have been satisfied and, if paid other than in share-based incentives, is to be subject to pre-determined limits regarding the total outcome.

Any share-based incentives are to be designed with the aim to align the interests of participating individuals and the Company's shareholders and to be approved, in all their principal terms, by a general shareholders meeting.

## **Board Remuneration**

The ordinary remuneration of the Board is in accordance with the Articles of Association of Angler Gaming is determined by the Board, provided that such remuneration does not exceed an aggregate amount per year as may be determined by an ordinary resolution of the shareholders of the Company. Unless the Annual General Meeting decides otherwise, the remuneration of the Board can be divided among the Board members as they may agree.

The Articles of Association of Angler Gaming further stipulate that any Board member who holds any executive office, or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Board member, may be paid such extra remuneration or may receive such other benefits as the Board may determine.

At the Annual General Meeting of the Company held on 17<sup>th</sup> June 2022, the shareholders have resolved to allocate the amount not exceeding €160,000 per annum for Board's remuneration covering the ordinary duties of directors, to be distributed as follows: €80,000 to the Chairperson of the Board and €40,000 to each Board member who is not employed by the Group.

There are no active share option incentive schemes and no outstanding share options which remain to be exercised available to the Board members.

## **CEO and Management Remuneration**

Remuneration and other terms of employment of the Management of the Group, including the CEO, are designed with the aim of ensuring that the Company has access to the competence required at a cost appropriate to the Company, and that they have the intended effect for the Company's operations. The remuneration consists of the fixed portion and the



performance-based variable portion. Variable remuneration is currently in the form of a performance bonus linked to pre-determined and measurable performance criteria, with pre-determined limits regarding the total outcome, aimed at promoting the Company's long-term value creation. Variable remuneration for the Management currently does not include any share or share-price related incentives.

## Internal Controls

### **Internal control function**

The objective of Angler Gaming's internal control measures is primarily to ensure that reliable and accurate financial reporting takes place and that the Company's financial reports are produced in accordance with law, applicable accounting standards and other requirements for listed companies, as well as that the Company's assets are protected and that regulatory requirements are complied with.

The Board is ultimately responsible for internal control and risk management of Angler Gaming. The Board regularly evaluates the information provided by the CEO and the Company's management, in particular prior to the publication of the interim reports and the annual report of the Company. The evaluation process involves monitoring profits and revenues and analysis of key figures, information and developments. While the Board bears the ultimate responsibility for the internal controls, certain responsibilities have been delegated to the CEO and the management team of the Company. The Company's CEO regularly provides the Board with the information required to monitor the Company's financial position. Furthermore, annual reports and interim reports are prepared by the CEO and the management team and reviewed and approved by the Board prior to their publication.

The Board has good communication with the Company's external auditor and meets the auditor at least annually without presence of the CEO or management to gain direct insight on the auditor's perspective of the Company's internal controls.

In 2022, the first actions towards the establishment of a formal internal control function have been carried out. In light of the size of the Company and relatively small number of employees across the Group, the Company opted for an external support in this area. As a result, an external qualified accountant now provides monthly input to the Board on the reliability and accuracy of financial reporting, highlighting concerns, if any. The Company will continue to develop and deepen its internal control function in 2023.

### **The Auditor**

The auditor of Angler Gaming is appointed by the shareholders at the general meeting of the Company. Among other duties, the auditor of the Company is reviewing the Company's annual accounts and accounting practices. Following each financial year, the auditor submits



an audit report and a consolidated audit report to the Annual General Meeting of the Company.

The auditor has been however communicating regularly with the members of the Board, in particular prior to the publication of the annual report.

In 2022, the Company prepared its nine-months' financial report (Jan-Sep 2022) which had been reviewed by the Company's auditor and formed part of Q3 2022 interim report.

Angler Gaming's auditor is MGI Malta, with Mr Walter Rizzo as the auditor in charge. Mr Rizzo is certified public accountant and registered auditor under the Accountancy Profession Act. He is a fellow member of the ACCA and fellow member of the Malta Institute of Accountants.

### Investor Relations

Angler Gaming strives to uphold good communication with its shareholders. The Company communicates the relevant information to the market primarily through the annual reports, interim reports, and press releases which are published on the Company's website (<https://www.anglergaming.com>) and on Spotlight Market's website, in accordance with the Market Abuse Regulation and Spotlight's Regulations.

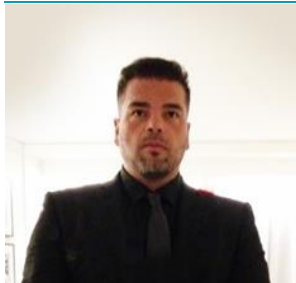
**BOARD OF DIRECTORS OF ANGLER GAMING PLC**



**OLGA FINKEL** (Chairperson of the Board)  
**Board member since:** 2020                      **Year of birth:** 1967  
**Principal education:** LLD (Law) from the University of Malta; MSc (IT and Economics) from the Academy of Economics, Kharkov, Ukraine.  
**Principal professional experience:** Over 20 years’ experience in gambling and technology law, corporate governance, investments.  
**Other current assignments:** Co-managing partner at WH Partners, lecturer at the University of Malta  
**Shareholding in the Company:** 300,000 shares



**THOMAS KALITA** (Board Member and the CEO of Angler Gaming)  
**Board member since:** 2019                      **Year of birth:** 1969  
**Principal education:** Master’s Degree in Business Administration and Economics (specialisation in IT-Management) from Stockholm University  
**Principal professional experience:** Over 20 years’ experience in leading positions within successful Internet-focused companies, including 13 years working in the iGaming industry based in Malta. An entrepreneur since 2009, investor in the iGaming industry with many successful launches and investments.  
**Other current assignments:** owner and director of Knojt Ltd, an investment company  
**Shareholding in the Company:** 6,000,000 shares (indirectly)



**RALF FELDT** (Board Member)  
**Board member since:** 2016                      **Year of birth:** 1976  
**Principal education:** Bachelor's Degree in Communication of Marketing and in Public Relations  
**Principal professional experience:** iGaming consultant since 1999. Worked for several American and European iGaming companies.  
**Other current assignments:** As a consultant, Ralf is helping start-up companies, affiliates and operators within the iGaming industry, including with customer support management and providing outsourced remote online customer support services.  
**Shareholding in the Company:** 60,000 shares



## SUSTAINABILITY REPORT

### Sustainability Framework

This report provides an overview of the Company's commitment to sustainability, detailing its progress, achievements, and future goals. As a responsible business with subsidiaries operating in the online gaming industry, Angler Gaming PLC recognises the importance of balancing the growth and profitability with the well-being of its employees, stakeholders, the environment, the communities the Group operates in and society at large. Angler Group strives to build a long-term value and, accordingly, the long-term sustainability goals form part and parcel of the Group's business strategy.

Achieving and preserving long-term sustainability is a multi-faceted undertaking. The sustainability framework of Angler Gaming revolves around four key areas:



## 2022 Sustainability Priorities

In 2022, Angler Gaming continued to focus of the priority areas identified in the previous year, more specifically:



## OUTCOMES FOR EACH PRIORITY AREA

### *Employees' empowerment*

Angler Group values its employees and promotes a healthy work-life balance. It offers competitive remuneration packages, flexible working hours, and ongoing training and development opportunities. Furthermore, we maintain a zero-tolerance policy for discrimination, harassment, and bullying in the workplace.

In 2022, the Group continued focusing on ensuring health and safety of its employees. The Group continued to offer hybrid working conditions, so flexibility of work was maintained and enhanced. All employees have flexibility of working within the hybrid environment, combining remote work and in-office work, thus allowing the most efficient and safe remote work, while at the same time reaping the benefits of working together as a team at the office, strengthening the Company's corporate culture and values.

100% of the Group workforce benefited from the hybrid working environment in 2022.

### *Diversity and equal opportunity*

Angler Gaming Group is an equal opportunity employer and practises a total meritocracy and equal pay for equal work principle, regardless of race, gender, religion, age of background.

In 2022, the Group employed personnel of **15 different nationalities**.



The Group is continuously striving to improve gender diversity overall and increase the engagement of women in managerial and senior positions in particular. In 2022, the **number of women amongst the employees of the Group grew by 3.5%** comparing to 2021, which growth occurred primarily in management positions, which accounted for **63% of this growth**.

### ***Responsible gaming***

Angler Gaming firmly believes that gaming should be a safe entertainment activity and problem gaming should be detected and, as much as possible, pre-empted. Angler's operational subsidiaries implemented tools and resources to help players set limits on their gaming activities. Angler Gaming continuously invests in improvement and automation of responsible gaming tools, trains personnel to recognise the problematic customer behaviour and works with organisations specialising in gambling addiction treatment.

