

REGISTERED NUMBER: SC069140 (Scotland, United Kingdom)



SPORTECH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2025

SPORTECH LIMITED

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for the Year Ended 31 December 2025

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SPORTECH LIMITED

Annual Report and Financial Statements for the Year Ended 31 December 2025

DIRECTORS:	R McGuire C Whiley (resigned 4 September 2025) P Humphreys (resigned 31 August 2025) S Castagna (appointed 30 September 2025) V Bigio (appointed 30 September 2025) M Burris (appointed 30 September 2025)
REGISTERED OFFICE:	Collins House Rutland Square, Edinburgh, EH1 2AA
REGISTERED NUMBER:	SC069140 (Scotland, United Kingdom)
INDEPENDENT AUDITORS:	Sumer Auditco Limited, Chartered Accountants & Statutory Auditors 14th Floor, 33 Cavendish Square, London, W1G 0PW

Cautionary statement

Sections of this annual report, including but not limited to the Strategic Report and the Directors' Report may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of the Company. These have been made by the Directors in good faith using information available up to the date on which they approved this report.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual future financial conditions, business performance, results or developments of the Company to differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts.

Nothing in this document should be construed as a profit forecast.

SPORTECH LIMITED

Strategic Report for the Year Ended 31 December 2025

Review of the Business

Sportech Limited is a private company incorporated in Scotland that operates primarily in the US gaming market. The Group focuses on pari-mutuel wagering, retail sports betting, and online betting platforms, with core operations centred in Connecticut.

The business comprises two main segments:

- **Venues:** Operation of sports bars and retail betting locations in Connecticut, supported by an exclusive licence for pari-mutuel wagering and a distribution agreement with the Connecticut Lottery Corporation (CLC) for retail sports betting and local lottery sales.
- **Digital:** Online pari-mutuel betting through MyWinners.com (exclusive to Connecticut residents) and 123Bet.com (which in 2025 served customers outside Connecticut).

Financial Overview

The financial performance for the year ended 31 December 2025 reflects a year of stabilization and strategic focus, with the following key figures:

Metric	2025	2024
Revenue	£21.2m	£23.1m
Gross Profit	£11.7m	£12.7m
Adjusted EBITDA ¹	£1.3m	£1.5m
(Loss)/Profit before Tax	(£1.1m)	£0.1m
Cash ²	£2.2m	£3.6m

¹Adjusted EBITDA includes exceptional items

²Excludes customer balances

Revenue declined primarily due to a lower pari-mutuel betting handle, driven by a regulatory change in a market outside Connecticut and increased competition from sports betting, iCasino, and online lotteries within the state. Food and beverage sales also softened slightly, while adverse weather early and late in the year impacted both betting product quality and venue footfall.

Despite these challenges, the Group successfully mitigated the impact through strong growth in sports betting commission income, the expansion of diversified revenue streams, and disciplined cost management. As a result, the decline in Adjusted EBITDA was modest.

The Connecticut Venues business delivered a total gross betting handle of \$172.8 million, with sports betting accounting for 47.2% of the total. The average annual handle per retail venue remained robust at approximately \$16.3 million. This was further supported by \$20.8 million wagered through the digital channel in Connecticut and an additional \$4.6 million via 123Bet.com outside the state.

Key corporate initiatives — including rigorous cost control, partnership expansion, venue maintenance investments, and the replacement of an underperforming location with a new modern off-track betting facility helped offset the revenue decline. The development of new digital channels also positions the Group well for future product and geographic expansion. Overall, the combination of targeted investment and the settlement of a legacy liability has created a solid foundation for sustainable growth.

** Sportech Revenue recorded is not the betting handle we manage through our physical locations and Pari-Mutuel digital channels. For Sports Betting revenue booked is the commission received under agreement with the Connecticut Lottery Corporation. For Pari-Mutuel, the revenue booked is the net 'take-out' of each betting pool, this is approximately 20% of the Handle (the remaining c 80% is the pool shared among successful winners. The \$172.3 million referenced is the customer betting handle through Sportech retail venues, plus its pari-mutuel digital channels.*

Business Model

Sportech Limited is an established operator in the US gaming sector, focused on the ownership and operation of retail sports bars and betting venues in Connecticut, complemented by growing online pari-mutuel betting platforms.

Following the successful streamlining of its operations since 2021, the Group now focuses on two core, complementary revenue streams:

Venues

Sportech owns and operates a portfolio of restaurant-bar and gaming venues across Connecticut. These locations combine food and beverage offerings with retail betting services, featuring an exclusive licence for pari-mutuel wagering (on horse racing, greyhound racing and jai alai) and a distribution agreement with the Connecticut Lottery Corporation for retail sports betting. The venues provide customers with a distinctive sports-bar experience that integrates dining, entertainment, and wagering in a single destination.

Digital

The Group has developed a meaningful online presence through two dedicated pari-mutuel betting platforms that extend its reach beyond its physical venues:

- **MyWinners.com** operates under an exclusive licence to offer pari-mutuel betting to Connecticut residents. It provides a convenient digital channel that complements the Group's retail venues and allows customers to wager on horse racing, greyhound racing and jai alai from anywhere in the state.
- **123Bet.com** served customers outside Connecticut and had demonstrated strong growth, increasing its annual betting handle before regulatory changes in its primary region impacted performance from Q2 2025. The platform offered access to a wide range of pari-mutuel wagering opportunities, however was closed in early 2026, with plans for an affiliate lease model to be launched in H2 2026.
- In 2025, the Group initiated the consolidation of these two online operations under unified management. This move is expected to deliver enhanced operational efficiency, improved customer experience, cost synergies, and accelerated growth opportunities in the digital channel.

The combination of physical venues and digital platforms creates a robust omni-channel offering, allowing Sportech to capture wagering activity both in-person and online while leveraging its deep expertise in pari-mutuel betting.

The Group's business model is designed to maximise long-term shareholder through its exclusive gaming licences, strategic technology partnerships, disciplined cost management, and improved cash generation.

Group Developments

Disposals

As previously disclosed in the 2024 Annual Report and subsequent shareholder communications, the Company received an approach from a third party regarding the potential acquisition of its major operating assets. Discussions continued throughout 2025; however, no binding offer was received and no agreement was reached. This process has now been closed. Management continues to evaluate opportunities to divest non-core operational assets and will provide updates to shareholders as appropriate.

Corporate

The Board continues to carefully balance the cash required to support the business — including maintenance and selective growth capital expenditure — with its objective of delivering attractive returns to shareholders.

Connecticut Venues

Pari-mutuel betting on horse racing remains the core business of the Group. While the sector experienced an industry-wide decline of 8–10% across the US, the Group achieved growth in many venues despite adverse weather conditions in the Northeast, which affected both racing product quality and footfall during the early and later parts of 2025.

Throughout the year, the Group continued to invest in its estate through maintenance programmes and the replacement of an underperforming location with a new, modern off-track betting facility. Enhanced marketing activity in the fourth quarter is expected to support improved performance across both retail and digital channels.

Sports Betting

Despite a lower overall handle, a marginally higher hold percentage and stronger digital performance resulted in an increase in sports betting commission income. The gross retail sports betting handle for the year was \$81.5 million (2024: \$89.2 million), on which Sportech earns a share of the 10.81% hold (2024: 10.03%). The Group remains confident in the future growth potential under its agreement with the CLC

The Company continues to highlight to investors the materially different risk profiles between fixed-odds sports betting and its traditional pari-mutuel (pool) betting business. Unlike fixed-odds betting, pari-mutuel wagering does not expose the operator to the outcome of sporting events.

