aspireglobal

ANNUAL REPORT 2019

ASPIRE GLOBAL

THE COMPLETE iGAMING SUPPLIER FOR OPERATORS

CONTENT

CEO COMMENTS

We continued to deliver on our growth strategy in 2019 and increased revenues by 26% to €131.4 million with an EBITDA margin of 16.5%, in line with our financial targets. We saw a strong demand for our B2B offering, reinforcing our position as a leading iGaming supplier. In addition, we significantly strengthened our B2B offering through the acquisition of Pariplay, a leading aggregator and game studio.

Aspire Global's growth strategy is based on four clear pillars; stronger offering, organic growth, M&A and geographic expansion. The foundation for the strategy execution is Aspire Global's unique strengths. We offer a scalable, full-service platform for mid-sized and larger iGaming operators, a successful partnership model and exclusive features including thousands of games through Pariplay.

The acquisition of Pariplay was a proof of Aspire Global's ability to grow through broadening its offering as well as through M&A. The acquisition gave us control of yet another crucial part of the value chain which creates synergies, broadened the game portfolio and provided us with a new channel to distribute and sell proprietary games outside Aspire Global's network.

ROBUST ORGANIC GROWTH

In 2019 Aspire Global demonstrated robust organic growth of 22.8%. In November the Group took a major step in expanding its geographic footprint when Pariplay signed an important agreement with the leading iGaming operator 888casino for New Jersey. This will be Aspire Global's springboard into the large, regulated US market.

A key element in the growth strategy is to focus on locally regulated markets and last year the share of revenues from taxed, locally regulated or soon to become regulated markets increased from 70% in 2018 to 73%. We are of the opinion that local regulations add to greater stability and increase the likelihood that our partners can expand their businesses. Furthermore, we see that the number of potential partners rise in locally regulated markets.

COMPETITIVE ADVANTAGES IN REGULATED MARKETS

However, local regulations generally entail local taxes as well as costs related to compliance. In 2017-2019, Aspire Global's revenues increased with a CAGR of 35.2%, along with an increased share of revenues from or soon to become locally regulated markets. In the same period, EBITDA rose with a CAGR of 23.2%, impacted by local taxes. I would like to point to the fact that Aspire Global's organization, compliance knowledge and processes give us competitive advantages in a regulated environment. Our capability to swiftly adapt to new regulatory requirements is essential since we know that our long-term benefits are larger than any short-term impact.

In December last year we got the opportunity to make a settlement with the Israeli tax authority after many years of discussions. The settlement had a significant impact on net income, EPS and cash flow. Nonetheless, I am satisfied with the settlement as it provides the market with clarity about the outcome of the tax audit. We have reported the additional tax charge of €13.7 million as a one-off tax item.

In the light of the settlement with the Israeli tax authority and the continued proactive search for additional acquisitions, the Board of Directors has proposed to the Annual General Meeting that no dividend is paid out for 2019. The long-term dividend target of a pay-out ratio of 50% of net profit remains unchanged. Aspire Global is a strong cash generator and we have a good financial position which allow us also to further explore M&A opportunities and new projects. I would like to emphasize that we are not in a hurry when it comes to acquisitions – we rather prefer a balanced, carefully thought-through transaction than a quick deal.

STRONG SUSTAINABILITY FOCUS

I am very proud to announce that 2019 is the first year Aspire Global reports according to GRI Sustainability Reporting Standards. The GRI Standards are the first and most widely adopted global standards for sustainability reporting, supported by the UN Global Compact. By joining the community of companies that report according to GRI Standards, we prove our commitment to sustainability. In Aspire Global, sustainability is an integrated part of the business strategy and part of our daily business. In 2019, the Board of Directors also took the decision the establish a Sustainability Committee in order to emphasise the importance of a consistent, Group wide sustainability focus.

COVID-19

2020 has started in a way no one could foresee. The world is fighting the COVID-19 virus and in order to protect the well-being of our employees, we have banned all travelling and all employees have the possibility to work from home. By these actions, supported with our robust technology platform, Aspire Global has managed to secure a continued high service level towards customers.

Aspire Global's operations are mainly directed towards the casino vertical. Sports betting represented approximately 5% of total revenues in the fourth quarter 2019. On March 18th 2020 Aspire Global issued a press release stating that the casino operations had not been impacted by the outbreak of COVID-19. We also said that up to March 17th 2020, the daily trading in March had been higher than the daily trading in January and February 2020, in line with the Group's business plan.

I would like to say a warm thank you to all our dedicated employees who enabled our success in 2019 and are working hard during these worrisome days to secure a continued high service level toward our operator customers.

OUTLOOK

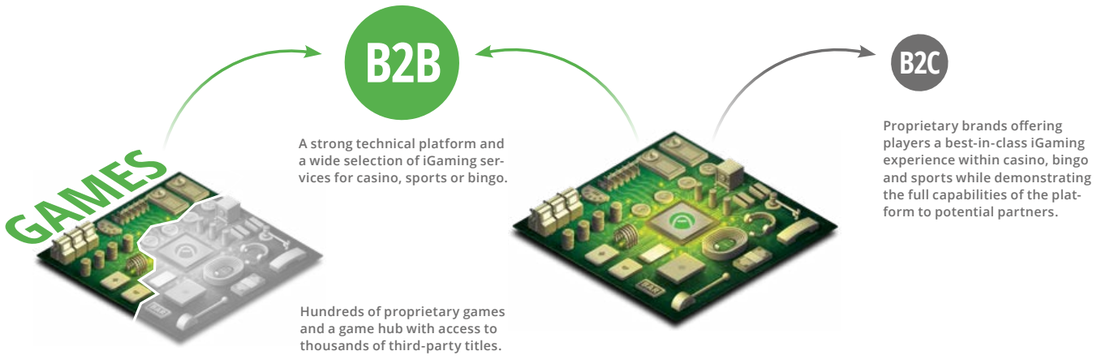
Aspire Global has been profitable since its foundation in 2005. That, in combination with our strong cash position and ability to generate cash, makes us confident about the continued execution of our growth strategy. Our broad market presence and product offering give us a solid ground for sustainable profitable growth. We will continue to enhance our multi-vertical offering while maintaining the search for M&A-opportunities, supported by our strong balance sheet. We are confident in our ability to meet our financial targets for 2021, €200 million in revenues and €32 million in EBITDA.

Tsachi Maimon
CEO

A BRIEF INTRODUCTION TO ASPIRE GLOBAL

A LEADING iGAMING SUPPLIER

Aspire Global is a B2B-provider for iGaming, offering companies everything they need to operate a successful iGaming brand for casino, sports and bingo. The B2B-offering comprises a robust technical platform and games. The platform is offered solely or combined with a range of services. The games include supply of proprietary titles and a hub for third-party games. In addition to the B2B-offering, Aspire Global operates several B2C-brands, the best showcase for the strength of the B2B-offering.



KEY RATIOS

€ million	2015	2016	2017	2018	2019
Revenues	57.9	61.0	71.9	104.6	131.4
EBITDA	12.5	11.4	14.3	21.2	21.7
EBIT	10.8	10.6	13.0	19.3	17.7
Earnings after tax*	13.5	11.6	12.3	18.5	1.9
Earnings after tax*, per share	0.32	0.28	0.23	0.36	0.01
FTD in thousands	145.3	179.4	246.1	370.4	444.5
Company hold, %	56.0	52.7	52.7	52.4	52.0
Dividend paid, per share (€)	-	0.27	0.28	0.09	-

* including a one-off tax payment of €13.7 million.

26%

REVENUES GROWTH 2019

MISSION

WHY

Everything we do, we are doing to enable our partners achieve their full potential.

HOW

Our platform is robust, highly scalable and a true "one stop shop" solution. Our professional services allow our partners to focus on marketing with the peace of mind that we are taking care of the rest.

WHAT

We provide an iGaming platform with a fully managed services package.

312 (179)
EMPLOYEES

6 (3)
OFFICES

70+ (60+)
iGAMING B2B-BRANDS

73%
SHARE OF REVENUES FROM TAXED, LOCALLY REGULATED OR SOON TO BECOME REGULATED MARKETS

COMPANY HISTORY

2005 – THE COMPANY IS FOUNDED
The company is founded as NeoPoint Technologies Limited, serving the online scratch card market through the website "Scratch2Cash," followed by a proprietary online slots site launched in the UK.

2008 – GAMING LICENSE IN MALTA
A gaming license is obtained in Malta and white label partners are signed in eight markets.

2012 – EXPANSION TO LOCALLY REGULATED MARKETS
Gaming licenses are obtained in the newly regulated markets of Denmark, Belgium and Italy, and the casino offering is expanded to these markets.

2014 – TOTAL OF 15 PARTNERS, COMPANY NAME IS CHANGED TO ASPIRE GLOBAL
A license is obtained in the UK and the online lottery business is organized as a separate company (NeoGames), while the new company Aspire Global focuses on the white label offering.

2016 – TOTAL OF 25 PARTNERS
Six new operators are added, five new B2B-brands are launched and the game portfolio is expanded with four new game suppliers: Microgaming, CGS-NYX, Evolution Gaming and Play n' Go. Focus shifts to the B2B-segment and regulated markets.

2017 – A SUCCESSFUL IPO
A successful IPO is completed, listing the company's shares on Nasdaq First North Premier, Sweden. Operations are launched in Portugal, the launch of Sportsbook is conducted and a record high number of partner agreements are entered, including the joint-venture Mr. Play, strengthening the B2B-arm of the company to more than half of the company's total revenues.

2018 – TWO NEW VERTICALS
Sports betting and bingo games are added to the platform, extending the company offering from casino to two new verticals, of which sports is the greatest field within iGaming. Licenses are granted in Sweden and Ireland and the Danish license is extended. 240 new games are launched, 6 of which proprietary. New financial targets are set for 2021 as previous targets are expected to be met already in 2020.

2019 – ACQUISITION OF PARIPLAY
Aspire Global acquires the leading game studio and aggregator Pariplay and enters the Regulated US Market as Pariplay signs agreement with 888 in New Jersey.

THE YEAR IN BRIEF

SIGNIFICANT EVENTS 2019

JANUARY

January 1st 2019, The Swedish re-regulation enters into force and Aspire Global **starts operating under the new license**.

FEBRUARY

February 6th 2019, the Board of Directors proposes to the AGM a **dividend of 1.27 SEK per share** for the fiscal year 2018

MAY

May 9th 2019, Aspire Global announces the upcoming launch of Vips Casino together with industry veterans, planned for the second half of 2019. Aspire Global will be investing up to €1.5 million based on a milestone agreement and the acquisition of shares. Vips Holdings on their side, will be investing in the tech infrastructure and marketing in order to create unique features for the brand.

May 10th 2019, Aspire Global announces the upcoming re-launch of Digibet together with NEG Group Limited, to go live on Aspire Global's platform in H2 2019, targeting several European markets including Germany. Aspire Global will be investing up to €2.0 million based on a milestone agreement and the acquisition of shares. NEG Group on their side, will manage marketing activities, bringing valuable expertise related to the key markets and acquisition channels.

JUNE

June 28th, Aspire Global acquires the leading game aggregator platform Pariplay for approximately €13.3 million in cash in order to accelerate B2B-growth by controlling additional parts of the iGaming value chain – creating synergies, extending the game portfolio and providing a new sales channel for proprietary games outside of its B2B-network.

JULY

July 26th, the Swedish administrative court **extends Aspire Global's Swedish license to 2021.**

AUGUST

August 29th, Aspire Global is granted a bingo-license by the UK Gambling Commission, enabling the company to increase market share in the UK by broadening the B2B-offering.

SEPTEMBER

September 18th, Mr.play launches Sportsbook, extending the casino offering to sports.

OCTOBER

October 7th, the acquisition of leading game aggregator Pariplay is finalized for approximately €13.3 million in cash with expected positive effect on the company's EBITDA as of Q4 2019.

NOVEMBER

November 1st, Pariplay enters a breakthrough agreement with long-standing partner 888casino for New Jersey, marking it as **Aspire Global's first entry into the regulated US market**. Under the new agreement, Pariplay will be providing 888casino with access to its large portfolio of proprietary games in addition to a variety of third-party game titles from leading game producers.

DECEMBER

December 31st Aspire Global Group reaches a settlement with the Israeli tax authority ("ITA"), bringing an end to all investigations into the company related to management and control jurisdiction, permanent establishment and transfer pricing among the group entities. **Aspire Global agreed to pay €13.7 million in retroactive tax** relating to the 11 fiscal years 2008-2018.

SIGNIFICANT EVENTS 2020

Following the Covid 19-outbreak, Aspire Global implements Pro-active measures to reduce the risk for the staff and to ensure business continuity, thereby being able to maintain a high service level towards all customers.

> In 2019, the foundation was set for a number of exciting growth initiatives, such as the acquisition of Pariplay, and the coming year will be focused on realizing the full potential of these business opportunities.

AN ATTRACTIVE INVESTMENT

Aspire Global is a leading iGaming supplier offering partners a full-service solution including game aggregation, for a successful launch of casino, sports games and bingo over the company platform. A strong position in several parts of the value chain, combined with long experience from iGaming and a leading technical platform, makes Aspire Global the ideal partner for well-established or aspiring operators looking for a fast-to-market concept.