In 2022, as a result of efficient detection of problems, strengthened by combined implementation of automated preventive measures and the actions of our operational team in educating the customers in the availability of responsible gaming tools, we report with satisfaction that the **number of customers with gambling problems remained very low, within 1.5%**.

Moreover, in 2022 a number of additional preventive restrictions have been implemented which has led to an **increase of 10.2% in early detection of potential gambling problems** and, thus, their pre-emption.

When pre-emption is not possible, offering players all the support they need to assist them in overcoming the gambling problem is the first and over-arching priority. Putting customers first in this important area of responsible gaming is one of the fundamental pillars of ensuring sustainability of the business overall. In 2022, **100% of our customer support agents undergone specialised responsible gambling training** to enable them to detect problematic patterns and help customers.

### ***Regulatory compliance***

We are committed to operating in accordance with all relevant regulations and industry standards. Our compliance team regularly reviews our practices to ensure adherence to the latest rules and guidelines.

In 2022 the Group further strengthened its anti-laundering and combatting of funding of terrorism (AML/CFT) function by engaging additional competent personnel, training of employees on specific gaming-related risk areas, deploying best in class tools, improving and further automating such important areas as customer due diligence, customer risk assessment, suspicious transaction reporting and the overall business risk assessment against the money-laundering risks and implementation of appropriate mitigating measures have been carried out by the Group. In 2022, **100% of our compliance team and customer support agents undergone specialised AML training**.





### *Ethical business practices*

Angler Group maintains a strong culture of integrity and ethics, which is supported by our robust corporate governance structures. We prioritise transparency and accountability in our business operations and financial reporting.

### *Community engagement*

In 2022 Angler Gaming supported a Malta youth cancer patient requiring treatment abroad.

### *Energy efficiency and green office initiatives*

Angler Gaming continued using environmentally friendly practices and materials, energy-efficient lighting, recycling programs, paper-free approach to operations and encouraging employees to use public transport or carpool to work, thus positively contributing to saving of forests and water. Moreover, the hybrid work model adopted by Angler Group also promotes reducing traffic and carbon emissions.

While air travel increased in 2022 comparing to the previous year, such travel remains **less than 50% comparing to pre-pandemic levels**, while Angler Gaming continues to apply 'business travel as exception, not the rule' approach, keeping its carbon footprint low.

Angler Group is implementing energy-efficient technologies, such as server virtualisation and cloud computing, to further minimize our carbon footprint.

### **FUTURE GOALS AND COMMITMENTS**

At Angler Group, we acknowledge that there is always room for improvement in our sustainability efforts. Moving forward, we will continue to:

- Foster an inclusive and diverse workplace culture;
- Further enhance the responsible gaming policies and procedures;
- Strengthen our governance, risk management, and compliance practices;
- Monitor and reduce our carbon emissions and overall environmental impact;
- Expand our community engagement and philanthropic initiatives.

The Company remains committed to building a sustainable business for all our stakeholders. Embracing sustainability is not only an ethical choice but also a strategic one, positioning our company for long-term growth and resilience.



**AnglerGaming**

## AUDITED FINANCIAL STATEMENTS 2022

The audited Financial Statements for financial year ending 31 December 2022, approved by the Board of Directors on 27 April 2023, are enclosed with this report.

# **ANGLER GAMING PLC**

**Report and financial statements  
for the year 1 January to 31 December 2022**

**Malta Company Registration Number: C55255**

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## **Board of Directors, Officers and Other Information**

### **Registration:**

Angler Gaming plc was incorporated in Malta on 8 February 2012 as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta, with the Registration Number C55255.

### **Directors:**

Olga Finkel (Chairperson)

Thomas Peter Kalita

Ralf Feldt

James Scicluna (resigned on 1 November 2022)

### **Company Secretary:**

WH Management Limited (appointed on 20 February 2023)

Robert Zammit (resigned on 20 February 2023)

### **Malta Company Registration Number:**

C55255

### **Registered Office:**

Office 1 / 3327,

Level G, Quantum House,

75 Abate Rigord Street,

Ta' Xbiex,

Malta - EU

### **Independent Auditors:**

MGI Malta Limited

Central Business Centre,

Room 1, Level 1, Suite 2, Mdina Road,

Zebbug,

Malta - EU

### **Legal Advisers:**

WH Partners

Level 5, Quantum House,

75 Abate Rigord Street,

Ta' Xbiex,

Malta - EU

**Report of the Board of Directors**

The Directors present their tenth annual report together with the audited financial statements of the consolidated entity, being Angler Gaming plc (“the Company”) and its controlled entities (“the Group”) covering the year from 1 January 2022 up to 31 December 2022.

**Principal activity of the holding company**

The Company’s principal activities are to invest and to hold shares, participations, investments, interests and debentures in related undertakings and to own manage and administer property of any kind belonging to it.

The Company, as parent company, is listed on the Spotlight Stock Market, Klarabergsviadukten 63, 9th floor, 101 23 Stockholm, Sweden (“Spotlight”). In November 2019 the Company has been amongst the very first few companies to have been accepted to the Next Segment (premium segment) of the Spotlight.

**Group structure and other activities within the group**

The Company has nine subsidiary undertaking companies, namely, Starfish Media N.V. (“Starfish”), Starpay Limited (“Starpay”), Delta Services Limited (“Delta”), Premiergaming Ltd (“Premier”), Hipponut Ltd (“Hipponut”), DSL Sofia Ltd (“DSL”), Starspay Limited (formerly known as Foxpay Ltd) (“Starspay”), Premiergaming (IOM) Limited (“PGL IOM”) and Fiebre Ltd (“FL”).

Starfish holds a Curaçao gaming licence authorising it to provide internet gaming, services and products. Starfish is licensed by a sub-licence from Curaçao eGaming, a company registered in Curaçao holder of Master Gaming License #1668/JAZ, to provide online gambling services. The company has an agreement with Curaçao eGaming outlining the sublicensing which in turn is regulated by the licensing authority in Curaçao. The Sole Director of Starfish is responsible for, and ensures, the compliance of the Group with the requirements of the licensing authority in Curaçao and other related laws and regulations.

Starfish has its own subsidiary company, Starpay which primarily carries out the business of facilitating and assisting the Angler Gaming plc Group of which it forms part, in processing of payments through gateways.

Delta was incorporated in Malta in 2015 and provides the Group with managerial and administrative support services as well as consultancy services. Delta has two fully owned subsidiary companies - Hipponut Ltd and DSL Sofia Ltd which were registered in Sofia, Bulgaria in October 2019 for technology services and associated purposes. In addition, during the previous financial year 2021, Delta had established a new jointly owned company, Fiebre Ltd, where the Group controls 80% and a minority shareholder holds 20%. The company operates in the field of affiliate marketing for South American markets and the Group’s total investment in the project is estimated to reach EUR 300,000.

## Report of the Board of Directors (continued)

### Group structure and other activities within the group (continued)

Premier was incorporated in Malta in 2017, is licensed and regulated by the Malta Gaming Authority (“MGA”) under licence number MGA/B2C/430/2017 and is authorised to offer casino games. In January 2019 Premier also received a full five-year license to conduct online gaming in Sweden under licence reference number 18Li10415, offering online casino, online sportsbetting and online bingo.

Starspay Limited, incorporated in London, England in 2019, carries out the business of facilitating and assisting in processing of payments through gateways for and on behalf of its parent company and its controlled entities. After the year end, in order to further facilitate the processing of payments through gateways in line with the business-to-business (“B2B”) activities of the Group, Starpay was transferred to an existing partner with which Starfish has a prevailing B2B cooperation agreement.

Premiergaming (IOM) Limited was incorporated in Douglas, Isle of Man on 22 February 2021, was granted an IOM software supplier licence in September 2021 and intends to provide third party games content and B2B services to licenced operators.

### Overall performance of the group

In the year under review, Group registered a loss on ordinary activities before taxation of EUR 3,720,795 as compared to profit EUR 7,248,757 in 2021. Loss after taxation was EUR 3,307,629 whereas in 2021 a profit after taxation of EUR 7,189,946 was registered. As at the end of the year under review, the total assets of the Group were EUR 10,152,350 (2021: EUR 19,067,005) and the net assets were EUR 4,993,554 (2021: EUR 14,674,908).

### Group financial position, development and performance

The financial position, development and performance of the Group as presented in these financial statements show that 2022 has seen a decline in figures. The Group revenues in 2022 marginally reduced over 2021 reaching EUR 31,662,606 (2021: EUR 43,404,095) and resulting in a decrease in gross profits at EUR 5,561,953 (2021: EUR 14,797,548) in absolute terms. Operating results further worsened in 2022 at loss EUR 2,178,050 (2021: profit EUR 7,844,577).