Risk Difference Between Pari-Mutuel and Fixed-Odds Betting

Pari-Mutuel (Tote) Betting, carries significantly lower risk for the operator. All wagers are pooled, and pay-outs are determined after deducting the take-out (commission). Sportech earns a guaranteed margin regardless of the result, with the risk shared among bettors. The main risks are declining overall betting pools and increased competition from other forms of gambling.

Fixed-Odds Sportsbook Betting exposes the operator to direct financial risk. The sportsbook sets the odds and must pay out at those prices, potentially incurring losses on unfavourable outcomes. This requires active risk management, including odds adjustment, betting limits, and hedging. During 2025, Sportech applied its hedging policy on only two occasions.

In summary, pari-mutuel betting provides a more predictable and lower-risk earnings model for the operator, while fixed-odds sports betting demands continuous book management and carries greater earnings volatility.

Board

The Board continues to provide valuable oversight and strategic guidance to the management team as the Group executes its core strategy of operational excellence, disciplined capital allocation, and long-term shareholder value creation. During 2025 the Board composition changed to reflect the US centric business model.

The Group extends its sincere thanks to those directors who resigned during the year. Clive Whiley and Paul Humphries served the Group for many years, providing experience, integrity, wisdom and a supportive challenge to management to create a stronger business that addressed challenges and delivered a platform for growth. We wish them continued success in future endeavours.

Chairman's Statement

I am pleased to present the 2025 Annual Report for Sportech Limited.

The Group demonstrated resilience in 2025, successfully navigating a challenging market characterised by increased competition and adverse weather conditions. While continuing our strategic transformation into a focused private company, we maintained financial discipline and operational momentum. Through rigorous cost management, asset optimisation, strengthened commercial partnerships, and targeted investment, we mitigated revenue pressures and preserved a solid financial foundation. Our debt-free balance sheet, stable cash position, and exclusive licences in Connecticut leave us well positioned for the future.

Revenue for the year was £21.2 million (2024: £23.1 million), with Adjusted EBITDA of £1.3 million (2024: £1.5 million). The modest decline was primarily driven by lower pari-mutuel volumes amid industry-wide pressures, partially offset by strong growth in sports betting commission income and other diversified revenue streams.

Key initiatives delivered during the year included:

- Closure of the high-cost Sports Haven location, delivering significant cost savings
- Opening of a new, modern 'blueprint' Off-Track Betting facility in East Haven, Connecticut
- Launch of the new MyWinners.com digital platform in Connecticut
- Introduction of the 123Bet.com platform for customers outside Connecticut
- Opening of a new, innovative headquarters in Connecticut to attract and retain top talent
- Comprehensive overhaul of our digital betting proposition and customer service experience

2025 was a transformative year. We reinvested in the business by replacing an expensive location with a more efficient model, stabilised our core pari-mutuel business, increased sports betting commission receipts by 17%, and successfully relaunched our digital platforms (with the new MyWinners.com going live in late January 2026). These actions have created a strong platform for accelerated digital growth in 2026 and beyond.

Looking ahead, Sportech is well positioned to capitalise on its strengths in the attractive US gaming market. We will continue to streamline operations, invest selectively in our venues and digital capabilities, and leverage our exclusive licences to drive sustainable, long-term performance.

On behalf of the Board, I would like to thank our employees for their dedication and hard work, our business partners for their ongoing collaboration, and our shareholders for their continued support. We also extend our appreciation to our customers, whose loyalty remains central to everything we do.

Richard McGuire
Chairman

Group Outlook

Sportech Limited has demonstrated strong resilience as a retail consumer operator in the competitive US gaming market. The Group successfully navigated significant headwinds in 2025 without raising equity or increasing debt, while continuing to deliver high-quality experiences to its customers.

The passion and commitment of our employees remain a key source of strength. This culture of pride and ownership supported operational improvements in 2024 and laid the foundation for renewed growth in 2025. Operating in an attractive and expanding US gaming sector, Sportech is well positioned through its exclusive licences in Connecticut, deepening commercial partnerships, and a disciplined focus on operational efficiency and cash generation.

Looking ahead, the Group remains committed to driving sustainable performance. We will continue to invest selectively in our venues and digital platforms, pursue organic growth opportunities, and deliver further value to shareholders through prudent capital allocation.

Principal Risks and Uncertainties

The successful execution of the Group's strategy is subject to a number of risks and uncertainties. The principal risks, together with the mitigating actions taken by the Group, are set out below:

Industry Competition

The Group operates in a highly competitive sector. This risk is mitigated through strong customer relationships, the delivery of exceptional service, and the continuous development of innovative products and differentiated experiences.

Third-Party Technology Dependency

The Group relies on third-party providers for key technology platforms. This risk is managed through robust service agreements that include strong protective clauses, together with the ability to novate or terminate contracts at the end of their term where required.

Regulatory and Legislative Changes

Changes in laws or regulatory requirements could impact operations. The Group mitigates this risk by maintaining full compliance with all licence conditions, engaging specialist legal and lobbying counsel, and providing regular training to employees.

Fixed-Odds Sports Betting Risk

Unlike the Group's traditional pari-mutuel betting business, fixed-odds sports betting carries higher financial risk for the operator. In this model, the Group is exposed to its share of the sportsbook's gross gaming revenue and must actively manage pricing, betting limits, and hedging. During 2025, hedging was applied on only two occasions.

Product Risk

Failure to evolve product offerings could reduce competitiveness. The Group addresses this risk by investing in the development of new and innovative products and by enhancing its venues with diverse customer experiences.

Foreign Exchange Risk

The Group is exposed to currency fluctuations, primarily between Sterling and the US Dollar. This risk is closely monitored, with hedging considered where significant exposures arise.

Political and Regulatory Environment in Connecticut

Changes in the political or regulatory landscape in Connecticut could affect the Group's licences and operations. The Group maintains active lobbying resources in the state to protect and promote its interests.

SPORTECH LIMITED

Strategic Report (continued) for the Year Ended 31 December 2025

Directors' statement of compliance with duty to promote the success of the Group

Section 172(1) statement

The board of directors of Sportech Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) of the Companies Act 2006.

The Board regularly reviews the Group's principal stakeholders and how it engages with them. This is achieved through information provided by management and by direct engagement by all of the Group's Directors with stakeholders themselves.

The Board continuously enhances its methods of engagement with the workforce. In that regard, the Executive Chairman of the Board regularly meets with staff and actively encourages dialogue and feedback. The Chair and Senior Independent Non-Executive Director continued to visit operations during 2025, meeting business partners, customers and employees in field operations, and human resources. This helps the Board maintain direct lines of communication.

We aim to work responsibly with our stakeholders, including suppliers, and the anti-corruption and anti-bribery, equal opportunities and whistleblowing policies are reviewed annually and updated where required.

ON BEHALF OF THE BOARD:



.....
Richard McGuire
Director
Date: 02 July 2026

SPORTECH LIMITED

Report of the Directors for the Year Ended 31 December 2025

The directors present their report and the financial statements for the year ended 31 December 2025

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group and company financial statements in accordance with UK adopted International Financial Reporting Standards (IFRS). 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 group and company and of the profit or loss of the group 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 they have been prepared in accordance with UK adopted IFRS subject to any material departures disclosed and explained in the financial statements; and
- prepare the Group and parent's financial statements on the going concern basis unless it is inappropriate to presume that the Group or parent company will continue in business.
- assess the group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Principal activity

The principal activity of the Group is the operation of betting venues in the state of Connecticut, USA and a website for online wagering from Connecticut residents under an exclusive and perpetual licence. Revenues are derived from handle (betting stakes) net of return to bettors for wagering on horse and greyhound racing and jai alai and customer incentives and is recognised on the day the event takes place. In addition, the group receives income from sub licensing agreements.