INVESTMENT CASE

BUSINESS CONCEPT

Aspire Global is a leading iGaming supplier, offering partners a full-service solution including games to launch and operate casino, sports games and bingo. The company's platform includes the first full turnkey solution to sports operators, let alone with around 73% of revenues coming from taxed, locally regulated or soon to become regulated markets.

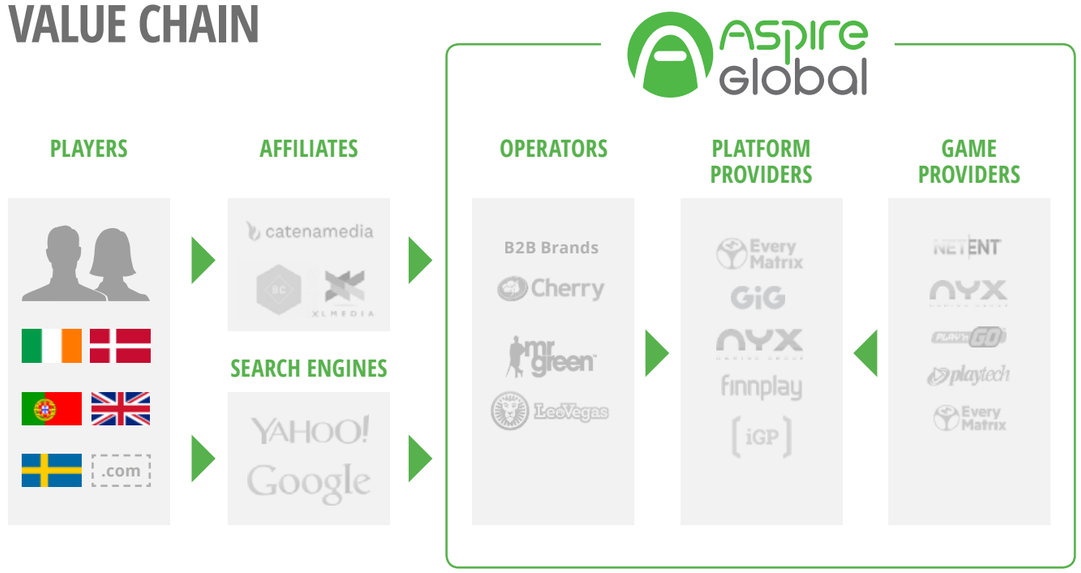
The company is the ideal partner for casino, sports and bingo operators as well as land-based operators or experts in marketing such as, affiliates and media companies, with strong brand awareness and the ability to generate large amounts of online traffic. Partners bring the idea, brand and players, while Aspire Global delivers the technical platform, services and knowledge gained from more than a decade of operational experience. A proprietary iGaming platform manages every aspect from regulation and compliance to payment processing, risk management, CRM, support and player value optimization, allowing operators to focus entirely on marketing their brand and generating traffic.

In addition to the B2B-offering, Aspire Global operates a B2C-business with several proprietary casino brands, led by Karamba, based on the same operational setup and technical platform. Moreover, Aspire Global distributes games, third-party and proprietary, to external partners, a business that will grow over the coming years, boosted by the acquisition of the leading game-aggregator and game studio Pariplay in 2019.

REVENUE MODEL

Platform fees are mainly constituted of Aspire Global's share of net gaming revenues (NGR). In addition, revenues are generated from the sales of games. Costs revolve around technical development, licenses, customer service and marketing of B2C-brands. Being the license-holder in most partnerships, means that Aspire Global receives payment directly from players, as opposed to a royalty from partners, which is the case with most other B2B-companies. For this reason, the company's EBITDA margin is not fully comparable to the EBITDA margin of other platform providing companies. Following the acquisition of Pariplay, the company has increased the activity in the game sector generating license-income from the aggregation of proprietary- and third-party games over the platform.

THE iGAMING VALUE CHAIN



GROWTH STRATEGY

UNIQUE STRENGTHS

SCALABLE PLATFORM

Aspire Global's business model enables companies to launch an iGaming brand without investing the level of resources and funds required for a strong full service-platform solution. Partners thus are able to focus entirely on marketing of the iGaming offering, while Aspire Global manages all other aspects. New brands can easily be added to Aspire Global's scalable platform, increasing cost benefits without substantially raising fixed costs.

ATTRACTIVE PARTNERSHIP MODEL

Thanks to a unique pricing model that aligns interests and incentives, all parties benefit when partners achieve their full potential as operators, resulting in a high degree of partner loyalty and long-term relationships. This is primarily done by keeping the mark-up on third party services to a moderate level while increasing the revenue share element of the partnerships, which is believed to be competitive advantage over competitors who charge a higher mark-up.

EXCLUSIVE FEATURES

The platform itself offers unique features that increase company hold and profit for all parties such as a large, exclusive selection of in-house games as well as data-driven (CRM) performance evaluation, ensuring efficient use of marketing investments. For instance, unprofitable campaigns can quickly be identified and ended, and under-performing games replaced. Moreover, Pariplay's leading game-aggregator is integrated with Aspire Global's platform, providing partners and external operators access to thousands of games, including proprietary titles, as well as a compelling suite of conversion and retention marketing tools from third parties.

GROWTH STRATEGY

ORGANIC GROWTH

The scalability of the platform and business model enables Aspire Global to achieve organic growth while maintaining marketing efforts and expenditure at a moderate level, especially in B2B. Additional partners and brands can easily be added to the platform without adding major overhead, although to some extent, legal and technical resources are required to adjust properly to local conditions and regulations, including certifications.

M&A

Aspire Global actively looks for acquisition opportunities and new projects that could broaden the offering for players, enhance the scale benefits of the platform or accelerate growth of the B2B segment, by controlling additional elements in the value chain. Aspire Global has great ambitions to grow through M&A and is well prepared for opportunities that may arise. The evaluation is thorough, helping the company to remain selective and identify realistic potential.

GROWTH INITIATIVES IN 2019

ORGANIC GROWTH

In 2019 the company continued to deliver on the growth strategy and accelerated the number of partners and brands. Eleven new partnerships were signed while 20 new B2B-brands and one new B2C-brand were launched and seven brands were closed down. Moreover, Pariplay signed two new operator-deals during the fourth quarter. By year-end, Aspire Global had 77 B2B-brands under 44 platform clients, offering casino, sports or bingo, which is a material increase from 2018. Karamba was offering casino and Sportsbook, with bingo to be launched in 2020. The B2B-segment grew by 43.4% in 2019, constituting 62.0% of Group revenues, while growth for B2C was around 5% following weaker performance due to new regulatory requirements, although partially compensated by other markets.

GROWTH THROUGH M&A

In October 2019, Aspire Global acquired Pariplay for €13.3 million, strengthening the B2B-business through external game sales, in line with the M&A strategy. Pariplay holds iGaming licenses for the UK, Gibraltar, Curacao, Malta and Romania and their games are certified for most regulated iGaming markets in Europe. Pariplay has also cleared an iGaming certification for New Jersey, representing a potential growth opportunity as US operators will be gaining access to Pariplay's gaming content. The team consists of around 70 gaming experts, the majority of which are based in Sofia, Bulgaria, where the main technology hub is located. Integrating Pariplay's offering enables Aspire Global to control yet another crucial part of the iGaming value chain – accelerating growth, creating synergies, broadening the game portfolio and providing a channel to distribute proprietary games outside the partner network.

FINANCIAL PERFORMANCE

Aspire Global has been delivering solid and profitable growth over the past five years and 2019 was no exception. The company continued to accelerate the number of partners and brands while strengthening the offering – thereby delivering on the successful growth strategy and realizing the previous financial targets for 2020.

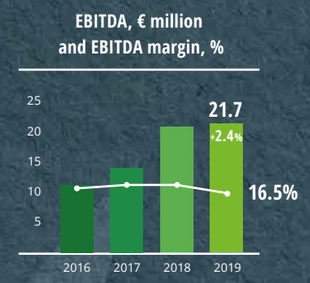
FINANCIAL TARGETS

1. REVENUE GROWTH

Aspire Global's target is to increase revenues to €200 million by 2021.

2. EBITDA AND EBITDA MARGIN

Aspire Global's target for 2021 is an EBITDA of €32 million excluding material acquisitions, corresponding to an average EBITDA margin of 16%.



3. DIVIDEND POLICY

Aspire Global's target is to distribute annual dividends of at least 50% of net profits, subject to the discretion of the Board of Directors.

FINANCIAL PROGRESS IN 2019

In 2019 the company continued to deliver on its growth strategy and accelerated the number of partners and brands as well as strengthened our offering. The year came off to a good start thanks to improved services for conversion and retention of existing players as well as several medium sized partners undergoing a growth spurt. Momentum was maintained throughout the first nine months but the fourth quarter was somewhat of a disappointment due to the lower activity in the UK and other markets following regulatory changes related to payment methods, Anti Money Laundry and Responsible Gaming. Despite this, the full year-performance for the Group remained strong with growth of more than 25% compared to 2018. Revenues for 2019 summed up to €131.4 (104.6) million making the company exceed the financial targets of €120 million, initially set for 2020. The contribution from recently acquired B2B-company Pariplay was €3 million in revenues (in the fourth quarter only).

B2B was the main growth driver increasing by more than 40% over the past year and constituting more than 60% of all revenues in 2019 thanks to a proactive approach towards partners, consistent improvements of the platform and infrastructure as well as new features and retention services. B2C also performed well in 2019, regardless of the lower activity in the fourth quarter with somewhat fewer FTDs but more importantly, an increase in active users which is a result of a more sustainable CRM-approach which is something the company strives for.

EBITDA was slightly higher than in 2018, affected by higher marketing expenditure for B2C in a number of new markets that are entered outside the EU with expected effect as of 2020. B2B-performance was significantly better with profitability exceeding 2018 by nearly 30%. All-in-all EBITDA increased by 2.4% to €21.7 million (21.2), with a contribution from B2B amounting to 73.4%. The contribution from Pariplay was €0.5 million (in Q4 only).

Financial targets for 2021 were set in December 2018: €200 million in revenues and €32 million in EBITDA, corresponding to an EBITDA margin of 16%. The EBITDA margin is adjusted for increased gaming duties as some of Aspire Global's existing markets are expected to be regulated by 2021. The company's broad market presence and product offering serve as a solid foundation for sustainable, profitable growth. The strategy remains primarily focused on B2B and B2C, but also on games, where Pariplay is expected to contribute materially to growth over the coming year. Aspire Global will also continue to enhance its multi-vertical offering while maintaining the search for M&A-opportunities, supported by a strong balance sheet.

AN ATTRACTIVE INVESTMENT

KEY FACTORS AFFECTING FINANCIAL PERFORMANCE

TARGETING REGULATED MARKETS

Many markets, lack a clear regulatory framework in relation to iGaming. Regulatory changes can affect the company positively as well as negatively.

Regulatory changes and greater stability increase the likelihood that existing and potential partner brands can expand their operations and contribute to Aspire Global's overall growth. In addition, the potential increases for Aspire Global to attract new non-operators as partners (such as media and online marketing companies), as they are often unable to own and operate iGaming brands in unregulated markets. It is the company's ambition to increase its share of revenues generated from regulated and taxed markets in the future. Increased regulation often introduces additional taxes and costs related to compliance, which could negatively affect Aspire Global's results and margins. Moreover, the regulation of previously unregulated markets may increase competition within that market, which also could affect Aspire Global negatively.

STRONG iGAMING MARKET GROWTH

Aspire Global is primarily exposed to the European iGaming market, which in recent years has seen considerable growth.

Since 2007, Aspire Global has benefited to a large degree from the increased size of the European market, as it presents additional opportunities to expand the number of B2B brands, but also the company's selection of proprietary casino brands.

RELATIVE SIZE AND IMPORTANCE OF BRANDS (B2B AND B2C) IN RELATION TO TOTAL REVENUES

If one segment was to grow larger than the other, the costs unique to that segment (marketing expenses related to the B2C-segment and royalty payments to partners related to the B2B-segment) would also increase in relative importance.

Although our own brands (B2C) and our partner's brands (B2B) operate in a similar way and share the same platform and operational services, there are a few differences between the segments. Revenues from the B2B-segment are reported on a gross level in Aspire Global's financial statements, meaning that the partner's share of the revenues is recorded as a royalty payment within "distribution expenses." The company does not incur any costs for customer acquisition (marketing), as partners are responsible for financing these activities. Within the B2C-segment, Aspire Global is responsible for its own marketing expenses, which are also included in distribution expenses together with royalty payments to Aspire Global's partners.

ABILITY TO EXECUTE THE GROWTH STRATEGY

M&A growth - The company's ability to identify attractive acquisition opportunities and successfully complete acquisitions

Aspire Global will seek to improve its operating results through acquisitions. The bond issued in 2018 enables the company to explore interesting investment and acquisition opportunities we have identified in a number of markets. If Aspire Global is unsuccessful in executing its acquisition strategy, profit levels and margins could decline.

