

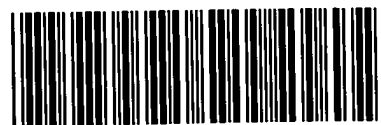
Gamesys Group Limited

Annual report and Financial Statements

For the Year Ended 31 December 2022

Company Number: 10303804

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Gamesys Group Limited

Annual Report and Financial Statements for the year ended 31 December 2022

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Gamesys Group Limited

Annual report and financial statements for the year ended 31 December 2022

General Information

Directors

Robeson Reeves
Daniel Talisman
Ifor Evans
Bradley Muffitt

Company Secretary

John Rowland – Jones

Registered office

Colegrave House
70 Berners Street
London
W1T 3NL
United Kingdom

Company number

10303804

Auditor

Grant Thornton (NI) LLP
12-15 Donegall Square West
Belfast
BT1 6JH
Northern Ireland

Strategic Report for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Review of the business

The Company's principal activities during the period were that of a holding company. The Company provides support to its subsidiaries for the development of gaming software platforms and licensing to group and external companies operating online gaming websites.

Results and performance

A summary of the Company's results is provided in the Statement of Comprehensive Income on page 13 of the financial statements and is in line with directors' expectations.

The key financial and other performance indicators during the period were as follows:

KPI	2022 (£'000)	2021 (£'000)	Change (%)
Revenue	9,324	10,848	-14%
Net income before tax	362,667	91,569	296%
Net Current (liabilities)/assets	(74,732)	84,297	-187%
Cash	40,474	3,684	999%

Net income before tax increased by 296%, from £91,569k to £362,667k primarily as a result of an increase in investment income during the year from the Company's subsidiaries. Period end cash balances increased from £3,684k to £40,474k for the same reason.

On the Statement of financial position, notable changes included a decrease in debtors from £139,899k to £7,389k, a result of decreased intercompany receivables. Creditors increased from £59,286k to £122,595k as a result of an increase in intercompany payables.

Total equity decreased from £1,124,051k to £900,869k.

These results included £370,084k (2021: £137,471k) arising from dividends received from subsidiaries.

Business model

Gamesys Group Limited's key revenue streams are from fellow companies under the Bally's Group, all of which use Bally's Group content in their B2C operations. The online gaming markets in which the companies operate remain highly competitive and highly regulated.

Strategic Report for the year ended 31 December 2022 (*continued*)

Strategy

Against a challenging environment, we aim to grow by continuously providing our customers with innovative games and pursuing our current excellence in technology, marketing, product development and customer service.

Principal risks and uncertainties

The Company's principal activity is that of a holding company and therefore its operational results and dividend payments primarily depend on the operations and dividend streams of its subsidiaries (subsidiaries disclosed in note 24). The Company is exposed to market and performance risks due to the potential underperformance of its subsidiaries which could reduce the Company's revenue and may impair its investment assets.

The Company mitigates these risks by adhering to the Group management strategies as reported in the individual annual reports of the subsidiaries.

Our risk management framework has been developed to provide clarity on risk governance and oversight whilst encouraging ownership and accountability across the business. The framework summarises the formal process for the identification, assessment, mitigation, reporting, monitoring, and review of our risks.

The principal risks and uncertainties are aligned to the principal risks and uncertainties disclosed by Bally's Corporation, as included in the 2022 annual report (Pages 13-36), available at the following website:
<https://www.ballys.com/investor-relations/financials/default.aspx>

Future developments and going concern

The Company continues to hold investments and receive investment income. 2023 will bring more change as the Company and its subsidiaries continue its integration with the Bally's Group.

The Company is the 100% indirect owner of the highly profitable subsidiary Gamesys Limited, which had net assets in excess of £716,562k at 31 December 2022. The Company is a subsidiary of the Bally's Corporation which had net assets in excess of \$806,000k as at 31 December 2022. The directors have performed a full going concern assessment, alongside the wider Bally's Group and its profitable subsidiary group headed by Gamesys Limited and concluded the Company is a going concern.

Section 172 statement

We value the opinions of our stakeholders, actively engage with them and respond to their priorities. This takes place at director level, but also throughout the business.

All Company directors understand their responsibility to act in ways that promote the success of the Company and apply due regard to the views of all key stakeholder groups – investors, employees, players, partners, government/regulators, and society. Feedback from engagements is used to guide the strategic direction of the Company. These strategic decisions take place at the Company and parent company (Bally's Corporation) level.

Strategic Report for the year ended 31 December 2022 (continued)

Section 172 statement (continued)

The following disclosure describes how the directors have had regard to the matters set out in section 172(1a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006, during the reporting year.