Going Concern

The Directors have prepared detailed financial forecasts with a supporting business plan covering the medium-term future. These forecasts capture both a base plan and downside scenarios which take into account macro-economic potential indirect impacts to the business.

Both the base plan and downside scenario forecasts led the Directors to have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The (loss)/profit for the year, after taxation and minority interests, amounted to (£1,105)k (2024 -£122k).

Directors

The directors who served during the year were:

R McGuire
C Whiley
P Humphreys
V Bigio
S Castagna
M Burris

Insurance

Throughout the period the Group maintained insurance to provide protection to clients against losses arising from any negligent or dishonesty of the Company's employees.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as the Director's are aware, there is no relevant audit information of which the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information

Auditors

The auditors, Sumer Auditco Limited, were appointed during the year and will be reappointed for the ensuing year in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
R McGuire

Date: 02 July 2026

SPORTECH LIMITED

Independent Auditors' report to the Members of Sportech Limited

Opinion

We have audited the financial statements of Sportech Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Group Income Statement, Group Statement of Comprehensive Income, Group and Company Balance Sheet, Group and Company Statement of Changes in Equity, Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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.

Conclusion relating going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 directors

As explained more fully in the directors' responsibilities statement set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 parent 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 or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the group including its management structure and control systems (including the opportunity for management to override such controls); and
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's group's remuneration and bonus policies and performance targets; and

the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the group:

- the details of the accounting policies applied during the year are set out in the Basis of accounting section of the financial statements;
- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation and distributable profits legislation;
- the timing of the recognition of commercial income;
- compliance with legislation relating to GDPR, health and safety, local employment law, food safety, operating licenses and alcohol licenses;
- management bias in selecting accounting policies and determining estimates;
- Impairment of investments (parent company only);
- Impairment of intangible and tangible fixed assets;
- inappropriate journal entries;
- manipulation of specific performance measures to meet remuneration targets; and recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- we developed an understanding of the key revenue processes from inception to disclosure in the financial statements and assessed the design and implementation of the controls over the revenue cycle on betting revenue in Venues;
- inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- assessing impairment of land and buildings and investments and challenging assumptions made by management;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- identifying and testing journal entries;
- accessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movement in account balances which may be indicative of fraud;
- reviewing the minutes of Board meetings; and
- evaluating the underlying business reasons for any unusual transactions.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

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.

Sumer Auditco Limited

**Atulya Mehta FCCA (Senior Statutory Auditor)
For and on behalf of Sumer Auditco Limited
Statutory Auditors
14th Floor
33 Cavendish Square
London**

2 July 2026

SPORTECH LIMITED

Consolidated Income Statement
for the Year Ended 31 December 2025

		2025	2024
	Note	£000	£000
Revenue	4	21,222	23,053
Cost of sales		(9,511)	(10,363)
Gross profit		11,711	12,690
Marketing and distribution costs		(159)	(253)
Contribution		11,552	12,437
Operating costs		(12,209)	(12,943)
Other income		-	596
Operating (loss)/profit		(656)	90
Finance costs	9	(449)	13
Finance income	9	-	13
Loss before tax		(1,105)	116
Tax	10	-	6
Loss for the year – continuing operations		(1,105)	122
Profit after taxation from discontinued operations		-	-
(Loss) / Profit for the year		(1,105)	122
Attributable to:		-	-
Owners of the Company		(1,105)	122

SPORTECH LIMITED

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2025

	2025	2024
	£000	£000
(Loss) / Profit for the year	(1,105)	122
Other comprehensive (expense)/income:		
<i>Items that may be subsequently reclassified to profit and loss</i>		
Currency translation differences	(561)	296
	(1,666)	418
Total other comprehensive (expense)/income for the year, net of tax	(1,666)	418
Total comprehensive (expense)/income for the year	(1,666)	418
Attributable to:		
Owners of the Company	(1,666)	418

SPORTECH LIMITED**Consolidated Balance Sheet
As at 31 December 2025**

		2025	2024
	Note	£'000	£'000
ASSETS			
Non-current assets			
Intangible fixed assets	11	5,630	6,140
Property, plant and equipment	12	565	732
Right-of-use assets	13	6,880	7,847
Trade and other receivables	16	158	172
Deferred tax assets		15	15
Total non-current assets		13,248	14,906
Current assets			
Trade and other receivables	16	606	532
Inventories	15	105	121
Current tax receivable		134	102
Cash and cash equivalents	17	2,580	3,923
Total current assets		3,425	4,678
TOTAL ASSETS		16,673	19,584
LIABILITIES			
Current liabilities			
Trade and other payables	18	(3,927)	(4,209)
Lease liabilities	14	(1,089)	(998)
Total current liabilities		(5,016)	(5,207)
Net current liabilities		(1,591)	(530)
Non-current liabilities			
Lease liabilities	14	(7,405)	(8,461)
Total non-current liabilities		(7,405)	(8,461)
TOTAL LIABILITIES		(12,421)	(13,668)
NET ASSETS		4,252	5,916
EQUITY			
Ordinary shares	22	971	971
Other reserves		3,902	4,461
Retained earnings		(621)	484
TOTAL EQUITY		4,252	5,916

These financial statements on pages 9 to 16 were approved by the Board of Directors on 02 July 2026 and were signed on its behalf by:



.....
R McGuire
Director

Company Registration Number: SC069140

SPORTECH LIMITED

Company Balance Sheet
As at 31 December 2025

	Note	2025 £000	2024 £000
ASSETS			
Non-current assets			
Intangible fixed assets	11	2	2
Investment in subsidiaries	24	12,047	11,095
		<u>12,049</u>	<u>11,097</u>
Current assets			
Trade and other receivables	16	992	29
Cash and cash equivalents		27	431
		<u>1,019</u>	<u>460</u>
TOTAL ASSETS		<u>13,068</u>	<u>11,557</u>
LIABILITIES			
Current liabilities			
Trade and other payables	18	(161)	(6,057)
Net current (liabilities)/assets		<u>858</u>	<u>(5,598)</u>
NET ASSETS		<u>12,907</u>	<u>5,500</u>
EQUITY			
Ordinary shares	22	971	971
Other reserves		1,231	1,231
Retained earnings carried forward		10,705	3,298
TOTAL EQUITY		<u>12,907</u>	<u>5,500</u>

The profit after tax for the Company for the year was £7,407k (2024: £5,664k)

The Company financial statements on pages were approved and authorised for issue by the Board of Directors on 02 July 2026 and were signed on its behalf by:



R McGuire
Director

Company Registration Number: SC069140

SPORTECH LIMITED

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2025

	Other reserves					Total
	Ordinary shares	Capital redemption reserve	Other reserve	Foreign exchange reserve	Retained earnings	
	£000	£000	£000	£000	£000	
At 1 January 2025	971	917	314	3,230	484	5,916
Comprehensive income						
Loss for the year					(1,105)	(1,105)
Other comprehensive items						
Currency translation differences arising in year				(561)		(561)
Total other comprehensive items	-	-	-	(561)	(1,105)	(1,666)
Transactions with owners						
Capital Distribution paid						
Total transactions with owners						
Total changes in equity	-	-	-	(561)	(1,105)	(1,666)
At 31 December 2025	971	917	314	2,669	(621)	4,250