### COVID-19 and financial and operational performance

Following the outbreak of the COVID-19 pandemic, the Group embarked upon an exercise which saw it implement a number of initiatives aimed at ensuring continuity of service and at the mitigation of a potential negative impact on business. Despite the challenges presented by the outbreak of this pandemic, the Group has managed to mitigate any significant impact on its operations and performance to date, taking cognisance of the Group’s financial results for the year. The Group has already taken and will continue taking steps to safeguard the business, and the strategic priority remains the long-term sustainability of the Group with a focus on growing the business.

## Report of the Board of Directors (continued)

### Principal Risks and Uncertainties faced by the Company and its controlled entities

The Company's main objective is to invest, and to hold shares, in related undertakings and to own manage and administer property of any kind belonging to it. All investments made to date operate and provide related services in the iGaming industry. The Company does not conduct any online gambling operations; however, it is dependent on the online gambling industry. The entire revenue stream of the Company and its controlled entities 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, frequently being introduced or amended in various European and other countries which may lead to prohibiting or restricting operations or altering operating conditions 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 has been in operation for a limited number of years and its investments are in their majority still in an early growth stage. The Company's performance is highly dependent on the performance of one of its main investments, a fully owned subsidiary since a substantial part of its revenues are generated from this particular provider of services within the iGaming industry.

In addition to the above, the Directors also consider the following risks as being relevant to the Company and its controlled entities:

- 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. Intangible assets having an indefinite life are tested for impairment on an annual basis to ensure the Company's total asset value is not overstated on the balance sheet after taking into consideration events and economic circumstances that occur between annual impairment tests in order to determine if it is 'more likely than not' that the market value of the indefinite useful life tangible asset has dropped below its carrying value;
- Technological and systems development; and
- Dependence on key individuals and/or suppliers 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 and its controlled entities. If any of the risks occur, the Group's business operations, financial condition and operating results may be adversely affected.

### Financial Risk Management and Exposures

Information on the financial risks and exposures faced by the company are disclosed in Note 3.



## Report of the Board of Directors (continued)

### Results and Dividends

The consolidated and parent results for the year are set out on page 12.

Given the challenging financial year 2022 and the projected investment in new projects, the Board of Directors does not recommend a dividend for the financial year 2022.

### Share Capital

Share capital information of the Group and the Company is disclosed in Note 19 to the financial statements. Each share gives the right to one vote and shares shall rank pari passu for all intents and purposes of the law.

	<b>Number of Ordinary Shares</b>	<b>Total Shares EUR</b>
<b>Authorised</b> Ordinary shares of EUR 0.01 each, as at 31 December 2022 and 31 December 2021	<b>84,498,570</b>	<b>844,986</b>
<b>Issued and fully paid up</b> Ordinary shares of EUR 0.01 each, as at 31 December 2022 and 31 December 2021	<b>74,984,995</b>	<b>749,849</b>

### Memorandum and Articles of Association

There were no changes to the Memorandum and Articles of Association of the Company during the year 2022.

The rules governing the appointment or election of directors are contained in Articles 51 to 56 of the Articles of Association. An extraordinary resolution approved by the shareholders in the general meeting is required to amend the Articles of Association.

The powers of Directors are outlined in Articles 69 to 74 of the Company's Articles of Association.

**Report of the Board of Directors (continued)**

**Board of Directors**

The Board of Directors of the Company who held office throughout/during the year 2022, were:

Olga Finkel	Chairperson – Director
Thomas Kalita	Chief Executive Officer – Director
Ralf Feldt	Director
James Scicluna	Director (resigned on 1 November 2022)

The Articles of Association require Directors to retire after one year in office, but they are eligible for re-appointment.

**Directors’ interests in Shares**

The beneficial interests of each of the Directors in the ordinary share capital of the company as of 31 December 2022 are shown below:

	Number of issued ordinary shares of EUR 0.01 each
Olga Finkel	300,000
Thomas Kalita (through a company he controls)	5,000,000
Ralf Feldt	60,000

On 16 February 2023 Angler Gaming plc’s Chief Executive Officer & Director, Thomas Kalita, via a company he controls, bought 1,000,000 shares in the Company at the average price of SEK 4.17148187 (total value SEK 4,171,482). After this acquisition, Thomas Kalita holds, via a company he controls, 6,000,000 shares in Angler Gaming plc.

**Directors’ interests in Contracts**

The directors are aware that their primary responsibility is always to act in the interest of the Company and its shareholders as a whole. The directors are also aware that acting in the interest of the Company includes an obligation to avoid conflicts of interest. No director had a material interest in any contract, other than an employment related contract, that was significant in relation to the Group’s business at any time during the year.

**Going Concern**

Having made an appropriate assessment of going concern as discussed in Note 2 to these financial statements, the Directors, at the time of approving these financial statements, have determined that there is reasonable expectation that the Group and the Company have adequate resources to continue operating for the foreseeable future. For this reason, these financial statements have been prepared on a going concern basis which assumes that the Group and the Company will continue in operational existence for the foreseeable future and will meet their financial obligations as and when they fall due.

**Report of the Board of Directors (continued)**

**Events after the Reporting Period**

The Group and the Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review the Group and the Company did not identify any subsequent events that would have required adjustment or disclosure in the consolidated financial statements.

**Future Developments**

The directors anticipate the business environment will remain competitive. They believe that the company is in a good position and that the risks that have been identified are being managed. With careful focus on appropriate diversification and development of new products, as well as continuing review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectations. Strategic priority remains the long-term sustainability of the Group with a focus on growing the business.

**Auditors**

MGI Malta Limited have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

*On behalf of the Board*



**Olga Finkel**  
Chairperson - Director



**Thomas Kalita**  
Chief Executive Officer – Director

**Registered office:**

Office 1 / 3327, Level G, Quantum House, 75 Abate Rigord Street, Ta' Xbiex, Malta - EU

Date: 27 April 2023

## Statement of Directors' Responsibilities

Angler Gaming plc has to abide by the Companies Act, 1995 (CAP 386 of the Laws of Malta) and the rules associated with a listing on Spotlight Stock Market. The Group/Company will also operate in compliance with the rules and regulations listed in the Articles of Association. These are available on the Company's website.

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the group and the parent at the end of each financial period and of its 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 (IFRSs) as adopted by the European Union;
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances;
- Ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group/Company will continue in business as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the parent and to enable them to ensure that the financial statements comply with the Companies Act. The directors are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with assurance that the assets of the group and the parent are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

The financial statements of Angler Gaming plc for the year ended 31 December 2022 are included in the Annual Report and Statutory Financial Statements, which is published in hard copy printed form and is 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.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Angler Gaming plc

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### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated and stand-alone parent company financial statements of Angler Gaming plc (the "Company") and its subsidiaries (the "Group"), set on pages 12 to 41, which comprise the consolidated and parent company statements of financial position as at 31 December 2022, and the consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Maltese Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

#### Basis for Opinion

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

#### Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, other than in the case of the Directors' Report on which we report separately below, we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Pursuant to Article 179(3) of the Maltese Companies Act, based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Angler Gaming plc

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### **Responsibilities of the Directors**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Maltese Companies Act, 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 Group's and 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 Group and the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 judgment 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 Group's and 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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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 AUDITOR'S REPORT**

To the Shareholders of Angler Gaming plc

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### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Report on Other Legal and Regulatory Requirements**

Under articles 179(10) and 179(11) of the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

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



Walter Rizzo

For and on behalf of

**MGI Malta Limited**

Certified Public Accountants

Central Business Centre

Room 1, Level 1, Suite 2, Mdina Road

Zebbug ZBG 9015

Malta

Date: 27 April 2023

**Statements of Profit or Loss and other Comprehensive Income  
for the year ended 31 December 2022**

	Note	Group		Company	
		2022 EUR	2021 EUR	2022 EUR	2021 EUR
Revenue	8	31,662,606	43,404,095	9,712,171	12,568,992
Direct costs		(26,100,653)	(28,606,547)	-	-
<b>Gross profit</b>		<b>5,561,953</b>	<b>14,797,548</b>	<b>9,712,171</b>	<b>12,568,992</b>
Direct wages costs	9	(2,088,466)	(1,815,734)	-	-
Administrative expenses		(3,480,641)	(2,734,929)	(315,815)	(378,214)
ICT & Hosting Expenses		(798,669)	(780,895)	-	-
Marketing and sales expenses		(1,359,555)	(1,613,801)	(75,702)	(120,460)
Depreciation		(12,672)	(7,612)	(100)	(96)
<b>Operating (loss)/profit</b>	<b>10</b>	<b>(2,178,050)</b>	<b>7,844,577</b>	<b>9,320,554</b>	<b>12,070,222</b>
Finance (cost)/income	11	(1,542,745)	(595,820)	(19,153)	(4,922)
<b>(Loss)/profit before taxation</b>		<b>(3,720,795)</b>	<b>7,248,757</b>	<b>9,301,401</b>	<b>12,065,300</b>
Taxation	12	413,166	(58,811)	-	-
<b>(Loss)/profit and total comprehensive income for the financial year</b>		<b>(3,307,629)</b>	<b>7,189,946</b>	<b>9,301,401</b>	<b>12,065,300</b>
<b>Basic earnings per share based on net results for the year</b>	<b>13</b>	<b>(0.0441)</b>	<b>0.0959</b>	<b>0.1240</b>	<b>0.1609</b>

The accounting policies and explanatory notes on pages 16 to 41 are an integral part of these financial statements.