	Strategic issue	Engagement	Outcome
Investors	Shareholder returns and ESG ('environment, social and governance') performance.	Direct interactions between shareholders and the board.	Continual enhancements to ESG reporting. In 2022 this included publishing Bally's Corporation's first SASB report.
Employees	Organisation culture and job satisfaction.	Engagement survey. Quarterly internal presentations.	Development and integration of a new Group-wide purpose and DNA. Campaigns focussed on wellbeing and inclusion have also been implemented.
Players	Player satisfaction and net promoter score.	Player satisfaction survey. Online research community of circa 9,000 players ('VoiceBox'). Focus groups. Chat rooms.	Feedback is continually used to shape and hone product offering and development, to ensure a safe playing environment and a legal and ethical operation.
Partners	Industry and operational success.	Industry working groups. Delivery partner forums. Supplier account meetings. Research partnerships.	Through close collaboration with our delivery partners, we support them to deliver a comprehensive suite of responsible gaming and anti-money laundering technologies, tools and processes.
Government & regulators	Compliance and responsible gambling.	Compliance and reporting meetings. Regulatory body working groups. Participation in Government initiatives e.g. GAMSTOP.	On-going compliance with all applicable regulatory standards, and beyond compliance, achievement of GamCare Safer Gambling Standard Level 3. As an active Category A member of the Betting and Gaming Council (BGC) we use this to drive industry best practice and government engagement.
Society	Operating responsibly	Press coverage. Social media. Local community interactions. Charity partnerships.	The Bally's Foundation provides extensive charitable support, including supporting several UK-based mental health and wellbeing organisations during 2022.

Gamesys Group Limited

Strategic Report for the year ended 31 December 2022 (continued)

Section 172 statement (continued)

During 2023 our intention is to use an independent third party to conduct an Environmental Social Governance materiality exercise which will further capture our stakeholders' viewpoints. Findings from this will be integrated into the Company's sustainability approach going forward.

Approval

This Strategic Report was approved on behalf of the Board on 14 August 2023

A handwritten signature in black ink, appearing to read 'D. J. Talisman', with a stylized flourish at the end.

Daniel Talisman
Director

Date: 14 August 2023

Gamesys Group Limited

Directors' Report for the year ended 31 December 2022

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2022.

Dividends and distributions

Dividends of £586,180,000 (2021: £57,192,000) were paid to the Company's shareholders during the year. No final dividend is proposed.

Directors

The directors of the company throughout the year and to the date of this report were:

Robeson Reeves

Daniel Talisman

Keith Laslop (Resigned 11 March 2022)

Christina Dawn Southall (Resigned 10 February 2023)

Lee Fenton (Resigned 30 March 2023)

Ifor Evans (appointed 31 March 2023)

Bradley Muffitt (appointed 31 March 2023)

Qualifying third party indemnity provisions

The ultimate parent company, Bally's Corporation has put in place qualifying third party indemnity provisions for all the directors of Gamesys Group Limited.

Donations

During the year, the Company made charitable donations of £1,685,000 (2021: £nil) and made no political donations (2021: £nil).

Post balance sheet events

Material post balance sheet events are disclosed in note 27 of the financial statements.

Likely future developments in the business of the company

Information on likely future developments have been included in the Strategic Report on page 3.

Gamesys Group Limited

Directors' Report for the year ended 31 December 2022 (*continued*)

Auditor

The auditor, Grant Thornton, was appointed during the year and will continue in office in accordance with s485 of the Companies Act 2006 (CA2006 s485).

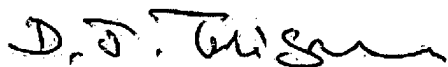
All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Matters covered in the strategic report

As permitted by S414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Approval

This Directors' Report was approved on behalf of the Board on 14 August 2023

A handwritten signature in black ink, appearing to read 'D. J. Talisman', with a long horizontal flourish extending to the right.

Daniel Talisman
Director

Statement of Directors' Responsibilities for the year ended 31 December 2022

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the Company financial statements in compliance with UK-adopted International Accounting Standards ('UK-adopted IAS'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK-adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors at the time when this Directors' report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that ought to be taken as Directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent Auditor's Report

Opinion

We have audited the financial statements of Gamesys Group Limited ("Company"), which comprise the Statement of Comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards (UK-adopted IAS).