	Other reserves				Retained earnings	Total
	Ordinary shares	Capital redemption reserve	Other reserve	Foreign exchange reserve		
	£000	£000	£000	£000		
At 1 January 2024	971	917	314	2,934	3,761	8,897
Comprehensive income						
Loss for the year					122	122
Other comprehensive items						
Currency translation differences arising in year				296		296
Total other comprehensive items	-	-	-	296	122	418
Transactions with owners						
Capital Distribution paid					(3,399)	(3,399)
Total transactions with owners	-	-	-	-	(3,399)	(3,399)
Total changes in equity	-	-	-	296	(3,277)	(2,981)
At 31 December 2024	971	917	314	3,230	484	5,916

SPORTECH LIMITED

Company Statement of Changes in Equity

for the Year Ended 31 December 2025

	Ordinary shares £000	Other reserves Capital redemption reserve £000	Other reserve £000	Retained earnings £000	Total £000
At 31 December 2023	971	917	314	12,360	14562
Comprehensive expense					
Profit for the year				(5,664)	(5,664)
Transaction with owners					
Share buy back				(3,399)	(3,399)
Distribution					
At 31 December 2024	971	917	314	3,298	5,500
Comprehensive expense					
Profit for the year				7,407	7,407
Transaction with owners					
Distribution					
At 31 December 2025	971	917	314	10,705	12,907

SPORTECH LIMITED

Consolidated Statement of Cashflows
for the Year Ended 31 December 2025

	2025	2024
Note	£000	£000
Cash flows from operating activities		
(Loss)/Profit for the year	(1,105)	122
Net finance costs	424	(330)
Exceptional costs	-	198
Profit on disposal of Bradley	-	(596)
Depreciation and amortisation	1,928	1,833
Movements in working capital	(245)	241
Movement in customer funds	18	(23)
Cash generated/(used in) from operations, before separately disclosed items	1,020	1,440
Tax refund received	(41)	-
Tax paid		11
Net cash (used in)/generated from operating activities before separately disclosed items	979	1,451
Cash outflows - separately disclosed items	5	-
Cash generated/(used in) from operations	979	1,198
Cash flows from investing activities		
Disposal of Windsor Locks, Bradley (net of disposal costs)	27	3,566
Investment in intangible fixed assets	12	-
Purchase of property, plant and equipment	13	(327)
Net cash generated from/(used in) investing activities		(327)
Cash flows used in financing activities		
Principal paid on lease liabilities	(1,338)	(1,246)
Interest paid on lease liabilities	(424)	(334)
Share buy-back		
Dividend paid		(3,399)
Interest received		13
Cash used in financing activities	(1,762)	(4,966)

Net decrease in cash and cash equivalents		(1,110)	(335)
Effect of foreign exchange on cash and cash equivalents		(233)	61
Cash and cash equivalents at the beginning of the year		3,923	4,196
Group cash and cash equivalents at the end of the year	17	2,580	3,923
Represented by:			
Cash and cash equivalents	17	2,580	3,923
Less customer funds	17	(342)	(353)
Adjusted net cash at the end of the year	17	2,238	3,570

SPORTECH LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2025

1. GENERAL INFORMATION

The company is a private limited company, limited by shares and is incorporated in Scotland. The address of its registered office is Collins House, Rutland Square, Edinburgh, Midlothian, Scotland EH1 2AA

2. CRITICAL JUDGEMENTS AND ESTIMATES

Critical judgements and estimates have been made in the following areas:

Assets held for sale and discontinued operations

The Board is required to consider the requirements of IFRS 5 Non-current Assets Held for sale and Discontinued Operations as to whether the assets of any disposal group or asset which is potentially going to be disposed of, should be classified as Held for Sale. In general, the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale:

- management is committed to a plan to sell;
 - the asset is available for immediate sale;
 - an active programme to locate a buyer is initiated;
 - the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions);
 - the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

In addition, a discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Carrying value of Sportech Venues tangible and intangible assets

To determine whether an impairment of the tangible or intangible assets held by the Sportech Venues division has occurred, the Group considered in isolation the assets and leasehold improvements at its sports bar venue in Stamford, Connecticut and then the assets (tangible and intangible) of the cash generating unit ("CGU") as a whole. The key assumptions used in estimating future cash flows for value-in-use measures, for both the stand-alone venue and the CGU as a whole were:

Stamford alone:

- handle and food and beverage ("F&B") earnings achieved since the venue's opening in June 2017 and the likely growth achievable in the next four years;
- costs of sale percentages and overhead cost levels achievable;
- sports betting commission likely to be earned at the venue; and
- the length of the lease during which the venue would be operated.

CGU as a whole:

- rates of industry handle growth/decline impacting the retail and online product;
- the enforcement by the State of Connecticut of the Company's exclusive rights to operate online wagering and the CGU's ability to drive value from its exclusivity in the State; and
- discount rate, which appropriately reflect the risks associated with the CGU.

These assumptions, and the judgements of management that are based on them, are subject to change as new information becomes available. Economic conditions and government policy changes can also impact on the assumptions and discount rates applied, which are reviewed annually. Critical judgements and estimates have been made in the carrying value of investments and in the recoverability of the intercompany receivable. To determine whether an impairment exists in any of the investments or intercompany receivables held by the Company, management estimate the recoverable value of each of those items. Estimating the recoverable value is subject to a number of key assumptions in forecasting future cash flows for value-in-use. Those key assumptions applied are:

- Industry handle rates;
- F&B revenues achieved;
- commissions achieved from sports betting;
the retention of the agency agreement to provide sports betting past the end of the current contract term;
- levels of capital expenditure required; and discount rates, which appropriately reflect the risks associated with specific cash generating units.

Those assumptions, and the judgements of management that are based on them, are subject to change as new information becomes available. Economic conditions and government policy changes can also impact on the discount rates applied, which are reviewed annually.

3. ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs).

Details of the Company's accounting policies, including changes during the year, are included in note 3.2.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Profit and loss account or Statement of comprehensive income in these consolidated financial statements.

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 2

3.1.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

3.1.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2025

A number of new standards listed below are effective from 1 January 2025, but they do not have a material effect on the Company's financial statements.

Lack of Exchangeability (Amendments to IAS 21).

ii) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7- effective for annual reporting periods beginning on or after 1 January 2026;

Annual Improvements to 'FRS Accounting Standards Volume 11, effective for annual periods beginning on or after 1 January 2026;

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

IFRS 19 'Subsidiaries without Public Accountability: Disclosures'- effective for annual reporting periods beginning on or after 1 January 2027.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3.2 Accounting policies

A summary of more important Group accounting policies follows. These policies have been applied consistently to all the years presented.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. Control of an entity is deemed to exist when the Group is exposed to, or has rights to, variable returns through its power over that entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Contingent consideration is recognised at fair value at the acquisition date and remeasured at each balance sheet date until settlement. The revaluation amount is debited/credited to the income statement in the period in which the estimated fair value is increased/decreased. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Transactions between subsidiaries are performed on an arm's-length basis. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Revenue

The Group generally recognises revenue at a point in time when it transfers control over a product or delivers a service to a customer. The following is a description of principal activities (separated by reportable segment), from which the Group generates its revenues.