**Statements of Financial Position  
at 31 December 2022**

	Note	Group		Company	
		2022	2021	2022	2021
		EUR	EUR	EUR	EUR
<b>Assets</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	14	-	-	101,999	101,999
Intangible assets	15	1,214,095	1,216,051	-	-
Property, plant and equipment	16	31,171	15,811	-	100
<b>Total non-current assets</b>		<b>1,245,266</b>	<b>1,231,862</b>	<b>101,999</b>	<b>102,099</b>
<b>Current assets</b>					
Trade and other receivables	17	7,712,055	12,175,445	14,357,746	10,394,273
Cash and cash equivalents	18	1,195,029	5,659,698	5,696	25,491
<b>Total current assets</b>		<b>8,907,084</b>	<b>17,835,143</b>	<b>14,363,442</b>	<b>10,419,764</b>
<b>Total assets</b>		<b>10,152,350</b>	<b>19,067,005</b>	<b>14,465,441</b>	<b>10,521,863</b>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Paid up capital	19	749,849	749,849	749,849	749,849
Share premium	20	1,815,803	1,815,803	1,815,803	1,815,803
Non-refundable shareholder contribution	21	177,088	177,088	-	-
Retained earnings		2,250,814	11,932,168	10,882,725	7,955,049
		<b>4,993,554</b>	<b>14,674,908</b>	<b>13,448,377</b>	<b>10,520,701</b>
<b>Current liabilities</b>					
Trade and other payables	23	4,146,101	3,966,109	17,064	1,162
Borrowings	24	1,000,000	-	1,000,000	-
Current tax liabilities		12,695	425,988	-	-
<b>Total liabilities</b>		<b>5,158,796</b>	<b>4,392,097</b>	<b>1,017,064</b>	<b>1,162</b>
<b>Total equity and liabilities</b>		<b>10,152,350</b>	<b>19,067,005</b>	<b>14,465,441</b>	<b>10,521,863</b>

The financial statements on pages 11 to 41 were approved and signed by the Directors on 27 April 2023:



**Olga Finkel**  
Chairperson - Director



**Thomas Kalita**  
Chief Executive Officer – Director

The accounting policies and explanatory notes on pages 16 to 41 are an integral part of these financial statements.

# ANGLER GAMING PLC

Annual Report and Statutory Financial Statements for the year 1 January to 31 December 2022

## Statements of changes in equity for the year ended 31 December 2022

	Share capital EUR	Retained earnings EUR	Non- refundable shareholder contribution EUR	Share premium EUR	Group Total EUR
<b>Balance at 1 January 2021</b>	<b>749,849</b>	<b>13,740,421</b>	<b>177,088</b>	<b>1,815,803</b>	<b>16,483,161</b>
Profit and total comprehensive income for the financial year	-	7,189,946	-	-	7,189,946
Dividend paid on equity shares	-	(8,998,199)	-	-	(8,998,199)
<b>Balance at 31 December 2021</b>	<b>749,849</b>	<b>11,932,168</b>	<b>177,088</b>	<b>1,815,803</b>	<b>14,674,908</b>
<b>Balance at 1 January 2022</b>	<b>749,849</b>	<b>11,932,168</b>	<b>177,088</b>	<b>1,815,803</b>	<b>14,674,908</b>
Loss and total comprehensive income for the financial year	-	(3,307,629)	-	-	(3,307,629)
Dividend paid on equity shares	-	(6,373,725)	-	-	(6,373,725)
<b>Balance at 31 December 2022</b>	<b>749,849</b>	<b>2,250,814</b>	<b>177,088</b>	<b>1,815,803</b>	<b>4,993,554</b>

The accounting policies and explanatory notes on pages 16 to 41 are an integral part of these financial statements.

**Statements of Cash Flows  
for the year ended 31 December 2022**

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
<b>Cash flows from operating activities</b>				
<b>(Loss)/profit before taxation</b>	<b>(3,720,795)</b>	<b>7,248,757</b>	<b>9,301,401</b>	<b>12,065,300</b>
Reconciliation to cash generated from operations:				
Depreciation	12,672	7,612	100	96
Taxation	(127)	-	-	-
<b>Operating (loss)/profit before working capital changes</b>	<b>(3,708,250)</b>	<b>7,256,369</b>	<b>9,301,501</b>	<b>12,065,396</b>
Movement in debtors	4,463,390	(2,362,340)	15,558	(15,600)
Movement in creditors	179,992	218,275	15,902	(15,013)
<b>Net cash generated from operating activities</b>	<b>935,132</b>	<b>5,112,304</b>	<b>9,332,961</b>	<b>12,034,783</b>
<b>Cash flows from investing activities</b>				
Investment in subsidiary	-	-	-	(1)
Intangible/tangible fixed assets	(26,076)	(39,670)	-	-
<b>Net cash (absorbed by)/generated from investing activities</b>	<b>(26,076)</b>	<b>(39,670)</b>	<b>-</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>				
Dividend paid on equity shares	(6,373,725)	(8,998,199)	(6,373,725)	(8,998,199)
Loan facility obtained	1,000,000	-	1,000,000	-
Intra-group finance	-	-	(3,979,031)	(3,063,152)
<b>Net cash generated from financing activities</b>	<b>(5,373,725)</b>	<b>(8,998,199)</b>	<b>(9,352,756)</b>	<b>(12,061,351)</b>
Net movement in cash and cash equivalents in the year	(4,464,669)	(3,925,565)	(19,795)	(26,569)
Cash and cash equivalents at beginning of year	5,659,698	9,585,263	25,491	52,060
<b>Cash and cash equivalents at end of year (Note 18)</b>	<b>1,195,029</b>	<b>5,659,698</b>	<b>5,696</b>	<b>25,491</b>

The accounting policies and explanatory notes on pages 16 to 41 are an integral part of these financial statements.

## Notes to the financial statements

### 1 General information

#### ***Country of incorporation***

Angler Gaming plc was incorporated in Malta on 8 February 2012 as a public limited liability company in accordance with the provisions of the Companies Law of Malta, 1995. The registered office of the company is Office 1 / 3327, Level G, Quantum House, 75 Abate Rigord Street, Ta' Xbiex, Malta - EU. These consolidated and stand-alone parent company financial statements were approved for issue by the Board of Directors on 27 April 2023.

#### ***Parent Company and its subsidiaries***

The Company, as parent company, and all of its subsidiary undertakings, is listed on Spotlight Stock Market, Klarabergsviadukten 63, 9th floor, 101 23 Stockholm, Sweden ("Spotlight") (stock symbol: ANGL). In November 2019 the Company has been amongst the very first few companies to have been accepted to the Next Segment (premium segment) of the Spotlight.

At the end of the reporting period the Companies forming part of Angler Gaming plc group, being herein consolidated, were:

<b>Name</b>	<b>Shareholding</b>
Starfish Media N.V.	100%
Starpay Limited	100%
Starspay Limited	100%
Premiergaming Ltd	100%
Premiergaming (IOM) Limited	100%
Delta Services Limited	100%
DSL Sofia Ltd	100%
Hipponut Ltd	100%
Fiebre Ltd	80%

### 2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated and stand-alone parent company financial statements are set out below. These policies have been consistently applied in the financial statements presented, unless otherwise stated.

#### ***Basis of preparation and statement of compliance***

The financial statements are prepared under the historical cost convention and are in accordance with:

- International Financial Reporting Standards (IFRSs) as adopted by the EU;
- Companies Act, 1995 (CAP 386 of the Laws of Malta) and
- the requirements of the Spotlight Stock Market Connection Agreement.

## Notes to the financial statements (continued)

### 2 Summary of significant accounting policies (continued)

#### ***Standards, Interpretations and Amendments to Published Standards endorsed by the EU effective in the current year***

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective during the year:

- Amendments to IFRS 16 Leases: COVID-19- Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020)

These amendments and interpretations do not have an impact on the financial statements of the Group. The Group has not early adopted any standard, interpretations or amendments that have been issued but are not yet effective.