In our opinion, Gamesys Group Limited's financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other matter

The financial statements of Gamesys Group Limited for the year ended 31 December 2021, were audited by BDO LLP who expressed an unmodified opinion on those statements on 27 April 2023.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (*continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

Independent Auditor's Report (*continued*)

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with data protection regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management and those charged with governance on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates which include the impairment assessment for the investments in subsidiaries; and

Independent Auditor's Report (*continued*)

- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Kelly (Senior Statutory Auditor)
For and on behalf of

Grant Thornton (NI) LLP
Chartered Accountants & Statutory Auditors
Belfast

Date: 14 August 2023

Gamesys Group Limited

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 £'000s	2021 £'000s
Revenue	5	9,324	10,848
Investment income	8	370,084	137,471
Operating expenses			
Administrative costs	6	(7,963)	(10,149)
Transaction related costs	7	(195)	(27,525)
Foreign exchange loss		(5,573)	(104)
Intercompany expenses		(2,603)	(7,930)
Operating profit		363,074	102,611
Intercompany finance (expense)/income		(303)	5,922
Financing income	10	22	6,873
Financing expenses	9	(126)	(23,837)
Net income for the year before taxes		362,667	91,569
Tax credit	11	331	3,755
Net income for the year after taxes		362,998	95,324
Other comprehensive income			
Gain/(loss) on currency swap:			
Current year gain/(loss)		-	(3,874)
Reclassification to profit or loss on termination		-	11,083
Gain/(loss) on interest rate swap:			
Current year gain/(loss)		-	492
Reclassification to profit or loss on termination		-	3,506
Other comprehensive gain for the year		-	11,207
Total comprehensive income for the year		362,998	106,531

All transactions in the current and preceding financial period are attributable to continuing activities.

The notes on pages 17 to 32 form part of these financial statements

Gamesys Group Limited

Statement of Financial Position as at 31 December 2022

Company ID: 10303804

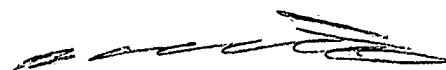
	Note	2022 £'000s	2021 £'000s
ASSETS			
Non-current assets			
Investment in subsidiaries	24	975,601	1,039,753
Tangible assets		-	1
Total non-current assets		975,601	1,039,754
Current assets			
Cash	15	40,474	3,684
Trade and other receivables	12,16	20,744	139,899
Total current assets		61,218	143,583
Total Assets		1,036,819	1,183,337
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	135,950	59,286
Total current liabilities		135,950	59,286
Total Liabilities		135,950	59,286
Equity			
Share capital	17	11,200	11,200
Share premium		363,765	363,765
Other reserves		240,625	240,625
Retained earnings		285,279	508,461
Total equity		900,869	1,124,051
Total Liabilities and equity		1,036,819	1,183,337

The notes on pages 17 to 32 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 14 August 2023



Daniel Talisman
Director



Bradley Muffitt
Director

Statement of Changes in Equity for the year ended 31 December 2022

	Note	Share capital £'000s	Share premium £'000s	Hedge Reserves £'000s	Merger reserve £'000s	Share-based payment reserve £'000s	Retained Earnings £'000s	Total equity £'000s
Balance at 1 January 2021		10,930	8,900	(11,207)	240,625	3,303	467,102	719,653
Comprehensive income for the year								
Net income for year		-	-	-	-	-	95,324	95,324
Other comprehensive income		-	-	11,207	-	-	-	11,207
Total comprehensive (loss)/income for the year		-	-	11,207	-	-	95,324	106,531
Contributions by and distributions to shareholders								
Shareholder dividends	19	-	-	-	-	-	(57,192)	(57,192)
Exercise of options		37	2,493	-	-	(768)	768	2,530
Exercise of warrants		30	3,120	-	-	-	(471)	2,679
Payment of short-term incentive plan		-	-	-	-	(1,644)	-	(1,644)
Share-based compensation		-	-	-	-	12,917	-	12,917
Share-based payment scheme settlement		-	-	-	-	(13,808)	2,930	(10,878)
Exercise of options at share-based payment scheme settlement		203	11,415	-	-	-	-	11,618
Contribution by shareholder		-	337,837	-	-	-	-	337,837
Balance at 1 January 2022		11,200	363,765	-	240,625	-	508,461	1,124,051
Comprehensive income for the year								
Net income for year		-	-	-	-	-	362,998	362,998
Contributions by and distributions to shareholders:								
Shareholder dividends	19	-	-	-	-	-	(17,240)	(17,240)
Dividend in specie	19	-	-	-	-	-	(568,940)	(568,940)
Balance at 31 December 2022		11,200	363,765	-	240,625	-	285,279	900,869

Statement of Cash Flows for the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Operating activities			
Net income for the period		362,998	95,324
Non-cash adjustments	25	5,700	20,074
Net changes in working capital	25	(302,330)	(2,590)
Taxes paid		-	(366)
Total cash provided by operating activities		66,368	112,442
Financing activities			
Proceeds from exercise of warrants		-	2,679
Proceeds from exercise of options		-	2,143
Payment of one-time employee incentive		-	(1,644)
Payment of shareholder dividends	19	(17,240)	(57,192)
Principal payments made on long-term debt	13	-	(100,000)
Settlement of swap arrangements		-	(8,608)
Swap payments		-	(1,561)
Interest payments		-	(6,193)
Total cash used in financing activities		(17,240)	(170,376)
Investing activities			
Investment in subsidiaries	24	(12,338)	(217)
Total cash provided by investing activities		(12,338)	(217)
Net increase in cash during the year		36,790	(58,151)
Cash, Beginning of year		3,684	61,835
Cash, end of year		40,474	3,684

The Company's significant non-cash transactions are disclosed in note 25 and comprised of the pass-through of dividend income and foreign exchange losses.