Organic growth - The ability to attract, retain and grow partners

Historically, Aspire Global has seen very few partners leave the platform, while the number of new partners is growing strongly. The effect of new B2B-brands on Aspire Global's revenues and earnings normally is not realized immediately, but usually lags two to three quarters, and the full effect of newly launched brands can take up to a year to become evident in the company's accounts. Aspire Global also shut-off seven low performing partner brands following continued streamlining of the portfolio.

Broadening the offering - the ability to successfully develop and expand its offering

Aspire Global must continuously develop and expand its offering to ensure that it is attractive, competitive and relevant to existing and potential new partners as well as players of Aspire Global's proprietary casinos. One way is to broaden the offering by developing the company's technological platform and launching additional iGaming verticals such as sports and bingo which were launched in 2018. This may entail additional costs relating to R&D and marketing, which could affect Aspire Global's profits. Increased levels of investments during certain periods of time may also be required to successfully develop the current product and service offering.

OPERATIONAL EFFICIENCY

The single largest cost relates to distribution expenses, accounting for around 82% of total operating expenses. Distribution expenses relate to partner royalties (B2B) as well as advertising expenses and customer acquisition costs related to the B2C segment.

By growing and offering a more attractive value proposition for partners, Aspire Global may be able to negotiate more attractive revenue share agreements with a positive effect on the company's profits and margins. Conversely, increased marketing efforts aimed at both attracting additional partners and customer acquisition for Aspire Global's proprietary brands could during periods of increased marketing activity mean higher expenses and lower margins.

The second largest cost item is administrative expenses related to staff and other operating costs.

Due to the scalability of Aspire Global's platform, additional growth can be sustained with relatively low increase in administrative expenses. During 2017-2019, Aspire Global maintained average administrative expenses at around 14-19% of total operating expenses while growing revenues.

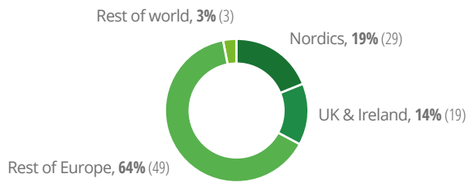
Fluctuations in the currencies to which Aspire Global is exposed.

Aspire Global generates revenues in a number of different currencies, primarily EUR and GBP. Aspire Global's costs are mainly incurred in EUR and Israeli shekel, NIS. In addition, the company incurs some costs in GBP, USD and SEK. To mitigate the effect of currency fluctuations, Aspire Global uses financial derivatives from time to time to hedge certain currency cash flow exposures, mainly forward exchange contracts.

Revenues per market 2019

Revenues per segment 2019

Revenues per geography 2019



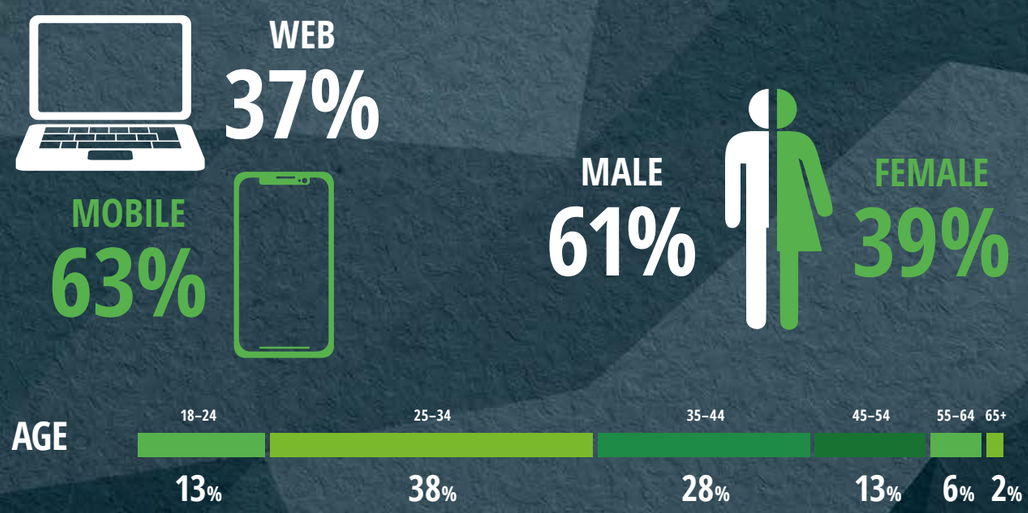
35.7%

MARKETING EXPENSE/NGR B2C 2019 (35.0%)

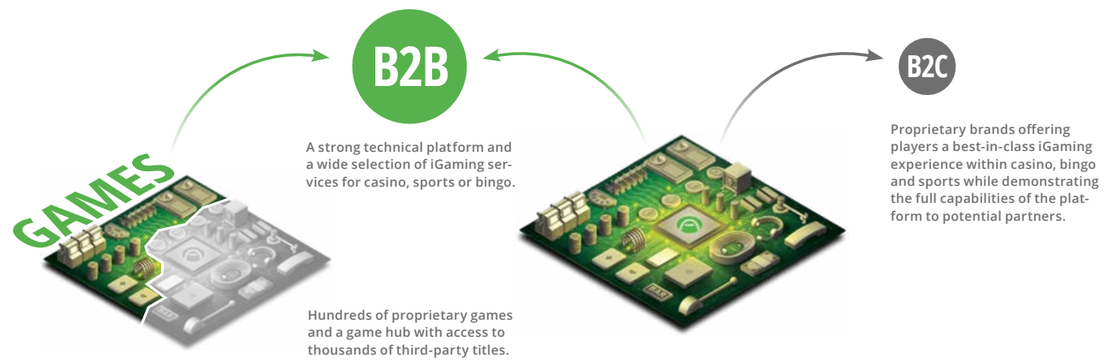
A BROAD OFFERING

Aspire Global is a B2B-provider for iGaming, offering companies everything they need to operate a successful iGaming brand for casino, sports and bingo. The proprietary platform comprises all technical,operational and regulatory aspects of iGaming as well as a range of attractive services. Games include hundreds of proprietary titles and a hub connected to more than thousands of games from third-parties. The quality of the offering is continuously improved to meet the highest standards in terms of speed, availability, reliability and responsibility. As for width, the offering is broadened through additional verticals, stronger service and new games.

OUR AUDIENCE – END USERS ON ASPIRE GLOBAL'S PLATFORM



THE COMPLETE iGAMING PLATFORM



LICENSES IN NUMEROUS MARKETS

Aspire Global operates under license in the UK, Denmark, Sweden, Ireland, Portugal and Malta (MGA), with the latter license covering all .com-markets. Joining Aspire Global provides operators with access to all these markets without having to apply for licenses of their own.

DATA ANALYSIS

Aspire Global's partners get access to on-demand data analysis services in addition to a wide array of analytical tools that offer complete control of statistics and activity, such as data collection, daily report management, business intelligence, API gateway reports, back-office systems and real time data capabilities. To maximize returns on player acquisition costs and profitability at the player level, Aspire Global's statistical tools and lifetime value model (LTV model) provide partners with valuable data analysis. The statistical model considers the impact on player lifetime value of various actions and determines strategies to promote casino and sports games, while the LTV model allows partners to make informed and accurate decisions on which player acquisition strategies and marketing campaigns to focus on and which ones to abandon.

REGULATION AND COMPLIANCE

The platform is continuously being updated with new features relating to regulation and ongoing compliance. The in-house regulation and compliance team monitors all operations, conducts ongoing training and provides partners with regulatory updates and marketing guidelines for their jurisdictions. Aspire Global is licensed and certified by a number of recognized organizations, including the UK Gambling Commission, Spelmyndigheten in Sweden, Danish Spillemyndigheden, Malta Gaming Authority and SRIJ in Portugal.

CUSTOMER SUPPORT

To increase customer satisfaction and retention rates, in-house customer support is available in ten different languages over the phone, e-mail and chat, seven days a week. Aspire Global continuously monitors efficiency and satisfaction through customer surveys and case studies.

VIP MANAGEMENT

The VIP department works closely with the most valued customers of each brand, providing unique services on a case-by-case basis and creating strong relationships that lead to overall customer loyalty. The success of the department is therefore best measured through the retention of VIP clients.

PAYMENT SOLUTIONS AND RISK MANAGEMENT

Aspire Global is cooperating with some of the biggest payments providers in the world including Worldpay, Adyen and Paypal. In addition, Aspire Global is also integrated to a number of trusted payment solutions in each market, such as Trustly in Sweden, Paypal, NETELLER, Skrill and Paysafecard in the UK, and Giropay and Sofort in Germany, as well as credit and debit cards and bank transfers in all markets. This provides seamless and safe payment and pay-out handling. To further improve the customer experience, the platform offers automatic cashier optimization, express pay-outs and quick Know Your Customer (KYC) processes, where customers can upload their documents directly to the platform. The company has a highly secure fraud prevention scheme with constant payment analysis.

CRM

Aspire Global's CRM services are designed to complement the partners' marketing strategy, allowing them to fully focus on customer acquisition and marketing, thereby increasing revenues. The company hold (NGR/deposits) is one of the strongest among peers.

- A complete campaign management cycle: Aspire Global's CRM services produce, execute and analyze campaigns based on advanced player segmentation in order to maximize retention and profit.
- Player level segmentation: Players are periodically categorized into segments based on activity status, game orientation, deposit characteristics, reaction to previous promotional campaigns and account balance status. After being assigned to a segment, players are designated to a CRM cycle, which executes predetermined periodic actions aimed at offering individual and optimal promotion campaigns and bonus systems.
- Various conversion enhancement tools: Individual and dynamic offers for each partner's traffic sources, in order to maximize conversion of traffic into depositing players.
- Flexible bonus system: Aspire Global's bonus system is highly flexible so that players in different segments are always matched with an appropriate bonus offering, such as free games, tournaments and loyalty points.
- Tools for responsible gaming: partners are regularly updated on the company's general approach, tools and strategies for ensuring a healthy gaming environment.

PLATFORM INITIATIVES IN 2019

In 2019, the company upgraded the infrastructure and features of the platform including an integration with FreshWorks – an Omni-channel Customer Engagement Platform. Moreover, six new payment methods were introduced as well as improved services for responsible gaming. Aspire Global launched 14 new proprietary game titles and continued to see great interest in our recent verticals, sports and bingo. Integrating Pariplay's offering enables Aspire Global to control yet another crucial part of the iGaming value chain – accelerating growth, creating synergies, broadening the game portfolio and providing a channel to distribute proprietary games outside the partner network, including the regulated US market. The game portfolio has been certified for several regulated markets in Europe, including Denmark which was added during the third quarter.

GAMES

VERTICALS

In 2018, Aspire Global extended the casino offering to sports and bingo, enabling new partnerships and innovative business setups, while increasing player value for existing partners through the promotion of a wider offering.

Launching Sportsbook, made Aspire Global the first provider of a full turnkey solution for sports operators, covering over 65,000 events per month, including 20,000 available for live betting. Sportbook also features Robotip – a unique widget that scans live football betting markets to offer players solid bet recommendations in real-time, live or pre-match, exclusively offered to Aspire Global's partners, as well as a range of added value services, such as dedicated sports segmentation, comprehensive Sports CRM lifecycle management and fully managed trading settings.

Bingo expanded Aspire Global's offering into yet another field within iGaming, targeting new audiences and partners through an attractive, social addition to casino and sports.

GAMES

Aspire Global offers a selection of more than 2,000 (1,550) games from over 40 leading third-party providers, in addition to more than 200 exclusive proprietary games with full support for Android, iOS and tablet devices. Aspire Global's proprietary games are sold to partners and some external operators, such as Betsson, Kindred and BET365. They constitute around 11% of the total game portfolio, but have a higher profitability than third-party providers, generating 11% of total bets and around 17% of total GGR.

EXAMPLES OF THIRD-PARTY GAME SUPPLIERS

- Play N' Go
- Netent
- Evolution
- Blueprint
- Pragmatic
- NYX
- Red Tiger
- Microgaming
- Booming Gaming
- Gammomat
- Isoftbet
- PNG
- Synot

GAME INITIATIVES IN 2019

In 2019, Aspire Global acquired Pariplay, operating one of the world's leading game hubs and producing successful casino content in their own game studio. Pariplay's game portfolio includes hundreds of proprietary game titles including recent successes such as Dragons of the North, Lucky Vegas and Parrot's Gold, complemented by more than 2,000 games from over 40 leading third-party providers including Microgaming, Quickspin and Evolution Gaming. The game portfolio has been certified for several regulated markets in Europe, including Denmark that was added during the third quarter. Among the around 60 operators are Svenska Spel, 888, William Hill, GVC and a number of other leading operators. Furthermore, Pariplay has cleared an iGaming certification for New Jersey and in November, the company entered a breakthrough agreement for New Jersey with world leading operator 888 Holdings, long-standing partner to Pariplay, marking the first steps for Aspire Global into the regulated US-market.