#### ***Standards, Interpretations and Amendments to Published Standards as adopted by the EU which are not yet effective***

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Group has not early adopted but plans to adopt upon their effective date. The new and amended standards follow:

- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021) (effective for financial year beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for financial year beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for financial year beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for financial year beginning on or after 1 January 2023) - IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) (effective for financial year beginning on or after 1 January 2023)

The changes resulting from these standards, interpretations and amendments are not expected to have a material effect on the financial statements of the Group.

## Notes to the financial statements (continued)

### **Standards, Interpretations and Amendments that are not yet endorsed by the EU**

The Group is still assessing the impact that these new standards will have on the financial statements.

### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

### **Basis of consolidation**

#### *(i) Subsidiaries*

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 December 2022. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. All subsidiaries have a reporting date of 31 December.

#### *(ii) Transactions eliminated on consolidation.*

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

### **Revenue recognition**

Revenues earned by the Group are recognised on the following bases:

#### *(i) Casino Revenue*

Under IFRS 15 Revenue from contracts with customers, revenue is to be recognised when the customer assumes control over the sold item or service and has the ability to use and obtain benefit from those items or services.

Casino revenue is defined as Bet - win - jackpot contribution - bonus cost - loyalty points - manual adjustments user balances. Jackpots, other than progressive jackpots, are recognized at the time they are won by customers. Progressive jackpot provisions are recognized and accrued for as the obligation becomes unavoidable.

Cost of sales includes payment processing fees to payment suppliers, affiliate expenses, gaming license fees for products, software licence fees and affiliate costs.

#### *(ii) Dividend income*

Dividend income is recognized when the right to receive payment is established.

#### *(iii) Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

## Notes to the financial statements (continued)

### 2 Summary of significant accounting policies (continued)

#### **Foreign currency translation**

##### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'euro currency' (€), which is the Group's presentation currency.

##### *(ii) Transactions and balances*

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

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

Property, plant and equipment comprise mainly computer equipment. This is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Company and the Group do not have title to other property, plant and equipment.

#### **Intangible assets – computer software**

Costs associated with maintaining computer software programs are recognized 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 group are recognised as intangible assets when the following criteria are met:

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

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

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

***Intangible assets – computer software (continued)***

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

***Depreciation***

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned having regard to their residual value. The annual rates used for this purpose, which are applied consistently, are:

	Useful life	%
Computer equipment	48 months	25.00
Office furniture	120 months	10.00
Furniture and fittings	120 months	10.00

***Intangible assets amortisation***

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

	Useful life	%
Software	72 months	16.67

Brand and domain have an indefinite life and are not amortized, but rather evaluated for impairment annually.

***Employee benefits***

Contributions towards the state pension are made in accordance with local legislation. The only obligation is to make the required contributions. Costs are expensed in the period in which they are incurred.



**Notes to the financial statements (continued)****2 Summary of significant accounting policies (continued)*****Current and deferred income tax****(i) Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax is charged or credited to profit or loss. Current income tax relating to items realized directly in equity is realized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The charge for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods.

*(ii) Deferred income tax*

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are realized for all taxable temporary differences and deferred tax assets are realized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be realized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

**Notes to the financial statements (continued)****2 Summary of significant accounting policies (continued)*****Trade receivables***

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

***Ordinary shares and dividends***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders. Interim dividends are approved by the directors and recognised when paid.

***Non-refundable shareholder contribution***

The previous shareholding company contributed a non-refundable financial amount before the company was listed on Spotlight Stock Market. This amount is free from any security, obligation, or repayment.

***Trade and other payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

***Provisions***

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the financial reporting date and are discounted to present value when the effect is material. Provisions are reviewed each financial reporting date and adjusted to reflect the current best estimate.

**Notes to the financial statements (continued)****2 Summary of significant accounting policies (continued)*****Cash and cash equivalents***

Cash and cash equivalents are defined as cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to significant risk of changes in value. For the purpose of the statement of cashflows, cash and cash equivalents consist of cash in hand and deposits at banks, net of any outstanding overdrawn bank balances.

***Related parties***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Related party accounts are carried at cost, net of any impairment charge.

***Earnings per share***

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period.

**3 Financial risk management*****Financial risk factors***

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

The Group's and the Company's risk management is coordinated by the Board and focuses on actively securing the Group's and the Company's short term to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Group and the Company are exposed to are described below.

**Notes to the financial statements (continued)****3 Financial risk management (continued)***(i) Credit risk*

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the end of the reporting period in respect of the mentioned financial assets is equivalent to their carrying amount. The company does not hold any collateral as security in this respect. The company banks only with financial institutions with high quality standing or rating.

*(ii) Liquidity risk*

The Group's and the Company's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise principally, trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Group's and the Company's obligations when they become due.

*(iii) Foreign currency risk*

Foreign currency transactions arise when the Group and the Company enter into transactions denominated in a foreign currency. The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates. The Directors consider foreign exchange risk exposure not to be material and accordingly a sensitivity analysis disclosing how profit or loss and other comprehensive income would change as a result of a reasonable possible shift in foreign exchange rates, is not considered necessary.

**4 Capital management**

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or issue new debt.

No changes were made in the objectives, policies and processes for managing capital during the years 2022 and 2021.

**Notes to the financial statements (continued)****5 Fair value estimation**

The fair value of financial instruments traded in active markets, such as publicly traded financial assets at fair value through profit or loss and available-for-sale financial assets is based on quoted market prices as at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at the end of the reporting period.

The carrying value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

**6 Significant accounting judgements, estimates and assumptions**

In preparing the financial statements, the Directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Except for the below, in the opinion of the Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

**Notes to the financial statements (continued)****6 Significant accounting judgements, estimates and assumptions (continued)****Judgments***(i) Estimation of current tax expenses and payable*

The company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Management's assessments related to the tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

*(ii) Impairment of intangible assets*

The Company follows the guidance of IAS 36 to determine when impairment indicators exist for its intangible assets. When impairment indicators exist, the Company is required to make a formal estimate of the recoverable amount of its intangible assets. This determination requires significant judgment. In making this judgment, management evaluates external and internal factors, such as significant adverse changes in the technological, market, economic or legal environment in which the Company operates as well as the results of its ongoing development programs. Management also considers the carrying amount of the Company's net assets in relation to its market capitalization as a key indicator. In making a judgment as to whether impairment indicators exist as at year end, management concluded there were none.

**Estimates**

Provision for expected credit losses of trade receivables The entity applies the simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

**Notes to the financial statements (continued)**

**7 Segment information**

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 has been identified as the Board of Directors that makes strategic decisions.

The Board of Directors considers Angler Gaming plc (and subsidiaries) to be made up of one segment.

**8 Revenue**

	Group		Company	
	2022	2021	2022	2021
	EUR	EUR	EUR	EUR
Casino revenue	31,542,812	42,653,603	-	-
Marketing and SEO revenue	119,794	750,492	-	-
Dividend received	-	-	9,712,171	12,568,992
			<u>9,712,171</u>	<u>12,568,992</u>

**9 Employee benefit expense**

	Group		Company	
	2022	2021	2022	2021
	EUR	EUR	EUR	EUR
Wages and salaries - Malta	1,501,216	1,429,082	-	-
Social Security costs – Malta	77,978	69,437	-	-
Wages and salaries - Bulgaria	436,778	273,543	-	-
Social Security costs - Bulgaria	70,098	41,580	-	-
Other employee related expenses	2,396	2,092	-	-
	<u>2,088,466</u>	<u>1,815,734</u>	-	-

The average number of employees employed by the Group during the year was:

	Group		Company	
	2022	2021	2022	2021
Management and administration	4	5	4	4
Software development and customer support	66	54	-	-
	<u>70</u>	<u>59</u>	<u>4</u>	<u>4</u>

**Notes to the financial statements (continued)**

**10 Operating (loss)/profit**

Operating (loss)/profit for the financial year is stated after charging:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Directors' remuneration and other emoluments				
The parent company				
- Directors' fees	156,159	171,932	156,159	171,932
- Other emoluments payable to directors for management and administration of the parent and subsidiaries, whether directly or via controlled companies	330,612	480,065	114,612	136,687
The subsidiaries				
- Directors' remuneration, including directors' fee and emoluments for company management and administration services	25,567	239,841	-	-
Fees payable to the group's auditors				
for the annual statutory audit	10,000	10,000	7,000	7,000
for review of condensed consolidated interim financial statements	3,500	3,500	-	-
for other assurance services	6,750	6,750	-	-
Impairment/asset write-off	2,453,364	315,423	-	-

The company highlights that in Q4 of the year ended 31 December 2022, a subsidiary company has written off receivables of EUR 2,453,364 (2021: EUR 315,423). No further movements were deemed necessary as at 31 December 2022 following a review carried out in accordance with the company's accounting policies.