Sportech Venues:

This division operates betting venues in the state of Connecticut, USA and a website for online wagering from Connecticut residents under an exclusive and perpetual licence. Its revenues are derived from handle (betting stakes) net of return to bettors for wagering on horse and greyhound racing and jai alai and customer incentives and is recognised on the day the event takes place. Betting stakes for future events that have not taken place at the balance sheet date are deferred. It also generates revenue from:

Other revenue type

Providing a full turn-key service for the operation of racebooks at casinos

Food and beverage sales in venue

Programme sales

Rental of space in venues for parties/events

Sale of lottery tickets on behalf of the state lottery

ATM transaction fees

Source market fees

Parking lot rental for events e.g. carnival, rodeo

Sports Betting revenue share

Sports Betting - Principal versus Agent:

The Group evaluates the principal versus agent considerations, in determining whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commissions. If the Group were the principal in a transaction and controlled the specific good or service before it is transferred to the customer, revenue would be recorded gross; however, in the arrangement with CLC, revenue is recorded on a net basis as this is not the case. For retail sports services, the Group does not control the promised goods or services and, therefore, records the net amount of revenue earned as a commission. Evidence for the agent conclusion comprises amongst other indicators;

- i. The terminals used in the retail venues for sports betting are not the property or responsibility of Sportech and were not purchased or rented by Sportech;
- ii. The risk on transactions is not Sportech's and Sportech does not manage the sportsbook risk;
- iii. Sportech does not set the sportsbook prices;
- iv. Sportech is not responsible for credit risk (chargebacks);
- v. The Connecticut Lottery Corporation is the licence holder and the customer contracts with CLC not Sportech; and
- vi. If a loss is made on the sportsbook, that loss is carried forward until covered

Sportech Digital:

123Bet.com Revenue

The Group owns the brand 123Bet.com and operates a pari-mutuel betting site taking bets on horse and dog racing from customers through its affiliate provider eBet Technologies Inc. Wagers net of customer winnings and loyalty awards is recognised as revenue with associated costs included in cost of sales.

Lottery software supply

The Group's subsidiary Lot.to Systems Limited provided online lottery software to customers globally. The service fees are either fixed monthly fees, percentages of handle through the software or a combination of both and most contracts can have fixed monthly "minimums". Revenue was recognised as the obligations under the contract are met. This unit was sold in early 2024.

(c) Deferred income

Deferred income includes the value of stakes placed prior to the end of the financial period in respect of competitions and sporting events held subsequent to the end of the financial period and income received in advance of a service or product being delivered.

(d) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The Group applies IFRIC 23 Uncertainty over Income tax treatments. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires; the group to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; the group to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

(e) Foreign currencies

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 Sterling (£), which is the Company's functional currency and the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. 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 income statement, except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or costs. All other foreign exchange gains and losses are presented in the income statement within operating profit.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

– all resulting exchange differences are recognised in other comprehensive income.

(f) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and any impairment. Cost includes the original purchase price of the asset and the costs attributable in bringing the asset to its working condition for its intended use and any associated borrowing costs. Assets in the course of construction are not depreciated until the asset is completed. 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Assets in the course of construction are capitalised when first brought into use and depreciated from this date.

(g) Depreciation

Depreciation is provided on a straight-line basis to write off the cost of property, plant and equipment down to residual value over their anticipated useful lives as following period:

Owned land and buildings	Not depreciated
Leasehold Improvements	Over the period of the lease or 25 years whichever is shorter
Plant and machinery	Between 3 and 12 years
Fixtures and fittings	Between 3 and 12 years

Assets in the course of construction are not depreciated until they are ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(h) Right-of-use assets and lease liabilities

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate (taking into account the lease term being considered) in the jurisdiction in which the asset resides as the

discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options and break clauses. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(i) Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the fair value of the separately identifiable net assets acquired. Goodwill arising on acquisitions before the date of transition to IFRSs (4 January 2005) has been frozen at the previous UK GAAP net book value at the date of transition, subject to being tested for impairment annually at the year end date. There is potential contingent consideration receivable of up to a further £500k which has been fair valued at £nil. The receipt of further amounts are contingent on certain activities being transacted through digital channels within a time period which the Directors believe are unlikely to be met.

Goodwill is allocated to specific CGUs for the purpose of impairment testing. The allocation is made to the CGU that is expected to benefit from the business combination in which the goodwill arose.

Goodwill is carried at cost less accumulated impairment losses.

(j) Intangible fixed assets

Intangible fixed assets are held at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life of the intangible fixed asset.

Software

Externally acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives or contractual period if shorter (five to ten years).

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;
- it can be demonstrated how 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
- the expenditure attributable to the 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 proportion of relevant overhead. Other development expenditure that does 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.

Software development costs are amortised over their estimated useful lives, which do not exceed 12 years.

Licences

Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences that have a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate cost of licences over their estimated useful lives of 15 to 20 years. Licences with an infinite life (licences granted in perpetuity) are held at cost or fair value at acquisition date and tested annually for impairment.

(k) Investments in subsidiaries

Investments in subsidiaries are carried at historic cost less any impairment. Annual impairment reviews are performed.

(l) Impairment reviews

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and intangible assets with indefinite lives are subject to an annual review for impairment in accordance with IAS 36 'Impairment of Assets'. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purpose of assessing impairments, assets are grouped at the lowest levels at which there are separately identifiable cash flows. Any impairment losses are recognised in the income statement in the year in which they occur. Any impairment loss recognised on goodwill is not reversed.

All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(m) Pension obligation

The Group operates various pension schemes.

The schemes are generally funded through payments to insurance companies. The Group now only has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Financial instruments

(i) Recognition

Trade receivable and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

(ii) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are classified on the first day of the first reporting period following the change in business model.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Changes in the fair value of financial assets at FVTPL are recognised in the statement of comprehensive income.

Financial assets measured at amortised cost arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 365 days and are therefore all classified as current, those due after a longer period are classified in non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Other receivables consist of amounts generally arising from transactions outside the usual operating activities of the Group such as the proceeds from disposal of investment. Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(v) Impairment

The Group assesses all types of financial assets that are subject to the expected credit loss model:

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

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are grouped based on their days past

due.

The historical credit losses assessed are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Financial liabilities

(vi) Classification and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(vii) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(o) Share-based payments

The fair value of employee options awarded under the Value Creation Plan is calculated using the Black-Scholes model. The fair value of employee PSP awards is valued using a stochastic (Monte Carlo) valuation model. In accordance with IFRS 2 'Share-based Payment', the resulting cost is charged to the income statement over the vesting period of the options/awards. The total amount to be expensed is determined by reference to the fair value of the options/awards granted including any market performance conditions, which are those that are based on Sportech PLC's share price, and excluding the impact of any service and non-market performance vesting conditions, being profitability and the individual remaining an employee over a specified time period. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The charge in relation to employees who provide services to subsidiary companies is recharged to those subsidiaries. Where the charge is not required to be settled in cash, the Company's investment in that subsidiary is increased by the value of the charge and a corresponding increase in equity is recognised in the subsidiary.

(p) Cash and cash equivalents

Cash and cash equivalents shown on the balance sheet represent cash in hand, cash in vaults and cash held in current accounts, both owned by the Group and held on behalf of customers. Any bank overdrafts used by the Group are shown within trade and other payables. Positive cash balances and overdrafts are only offset within cash and cash equivalents to the extent that they form part of a cash-pooling arrangement implemented by the Group where the balances will be settled on a net basis.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(r) 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, being the difference between the assets' carrying amounts and the present value of the estimated future cash flows, discounted at the original effective interest rate. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific customer will default or delinquency in payment will arise. Any subsequent recovery of amounts written off is credited to the income statement.

(s) Trade payables

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

(t) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. Net realisable value is the estimated selling price in the ordinary course of business.

(u) Provisions

Provisions for onerous contracts, legal claims and dilapidations are recognised when the Group has: a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses where the Group has no contractual obligation to deliver the service or product. Provisions payable over a period greater than 12 months are discounted using an appropriate market risk-free discount rate.

(v) Leases exempt from IFRS 16

The Group excludes leases with low-value assets (<£4,000 asset values) and leases with terms of less than 12 months from IFRS 16 requirements to capitalise the lease and hold a corresponding liability on the balance sheet. Instead, payments made under these leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(w) Separately disclosed items

The Group defines separately disclosed items as those items which, by their nature or size, if not separately identified, would distort the comparability of the Group's results from year to year.