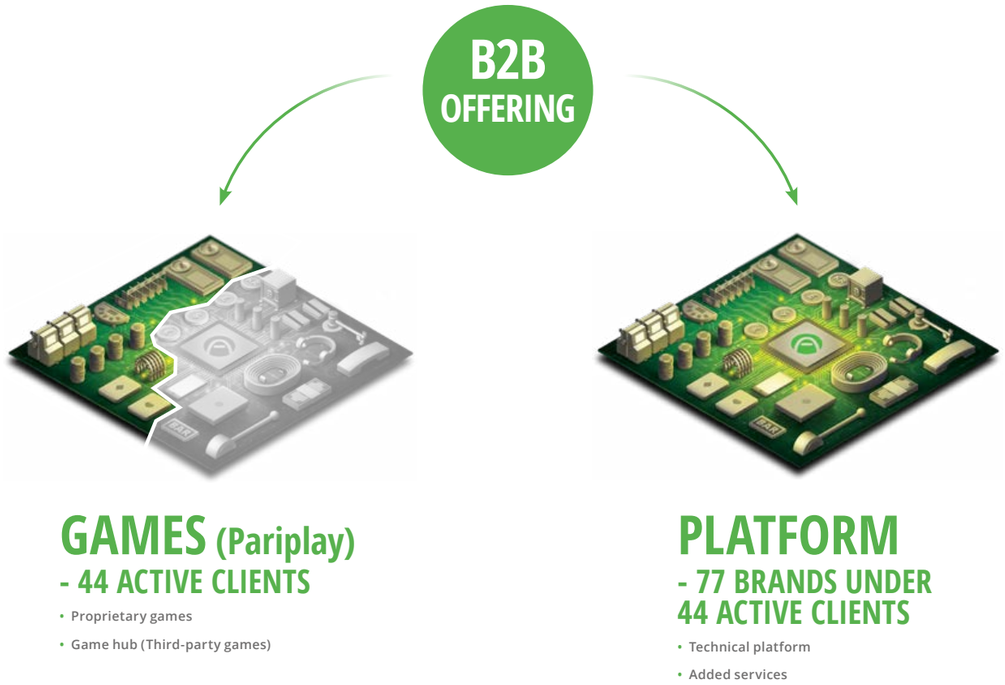
Pariplay has launched a tournament tool enabling operators to set up and manage tournaments across multiple game vendors, i.e. not being limited to a single vendor. In addition, it enables a real-time presentation of the set-up inside the game, making players aware of the competition. The flexible approach makes it possible to choose between a prize-pool that is pre-determined or self-funded by participants.

B2B-OFFERING

The B2B-segment grew by 43% in 2019, constituting 62% of Group revenues. Growth is generated in two ways: by increasing the number of collaborations and by expanding the target Group for existing brands and enabling cross-promotion. In 2019, Aspire global expanded the B2B-operations by integrating a game studio and a game hub into the Group through the acquisition of Pariplay, thereby enabling the company to target bigger operators through a broader offering.

A LEADING iGAMING SUPPLIER

Aspire Global is a B2B-provider for iGaming, offering companies everything they need to operate a successful iGaming brand for casino, sports and bingo. The B2B-offering comprises a robust technical platform and games. The platform is offered solely or combined with a range of attractive services. The games include supply of proprietary titles and a hub for third-party games, see the previous section "Games". As the size and the number of brands grow, scale benefits in relation to third-party vendors such as payment solutions providers and game providers increase substantially.



TARGET GROUPS

Aspire Global is the ideal partner for mid-sized or large iGaming operators and experts in marketing such as large affiliates and media companies, offering different benefits for the two types of partners. Aspire Global's long experience from iGaming, coupled with the capabilities of the technical platform, means a short time to market.

For established operators, Aspire Global offers a strong and reliable platform, enabling cost savings and scale benefits from joining a larger, professional and efficient network, as well as the opportunity to focus entirely on daily operations. There is also an option for services, enabling operators to cut overhead by sharing operational services with other partners. In addition, Aspire Global's advanced and automatized CRM and data analysis services, in combination with an experienced risk & fraud department, maximizes player value while minimizing losses and cash leaks caused by fraud. For small and medium-sized operators, Aspire Global provides the professionality and cost structure of a larger operator with multiple proprietary elements. This is an attractive option to the alternative cost of establishing, managing and outsourcing various required elements.

For experts in marketing, Aspire Global's solution is a way to leverage online traffic through a fully branded gaming experience, where all regulatory, administrative, operational and technical aspects are managed by Aspire Global. Non-gaming operators such as large affiliates, media companies and online marketing Groups typically have large amounts of latent internet traffic that can be monetized through a branded casino on Aspire Global's platform. The iGaming solution allows affiliates, whose original business is to direct traffic to other operators, to redirect generated traffic to their own casinos, increasing the profitability of this traffic. The same goes for media companies with strong brands and marketing knowledge, who can leverage their strength to generate traffic to their own gaming sites, thereby adding new revenue streams from current assets.

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A BROAD OFFERING

11

NEW PLATFORM CLIENTS ENTERED IN 2019 (8)

20

LAUNCHES OF BRANDS OVER THE COMPANY PLATFORM IN 2019 (13)

62%

SHARE OF TOTAL REVENUES (54%)

73%

SHARE OF TOTAL EBITDA (58%)

REVENUE MODEL

The Group's revenues are generated from four separate streams: a small fixed set-up fee, a moderate mark-up on supplier services, a share of adjusted net gaming revenues and royalties. The primary source is the split revenues with platform-partners, where Aspire Global succeeds when they do, as interests are aligned. Aspire Global believes it has achieved a competitive advantage over competitors who instead charge a higher mark-up on third party services.

Set-up fee

A fixed set-up fee is charged immediately following an agreement.

Mark-up on supplier services

The "cost plus" mark-up is charged for third party services, such as fees to payment solution providers and game providers. Aspire Global keeps the mark-up to a moderate level while focusing on the royalty-element.

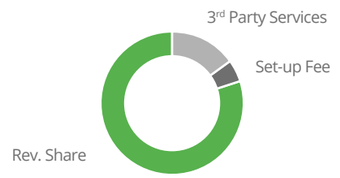
Split of net gaming revenue

When the brand is launched over the platform, Aspire Global and thepartners split the net gaming revenues (NGR). Aspire Global keeps a royalty and pays the remaining share of NGR to partners. To limit downside risk, a minimum platform fee is charged, which is automatically replaced by a share of revenues once it has been exceeded. Typically, it takes 6–12 months from launch, sometimes faster, to reach significant levels.

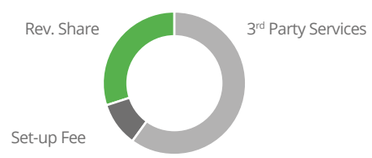
Royalties

Royalties from games are calculated and invoiced as a percentage of the game win (player bets less player wins), one fee for proprietary titles and another for the aggregation of third-party games.

Aspire Global platform pricing model



Competitors pricing model



B2B-PERFORMANCE IN 2019

In 2019, Aspire global expanded the B2B-operations by integrating a game studio and a game hub into the Group through the acquisition of Pariplay, thereby enabling the company to target bigger operators through a broader offering. The segment increased by more than 43%, constituting more than 60% of total revenues in 2019 including the integration of Pariplay in the fourth quarter.

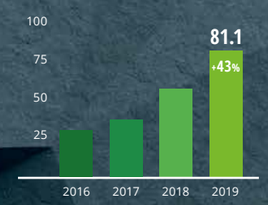
A total of 44 platform partners and an additional 41 operators, clients of Pariplay, boosted overall company growth. All-in-all, 11 (8) new partnerships were entered during the year, or 13 including two agreements signed by Pariplay in the fourth quarter and 20 (13) new brands went live over the company platform, followed by two additional launches to date.

The work of optimizing the brand-portfolio continued – closing down brands with low activity, adjusting fees and fine-tuning game setup – all of which is resulting in higher efficiency and stable, market-leading hold, as reflected in the KPIs. All-in-all, seven brands were shut down in 2019, related to the continued streamlining.

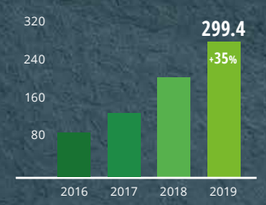
The offering for some of the main brands were extended to include more than one vertical in addition to casino. As of today, Sportsbook is up and running with Mrplay.com, Betregal, Digibet and BetItOn. Bingo is up and running with Aller Media, planned to be launched with further brands during 2020. A bingo-license was granted to Aspire Global in the UK.

Some of Aspire Global's new partners in 2019 were Evo Play Limited, Digibet Limited, Vips Holdings and Codere Group. Codere Group is a publicly listed, leading Spanish gaming company founded in 1980. The company is operating casino games and sports betting both online and offline in Spain and South America. The company has generated sustained, profitable growth over the past decade, with revenues of approximately €1.4 billion in 2019. The new brand Greenplay was launched by Codere in July, targeting the online markets in Sweden, Denmark, UK, Ireland and .com-markets. The new brand Vips Casino and the well-known brand Digibet were launched in 2019, offering a gaming experience focusing on sports betting. Aspire Global is investing up to €1.5 million and €2 million respectively through acquisition of shares in the two projects. Vips Casino and NEG Group on their sides, will be investing in the tech infrastructure and marketing of the brands. NEG Group Limited acquired the Digibet brand from UGT Group, aiming for a successful re-launch of the premium brand in several European markets including Germany. All-in-all, Aspire Global sees future opportunities for the re-launch coming with the strong brand-awareness and the pre-approved German license.

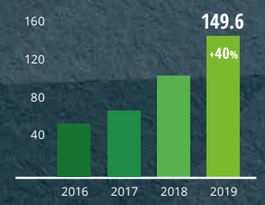
Net gaming revenues (NGR) € million



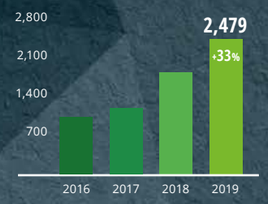
First time depositing players (FTDs) thousand



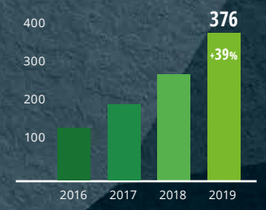
Deposits € million



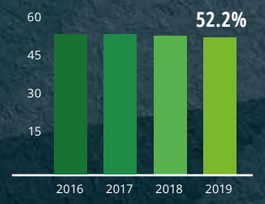
Transactions € million



Active users thousand



Company hold %



B2C-OFFERING

Proprietary B2C-brands provide valuable insight for product development and is a tool for marketing and validation for potential partners, with Karamba as the showcase for the platform's capabilities and Aspire Global's operations. The B2C-segment grew by 5% in 2019, constituting 38% of Group revenues. The growth-strategy for B2C is to attract new target Groups through additional verticals and a broad game portfolio, all while optimizing marketing activities through the use of unique planning tools for player acquisition and campaigns.

#1

BEST CRM-CAMPAIGN 2019

B2C-OFFERING

Many years of operating successful iGaming sites have given Aspire Global extensive knowledge and experience, which translates into a higher quality service offering for its partners. This is the main purpose of the B2C-operations in addition to generating gaming revenues.

The proprietary brands operate on the company platform, side by side with B2B brands. Just as partners that connect to the Aspire Global platform gain scale benefits and cost reductions from joining a larger network, Aspire Global's proprietary brands share these benefits as they add to the size and strength of the network as a whole.

REVENUE MODEL

Revenues from the B2C-segment are generated from won bets and transactions. Expenses mainly relate to marketing and B2C-personnel to manage player acquisition. Other costs are the same as for B2B: platform fee, taxes, certifications, licenses, technical maintenance and development, customer service and third-party suppliers of payment services and games. Marketing expenses are fairly consistent over seasons and brand lifetime, constituting around 36% of net gaming revenues.

KARAMBA

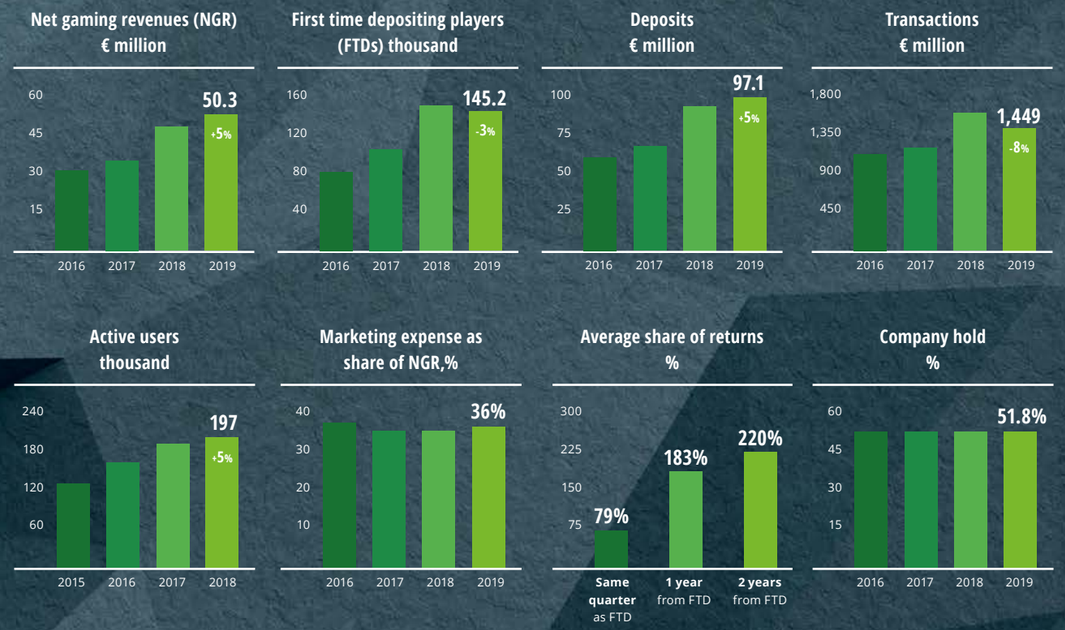
Karamba is Aspire Global's leading proprietary brand, well-known for its wide selection of games, high levels of security and convenience, and quick and safe processing of transactions. Although Karamba is among the oldest online casinos, it has adopted some of the latest technologies, offering a fast, simple and responsive interface as well as a mobile app and, last but not least, a sports vertical, well ahead of many established brands in the market.