The notes on pages 17 to 32 form part of these financial statements

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1 Accounting policies

Gamesys Group Limited is an online gaming holding company that was incorporated under the Companies Act 2006 (England and Wales) on 29 August 2016. Gamesys Group Limited's registered office is located at Colegrave House, 70 Berners Street, London, United Kingdom. Unless the context requires otherwise, the use of 'Company' means Gamesys Group Limited.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements, because it is included in the Group accounts of its ultimate parent Bally's Corporation a company registered in the United States of America with the registered office located at 100 Westminister Street, Providence, RI 02903, USA. These financial statements present information about the Company as an individual undertaking and not about its group.

These Financial Statements were authorised for issue by the Board of Directors of Gamesys Group Limited on 14 August 2023.

2 Basis of preparation

These Financial Statements have been prepared by management on a going concern basis, are presented in compliance with UK-adopted international accounting standards ('UK-adopted IAS').

In adopting the going concern basis of preparation of these Financial Statements, management considered the Company's latest trading performance, including its cash position. Based on this examination, management concluded that the Company is well positioned to manage the risks and uncertainties it faces and is expected to have adequate financial resources to continue its normal operations for the foreseeable future, being over one year from the date of authorisation of these Financial Statements.

These Financial Statements have been prepared under the historical cost convention, other than for the measurement at fair value of the Company's Interest Rate Swap and Currency Swap.

Recent accounting pronouncements

The following new standards, amendments and interpretations are effective for the first time in these financial statements, but none have had a material effect on the Company:

- Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020 (effective 1 January 2022)

The following UK-adopted IAS's have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

- IAS 1 – Presentation of Financial Statements (classification of liabilities as current or non-current - effective 1 January 2023).
- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective 1 January 2023).
- IAS 1 – Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements (effective 1 January 2024).

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)*

2 Basis of preparation *(continued)*

Recent accounting pronouncements *(continued)*

- IAS 12 – Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective 1 January 2023).
- IFRS 17 – Insurance Contracts (effective 1 January 2023).

The company will not be adopting any of the above standards prior to their effective dates and they are not expected to have a material impact on the Company's reporting.

3 Summary of significant accounting policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from customers and represents amounts receivable for goods and services that the Company is in business to provide, net of discounts, marketing inducements and VAT. Revenue is purely derived from fellow group companies and in line with IFRS 15 transaction prices are determined by making reference to contractual obligations and revenue is only recognised when contractual performance obligations are satisfied and the company believes that the economic benefit will be received.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Dividends paid

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Expenses

Expenses are recognised on an accruals basis.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market accessible by the Company for the asset or liability.

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

3 Summary of significant accounting policies (*continued*)

Gamesys Group Limited uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

Foreign currency translation

Functional and presentation currency

The Company's Financial Statements are presented in pounds sterling and rounded to the nearest £'000.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates as at the reporting date. Foreign exchange gains and losses resulting from the settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item.

Financial instruments

Financial assets and financial liabilities are recognised when Gamesys Group Limited becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when extinguished, discharged, cancelled, or when they expire.

The Company classifies its financial assets and liabilities under the following categories: fair value through profit or loss ('FVPL'), fair value through other comprehensive income ('FVOCI'), financial assets at amortised cost and financial liabilities at amortised cost. All financial instruments are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument classified as other than at FVPL are added to the carrying amount of the asset or liability.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)*

3 Summary of significant accounting policies *(continued)*

Financial instruments (continued)

The accretion of these costs is recognised over the life of the instrument under the effective interest rate method described below.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. After initial measurement, such instruments are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income or expense in the Statements of Comprehensive Income. This category generally applies to cash, restricted cash, trade and other receivables, and other long-term receivables.