Bad debts are written off from time to time as determined by group management and the Board of Directors when it is reasonable to expect that the recovery of the debt is considered to be remote. All write-offs are on a case-by-case basis, taking account of the exposure at the date of the write off. Amounts written off are brought to account as an expense in the Statement of Comprehensive Income. Bad debts are written off against the provision for doubtful debts if a provision for impairment had previously been recognised.



**Notes to the financial statements (continued)**

**11 Finance (cost)/income**

	Group		Company	
	2022	2021	2022	2021
	EUR	EUR	EUR	EUR
Finance (cost)/income arising as follows:				
Interest paid to third parties	(15,902)	-	(15,902)	-
Bank charges	(796,485)	(383,503)	(2,115)	(2,410)
Realised and unrealised gains and losses on exchange	(730,358)	(212,317)	(1,136)	(2,512)
	<b>(1,542,745)</b>	<b>(595,820)</b>	<b>(19,153)</b>	<b>(4,922)</b>

**12 Income tax**

	Group		Company	
	2022	2021	2022	2021
	EUR	EUR	EUR	EUR
Taxation attributable to profit is made up of:				
Starfish Media N.V.				
Tax provision made	-	-	-	-
Effect of change in Curaçao tax rate recognised in profit or loss	425,861	-	-	-
Tax credited/(charged) to profit or loss	425,861	-	-	-
Starpay Limited	-	(413)	-	-
Starspay Limited	(3,860)	-	-	-
Hipponut Ltd	(4,071)	(54,395)	-	-
DSL Sofia Ltd	(4,764)	(4,003)	-	-
Total tax credited/(charged) to profit or loss relating to the period	<b>413,166</b>	<b>(58,811)</b>	-	-

The total tax (charged)/credited to profit or loss is based on the corporate tax rates applicable in the various countries in which the Companies forming part of Angler Gaming plc group are established.

**Angler Gaming plc**

Angler Gaming plc is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source.

**Delta Services Limited**

Delta Services Limited is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source. No provision for Malta Income Tax has been made in its individual financial statements in view that there was no chargeable income.

**Notes to the financial statements (continued)**

**12 Income tax (continued)**

***Premiergaming Ltd***

Premiergaming Ltd is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source. No provision for Malta Income Tax has been made in its individual financial statements in view that there was no chargeable income.

***Fiebre Ltd***

An application with the Inland Revenue of Malta has been made in order to extend the first financial year so the first set of financial statements would cover the period 9 August 2021 to 31 December 2022. No tax provision has been made in view that there was no chargeable income.

***Starpay Limited***

Starpay Limited is tax resident in Cyprus and is subject to taxation at the rate of 12.5% based on company taxable profits. No provision for Cyprus standard rate corporation tax has been made in its individual financial statements in view that there was no chargeable income.

***Starspay Limited***

Starspay Limited is tax resident in UK and is subject to taxation at the rate of 19% based on company taxable profits. Increases in the UK corporation tax rate from 19% to 25%, with marginal relief available for profits between £50,000 and £250,000 (effective 1 April 2023) were substantively enacted on 3 March 2021. This will increase the company's future tax charge accordingly.

***Hipponut Ltd and DSL Sofia Ltd***

Hipponut Ltd and DSL Sofia Ltd make a provision of 10% based on company taxable profits on a monthly basis.

***Starfish Media N.V.***

The provisions for Curaçao taxation that had been previously made are being halted and reversed on the basis of tax advice from Curaçao that has been received in 2022. The tax advice states that as from 1 January 2020, the profit tax system of Curaçao has changed from a worldwide system to a territorial system. This entails that only the profit generated by domestic activities is subject to Curaçao profit tax. In accordance with the Guidelines that were recently published by the Government, the profit of the company is regarded as domestic profit, unless it can be proven which part of the profit is generated with foreign activities. Taking into account the Guidelines and considering that the company does not incur any local 'causal' costs, the profit of the company should be regarded as foreign profit for Curaçao profit tax purposes. Consequently, the profit for the financial year 2020, and subsequent, should in principle not be subject to Curaçao profit tax.

***Deferred tax***

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

**Notes to the financial statements (continued)**

**13 Earnings per share**

The basic earnings per share for the group has been calculated on the results attributable to shareholders as recognised in the consolidated statement of comprehensive income divided by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year amounted to 74,984,995 (2021: 74,984,995).

No figure for diluted earnings per share has been presented as the group has not issued any convertible instruments that may be converted, options or warrants that may be exercised or any ordinary shares that may be issued under certain conditions, which would have an impact on earnings per share when exercised.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of approval of these consolidated financial statements.

**Notes to the financial statements (continued)**

**14 Investments in subsidiaries**

In the separate financial statements shares in subsidiary undertakings are accounted for at cost.

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
<b>Cost and net book value</b>				
At 1 January	-	-	101,999	101,998
Additions	-	-	-	1
At 31 December	-	-	<b>101,999</b>	<b>101,999</b>

The carrying amount for the investment in controlled entities reflects the value of the investment by the ultimate parent, Angler Gaming plc. The Directors are of the opinion that based on future cashflows of the controlled entities, the value in use is equal or exceeds the carrying amount in the financial statements as at 31 December 2022. To this end no impairment provision on the value of investment in the controlled entities is included in these financial statements.

The group financial statements consolidate the results and position of the following subsidiary undertakings which all have same year ends with that of the holding company:

	Country of Incorporation	Class of Shares held	Proportion ownership interest
<b>2022 and 2021</b>			
Starfish Media N.V. (Curaçao Co. Reg. No. 125528)	Curaçao	Ordinary	100%
StarPay Limited (Cyprus Co. Reg. No. HE414154)	Cyprus	Ordinary	100%
Starspay Limited (UK Co. No. 12124994)	England	Ordinary	100%
Premiergaming Ltd (Malta Co. Reg. No. C82415)	Malta	Ordinary	100%
Premiergaming (IOM) Limited (IOM Co. Reg. No 018701V) Isle of Man	Isle of Man	Ordinary	100%
Delta Services Limited (Malta Co. Reg. No. C69559)	Malta	Ordinary	100%
DSL Sofia Ltd (Bulgaria Corp ID 205859587)	Bulgaria	Ordinary	100%
Hipponut Ltd (Bulgaria Corp ID 205861442)	Bulgaria	Ordinary	100%
Fiebre Ltd (Malta Co. Reg. No. C99792)	Malta	Ordinary	80%

After the year end, to further facilitate the processing of payments through gateways, Starspay Limited was transferred to an existing partner with which the Group has a prevailing business-to-business (“B2B”) cooperation agreement.

**Notes to the financial statements (continued)**

**14 Investments in subsidiaries (continued)**

Registered office information as regard the subsidiary undertakings:

- Starfish Media N.V.: Kaya Richard J. Beaujon z/n, Landhuis Joonchie II, Curaçao.
- StarPay Limited: Athalassas, 62, MEZZANINE, 2012, Leykosia, Kypros.
- Starspay Limited: 71-75 Shelton Street, Covent Garden, London, England, WC2H 9JQ.
- Delta Services Limited and Premiergaming Ltd: Office 1 / 3327, Level G, Quantum House, 75 Abate Rigord Street, Ta' Xbiex, Malta.
- Premiergaming (IOM) Limited: PO Box 227, Peveril Buildings, Peveril Square, Douglas, Isle of Man, IM99 1RZ.
- Hipponut Ltd and DSL Sofia Ltd: Floor 3, Hristo Botev Blvd, Triaditsa Borough 28, 1000 Sofia, Bulgaria.
- Fiebre Ltd – Level G, Office 1/0527, Quantum House, 75, Abate Rigord Street, Ta' Xbiex, Malta.