B2C-PERFORMANCE IN 2019

In 2019, B2C net gaming revenues increased to €50.3 million (48.0), constituting 38% (46) of the company's total revenues and 27% (42) of EBITDA. B2C delivered a weaker performance than in 2018, mainly due to new regulatory requirements, although partially compensated by other markets. All-in-all, yearly growth amounted to 5%, driven by sportsbook, optimized marketing and efficient CRM.

Karamba had a year of invention and expansion. The new B2C-brand Generation VIP was launched as well as the bespoke branded slot game, 'Karamba Clan', the first of many exclusive collaborations to come. CRM-services were improved, generating an award for best CRM-campaign 2019 at the annual EGR Marketing & Innovation Awards. Karamba also received the Silver Award for Best Live Casino from Casino.org, voted by players. Moreover, the Karambot widget was nominated in the Sportsbook Innovations Category by the SBC. Finally, the Karamba team attended three of the main Affiliate Conferences over the past year, LAC, LiAC and SiGMA, to meet with new affiliates and existing partners. Next up is the launch of the Bingo vertical under the leadership of Joel Momigliano, previously VP PPC and Media in Aspire Global, who recently replaced Arnaud Serour as VP of Karamba.

Hopa Casino launched its Sports Vertical with an integrated Bet Assistant in November 2019. The Betbot offers tips and statistics on football betting for all football leagues worldwide. This new vertical instantly proved popular with players, adding strong value to the Casino brand.



A SHARP MARKET STRATEGY

Aspire Global is active in several parts of the value chain with a clear focus in regulated markets. Having a broad market presence combined with a diversified and agile partner-base creates synergies and is a strong advantage when it comes to compensating for temporal imbalance in activity from one market or segment to another.

73%

TAXED OR LOCALLY REGULATED OR SOON TO BECOME REGULATED MARKETS

GEOGRAPHIC OUTLOOK

Aspire Global maintains a strong focus on regulatory markets, having created a strong presence in northern Europe over the past years. In 2019, 73% of revenues were generated from taxed, locally regulated or soon to become regulated markets.

STRATEGY

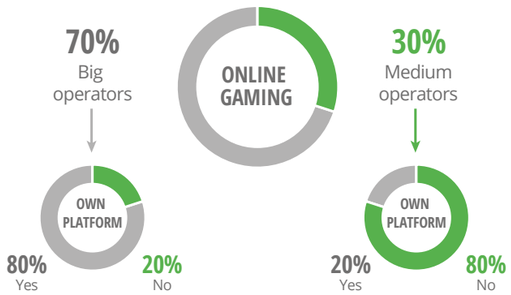
Aspire Global is active in several parts of the value chain with a clear focus in regulated markets. Having a broad market presence combined with a diversified and agile partner-base creates synergies and is a strong advantage when it comes to compensating for temporal imbalance in activity from one market or segment to another, for instance due to new regulatory requirements or extraordinary circumstances. Aspire Global has a strong focus on regulated markets with around 73% of revenues coming from taxed, locally regulated or soon to become regulated markets. The challenge is to identify which markets are worth going for, i.e. assessing the potential and cost for all stakeholders. Aspire Global seeks to partner with companies who have strong local presence but lack experience in iGaming, such as media and on- line marketing companies. Partnering with Aspire Global enables these companies to own and market iGaming sites in their domicile without a license or any operational or technical expertise. Instead they can concentrate entirely on generating traffic. As more countries adopt regulations, the target Group of non-operators grows.

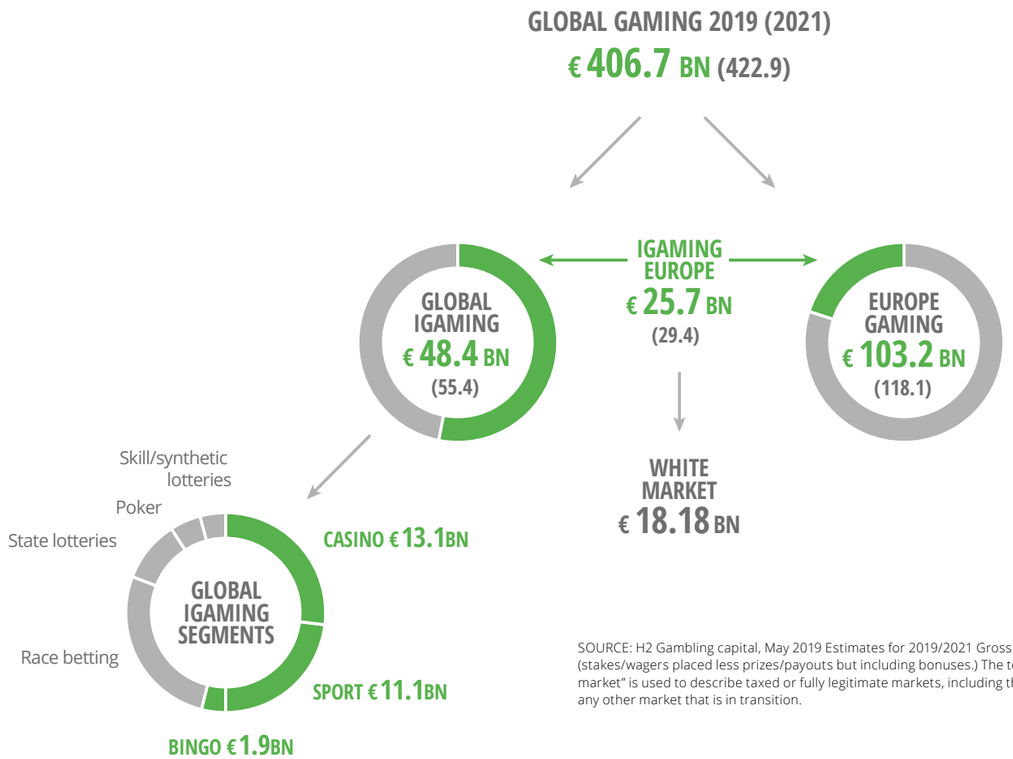
OPERATING IN LOCALLY REGULATED MARKETS

The last decade has seen an increasing trend in Europe toward adopting local licensing systems for commercial operators, instead of traditional monopoly systems or prohibition. Countries such as the UK, Belgium, France, Denmark and recently Sweden have transitioned to a taxed licensing system for the remote gaming industry, and several other countries are set to or are evaluating a move toward a license model. This includes the Netherlands, where the parliament passed a Remote Gambling Bill in February 2019 to liberalize the remote gaming market Germany has joined the trend with sports betting and casino to be regulated in 2021. Other countries remain entrenched in their regulatory position, with e.g. Norway and Finland reinforcing their monopolies.

Malta was one of the first European jurisdictions to regulate iGaming and betting, which are regulated primarily under the Lotteries and Other Games Act and the Remote Gaming Regulations. Maltese legislation authorizes the Malta Gaming Authority (MGA) to issue licenses for all forms of online gambling. Aspire Global has both B2C and B2B licenses from the MGA, covering all .com-markets. These licenses are the legal foundation for the company's operations in jurisdictions where it does not hold a local license. In addition to Malta, the company is active in the UK (15% gaming duty on GGR and 21% on casino games as of April 2019), Denmark (20% tax on GGR, expected to increase 28% in 2021), Sweden (18% tax on gross profit) and Portugal under the licenses of local B2B partner Cofina Media. Belgium (11% tax on gross profit) and Italy (20% tax on gross profit) were closed at the beginning of the year. Aspire Global also holds a sports betting license in Ireland (2% tax on bets). Among the .com-markets, Ireland (casino), Austria and Germany are taxed.

MARKET POTENTIAL OVERVIEW





SOURCE: H2 Gambling capital, May 2019 Estimates for 2019/2021 Gross win (stakes/wagers placed less prizes/payouts but including bonuses.) The term "white market" is used to describe taxed or fully legitimate markets, including the UK and any other market that is in transition.

GEOGRAPHIC EXPANSION IN 2019

The Swedish re-regulation entered into force on January 1st, 2019 and Aspire Global was ready to address the market from day one, strengthening the Nordic footprint along with the rest of the European expansion. In July, the Swedish license was extended from one to three years by the Swedish administrative court following an appeal involving a number of other licensees. In the regulated Irish sport market, the sport license that was initially granted for one year, was extended until June, 2021 and in the UK, a bingo-license was granted, valid until further notice, enabling Aspire Global to increase market share by broadening its B2B-offering from casino and sports. Aspire Global also entered a new markets outside Europe: South America. Moreover, Pariplay entered a new agreement with long-standing partner 888casino for New Jersey, enabling Aspire Global's first entry into the regulated US market.

Meanwhile, operations in Belgium and Italy were phased out, following changing regulations that required amendments that couldn't be financially motivated given the limited potential in these minor markets for Aspire Global compared to greater opportunities in other regulated markets.

The company is currently preparing for the coming regulation in the Netherlands, finalizing the adjustments required by the local regulator, Kansspelautoriteit (KSA). The Dutch Remote Gaming Act passed the country's Senate in February 2019, and is planned to enter into force on January 1st 2021 with an expected long-term tax rate for licensees amounting to 29% on gross gaming revenue (GGR). The tech-team in Kiev, Ukraine was strengthened in 2019 to ensure the appropriate infrastructure and flexibility for various market conditions and coming integrations.

POSITIONING IN THE VALUE CHAIN

Acting both as a platform provider, an operator and a game provider, Aspire Global controls several key elements of the iGaming value chain. The company will continue to strengthen the market position in the regulated landscape by expanding in the value chain. It grants us a unique, competitive advantage as current and future partners wish to enhance their potential in any jurisdiction.

PLATFORM PROVIDERS

A platform is the infrastructure for an iGaming site. Large iGaming operators usually use proprietary systems, while small to mid-sized operators tend to use third-party platforms, choosing between a number of configurations, typically a turnkey solution or a white label solution. A turnkey solution is a ready-made, customizable gaming engine with varying levels of support from the platform provider, while a white label solution covers the administration of bets and gambling, licenses and customer support, enabling the operator to focus entirely on the branding and marketing of the site. In the white label case, the end users, i.e. the players, actually place their bets through the platform provider, although it is not obvious to them.

iGAMING OPERATORS

iGaming operators provide the B2C-offering to players. Some operators focus exclusively on sports betting or online casino entertainment, while others offer a wide variety of iGaming services. It is common for operators in the European market to offer their services in multiple countries, leveraging UK- or Malta-issued licenses, which cover all .com markets, to broaden their customer base.

GAME DEVELOPERS

Platform providers in the gaming industry commonly use third-party game development studios. Games are often developed for "plug and play" use in platforms, allowing operators to customize their offering to their specific products and branding strategy.

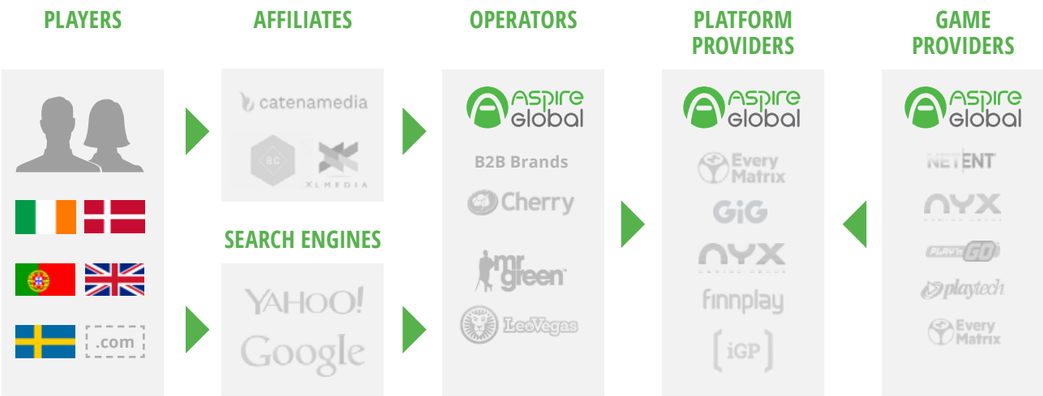
OTHER SERVICE PROVIDERS

In addition to the game and platform providers, other services handle payment processing, data analysis and research, and traffic lead. Affiliate companies specialize in traffic lead, marketing the iGaming brands, a widely-used service in the gaming industry. Strategies commonly include various forms of online and direct marketing as well as affiliate networks, which are networks of private individuals that share revenues and other benefits from referring customers to partners' sites.

END USERS

End users are individual players who visit the operators' gaming sites.