Financial liabilities at amortised cost

With the exception of derivatives, all financial liabilities are measured at amortised cost using the effective interest rate method. This category generally applies to interest payable, accounts payable and accrued liabilities and other short-term payables. All interest-related charges are reported in profit or loss within interest expense.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on net basis, or to realise the assets and settle the liabilities simultaneously.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantially enacted by the period end date.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted at the period end date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Income taxes (continued)

Where there is uncertainty about the appropriate tax treatment of certain transactions or circumstances, the Company applies the guidance of IFRIC 23 – Uncertainty Over Income Tax Treatments and recognises and measures its current and deferred tax assets and liabilities in accordance with its evaluation of the likelihood that a taxation authority will accept the uncertain tax treatment. Where it is considered probable that a taxation authority will accept the Company's uncertain tax treatment, the Company determines its taxable profit consistently with the tax treatment used or planned to be used in its income tax filings. Where it is considered unlikely that a taxation authority will accept the Company's uncertain tax treatment, the Company reflects the effect of uncertainty in determining its taxable profit following the method it expects to better predict the resolution of the uncertainty.

Cash

Cash includes cash in hand and deposits held at call with banks.

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost. These investments are assessed for impairment whenever there is an indication that the investment may be impaired. If the recoverable amount of an investment in subsidiary is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Reserves

The Company's reserves are as follows:

- The share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on the issue of equity shares, net of any issue costs.
- Other reserves now solely contain the merger reserve, which was formed as a result of historic merger, but has previously contained the share-based payment reserve and hedge reserve.
- Retained earnings represents cumulative profit or losses, net of dividends paid and distributions.

4 Summary of significant accounting judgements, estimates, and assumptions

The preparation of Gamesys Group Limited's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures.

Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***4 Summary of significant accounting judgements, estimates, and assumptions *(continued)***Key accounting judgements:

- The Company has reviewed whether there are indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investments (see note 24).
- Determining whether the recognition of deferred tax assets is permitted based on the expected future performance of the Company and ability to utilise the asset.

The Company does not consider there to be any other significant accounting judgements, estimates or assumptions to have been made in the preparation of these Financial Statements.

5 Revenue

	2022 £'000	2021 £'000
Intercompany revenue split by region:		
Europe	9,057	10,848
North America	267	-
Total revenue	9,324	10,848

6 Costs and expenses

	2022 £'000	2021 £'000
Administrative costs:		
Compensation and benefits	3,949	4,522
Professional fees	652	2,055
General and administrative	3,361	3,562
Tangible asset depreciation	1	10
	7,963	10,149

7 Transaction related costs

During the year transaction related costs were £195,000 (2021: £27,525,000) which consisted of legal, professional, due diligence, severance and other direct costs/fees associated with transactions and acquisitions or disposals contemplated or completed by the Company. The decrease in transaction related costs for the year ended 31 December 2022 compared to 2021 relates to the acquisition of the Company by Bally's Corporation, which was completed in 2021.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

8 Investment Income

	2022	2021
	£'000	£'000
Dividend income from investments	370,084	137,471
Total income	370,084	137,471

9 Finance Expense

	2022	2021
	£'000	£'000
Realised loss on cross currency swap	-	11,083
Realised loss on interest rate swap	-	3,506
Debt issue costs and accretion recognised on long-term debt	-	2,402
Interest accrued and paid on long-term debt	-	6,846
Interest accrued and paid on other short-term debt	126	-
Total revenue	126	23,837

10 Finance Income

	2022	2021
	£'000	£'000
Foreign exchange gain on borrowings	-	6,873
Interest income	22	-
Total revenue	22	6,873

11 Tax expense

(a) Tax on profit on ordinary activities	2022	2021
	£'000	£'000
Current tax:		
Current tax on profits for the year	-	-
Tax credit relating to prior years	(331)	(3,755)
Total current tax	(331)	(3,755)
Deferred tax	-	-
Tax credit available for group relief	(331)	(3,755)

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***11 Tax expense *(continued)***

(b) Reconciliation of tax credit	2022 £'000	2021 £'000
Profit for the period	362,667	91,569
Tax on profit at standard UK tax rate of 19% (2021: 19%)	68,907	17,398
Effects of:		
Adjustment in respect of prior years	(331)	(3,755)
Expenses not deductible for tax purposes	38	6,664
Income not assessable for tax purposes	(70,316)	(26,120)
Deferred tax not recognised	1,371	2,058
Tax credit available for group relief	(331)	(3,755)

Factors that may affect future tax charges:

A UK corporation tax rate of 25% (effective 1 April 2023) was enacted on 10 June 2021. This may have an impact on the Company's tax charge of future years accordingly. However, there is no impact of this change on the tax charge in the current year as there are no instances of deferred taxation recognised in the statement of comprehensive income or directly in equity in either the current or prior year.

At 31 December 2022, the Company had unrecognised deferred tax assets relating to tax losses totalling £6,503,811 (2021: £5,031,456) which were not recognised due to uncertainty over the timing of their utilisation.