**15 Intangible assets**

Details of intangible assets and their carrying amount are as follows:

	<b>Software EUR</b>
<b>Gross carrying amount</b>	
At 1 January 2021	<b>2,104,102</b>
Additions	31,747
At 31 December 2021	<u><b>2,135,849</b></u>
<b>Amortisation and impairment</b>	
At 1 January 2021	<b>(919,798)</b>
Amortisation	-
At 31 December 2021	<u><b>(919,798)</b></u>
Carrying amount at 31 December 2021	<u><b>1,216,051</b></u>
<b>Gross carrying amount</b>	
At 1 January and 31 December 2022	<u><b>2,135,849</b></u>
<b>Amortisation and impairment</b>	
At 1 January 2022	<b>(919,798)</b>
Amortisation	<b>(1,956)</b>
At 31 December 2022	<u><b>(921,754)</b></u>
Carrying amount at 31 December 2022	<u><b>1,214,095</b></u>

**Notes to the financial statements (continued)**

**16 Property, plant and equipment**

Details of property, plant and equipment, which mainly consist of computer technical equipment, server, switches and IT storage devices, and their carrying amount are as follows:

	<b>Group EUR</b>	<b>Company EUR</b>
<b>Gross carrying amount</b>		
At 1 January 2021	174,400	1,882
Additions	7,923	-
At 31 December 2021	<b>182,323</b>	<b>1,882</b>
<b>Depreciation and impairment</b>		
At 1 January 2021	(158,900)	(1,686)
Depreciation	(7,612)	(96)
Impairment losses	-	-
At 31 December 2021	<b>(166,512)</b>	<b>(1,782)</b>
Carrying amount at 31 December 2021	<b>15,811</b>	<b>100</b>
<b>Gross carrying amount</b>		
At 1 January 2022	182,323	1,882
Additions	26,076	-
At 31 December 2022	<b>208,399</b>	<b>1,882</b>
<b>Depreciation and impairment</b>		
At 1 January 2022	(166,512)	(1,782)
Depreciation	(10,716)	(100)
Impairment losses	-	-
At 31 December 2022	<b>(177,228)</b>	<b>(1,882)</b>
Carrying amount at 31 December 2022	<b>31,171</b>	<b>-</b>

**Notes to the financial statements (continued)**

**17 Trade and other receivables**

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Trade receivables	579,557	1,177,776	-	-
Receivable from payment processors	3,667,263	7,997,554	-	-
Rolling reserve	2,660,909	2,364,129	-	-
Security deposit	8,386	8,386	-	-
Other receivables	525,871	211,225	30,714	35,733
Prepayments	270,069	416,375	6,161	16,700
Intra-group amount – Starfish Media NV	-	-	9,762,096	-
Intra-group amount – Starpay Limited	-	-	4,485,763	10,333,548
Intra-group amount – Delta Services Limitec	-	-	32,860	-
Intra-group amount – Premiargaming Limitec	-	-	31,860	-
Intra-group amount – Hipponut Ltd	-	-	4,516	4,516
Intra-group amount – DSL Sofia Ltd	-	-	3,776	3,776
At 31 December	<b>7,712,055</b>	<b>12,175,445</b>	<b>14,357,746</b>	<b>10,394,273</b>

Payment Processors balances include amounts receivable of EUR 145,285 (2021: EUR 38,258) which are past due at the end of both the reporting periods for which the Company has not recognised a loss allowance since the Company considers that the amounts are still recoverable. If events or circumstances develop adversely, the carrying amount may not be fully recoverable. The Company believes that, based on historic default rates, adequate allowance for all doubtful receivables as necessary exists as at year end.

Other Receivables include:

- 1) VAT refundable with a carrying amount of EUR 287,416 (2021: EUR 180,992) which are subject to verification and approval by the Malta VAT Department.
- 2) Amounts of EUR 191,702 spent in favour of a third-party company established to provide business-to-consumer (“B2C”) gaming services in connection with the new business-to-business (“B2B”) cooperation agreement for another Casino project based on the Starfish iGaming Platform.

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment. No expense has been recognised in these financial statements for bad or doubtful debts in respect of amounts due from the related parties.

**Notes to the financial statements (continued)**

**18 Cash and cash equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Bank balances	1,195,029	5,659,698	5,696	25,491

**19 Share capital**

	Number of Ordinary Shares	Total Shares EUR
<b>Authorised</b> Ordinary shares of EUR 0.01 each, as at 31 December 2022 and 31 December 2021	84,498,570	844,986
<b>Issued and fully paid up</b> Ordinary shares of EUR 0.01 each, as at 31 December 2022 and 31 December 2021	74,984,995	749,849

**20 Share premium**

	Number of Ordinary Shares	Share premium EUR
<b>Share premium arising on Ordinary shares of EUR 0.01 each</b> As at 31 December 2022 and 31 December 2021	31,770,038	1,815,803

**21 Non-refundable shareholder contribution**

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Cash funding	-	-	-	-
Software	177,088	177,088	-	-
As at 31 December	177,088	177,088	-	-

The non-refundable financial contribution has no obligation for repayment and arose through a shareholder cash contribution made by Betsson AB as the sole holder of shares in Angler Gaming plc in 2012, prior to Betsson AB's distribution of its shares in Angler Gaming plc to Betsson AB's shareholders in July 2012.



**Notes to the financial statements (continued)**

**22 Dividends**

	<b>Company 2022 EUR</b>	<b>Company 2021 EUR</b>
<b>Ordinary Shares</b>		
Dividends provided for or paid during the 12 months	<u><b>6,373,725</b></u>	<u><b>8,998,199</b></u>

Given the challenging 2022 and projected investments in new projects, the Board of Directors does not recommend a dividend for the financial year 2022.

The Board of Directors recommended the payment of a final gross ordinary dividend of EUR 6,373,725 (2021: EUR 8,998,199) to shareholders relative to the financial year ended 31 December 2021, which was paid to the shareholders in 2022. This dividend corresponded to EUR 0.085 (2021: EUR 0.12) per share.

**23 Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2022 EUR</b>	<b>2021 EUR</b>	<b>2022 EUR</b>	<b>2021 EUR</b>
Trade payables	1,340,743	1,629,734	-	-
Accruals	2,805,358	2,336,375	17,064	1,160
Intra-group amount – Starspay Limited	-	-	-	1
Intra-group amount – Premiergaming (IOM) Limited	-	-	-	1
	<u><b>4,146,101</b></u>	<u><b>3,966,109</b></u>	<u><b>17,064</b></u>	<u><b>1,162</b></u>

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment.

**24 Borrowings**

Unsecured short-term loan facility of EUR 1,000,000, subject to 3% interest per annum plus up to 5% late repayment penalty during the year 2023, which is fully repayable by the end of 2023. The loan has been provided by a company controlled by Thomas Kalita (Chief Executive Officer & Director), in order to ease cashflow pressure.

**Notes to the financial statements (continued)**

**25 Related party transactions**

The holding company is the parent company of the undertakings described in Note 14. Transactions between the holding company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

**Company**

Transactions between the parent company and other group entities during the year ended 31 December 2022 comprise mainly of loans advanced for working capital requirements.

	<b>Company 2022 EUR</b>	<b>Company 2021 EUR</b>
Intra-group amount due from Starfish Media NV	9,762,096	-
Intra-group amount due from Delta Services Limited	32,860	-
Intra-group amount due from Premiergaming Limited	31,860	-
Intra-group amount due from Starpay Limited	4,485,763	10,333,548
Intra-group amount due from Hipponut Ltd	4,516	4,516
Intra-group amount due from DSL Sofia Ltd	3,776	3,776
At 31 December	<b>14,320,871</b>	<b>10,341,840</b>

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment. No guarantees were given or received. No expense has been recognised in the year for bad or doubtful debts in respect of amounts due by related parties.

**Directors, Company Secretary and other key management**

The total compensation to those classified as key management, being those having authority and responsibility for planning, directing and controlling the activities of the Group, including the executive and non-executive directors and like officers is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022 EUR</b>	<b>2021 EUR</b>	<b>2022 EUR</b>	<b>2021 EUR</b>
Directors' remuneration and other emoluments				
• fees to the directors of the parent company	156,159	171,932	156,159	171,932
• other emoluments payable to directors for management and administration of the parent and subsidiaries, whether directly or via controlled companies	330,612	480,065	114,615	136,687
• fees to the directors of the subsidiaries	-	213,833	-	-
• fees to the directors of the subsidiaries for company management and administration	25,567	26,008	-	-

**Notes to the financial statements (continued)**

**26 Commitments**

- 1) A loan facility for a maximum of EUR 3,500,000 was granted by the subsidiary company, Starfish Media N.V., to a third-party company established to provide business-to-consumer (“B2C”) gaming services in connection with the new business-to-business (“B2B”) cooperation agreement for another Casino project based on the Starfish iGaming Platform. Amounts spent up to the end of the financial year under review were EUR 191,702, leaving approximately EUR 3,308,298, which are not provided for in these financial statements. The funds shall be made available to the borrower company in tranches according to the demands of the borrower’s Gaming Business provided the Gaming Business is to be carried out under a regulatory licence. The project is expected to go live and start generating revenues in Q2 2023.
  
- 2) The subsidiary company, Fiebre Ltd, that operates in the field of affiliate marketing for South American markets has a total investment through which it is committed to cash outflows in the project of EUR 300,000. Amounts spent up to the end of the financial period under review were approximately EUR 100,000, leaving approximately future cash outflows of EUR 200,000, which are not provided for in these financial statements.
  