THE iGAMING VALUE CHAIN



MARKET PROGRESS IN 2019

In 2019, Aspire Global acquired the leading game-aggregator Pariplay (B2B) for €13.3 million in cash. Pariplay is a leading B2B iGaming provider, operating one of the largest content-aggregating platforms and producing successful casino content in their own game studios. The game portfolio is certified for several regulated markets in Europe. Moreover, Pariplay has cleared an iGaming certification for New Jersey, representing a potential growth opportunity for Aspire Global.

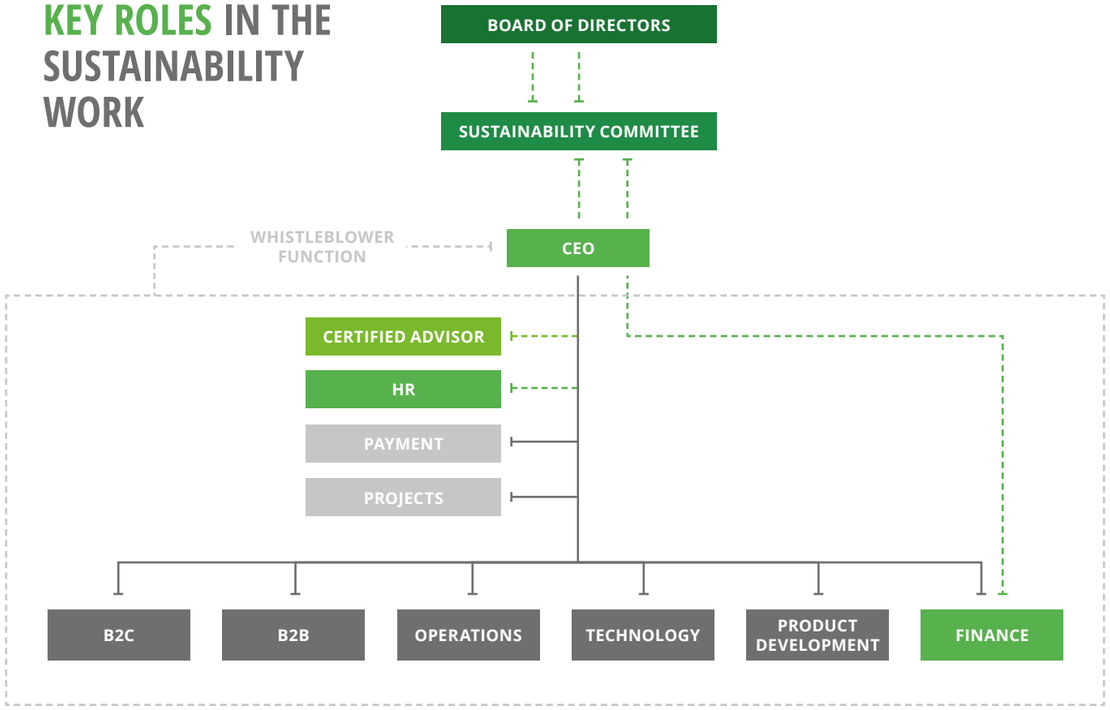
Integrating Pariplay's offering is expected to create cost synergies, strengthen market presence in B2B, serve as a first footprint in the US and generate revenue streams outside the existing partners network. The technical integration was completed during the fourth quarter, and all main third-party suppliers on board from the start. Although the integration process took somewhat longer than expected, some of the synergies that were planned, were immediately realized through central functions for legal, financial and regulatory processes. Pariplay is expected to generate significant growth in 2020 with a positive effect on the Group's EBITDA.

SUSTAINABILITY REPORT

SUSTAINABILITY AT ASPIRE GLOBAL

Offering a safe gaming experience as well as a healthy and attractive working environment are two key elements in maintaining a sustainable business that will provide investors with a long-term return-on-investment (ROI). Other important stakeholders are partners, suppliers and authorities. The company is committed to proactively conducting business in a manner that is sustainable, fair and responsible to all parties concerned, while minimizing any negative impact on society, locally as well as globally.

KEY ROLES IN THE SUSTAINABILITY WORK



GENERAL PRINCIPLE

Operating in the gaming industry is an ethical challenge. How do you sustain growth while promoting moderate consumption? At Aspire Global, we believe it is through a sustainable business model and a focus on long-term relationships with all stakeholders, while minimizing social and environmental impacts.

Focusing on regulated markets means Aspire Global is obliged to comply with national laws, legal principles and industry standards set out by the authorities in each of the jurisdictions where the company has been granted a license to operate. Legal requirements constitute a minimum-level for the operations and in a wider perspective, Aspire Global wants the company's footprint to reflect corporate values and respect for all parties concerned, directly or indirectly. With that in mind, the company constantly seeks to raise the bar for the sustainability work and set an example for others.

RESPONSIBILITIES

The formal responsibility for sustainability lies with Aspire Global's Board of Directors. In 2019, a special committee was established to coordinate various sustainability initiatives within the company and ensure that economic, environmental and social aspects are considered in any long-term growth initiatives, in terms of focus, resources and goals.

The sustainability committee reviews the relevant sustainability topics, their impacts, risks, and opportunities at least once a year at the beginning of a new reporting cycle, and discusses potential measures with the Board in order to adjust aspect of the operations including the report. The Sustainability Committee consists of Tsachi Maimon (CEO), Motti Gil (CFO and Head of Responsible Gaming), Carl Klingberg (Chairman of the Board) and Fredrik Burval (Member of the Board). In 2019, the committee held four meetings, where the focus was on conducting a materiality analysis, selecting essential topics and establishing routines, responsibilities and targets, including a framework for the annual sustainability report.

Aspire Global's CEO, together with the CFO, the Head of HR and Operations and an external advisor are responsible for integrating a sustainability perspective in all aspects of daily operations, as well as following up and reporting on the progress to the sustainability committee.

ABOUT THE REPORT

The 2019 sustainability report is Aspire Global's first sustainability report prepared according to the GRI standards, the core option. The report is published once a year, integrated with the Group's annual report. The information relates to the 2019 fiscal year, January-December, unless stated otherwise. The complete GRI index can be found on pages 66-69. The contact for questions regarding the report or its contents is the company CEO. The report contents have been defined using the GRI recommendations, starting with a materiality analysis based on key topics raised by relevant stakeholders; see stakeholder list and materiality analysis. The general structure more or less follows previous year's sustainability report, although the work and contents have been expanded materially. This year's report has been prepared together with an external GRI-certified advisor, and in the future the company intends to seek external assurance for the report.

STATEMENT FROM THE CHAIRMAN OF THE BOARD

During the year, we at Aspire Global took a holistic approach to our sustainability work, both in terms of our operations and reporting. We are proud to present our first sustainability report produced according to the GRI-guidelines.

During the year, we at Aspire Global took a holistic approach to our sustainability work, both in terms of our operations and reporting. As part of this work, we have asked a number of important questions about our purpose, our values and our goals. Without clear answers to these questions, it is difficult to achieve true change, either in individual companies or the industry as a whole. While we can present our toolbox for responsible gaming or point to various key performance indicators, the real answers to the question of whether our business is sustainable or not has more to do with what we expect to achieve and how we intend to operate in a way that is ethically defensible. **The winners in the future won't be the companies that can motivate sustainability in their businesses, but those that capitalize on the opportunities in a sustainable business.** This gives us on the Board of Directors a special role in that our job doesn't focus on individual aspects of day-to-day operations. Instead we look at the big picture from a long-term perspective, weighing opportunities and challenges against strategic, operational, legal and financial risks.

Aside from Aspire Global, I am also honored to be chairman of a Swedish whiskey company. Although these two businesses differ in many respects, they share certain similarities when it comes to sustainability, health, responsibility and ethics. **Both companies provide a product that when used in moderation is a harmless diversion, but if abused can be damaging and costly for the individual, their family and society as a whole. Both products are also good examples of how regulated markets benefit a sound consumption.**

> The winners in the future won't be the companies that can motivate sustainability in their businesses, but those that capitalize on the opportunities in a sustainable business.

Wine growers rarely have to justify their existence, and candy companies are rarely held to account for increased diabetes in society. Movie studios are allowed to create films that contain violence and criminality, fashion magazines contribute to unhealthy body images, and airlines market flights without having to warn about the carbon emissions they produce. Although some of these industries are questioned or even restricted, the gaming industry is often singled out as unethical. We believe it is due to the fact that actors with questionable motives have dominated the headlines for far too long, even though this occurs in other industries as well and has not nothing inherently to do with our form of entertainment. On the contrary, gaming has been around since time immemorial because it is an entertainment many people truly enjoy. **Having said that, every gaming company has an obligation to maintain a sustainable business, offering a safer game experience and thereby improve the industry's reputation.**

Aspire Global welcomes regulations as they provide equal conditions and transparency. As a supplier of the iGaming fundament, i.e. the platform, services and content, Aspire Global has a wide impact on the industry as a whole and must keep sustainability top of the agenda, well integrated in the daily business. To us, sustainability is mainly a question of responsibility: **actively and credibly ensuring that our business doesn't attract a vulnerable audience, promotes unhealthy gaming behavior or condones criminal activity. This is our promise to players, partner operators and the communities where we operate, as well as investors who seek sustainable investments.** We believe it is through correct segmentation, balanced marketing, effective gaming tools and proactive support that we can best help players to maintain sustainable consumption patterns based on their original intentions. Similarly, we are convinced that this strategy is the sustainable way forward, both operationally and financially.

A sustainable business also creates jobs with secure employment terms and makes a positive contribution to the markets it operates by paying taxes and license fees. Aspire Global offers attractive career opportunities in a sound working environment distinguished by diversity and gender equality, as well as a work-life balance.

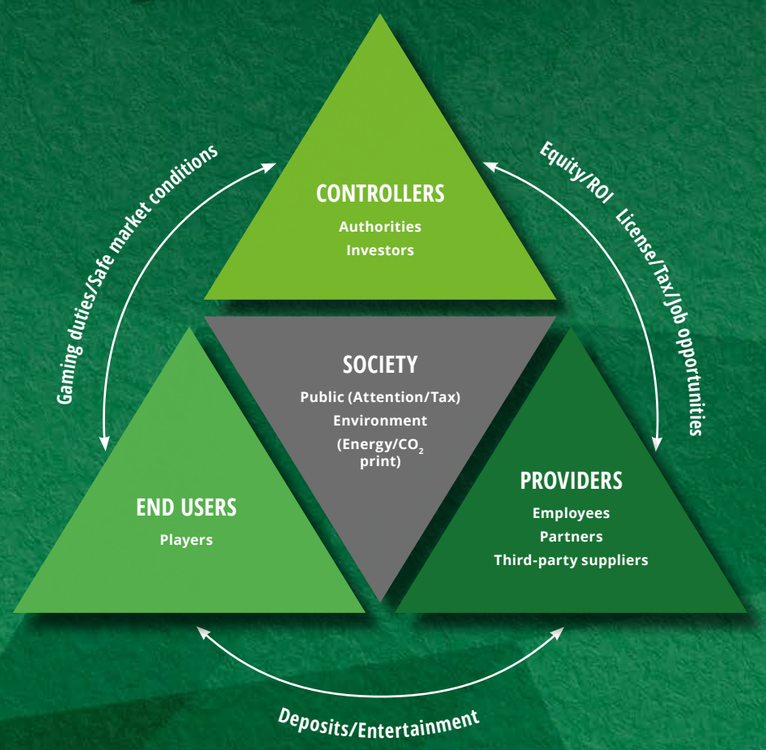
> For us at Aspire Global, sustainability is mainly a question of responsibility: actively and credibly ensuring that our business doesn't attract the wrong target Groups, promote unhealthy gaming behavior or condone criminal activity.

Last but not least, it is our shared responsibility to help the gaming industry develop in a more sustainable direction through a reasonably designed regulatory framework. As a member of society and an iGaming licensee, we take part in various industry initiatives and actively dialogue with authorities to mutually ensure that we meet the expectations placed on us. **A regulated gaming industry can only fulfill its purpose in a market with high channelization, which requires reasonable and balanced demands based on an active dialogue between authorities and companies. Only together can we create an attractive, safe and sustainable gaming market – for the benefit of all.**

Carl Klingberg
Chairman of the board

STAKEHOLDERS AND MATERIALITY

Aspire Global shares mutual interests with a number of stakeholders. These interests are often economic and form the basis for long-term engagement. Moreover, there are stakeholders on which the company has a material impact, although indirectly, and whose perspective also needs to be considered throughout the operations.



PLAYERS

Aspire Global wants to provide an entertaining and safe gaming environment when it comes to issues of responsible gaming and digital security. The main challenge is to stay up to date on technical development and new opportunities, and to have the necessary support, resources and routines to continuously adjust the offering. While mainly a B2B company, Aspire Global has both B2B and B2C offerings that involve interactions directly with end-users through customer relations, providing Aspire Global with an understanding of key topics and concerns through digital customer surveys.