12 Trade and other receivables

	2022 £'000s	2021 £'000s
Other short-term receivables	22	22
Prepaid expenses	457	1,310
VAT receivables	1,301	1,058
Intercompany receivables	18,964	137,509
	20,744	139,899

Intercompany receivables include group tax losses receivable of £4,086,432 (2021: £3,755,321).

Expected Credit Loss was calculated on related company loans by applying the Probability of Default ('PD') by the Loss Given Default ('LGD') by the Exposure at Default ('EAD') ('PD x LGD x EAD') method. The amount calculated was not recorded on the grounds of materiality.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***13 Liabilities arising from financing activities**

The following is a reconciliation of liabilities arising from financing activities:

	Long-term debt £'000s	Interest payable £'000s	Interest rate swap Liability £'000s	Deferred/ Contingent Consideration £'000s	Currency Swap Liability £'000s	Total £'000s
At 1 January 2021	207,598	677	1,801	10,000	4,986	225,062
Cash flows	(100,000)	(6,341)	(1,309)	-	(8,860)	(116,510)
Non-cash flows:						
Contribution from parent	(110,000)	-	-	-	-	(110,000)
Fair value adjustments	-	-	(492)	-	3,874	3,382
Interest expense	-	6,846	-	-	-	6,846
Accretion	2,402	-	-	-	-	2,402
Adjustment on recalculation	-	-	-	1,220	-	1,220
At 31 December 2021	-	1,182	-	11,220	-	12,402
Non-cash flows:						
Settled by other group undertaking	-	(1,308)	-	(10,000)	-	(11,308)
Interest expense	-	126	-	-	-	126
At 31 December 2022	-	-	-	1,220	-	1,220

14 Trade and other payables

	2022 £'000s	2021 £'000s
Trade payables	4	219
Accruals	2,361	4,667
Social security and other taxes	759	161
Accounts payable and accrued liabilities	3,124	5,047
Other short-term payables	1,220	11,315
Interest payable	-	1,182
Intercompany payables	131,606	41,742
Total trade and other payables	135,950	59,286

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

15 Financial risk management

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. As at 31 December 2022, the Company is largely exposed to credit risk through its relationship with its service providers as well as its cash balances.

A significant amount of cash is held with institutions with the following credit ratings:

	2022 £'000s	2021 £'000s
Financial institution rating: A	40,474	3,684

The Company mitigates its credit risk by exposing itself only to A-rated financial institutions who are judged by external rating agencies to have a very low risk of not fulfilling their payment obligations.

Foreign exchange risk

The Company's accounting exposure to foreign exchange risk is not considered to be significant in the opinion of the Directors.

Liquidity risk

The Company requires capital and liquidity to fund existing and future operations and future cash payments. The Company's policy is to maintain sufficient capital levels to fund its financial position and meet future commitments and obligations in a cost-effective manner.

Liquidity risk arises from the Company's ability to meet its financial obligations as they become due. The following tables summarise the Company's undiscounted financial and other liabilities as at 31 December 2022 and 31 December 2021:

	On demand £'000s	< 1 year £'000s	1-3 years £'000s	4-5 years £'000s	After 5 years £'000s
At 31 December 2022					
Accounts payable and accrued liabilities	3,124	-	-	-	-
Other short-term payables	-	1,220	-	-	-
Intercompany payables	-	131,606	-	-	-
	3,124	132,826	-	-	-
At 31 December 2021					
Accounts payable and accrued liabilities	5,047	-	-	-	-
Other short-term payables	-	11,315	-	-	-
Interest payable	-	1,182	-	-	-
Intercompany payables	-	41,742	-	-	-
	5,047	54,239	-	-	-

The Company manages liquidity risk by monitoring actual and forecasted cash flows in comparison with the maturity profiles of financial assets and liabilities. Management believes that the cash generated from the Company's business activities is sufficient to fund the working capital and capital expenditure needs in the short and long term, assuming there are no significant adverse changes in the markets in which the Company operates.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***16 Financial instruments**

The principal financial instruments used by the Company are summarised below:

Financial assets

Financial assets as subsequently measured at amortised cost

	2022 £'000s	2021 £'000s
Cash	40,474	3,684
Other short-term receivables	22	22
Intercompany receivables	18,964	137,509
	59,460	141,215

Financial liabilities

Financial liabilities as subsequently measured at amortised cost

	2022 £'000s	2021 £'000s
Accounts payable and accrued liabilities	3,124	5,047
Intercompany payables	131,606	41,742
Interest payable	-	1,182
Deferred consideration payable	1,220	11,220
	135,950	59,191

The carrying values of the financial instruments noted above approximate their fair values.