- 3) It was considered improbable in the financial period under review that there would be an outflow of economic resources relating to the contingent liabilities based on the obligation to pay the jackpots (or a portion thereof as applicable) on games belonging to Group subsidiaries. An outflow of resources was not deemed sufficiently probable as of the balance sheet date to justify the recognition of a provision and not included in the consolidated balance sheet. Since the contingent liability from these operational circumstances could not be reliably quantified as of the balance sheet date, this matter was not considered in the consolidated financial statements.
  
- 4) The parent company and other group entities is committed to carry out various actions within the framework of its planned development efforts. While it is not practicable to precisely quantify the potential liabilities under these various actions, the Group is satisfied that it has made reasonable provision in the financial statements for the likely outcomes of these actions where material. In the normal course of operations, the Group seeks to comply with all applicable laws and regulations but may be subject to regulatory actions and interventions across its markets, the outcome of which are generally difficult to predict. Though the outcome is uncertain, the Board of Directors believes such eventualities would not materially affect the financial position of the Group and no provision has been made in these financial statements.

**Notes to the financial statements (continued)****27 Events after the accounting period end**

There were no particular important events or transactions affecting the company that have occurred since the end of the accounting period, which, though properly excluded from the financial statements, are of such importance that they should have been disclosed in the notes to the financial statements.

**28 Significant risks and uncertainties**

The Company's main objective is to invest, and to hold shares, in related undertakings and to own manage and administer property of any kind belonging to it. All investments made to date operate and provide related services in the iGaming industry. The Company does not conduct any online gambling operations; however, it is dependent on the online gambling industry. The entire revenue stream of the Company and its controlled entities is concentrated within the iGaming sector and is subject to this concentration risk and performance risk of this sector.

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, because internet operations can be linked to several jurisdictions. Legislation concerning internet betting is under scrutiny in many jurisdictions. Certain EU countries have regulated their market by means of country specific licenses whilst discussions are in progress on the liberalisation of a number of other markets in Europe.

The Company monitors the legal situation in various jurisdictions, and if the regulatory situation in any of its key markets were to materially change, the Company's subsidiaries if feasible would obtain the required licenses or take other appropriate actions to be in a position to continue operation in that jurisdiction. Outside the EU area there are geographies with unclear gambling laws which over time may affect the Group's revenue, earnings and expansion opportunities, depending on what legal regulatory changes may take place and their implications.

The evolving environment and consequences for the online gaming market are uncertain and make compliance a complex area with the risk of non-compliance ever present. The Company's assessment is that regulations and the introduction of legislation, both within and outside the EU, or changes in national legislation regarding inter alia, stakes, marketing, restrictions regarding online gaming or taxes etc., in jurisdictions in which the Group's services could be made available could result in a material adverse impact on the Group's operations, financial position and earnings. Violations of existing legislation could lead to significant fines and/or tax exposures that have not duly been provided for in the financial statements.

The legal and technical solutions, as well as restraints on marketing, that the Company and its controlled entities may apply in order to limit users' access in certain jurisdictions may prove to be insufficient and pose both a risk and an opportunity to the Company and its controlled entities.

**Notes to the financial statements (continued)**

**29 Prior period reclassifications and restatements**

Certain amounts within the comparative statement of profit or loss and other comprehensive income have been reclassified or amended to achieve better comparability and conformity with the current period.

**30 Ultimate controlling party**

The directors consider that the Group is jointly controlled by the directors by virtue of their ability to act in concert in respect of the operational and financial policies of the company and that there is no ultimate controlling party. No individual has an ultimate controlling interest in the Company.

**Supplementary attachments**

**The following pages do not form part of the statutory financial statements**

**Detailed Consolidated Statement of Comprehensive Income**

	Group		Company	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Casino Revenue	31,542,812	42,653,603	-	-
Marketing and SEO revenue	119,794	750,492	-	-
Dividend received	-	-	9,712,171	12,568,992
<b>Total Revenue</b>	<b>31,662,606</b>	<b>43,404,095</b>	<b>9,712,171</b>	<b>12,568,992</b>
<b>Direct Costs</b>				
Payment processing fees	(6,705,594)	(7,779,118)	-	-
Software Licence	(520,803)	(539,196)	-	-
Gaming Licence	(587,876)	(552,576)	-	-
Affiliate expenses	(9,467,171)	(11,057,214)	-	-
Royalties' expenses	(6,146,690)	(8,141,420)	-	-
Other direct expenses	(219,156)	(221,600)	-	-
Bad Debts written off	(2,453,363)	(315,423)	-	-
<b>Total Direct Costs</b>	<b>(26,100,653)</b>	<b>(28,606,547)</b>	<b>-</b>	<b>-</b>
<b>Direct Wages Costs</b>				
Wages/Salaries -Malta	(1,501,216)	(1,429,082)	-	-
Social Security – Malta	(77,978)	(69,437)	-	-
Wages/Salaries - Bulgaria	(436,778)	(273,543)	-	-
Social Security - Bulgaria	(70,098)	(41,580)	-	-
Other personnel expenses	(2,396)	(2,092)	-	-
<b>Total Direct Wages Costs</b>	<b>(2,088,466)</b>	<b>(1,815,734)</b>	<b>-</b>	<b>-</b>
<b>Administrative Expenses</b>				
Directors' fees	(273,942)	(501,013)	(273,942)	(289,782)
Malta Social Security	(5,497)	(7,957)	(5,497)	(5,355)
Directors' Medical Insurances	(9,785)	(9,211)	(9,785)	(9,211)
Annual statutory audit	(10,000)	(10,000)	(7,000)	(7,000)
Other assurance services	(6,750)	(6,750)	-	-
Professional fees	(997,342)	(701,442)	(17,609)	(23,367)
Legal fees	(12,687)	(12,987)	(4,697)	(12,987)
Accountancy fees	(73,533)	(40,877)	(4,800)	(4,800)
Management fees	(896,769)	(539,189)	8,667	(13,482)
Consultancy fees	(522,655)	(445,143)	-	-
Other administrative expenses	(296,765)	(237,398)	(252)	(10,000)
<b>Total Administrative Expense</b>	<b>(3,105,725)</b>	<b>(2,511,967)</b>	<b>(314,915)</b>	<b>(375,984)</b>
<b>Marketing and Sales Expenses</b>				
Marketing expenses	(1,174,215)	(1,481,302)	-	-
Listing expenses	(75,702)	(120,460)	(75,702)	(120,460)
Other travel expenses	(109,638)	(12,039)	-	-
<b>Total Marketing and Sales Expense</b>	<b>(1,359,555)</b>	<b>(1,613,801)</b>	<b>(75,702)</b>	<b>(120,460)</b>

**Detailed Consolidated Statement of Comprehensive Income (cont.)**

	Group		Company	
	2022 EUR	2021 EUR	2022	2021 EUR
<b>Office Expenses</b>				
Fines and penalties	(900)	(900)	(900)	(900)
Office rent	(181,349)	(45,417)	-	-
Office utilities, telephone, internet	-	-	-	-
Office and ancillary expenses	(192,667)	(176,645)	-	(1,330)
<b>Total Office Expenses</b>	<b>(374,916)</b>	<b>(222,962)</b>	<b>(900)</b>	<b>(2,230)</b>
<b>ICT &amp; Hosting Expenses</b>				
Hosting expenses	-	-	-	-
ICT expenses	(798,669)	(780,895)	-	-
<b>Total ICT &amp; Hosting Expense</b>	<b>(798,669)</b>	<b>(780,895)</b>	<b>-</b>	<b>-</b>
<b>Depreciation &amp; Amortisation</b>				
Depreciation - equipment	(5,979)	(5,282)	-	-
Depreciation – furniture & fittings	(4,737)	(2,330)	(100)	(96)
Amortisation - software	(1,956)	-	-	-
<b>Total Depreciation &amp; Amortisation</b>	<b>(12,672)</b>	<b>(7,612)</b>	<b>(100)</b>	<b>(96)</b>
<b>Finance Income</b>				
Interest received on banks	-	-	-	-
Interest income	-	-	-	-
<b>Finance Expenses</b>				
Bank charges	(796,485)	(383,503)	(2,115)	(2,410)
Interest paid to third parties	(15,902)	-	(15,902)	-
Other interest paid	-	-	-	-
<b>Realized gain and losses on exchange differences</b>				
Realized and unrealized gain and losses on exchange differences	(730,358)	(212,317)	(1,136)	(2,512)
<b>Total Finance Result</b>	<b>(1,542,745)</b>	<b>(595,820)</b>	<b>(19,153)</b>	<b>(4,922)</b>
<b>Total Expenses</b>	<b>(35,383,401)</b>	<b>(36,155,338)</b>	<b>(410,770)</b>	<b>(503,692)</b>
<b>(Loss)/profit before taxation</b>	<b>(3,720,795)</b>	<b>7,248,757</b>	<b>9,301,401</b>	<b>12,065,300</b>