EMPLOYEES

Aspire Global offers exciting career opportunities in a modern, flexible, stimulating and sound working environment. For a fast-growing company, maintaining and retaining talent at the required pace is a constant challenge. Not only when it comes to recruitment, but also in terms of the structure and routines of a modern HR function. In addition to regular review meetings between employees and managers, anonymous employee surveys are conducted in the Group to better understand the needs and concerns in different departments or the organization as a whole. There is also a whistleblower function enabling employees to report suspicious information or activity within the organization that may be deemed illegal, unethical, or inaccurate.

PARTNERS

Aspire Global's partners are operators whose brands operate on Aspire Global's platform. Aspire Global believes that long-term relationships based on mutual interests generate healthy, sustainable growth for all parties involved. As partners are mainly responsible for marketing, while Aspire Global manages everything around the platform, the main challenge from a sustainability perspective is to find a common ground when identifying and realizing market opportunities in a manner that is responsible and sustainable. Aspire Global's account managers regularly dialogues with partners to identify needs, key concerns and challenges. A contract is signed pre-launch, clarifying the expectations from both sides, and any updates on regulatory changes, including training, are regularly provided to the operators.

SUPPLIERS

Aspire Global's main suppliers are game developers, providers of payment solutions and marketing companies. Other suppliers provide office-related services as well as legal or financial services. As with partners, Aspire Global believes that long-term relationships based on mutual interests and clear expectations generate healthy, sustainable growth for all parties involved. A contract is signed upon agreement, clarifying the expectations for both sides when it comes to reliability, security and the ethical framework.

INVESTORS

Sustaining strong growth while maintaining responsible operations is a challenge, but not at all an impossible combination. Aspire Global offers investors an ethical placement based on responsible gaming and strong customer loyalty, fully confident in the long-term potential of this sustainable strategy. Shareholders of the company may exercise their influence and vote on matters which affect the company and its operations at the company's general meetings. Moreover, Aspire Global regularly meets with shareholders at investor events and one-on-one, enabling a dialogue on key topics and concerns.

AUTHORITIES

Aspire Global focuses on regulated markets and actively contributes to reforming the gaming industry together with authorities and various stakeholders. The main challenge in this process is to interpret and adjust to new market conditions, subject to the licenses which form the basis for all operations. The company maintains a regular dialogue with the gaming authorities in various jurisdictions as well as related industry forums to stay in compliance and up-to-date on new requirements, including exercising potential influence over the industry as a whole.

SOCIETY

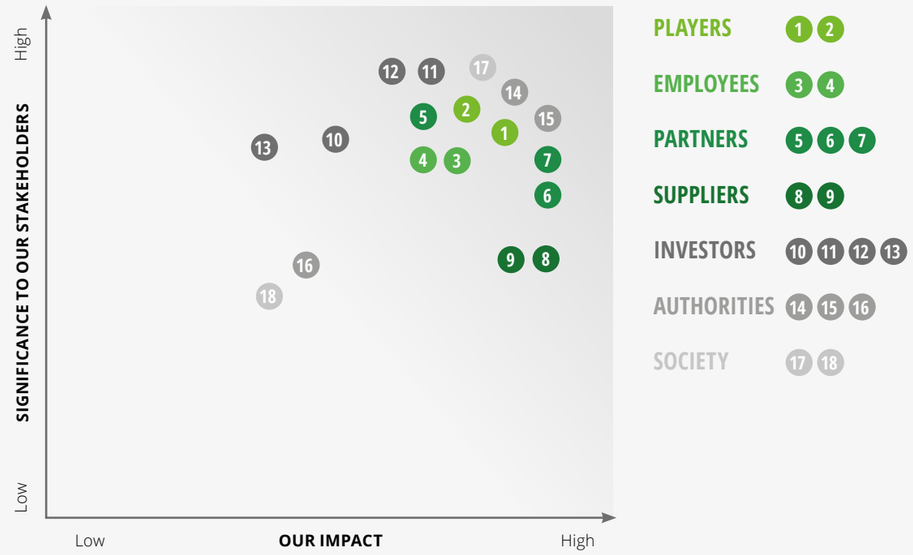
Aspire Global impacts the local community in which it operates as well as global society when it comes to the environment, taxes, job opportunities and the impact from the gaming industry as a whole. Stakeholder dialogue is maintained via authorities and associations representing the interests of the public society.

MATERIALITY ANALYSIS

Materiality assessments are the backbone of constructive working processes. They help to identify and prioritize key principles and focus areas and determine which initiatives that should be realized and reported. Whether an issue is considered material depends on a) impact and significance for stakeholders, b) the company's influence, c) the impact on the business in terms of growth, cost, risk or trust, and d) the alignment with the corporate mission and strategy.

The process of identifying these issues has been conducted by the sustainability committee and the Board over the past year, taking the various perspectives of stakeholders into consideration prior to any decisions. Stakeholders have been approached for input and industry benchmarks have been made before concluding the materiality analysis on the following pages. Over the coming year, work will be progressing, starting with the integration of the Global Goals for sustainable development (SDGs) into the agenda and targets for sustainability.

MATERIALITY ANALYSIS



KEY PRINCIPLES

PROVIDE A SAFE USER EXPERIENCE FOR PLAYERS

1. **Offer products and services that promote responsible consumer behavior (GRI-416, 417)**
   a) Useful tools for self-control
   b) Proactive interference from customer service
   c) Clear labeling of products
   d) Ethical marketing

2. **Provide a safe digital environment (GRI-418)**
   a) Cybersecurity
   b) Ensure integrity, controlled and ethical usage of personal data, etc.
   c) Provide safe payment methods, etc.
   d) Prevent crime - Fraud, money laundering, etc.

ATTRACT AND RETAIN EMPLOYEES

3. **Offer attractive career opportunities (GRI-401, 404, 405)**
   a) Fair compensation
   b) Relevant education/training
   c) Regular reviews
   d) A culture that embraces and promotes diversity and equality

4. **Offer a sound working environment (GRI-406)**
   a) Conditions and benefits that promote a healthy lifestyle
   b) Work-life balance allowing employees to combine a modern family life with an active career
   c) Zero-tolerance for discrimination

ATTRACT AND RETAIN PARTNERS

5. **Provide a competitive offering in a regulated environment**
6. **Provide a policy for operators that ensures compliance with regulations and the corporate culture**
7. **Provide education and training to keep partners up to date on new requirements**

CHOOSE RELIABLE SUPPLIERS

8. **Choose responsible and reliable suppliers when it comes to ethical standards, human rights, environmental impact and digital security**
9. **Provide a clear policy that ensures compliance with regulations and the corporate culture, including education and training to keep suppliers up to date on new requirements**

OFFER A SUSTAINABLE OPPORTUNITY FOR INVESTORS

10. **Offer a sustainable and justifiable investment opportunity**
11. **Deliver long-term Return-on-investment (ROI)**
12. **Fair share value**
13. **Strive for a diverse shareholder base and a governance structure that reflects these shareholders (GRI-405)**

MAINTAIN GOOD RELATIONS WITH AUTHORITIES

14. **Pay taxes (GRI-207)**
15. **Comply with regulations (GRI-419)**
16. **Exert influence**

CONTROL THE IMPACT ON THE LOCAL AND GLOBAL SOCIETY

17. **Contribute to the communities where we operate and minimize any negative impact (GRI-207)**
    a. Contribute locally by paying taxes and providing job opportunities locally where possible
    b. Minimize the impact on the wrong target groups, e.g., through reasonable and targeted marketing

18. **Minimize any environmental impact and set an example for the iGaming industry (GRI-308)**
    a. Choose environmentally friendly office supplies and operational solutions
    b. Minimize our carbon footprint from air travel and energy consumption for servers

PROVIDING A SAFE USER EXPERIENCE FOR PLAYERS

Providing a safe user experience in terms of responsible gaming and digital security is the single most important task for Aspire Global. It is the source of long-term growth and aligns with Aspire Global's mission. The degree to which the company can influence the safety of its offering is material, as is the impact and significance for the players who consume the products, whether by visiting any of Aspire Global's proprietary brands or any of our partner operators. Safety is also a critical issue for the partners who rely on Aspire Global's platform solution and the authorities who grant licenses to the company.

FIVE PRINCIPLES FOR RESPONSIBLE GAMING

1. GAMING SHOULD ONLY BE SEEN AS A SOURCE OF ENTERTAINMENT AND NEVER AS A MEANS OF MAKING MONEY
2. ALWAYS BET SENSIBLY AND DON'T CHASE YOUR LOSSES
3. MONITOR THE AMOUNT OF TIME YOU SPEND PLAYING
4. DON'T GAMBLE WHEN UNDER THE INFLUENCE OF ALCOHOL OR WHEN YOU'RE UPSET OR DEPRESSED
5. USE OUR RESPONSIBLE GAMING TOOLS

OFFER PRODUCTS AND SERVICES THAT PROMOTE RESPONSIBLE CONSUMER BEHAVIOR

Aspire Global believes that the future lies with those companies that can generate long-term profit from a business that promotes sustainable user behavior. What this actually means is optimizing and retaining a reasonable level of revenue from each player over a longer period of time, rather than maximizing FTDs and the level of deposits from each player in the short run. Therefore, the work with responsible gaming is focused on four areas: correct segmentation, balanced marketing, effective gaming tools and proactive support.

Aspire Global has chosen to focus its business on regulated markets as it enables serious companies to compete on equal terms in offering a safe iGaming experience in terms of responsible gaming and create a better iGaming market for everyone: players, the people around them or anyone unintentionally exposed to the industry, such as minors or people who are trying to avoid playing. In the area of responsible gaming, Aspire Global promotes healthy gaming behavior and tries to proactively identify and approach players who show signs of risky gaming behavior and/or are unsatisfied with their gaming habits.

As Aspire Global is both a platform provider (B2B) and an operator, the tasks differ. As a provider of a B2B full-service solution, Aspire Global maintains an active dialogue with partners, providing them with routines, tools and support for responsible marketing while managing customer support and contact with their players. Within B2C, Aspire Global provides the same customer services, including support and tools for responsible gaming, but also manages marketing activities according to corporate policy for responsible advertisement.

The management team defines the targets, prioritizes projects and allocates resources to the various departments, including Compliance, Responsible Gaming, Anti-Money Laundering, Tech, Customer Support and B2B. The Responsible Gaming team, together with the customer support department, manages all direct dialogue with players, while the B2B department handles partner relations, including updates on regulations and any training that may be required. The Head of Responsible Gaming oversees the progress and reports to the Sustainability Committee of the Board.

There are well-established mechanisms for evaluating the effectiveness of the work. A dedicated team within Responsible Gaming manages a list of players who are considered at potential risk and monitors progress through automatically generated reports. In addition to personal limitations, there are systematic limitations activated upon certain thresholds, limiting vulnerable accounts. When it comes to customer support, service quality is tracked in various ways: automatic surveys following chats, where a shift leader contacts the player in case of a bad review, random chat controls and mystery shoppers, where a third party conducts tests in all channels. There are quantified targets for all of the above, set per employee, shift and team leader, and which serve as the basis for evaluation.

PRINCIPLES FOR RESPONSIBLE GAMING

How much is too much? That is the big question, and there is a simple answer. If gaming is negatively affecting life in any way, it's time to act. The approach to responsible gaming can be summarized into 5 principals.

First of all, gaming is a form of entertainment. It should never be seen as a solution to financial problems. On the contrary, it is about both losing and winning. If the gaming experience is focused around the potential winnings rather than having fun, one shouldn't play.

Secondly, responsible gaming is about acting in line with one's original intentions and maintain in control. Feeling uncomfortable about telling friends and family how much is spent on gaming could be an indication of lost control. Therefore, players are encouraged to bet sensibly by setting a budget, sticking to it and never deposit more than they can afford to lose.

Thirdly, It's easy to get caught up in the game, wanting to win back lost money or raising bets to increase the tension. Fortunately, it is just as easy to avoid those risks by limiting sessions beforehand.

Fourthly, understanding the individual gaming behavior enables players to take control of their actions. Alcohol and drugs affect the judgment and inhibit rational decision making. The same goes for depression and other negative emotions connected to gaming. For that reason, gaming should never be done under the influence of substances or in emotional distress. Sound gaming requires self-awareness, a clear head and full presence.

Finally, Aspire Global offers a broad set of effective tools that help players stick to their original intentions, ensuring responsible gaming.

FOCUS AREAS AND PROGRESS IN 2019

Aspire Global has chosen to focus its responsible gaming work on four areas: Clear labeling of products, ethical marketing, tools for self-control and proactive interference from customer service. The labeling procedure as well as marketing activities are regulated by the gaming authorities in markets where Aspire Global operates under license, and the focus is on complying with requirements and adjusting to any regulatory changes as quickly as possible. Aspire Global is aiming to streamline this process from one market to another, proactively implementing new routines in all markets simultaneously, rather than passively anticipating directives.

Useful tools for self-control – encourage players to stick to their original intentions

Aspire Global offers a variety of helpful tools to help players monitor and limit their gaming sessions and deposit levels. The general principle is that Aspire Global's iGaming services should be consumed just like any other form of entertainment – over a longer period of time, at a reasonable level and a reasonable cost. Players are encouraged to set reasonable limits upon registration and to maintain a user pattern in line with these intentions. Aspire Global is also connected to national voluntary self-exclusion services, such as Spelpaus.se in Sweden, GAMSTOP in the UK and ROFUS in Denmark, enabling players to block themselves from all iGaming platforms in the locally regulated markets. In 2019, Denmark introduced new regulations forcing players to set deposit limits upon registration/before initiating a session. There was one incident reported concerning the health and safety impacts of products and services in 2019, potentially resulting in a fine, currently being processed.