17 Share capital and reserves**Allotted, called up and fully paid**

	2022 Number	December 2021 Number	2022 £'000s	December 2021 £'000s
Ordinary shares of £0.10 each (2021: £0.10 each)	111,961,349	111,961,349	11,200	11,200

During the year ended 31 December 2022, the Company did not issue any additional ordinary shares.

Merger reserve

The merger reserve was formed as a result of share issues as part of a historic merger.

18 Capital management

Management regularly monitors the company's working capital and cash flow position and produces forecasts to ensure sufficient liquidity in the business. This enables the business to meet the requirements of its creditors both in the short and long term.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**19 Dividends**

During the year ended 31 December 2022, the Company paid dividends of £586,180,000 to the Company's immediate parent, of which £568,940,000 were dividends in specie as part of the reorganisation of the Group. The total dividends paid during the year ended 31 December 2021 was £57,192,000.

Dividends in specie

On 20 January 2022, a dividend was distributed to the Company's immediate parent of £7,636,000 transferring an intercompany loan owed by Twin River Management Group (TRMG) of the same amount. On 1 August 2022 and 9 December 2022, dividends of £71,143,000 and £57,484,000 respectively were distributed to the Company's immediate parent by transferring intercompany loans owed by TRMG of the same amount.

On 23 December 2022, the Company transferred £432,677,000 of its investment in JPJ Group Holdings Ltd to its immediate parent company in the form of a dividend, as part of group reorganisation activities.

20 Related party transaction***Compensation of key management***

Key management is comprised of officers, and members of management of the Company.

Key management personnel compensation for services rendered is as follows:

	2022 £'000s	2021 £'000s
Salaries, bonuses and benefits	2,871	3,369
Share based compensation	-	2,108
	<u>2,871</u>	<u>5,477</u>

Intercompany transactions

During the year the Company made sales to subsidiaries of £7,731,000 (2021: £10,848,000) and sales to group companies of £1,593,000 (2021: £Nil). Dividends were received from subsidiaries as detailed in note 8 and the Company increased their investment in subsidiaries as detailed in note 24.

The Company paid interest of £303,000 (2021: £Nil) to subsidiary companies and £Nil (2021: £5,922,000) to group companies under common control.

The Company paid expenses of £Nil (2021: £7,930,000) to subsidiaries and expenses of £2,603,000 (2021: £Nil) to group companies under common control.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***21 Employees**

	2022	2021
	£'000s	£'000s
Wages and salaries (including severance costs)	2,214	2,390
Bonuses	1,163	1,035
Pensions	69	84
Social security	426	519
Benefits	32	55
	3,904	4,083

The average headcount of employees (including Directors) on a full-time and part-time basis during the year was 10 employees (2021: 15 employees)

Share based payment charge

On 30 September 2021, the Company closed its employee share incentive plan as a part of the acquisition of the Company by Bally's Corporation on 1 October 2021. In accordance with the plan rules and the agreement with Bally's Corporation, the remuneration committee accelerated the vesting of existing awards and concluded, effective 30 September 2021, 100% vesting of outstanding employee share incentive awards. The vested awards were converted to shares on 30 September 2021. The converted shares were purchased by Bally's Corporation on 1 October 2021.

During the year ended 31 December 2021, the Company recorded £267,027 (year ended 31 December 2020 – £84,000) in share-based compensation expense relating to its G MINE SIP with a corresponding increase in share-based payment reserve, of which £15,117 relates to accelerated vesting as a result of the acquisition of the Company by Bally's Corporation on 1 October 2021.

During the year ended 31 December 2022 the group introduced a new share-incentive plan, B Mine, following the merger. In the year the company recorded expenses of £Nil as all costs are transferred through the intercompany accounts to Bally's Corporation.

22 Directors' remuneration

	2022	2021
	£'000s	£'000s
Directors' remuneration consists of:		
Emoluments	2,871	2,241
Share-based payments	-	2,108
Pension contribution	-	3
	2,871	4,352

During the year four Directors were remunerated by the Company (2021: eight Directors).

There were no Directors in the Company's defined contribution pension scheme (2021: one Director).

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)***22 Directors' remuneration *(continued)***

The highest paid Director received £747,702 in emoluments (2021: £668,300), with no pension contributions (2021: £nil) and no share-based payment expenses (2021: £1,333,000) was incurred in relation to share based payment awards.

No Directors received shares under the share-based payment awards plan in 2022 (2021: two directors).

The Directors of the Company were also directors of other trading and holding companies within the Group and were remunerated by other group undertakings.