(x) Government grants

Grants for revenue expenditure are shown gross in the income statement in other income. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the income statement.

(y) Share capital and reserves

Ordinary shares are classed as equity. Incremental costs directly attributable to the value of new shares or options are shown in equity as a deduction from the proceeds in the share premium account where the shares were issued at a premium or, where issued at par or where the issue costs exceed the premium on the issue, to retained earnings.

The capital redemption reserve represents the nominal value of shares cancelled.

Other reserve includes the cumulative actuarial gains and losses charged/credited to this reserve in relation to defined benefit pension schemes and also merger relief.

Foreign exchange includes gains/losses arising on retranslating the net assets of overseas operations

Retained earnings includes cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

(z) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

4. TURNOVER

	Note	2025	2024
		£000	£000
By type			
Full turn key Take-out		13,924	15,526
Commission Revenue (including Sports Betting)		2,761	2,365
SM Fee Revenue		839	779
F&B Revenue		3,030	3,223
Other Revenue		668	1,160
Revenue		21,222	23,053
By geographic segment			
US		21,222	23,053
UK			
Total		21,222	23,053

5. SEPARATELY DISCLOSED ITEMS

	Note	2025	2024
		£000	£000
Included in operating costs:			
Redundancy and restructuring costs		-	239
Corporate activity costs		-	(4)
Release of provision for Spot the Ball VAT refund		-	(55)
Costs in relation to exiting India		-	18
		-	198

Below is a summary of cash outflows from separately disclosed items:

	2025	2024
	£000	£000
Cash outflows from separately disclosed items:		
Redundancy and restructuring costs	-	239
Corporate activity costs	-	11
Costs in relation to exiting India	-	18
Cash outflows from separately disclosed items – total	-	268

6. Auditor remuneration

Fees paid to the Auditors of the consolidated financial statements during the period comprise:

	2025	2024
	£000	£000
Audit fees	106	98
Total fees	106	98

7. Employment costs

Average number of monthly employees (full-time equivalents) including Executive Directors comprised:

Continuing and discontinued operations	Total	Total
	2025	2024
	Number	Number
Sales and marketing	5	5
Operations and distribution	130	115
Administration and management	14	15
Total employees	149	135

Their aggregate remuneration comprised:

	Total	
	2025	2024
	£000	£000
Wages and Salaries	5,211	5,385
Social security costs	459	506
Pension costs – defined contribution scheme (note 20)	52	68
Employee remuneration, excluding share option charges	5,722	5,959
Share option expense	-	-
Total remuneration	5,722	5,959

8. Directors remuneration

Continuing operations	Total	
	2025	2024
	£000	£000
Short-term employee benefits	321	289
Total remuneration	321	289

9. Net finance costs

	2025	2024
	£000	£000
Finance costs:		
IFRS 16 liabilities remeasurement	-	651
Interest on lease obligations (note 14)	(424)	(334)
Foreign exchange loss on financial assets and liabilities denominated in foreign currency	(25)	(304)
Total finance costs	(449)	13

Finance income:

Interest received on bank deposits	-	13
Total finance income	-	13
Net finance (costs)/income	(449)	26

10. Taxation

The Group's tax charge comprises:

	2025	2024
	£000	£000
Current tax:		
Current tax on profit for the year	-	-
Adjustments in respect of prior years	-	6
Total current tax	-	6
Deferred tax:		
Origination and reversal of temporary differences	-	-
Change in rates	-	-
Adjustments in respect of prior years	-	-
Derecognition of previously recognised deferred tax assets	-	-
Total deferred tax	-	-
Total tax charge	-	6

11. Intangible fixed assets

2025

	Software	Licences	Total
	£000	£000	£000
Cost			
At 1 January 2025	4,764	5,696	10,460
Additions	-	-	-
Disposals	-	-	-
At 31 December 2025	4,764	5,696	10,460
Accumulated amortisation			
At 1 January 2025	4,496	918	5,414
Charge for year	-	-	-
Disposal	-	-	-
At 31 December 2025	4,496	918	5,414
Exchange differences at 1 January 2025	(244)	1,338	1,094
Movement in the year	(2)	(508)	(510)
Exchange differences at 31 December 2025	(246)	830	585
Net book amount at 31 December 2025	22	5,608	5,630

2024	Software	Licences	Total
	£000	£000	£000
Cost			
At 1 January 2024	4,764	5,696	10,460
Additions	-	-	-
Disposals	-	-	-
At 31 December 2024	4,764	5,696	10,460
Accumulated amortisation			
At 1 January 2024	4,351	918	5,269
Charge for year	145	-	145
Disposal	-	-	-
At 31 December 2024	4,496	918	5,414
Exchange differences at 1 January 2024	(244)	1,217	973
Movement in the year		121	121
Exchange differences at 31 December 2024	(244)	1,338	1,094
Net book amount at 31 December 2024	24	6,116	6,140

Intangible fixed assets (Company)**2025**

	Software	Total
	£000	£000
Cost		
At 1 January 2025	717	717
Additions	-	-
Disposals	-	-
At 31 December 2025	717	717
Accumulated amortisation		
At 1 January 2025	715	715
Charge for year	-	-
Disposal	-	-
At 31 December 2025	715	715
Net book amount at 31 December 2025	2	2

2024

	Software	Total
	£000	£000
Cost		
At 1 January 2024	717	717
Additions	-	-
Disposals	-	-
At 31 December 2024	717	717
Accumulated amortisation		
At 1 January 2024	608	608
Charge for year	107	107
Disposal	-	-
At 31 December 2024	715	715
Net book amount at 31 December 2024	2	2

12. Property, plant and equipment

2025	Leasehold improvements and owned land and buildings	Plant and machinery £000	Fixtures and fittings	Assets in the course of construction £000	Total £000
Cost					
At 1 January 2025	8,200	515	3,749	32	12,496
Additions	-	-	327	-	327
Disposals	-	-	-	-	-
At 31 December 2025	8,200	515	4,076	32	12,823
Accumulated depreciation					
At 1 January 2025	8,028	44	3,753	-	11,825
Charge for year	238	25	177	-	440
Reversal of impairment	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2025	8,266	70	3,930	-	12,265
Exchange differences at 1 January 2025	162	(470)	365	3	60
Movement in the year	-	-	-	-	(52)
Disposals	-	-	-	-	-
Exchange differences at 31 December 2025	139	(478)	337	9	7
Net book amount at 31 December 2025	73	(32)	483	41	565

Depreciation charges and the loss on disposal of PPE have been included in operating costs.

2024	Leasehold improvements and owned land and buildings	Plant and machinery £000	Fixtures and fittings £000	Assets in the course of construction £000	Total £000
Cost					
At 1 January 2024	8,200	515	3,617	32	12,364
Additions	-	-	132	-	132
Disposals	-	-	-	-	-
At 31 December 2024	8,200	515	3,749	32	12,496
Accumulated depreciation					
At 1 January 2024	4,812	34	3,586	-	8,432
Charge for year	246	10	167	-	423
Reversal of impairment	-	-	-	-	-
Disposals	2,970	-	-	-	2,970
At 31 December 2024	8,028	44	3,753	-	11,825
Exchange differences at 1 January 2024	315	(470)	360	3	208
Movement in the year	(152)	-	5	-	(147)
Disposals	-	-	-	-	-
Exchange differences at 31 December 2024	163	(470)	365	3	61
Net book amount at 31 December 2024	335	1	361	35	732

13. Right-of-use assets

2025

	Land and buildings £000	Vehicles £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2025	13,973	29	53	14,055
Additions	1,153	-	-	1,153
Disposals	-	-	-	-
At 31 December 2025	15,126	29	53	15,208
Accumulated depreciation				
At 1 January 2025	6,718	12	49	6,779
Charge for year	1,487	-	-	1,487
Disposals	-	-	-	-
At 31 December 2025	8,205	12	49	8,266
Exchange differences at 1 January 2025	561	3	7	571
Movement in the year	(630)	(2)	(1)	(633)
Exchange differences at 31 December 2025	(69)	1	6	(62)
Net book amount at 31 December 2025	6,853	18	10	6,880

The additions in year relate to new leases in East Haven, Hamden and an extension to the lease in Milford.