23 Auditor's remuneration

	2022 £'000s	2021 £'000s
Audit fees for the audit of the Company's annual accounts	50	65
Audit related assurance services	136	610
Services relating to corporate finance transactions	-	410
Other assurance services	-	6
	186	1,091

24 Investments

Company undertakings	£'000s
At 1 January 2021	918,337
Additions in the year	121,416
At 31 December 2021	1,039,753
Additions in the year	368,524
Disposals in the year	(432,676)
At 31 December 2022	975,601

On 20 January 2022, the Company acquired additional shares in Gamesys Group (Holdings) Ltd (GGHL) in exchange for £12,338,000 of cash and the settlement of £11,131,000 of intercompany balances. Additionally on 25 March 2022, the Company acquired further shares in GGHL in exchange for the assignment of £345,055,000 of intercompany debt owing to Gamesys Operations Ltd (GOL). This debt was immediately transferred to JPJ Group Holdings Ltd, another subsidiary of the Company.

On 23 December 2022, the Company passed up £432,676,000 of its investment in JPJ Group Holdings Ltd to its immediate parent.

Notes to the Financial Statements for the year ended 31 December 2022 *(continued)*

24 Investments *(continued)*

The following table shows the company's investments at 31 December 2022 in the Ordinary share capital of unlisted companies. All investments held 100% directly or indirectly.

Name	Country of Incorporation	Registered Office and Country of Incorporation
Directly held:		
JPJ Group Jersey Finance Ltd	Jersey	22 Grenville Street,
JPJ Holding II Ltd		ST Helier, Jersey, JE4 8PX,
Gamesys Group (Holdings) Ltd		Channel Islands
Indirectly held:		
Golden Hero Group Ltd.	Bahamas	303 Shirley Street, P.O. Box N-492, Nassau, The Bahamas
JPJ Maple Media Ltd.	Canada	1055 West Hastings Street, Suite 1700, Vancouver, BC V6E 2E9, Canada
JPJ Spain Operations S.A.U	Ceuta	Paseo de la Marina Española 24
Games Spain Operations, S.A.U		Entreplanta 1-A, 51001
Gamesys Spain S.A.U		Ceuta
Bally's Estonia OU	Estonia	Rotermanni Street, 14-5 Floor, Tallinn, 10111, Estonia
Profitable Play Ltd.	Gibraltar	57/63 Line Wall Road, GX11 1AA, Gibraltar
Leisure Spin Ltd.		
Nozee Ltd.		
Gamesys Operations Ltd.		
Entertaining Play Ltd.		
Solid Innovations Ltd.		6.20 World Trade Center, 6 Bayside Road, GX11 1AA, Gibraltar
Solid (IOM) Ltd.	Isle of Man	49 Victoria Street, Douglas, IM1 1BL, Isle of Man
Gamesys Jersey Ltd.	Jersey	22 Grenville Street, ST Helier, Jersey, JE4 8PX, Channel Islands
JPJ Maple II Ltd.	Malta	Office 1/5457, Level G, Quantum House, 75 Abate Rigord Street, Ta'Xbiex, XBX 1120 Malta
Gamesys Network Ltd.		The Emporium, Level 4, St Louis Street, MSD 1421, Msida, Malta
Gamesys Limited	United Kingdom	Colegrave House, 70 Berners Street, London, W1T 3NL, United Kingdom
Mice and Dice Limited		
Degree 53 Limited		

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**25 Non-cash adjustments and changes in working capital**

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

	Note	2022 £'000s	2021 £'000s
Adjustments:			
Depreciation		1	10
Share-based compensation expense		-	2,996
Interest expense	9	126	16,964
Foreign exchange loss		5,573	104
Total non-cash adjustments		5,700	20,074
Net changes in working capital:			
Decrease/(increase) in trade and other receivables		610	(1,514)
Decrease in other long-term receivables		-	154
(Decrease)/increase in accounts payable and accrued liabilities		(2,018)	2,478
(Decrease)/increase in short term payables		(9,999)	31
(Decrease) in intercompany balances		(290,923)	(3,739)
Total changes in working capital		(302,330)	(2,590)

26 Ultimate controlling party

At the period end, the immediate parent company is Bally's Holdings UK Limited, a private company incorporated in Jersey, and the ultimate parent company is Bally's Corporation. The consolidated statements of Bally's Corporation are available to the public at <https://investors.ballys.com/financials/>.

27 Post balance sheet date events

The Directors have evaluated the subsequent events from the date of the financial statements through to the date of financial statements were available to be issued.

On 3 May 2023 all the share capital of the Company's subsidiary, Gamesys Group Holdings Limited (being 13,030,533 ordinary shares of GBP 1.00 each) was distributed to the Company's immediate parent. To facilitate this transfer, on 28 April 2023 the share premium reserve was reduced from £363,765,000 to £Nil.

There were no other significant subsequent events after 31 December 2022 to the date of this report.