Depreciation charges have been included in operating costs.

2024

	Land and buildings £000	Vehicles £000	Fixtures and fittings	Total £000
Cost				
At 1 January 2024	9,648	29	53	9,730
Additions	4,976	-	-	4,976
Disposals	(651)			(651)
At 31 December 2024	13,973	29	53	14,055
Accumulated depreciation				
At 1 January 2024	6,103	12	49	6,164
Charge for year	1,266	-	-	1,266
Disposals	(651)			(651)
At 31 December 2024	6,718	12	49	6,779
Exchange differences at 1 January 2024	260	2	6	268
Movement in the year	301	1	1	303
Exchange differences at 31 December 2024	561	3	7	571
Net book amount at 31 December 2024	7,816	21	10	7,847

14. Lease liabilities

	2025	2024
	£000	£000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	1,568	859
Between 2 and 5 years	5,370	2,736
More than 5 years	3,565	3,902
Total	10,503	7,497

The weighted average incremental borrowing rate applied to the lease liabilities was 4.16%, lowest rate being 4.00% and highest rate of 5.75%.

	2025	2024
	£000	£000
Lease liabilities included in the balance sheet		
Current	1,089	998
Non-current	7,405	8,461
Total	8,494	9,459

Movement in lease liability during the year		2025	2024
	Note	£000	£000
At 1 January		9,459	6,045
New leases entered into		1,153	4,976
Re-assessment of lease term		-	(651)
Interest charged to the income statement	9	424	334
Lease rentals paid		(1,762)	(1,580)
Movement as a result of foreign exchange		(780)	335
At 31 December		8,494	9,459

15. Inventories

	2025	2024
	£000	£000
Finished goods	105	121
	105	121

The cost of inventories (food and beverage inventory) recognised as an expense and included in cost of sales amounted to £980k (2024: £1,054k). Food and beverage inventory is included in finished goods. There was no provision for obsolescence held against inventories at 31 December 2025 (2024: £nil).

16. Trade and other receivables

	2025	2024
	£000	£000
Non-current		
Other receivables	158	172
Non-current trade and other receivables	158	172
Current		
Trade receivables	321	285
Other receivables	173	173
Accrued income	87	21
Prepayments	25	53
Current trade and other receivables	606	532
Total trade and other receivables	764	704

The fair value of trade and other receivables is not considered to be different from the carrying value recorded above.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2025	2024
	£000	£000
Sterling	15	12
US Dollar	749	692
Total	764	704

Trade receivables that are not more than three months past due are not considered impaired. As at 31 December 2025, £32K (2024: £98K) of trade receivables were more than three months past due and not impaired. Management also considers that these receivables are recoverable in full.

Trade and other receivables (Company only)

	2025	2024
	£000	£000
Non-current		
Amounts owed by Group companies	977	17
Current		
Amounts owed by Group companies		
Other receivables		
Prepayments	15	12
Current trade and other receivables	15	12
Total	992	29

17. Cash and cash equivalents

	2025	2024
	£000	£000
	Note	
Cash and short-term deposits	2,238	3,570
Customer funds	18 342	353
	2,580	3,923

The fair value of cash and cash equivalents is not considered to be different from the carrying value recorded in the financial statements.

Cash balances of £342k (2024: £353k) are held on behalf of customers in respect of certain online and telephone betting activities (amounts deposited by telephone betting customers in Connecticut, USA are held in separate accounts). The corresponding liability is included within trade and other payables (see note 18).

18. Trade and other payables

	2025	2024
	£000	£000
Trade payables	2,775	2,694
Other taxes and social security costs	366	195
Accruals	967	967
Player liability	17 342	353
	3,927	4,209

There is no difference between book values and fair values of trade and other payables. All amounts are due within one year.

Trade and other payables (Company only)

	2025	2024
	£000	£000
Trade payables	23	28
Amounts owed to Group companies	-	5,917
Social security and other taxes	28	28
Accruals	110	84
Total	161	6,057

Amounts due to Group companies are repayable on demand and carry interest charges of Bank of England base rate plus 3%

19. Pension schemes

The Group now solely operates a single defined contribution scheme in the UK. In previous years, the Group operated a funded defined benefit scheme and two defined contribution schemes in the US.

Summary of pension contributions paid:

	2025	2024
	£000	£000
Defined contribution scheme contributions	52	68

Defined contribution schemes

In the UK, employer contributions for Sportech are set at a maximum of 8% of pensionable salaries.

Pension risks

The Group is no longer subject to risks associated with defined benefit pension schemes having transferred the US scheme with the disposal entities to Betmakers Technology Group Limited.

20. Financial instruments

Financial risk management policies and objectives

The key financial risks borne by the Group, and the policy of managing those risks, are outlined below:

Liquidity risk

The Group is exposed to liquidity risk and has to manage its cash requirements. In managing short term divisional liquidity risks, cash flow forecasting is performed on a weekly basis in the operating entities and is aggregated by Group finance. This weekly forecasting recognises committed short-term payables of the Group which are monitored and managed through regular discussions with suppliers. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure each operating entity has sufficient cash to meet operational needs. Cash surpluses are managed centrally by Group finance and cash swept up/pushed down as cash surpluses/requirements arise.

Credit risk

The Group's main exposure to credit risk is in accounts receivable and is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, country in which customers operate. Credit risk is managed locally by assessing the creditworthiness of each new customer before agreeing payment and delivery terms.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on annual revenue and the corresponding historical credit losses experienced over the past five years as annual percentages. On that basis, no loss allowance as at 31 December 2025 (2024: £nil) was determined other than specific provisions for bad debts in trade receivables.

The Group does not hold significant amounts of deposits with banks and financial institutions and the cash which is deposited is spread over a few of financial institutions with Moody's ratings of A or above (defined as upper-medium grade and subject to low credit risk). Amounts held in cash for the Sportech Venues division are held in highly secure environments.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from transactions undertaken in foreign currencies, the translation of foreign currency monetary assets and liabilities and from the translation into Sterling of the results and net assets of overseas operations.

The Group continually monitors the foreign currency risks and takes steps, where practical, to ensure that the net exposure is kept to an acceptable level. In doing so, the Group considers whether use of foreign exchange forward contracts would be appropriate in fixing the economic impact of forecasted profitability. As at 31 December 2025, there were no outstanding commitments on foreign exchange forward contracts (2024: none). The Group did not enter into any forward contracts during the year (2024: the Group did not enter into any forward contracts).

The functional currencies of the individual entities in the Group is kept under review.

The average rate for the US Dollar in both the current and previous reporting period are as outlined below.

	2025		2024	
	Average	Closing	Average	Closing
US Dollars	1.32	1.35	1.28	1.24

If the exchange rates in 2025 were comparable to those in 2024, loss after tax would have been (£1,107k) and the net assets would have been £4,645k at 31 December 2025.

If exchange rates had been 1% higher/lower in 2024 than the prevailing rates during the year, profit for the year would have been £2k higher/lower and net assets as at 31 December 2024 would have been £34k higher/lower.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to achieve an efficient capital structure to minimise the cost of capital.

Financial assets and liabilities

At each reporting date, the Group had the following categories of financial assets and liabilities:

	2025 £000	2024 £000
Financial assets measured at amortised cost	3,344	4,627
Financial liabilities measured at amortised cost	12,236	13,120

Maturity of financial liabilities

Except for lease obligations (see note 16) all non-derivative financial liabilities are all payable within twelve months.

21. Contingencies and commitments

Capital commitments

The Group had no contracts placed for capital expenditure that were not provided for in the financial statements at the current or prior year end dates.

Operating lease commitments

The Group includes all leases on balance sheet as Right-of-use assets with a corresponding lease liability, other than leases which are short leases (terms of 12 months or less) or low value leases, being leases with asset value of less than £4,000 (\$5,000). Leases that qualify for these exemptions are included within the disclosures below.

The expenditure charged to the income statement was £0k (2024: £15k).

Contingent items

Certain contingent items exist at the reporting date with respect to tax liabilities as outlined below.

Other contingent items

M&A activity

The 2021 sales of the Bump 50:50, the Global Tote business and Sportech Lotteries, LLC have customary seller warranties under the terms of the Sale and Purchase Agreements. Those warranties have been provided in good faith by management in light of the probability of certain events occurring. The possibility of material claims being made under the seller warranties in either deal is considered by management to be remote.

Legal

The Group is engaged in certain disputes in the ordinary course of business which could potentially lead to outflows greater than those provided for on the balance sheet. The maximum possible exposure considered to exist, in view of advice received from the Group's professional advisors, is up to £0.1m (2024: £0.1m). Management is of the view that the risk of those outflows arising is not probable and accordingly they are considered contingent items.

22. Ordinary shares

Authorised, issued and fully paid ordinary shares of 1p	2025	2024
	'000	'000
At 1 January	97,100	97,100
At 31 December	97,100	97,100

23. Related party transactions

The extent of transactions with related parties of Sportech PLC and the nature of the relationships with them are summarised below:

- a. Directors compensation is disclosed in note 8.
- b. No cash was invested in and there were no trading transactions between the Group and any of its joint ventures during the year or prior year, and no amounts outstanding at the reporting date (2024: £nil).
- c. During the prior period, Grey Wolf Investments Limited, a company controlled by the executive chairman of Sportech Ltd, provided services to the Sportech group in connection with the completion of the sale and leaseback of the Windsor Locks property. This transaction is disclosed elsewhere in the financial statements, a fee of £110.5k was charged for these services to the group upon the successful sale of the property. There were no charges from Grey Wolf Investments Limited in the current period.
- d. During the period, the company undertook a consolidation of the intercompany loan balances. This resulted in a credit to the P&L of £6.8m (2024: £nil).

Year end balances arising from subsidiaries

	2025	2024
	£000	£000
Current Assets:		
Amounts owed by subsidiary undertakings	977	17
Current Liabilities:		
Amounts owed to subsidiary undertakings	-	(5,917)

Transactions with Subsidiaries During the Year

The following transactions were carried out with subsidiary undertakings during the financial period:

	2025	2024
	£000	£000
Fee for management services	686	875

24. Related undertakings

Subsidiaries, excluding dormant companies	Country of incorporation	Registered address	Class of shares held	Shareholding
Sportech Group Holdings Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	85%
Sportech Gaming Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Pools Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Pools Games Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Holdco 2 Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Lot.to Systems Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Sportech Mauritius Limited	Mauritius	Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Ordinary	100%
Sportech, Inc.	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%
Sportech Venues, Inc.	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%
Sportech Games Holdco, LLC	United States	600 Long Wharf Drive, New Haven, CT 06511	Ordinary	100%
Sportech Racing Limited	British Virgin Islands	CSC North America Inc., 45 O'Connor Street, Suite 1600, Ottawa, Ontario K1P 1A4	Ordinary	100%

Joint ventures and associates	Country of incorporation	Registered address	Class of shares held	Shareholding
Sportshub Private Limited	India	Arias, Fabrega & Fabrega, Plaza 2000 Building, 50th Street, Panama	Ordinary	50%
DraftDay Gaming Group, Inc	United States	Trident Chambers, POB 146, Road Town, Tortola, British Virgin Islands	Ordinary	30%

Dormant companies	Country of incorporation	Registered address	Class of shares held	Shareholding
Pools Promotions Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%
Bet 247 Limited	England & Wales	6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR	Ordinary	100%

24. Investments in subsidiaries (Company)

A full list of the Company's subsidiaries and other related undertakings is included in note 23 of the Group Consolidated Financial Statements.

At 31 December 2025 the Company held direct investments in the following entities:

Company	Nature of business
Sportech Group Holdings Limited ("SGHL")	Holds investments in Group companies
Lot.to Systems Limited	Lottery software supplier

Movement in the book value of the Company's investments is shown below:

	2025	2024
	£000	£000
At 1 January	11,095	15,860
Additions/(Reductions)	952	(4,765)
At 31 December	12,047	11,095

During the year, the Company recognised a reversal of impairment of £1,006k in respect of its investment in Sportech Group Holdings Limited ("SGHL"). The reversal has been recognised within operating costs in the Company's statement of profit or loss.

The reversal arose due to improved operating performance and updated cash flow forecasts.

The recoverable amount of the investment has been determined based on value in use calculations using discounted cash flow projections over a three year period.

Key assumptions include, a 2% decline in pari-mutuel betting handle and associated revenue streams in perpetuity, a 3% growth in Sports Betting commissions in perpetuity and a pre-tax discount rate of 13.9%

Additionally, the total value of the investment in Lot.to Systems Limited ("Lotto") was written off in the year (£54k). Taken together with the impairment reversal the net movement in investment is £952k.

Following both the reversal of impairment in SGHL and the write-off in Lotto, the carrying amount of the investment is £12,047k.

The carrying amount does not exceed the amount that would have been determined had no impairment been recognised in prior periods.

25. Reconciliation of EBITDA

The Board of Directors assesses the performance of the business based on a measure of adjusted EBITDA which excludes the effects of expenditure that management believe should be added back (separately disclosed items) and other income. This measure provides the most reliable indicator of underlying performance of the business as it is the closest approximation to cash generated by underlying trade, excluding the impact of separately disclosed items and working capital movements.

Adjusted EBITDA is not an IFRS measure, nevertheless although it may not be comparable to adjusted figures used elsewhere, it is widely used by both the analyst community to compare with other gaming companies and by management to assess underlying performance.

A reconciliation of the adjusted operating expenses used for statutory reporting and the adjusted performance measures is shown below:

	Note	2025 £000	2024 £000
Operating costs per income statement		(12,209)	(12,943)
Add back:			
Depreciation	13,14	1,928	1,726
Amortisation, excluding acquired intangible assets	12	-	107
Amortisation of acquired intangible assets	12	-	-
Impairment of goodwill	11	-	-
(Profit)/Loss on sale of intangible assets	12	-	-
(Profit)/Loss on sale of property, plant and equipment	13	-	-
Reversal of impairment of property, plant and equipment	13	-	-
Separately disclosed items (net)	5	-	198
Adjusted operating costs		(10,281)	(10,912)

Adjusted EBITDA is calculated as below:

	2025 £000	2024 £000
Continuing and discontinued operations		
Revenue	21,222	23,053
Cost of sales	(9,511)	(10,363)
Gross profit	11,711	12,690
Marketing and distribution costs	(159)	(253)
Contribution	11,552	12,437
Adjusted operating income and costs	(10,281)	(10,912)
Adjusted EBITDA	1,271	1,525

END