After the Swedish market was re-regulated in 2019, Aspire Global automatically integrated with the national voluntary self-exclusion register Spelpaus.se but a number of self-suspended players managed to register accounts with Aspire Global before being manually suspended and refunded for placed bets. Once the matter was brought to Aspire Global's attention, the decision was instantly made to shut down all Swedish activity until integration was ensured. Following these incidents, the Swedish Gambling Authority issued a warning and a penalty fee of SEK 3 million (around €300 thousand), which was lowered to SEK 2 million by the Administrative Court of Linköping after Aspire Global appealed the fine in May 2019. A leave of appeal was then granted by the Court of Jönköping in January 2020, and the case is awaiting further review.

In 2020, the company's aim is to automate as many responsible gaming services as possible, including more automatically generated reports and systemized blocking at the first sign of compulsive gaming.

Proactive interference from customer service

The dedicated responsible gaming team, together with the customer service department, actively identifies, monitors and approaches players who show signs of lost control or addiction. A real-time internal system has been implemented, notifying the team of players at risk through automatic alerts. This can mean players who repeatedly adjust their limits or dramatically change their user pattern, players with high deposits or high losses, players that play during the night or players that constantly cancel their withdrawals. A strict protocol ensures that these players are handled according to established procedures and that progress is evaluated based on relevant KPIs. Interference starts with a call and an email, informing the player of recent activity, useful tools or other assistance. If needed, the player can be limited, blocked and/or referred to professional help. All employees who interact with customers pass training on responsible gaming twice a year, and prior to becoming an agent in customer support, responsible gaming or AML, an exam has to be passed on the knowledge needed to provide players with relevant support.

Clear labeling – full transparency about risks and useful strategies for sound gaming

Clear labeling is about informing new and existing players on the websites (the online casino, online bingo hall or online sportsbook) about safe use and potential risks related to iGaming: how to identify signals of addiction, what methods and tools are offered to prevent or slow bad habits and who to contact for active support. Aspire Global assesses all new brands in terms of these aspects and labels products according to regulations to prevent sanctions. Some services are sourced from third-party suppliers, but no specific warnings are needed as violent or explicit game content is banned. Nor is there any need for labeling related to disposal or other social impacts from our product. In 2019, no warnings or penalties were imposed on the company due to non-compliance with labeling regulations, nor were there any cases of non-compliance with internal policies.

Ethical marketing – minimize exposure to campaigns by the wrong target groups

Ethical marketing is about advertising – phrasing, layout, frequency, target Groups, channels and location of campaigns. This applies to B2C marketing as well as B2B-brands managed by partner operators. In addition to complying with local regulations and codes, Aspire Global has a strict marketing policy aimed at avoiding public exposure and minimizing the influence on minors and other vulnerable Groups. For instance, marketing material is not supposed to be appealing to children. For this reason, the use of popular characters and personalities is forbidden. For the same reason, campaigns are not allowed to be displayed or distributed in public spaces, including public transportation. It is prohibited to insinuate that gaming can be a solution to social, educational, professional or personal problems, nor shall it be presented as an alternative to employment, a solution to financial concerns or a form of financial investment. Furthermore, gaming shall not be portrayed as socially attractive, nor should it be implied that solitary gaming is preferable to social gaming. The marketing policy is referred to in the formal contract with partner, which agree in writing to comply with the guidelines and are trained prior to launch. In addition, the compliance manager at Aspire Global checks and signs off on every campaign launched by a partner operator.

In 2019, the responsible gaming department received additional training, including a workshop on how to communicate safe messages. At the end of the year, Denmark introduced new marketing guidelines that were implemented for all Danish brands. According to the new regulations, players are able to exclude themselves from receiving marketing material and the operator has to check the registry before sending any promotions.

In total, there was one incident of non-compliance with marketing regulations resulting in a warning and two incidents of alleged non-compliance with marketing regulations potentially resulting in a fine, all of which are still being processed. There were no incidents of non-compliance with voluntary marketing codes.

In June 2019, the Swedish Gambling Authority issued a warning and a fine of SEK 0.5 million to Aspire Global Communications Ltd. for having breached regulations relating to bonus offerings to customers. The company has appealed against the lawsuit in the administrative court and the case is still in process.

In September 2019, the Swedish Consumer Agency's (Konsumentombudsmannen or "KO") filed a lawsuit against the company for violating the marketing provisions of the Gaming Act and the Marketing Act, demanding that an unspecified fine be imposed on the company and that the advertising be discontinued. Aspire Global sees no basis for KO's interpretation of the law and chose to contest the lawsuit in November 2019.

RESPONSIBLE GAMING TOOLS AND ACTIONS

FROM THE PLAYER'S SIDE, THERE ARE VARIOUS TOOLS FOR SELF-CONTROL

- Limited deposits, losses and sessions on a daily, weekly or monthly basis
- Self-imposed reality checks, regular cool-off periods between sessions or restricted login time
- Self-tests enabling players to assess their personal risk of developing compulsive gambling behavior
- Self-exclusion from Aspire Global's platform
- National registration for self-exclusion from all locally regulated platforms

FROM ASPIRE GLOBAL'S SIDE, THE SAME SET OF LIMITING TOOLS CAN BE USED TO RESTRICT PLAYERS IN ADDITION TO THE FOLLOWING MEASURES:

- Active identification of players with a risky user pattern, through either manual analysis or automatic internal alerts
- Interaction with players who show problematic symptoms
- Proactive measures, including various tools, and monitoring of progress

PROVIDE A SAFE DIGITAL ENVIRONMENT

Providing a safe digital environment is the most important aspect when it comes to the user experience. Everything else is secondary. If players don't feel safe on the platform, they simply won't return. Providing a safe digital environment is about ensuring the highest standard of system and data security as well as a reliable, fair and transparent gambling product free from betting-related corruption.

The four main areas to ensure a safe digital environment from a player perspective are integrity, payment solutions, cybersecurity and fraud prevention. Regulations in these areas are very strict and the main focus is to comply with the complex framework and keep partners up to date on changes. When it comes to detecting internal problems, there is a whistleblower function, where employees can directly and anonymously inform the CEO.

The management team defines the targets, prioritizes projects and allocates resources to the various departments, reporting to the Sustainability Committee of the Board. The Payment Director, Regulation Manager and Security Specialist are responsible for various security aspects.

The Payment Director, who reports to the CEO, manages all aspects of security and fraud related to payments, including Anti-Money Laundering, compliance and responsible gaming, the teams dedicated for which, all report to the Payment Director.

The Regulation Manager, who reports to the CFO, is responsible for licenses and data protection, ensuring that these aspects of operations comply with laws and regulations in each jurisdiction where the company operates. The Regulation Manager monitors changes in the regulatory environment, assesses risks and initiates relevant actions, upholding corporate integrity while being commercially astute. In addition, the regulation manager is responsible for compliance related to marketing material, both for B2C and B2B.

The Security Specialist at Aspire Global is responsible for implementing the corporate Information Security policy, reporting to the CTO. The Security Specialist manages risk assessments and status updates and sets action plans, budgets and targets. Progress is monitored through security protocols and penetration tests, and any incidents are reported to the management team.

CRIME PREVENTION – HIGH AWARENESS AND FAST ACTION

1. DETECTION VIA AUTOMATED RULES WITHIN THE MANAGEMENT SYSTEM
2. INVESTIGATION BY ASPIRE GLOBAL'S FRAUD SECTION
3. VERIFICATION IN CONJUNCTION WITH THE PAY-OUT SECTION AND CUSTOMER SERVICE DEPARTMENT
4. ACTIONS AND SANCTIONS TO QUICKLY AND ACCURATELY DETECT SUSPICIOUS AND FRAUDULENT BEHAVIORAL PATTERNS

FOCUS AREAS AND PROGRESS IN 2019

Aspire Global has chosen to focus on four main areas of digital safety.

Cybersecurity – minimizing vulnerability at all times

Cybersecurity is about protecting the platform from potential attacks, viruses or espionage. Aspire Global regularly conducts controls, analyses tests and implements innovative tools to further increase security. Aspire Global also engages test labs, which conduct penetration tests of various brands to identify potential vulnerabilities before they are exposed and abused. In 2019, Aspire Global materially invested in the tech department located in Kiev to ensure capacity for future growth.

Two types of tests are conducted on web applications, integrations with other platforms (APIs) and core infrastructure to expose risks: vulnerability tests and penetration tests. Vulnerability tests search the systems for known vulnerabilities through automatic scans. Regulators require them, as do various certification bodies. For example, the Danish regulator requires data from vulnerability tests on a quarterly basis, as does the payment card industry according to DSS level 1 requirements, while the UK requests the data annually as part of the security audit. Penetration tests on the other hand attempt to actively exploit weaknesses in an environment. They are performed manually and require various levels of external expertise.

Integrity – respect for personal data

Data protection is managed by a designated Data Protection Officer responsible for compliance. This work is based on an extensive review of operations, current contracts and other arrangements for sharing data with partners, suppliers and partners, as well as internal procedures to safeguard protections before sharing personal data. Aspire Global was compliant with the European General Data Protection Regulation (GDPR) when it entered into force in May 2018, and monitors any changes in GDPR regulations to ensure that we remain compliant. All employees went through training in 2018 and additional sessions were conducted in 2019. No leaks, thefts, or losses of customer data were identified in 2019, nor did the company receive any substantiated complaints concerning breaches of customer privacy in 2019.

Payment solutions – choosing reliable providers

Aspire Global's platform is integrated with some of the world's leading providers of payment solutions, such as Worldpay, Adyen and Paypal. Aspire is also integrated with Trustly, NETELLER, Skrill, Paysafecard, Giropay and Sofort, as well as bank transfer solutions and a number of credit and debit cards. This provides seamless and safe handling of payments into and out of the company. To further improve the customer experience, the platform offers automatic cashier optimization, express pay-outs and quick Know Your Customer (KYC) processes, where customers can upload their documents directly to the platform. When choosing payment solutions, reliability is key and the company aims for well-known, stable companies. In 2019, six new payment solution providers were integrated into the platform.

Crime prevention – high awareness and fast action

The company has a highly secure fraud prevention scheme with constant payment analysis. Fraud and risk management are handled according to an established and efficient protocol that includes four main processes.

1. Detection via automated rules within the management system
2. Investigation by Aspire Global's fraud section
3. Verification in conjunction with the pay-out section and customer service department
4. Actions and sanctions to quickly and accurately detect suspicious and fraudulent behavioral patterns

Following this protocol has resulted in significantly lower rates of chargebacks by fraudulent players, in 2019 as well as in previous years.

All (100%) of employees in the relevant departments have received training on crime prevention, including risks and protocol. These departments are Payments and Risk (PnR), Payments, Document Processing, Anti-Money Laundering and Responsible Gaming. In 2019, 29 cases were reviewed with police departments across the world.

Aspire is also committed to monitor suspicious activities that would not ordinarily be flagged in other reports. This is done by filing a dedicated Suspicious Activity Report (SAR). In 2019, Aspire filed around 20 SAR's on the basis of internal investigations.

RECRUITING AND RETAINING EMPLOYEES

Aspire Global is growing fast, which requires active recruitment and retention of talent in competition with other companies. The company has a diverse and uniquely competent workforce, indicating that professional qualities are not being compromised in favor of other factors such as cultural background, gender or physical disabilities. As for recruitment, Aspire Global has chosen a sustainable approach, where the unique selling point is a modern, flexible, stimulating and healthy working environment that enables a work-life balance.

A YOUNG AND FAST-GROWING ORGANIZATION

At the end of 2019, Aspire Global had 312 (179) employees based in six offices in Malta, Israel, Ukraine, Gibraltar, India and Bulgaria. The Maltese office with 136 employees mainly focuses on management, operations, payments and risk, marketing and CRM and product development, while most technology is based in Kiev, Ukraine with 48 employees at year-end. The office in Tel Aviv, Israel has 56 employees, focusing mainly on certain marketing support and frontend development services. In 2019, the game company Pariplay was acquired and integrated in the Group as a subsidiary. The team at Pariplay consists of 72 gaming experts, the majority of whom are based in Sofia, Bulgaria, where the main technology hub is located, in addition to the operations in Gibraltar, India and Israel.

Except for the employees at Pariplay, who focus solely on the production and aggregation of game content, the 240 employees at Aspire Global focus on the B2B offering, a full-service platform provided to operators, and the B2C offering, an iGaming experience targeting end-users, the players. In other words, the whole offering focuses on the platform, divided into three separate offerings: back end (operators), content (partnering operators and external operators) and front end (players).

The HR function at Aspire Global employs 7 (7) people and handles talent management, the corporate culture and working conditions, reporting to the management team. Aspire Global's CEO, together with the CFO Head of Responsible Gaming and Head of HR, is responsible for integrating a sustainability perspective in all aspects of HR. The Head of HR reports to the CEO.

Most of the work at Aspire Global is performed by the employees, but in specific areas the company uses external consultants, e.g., legal services, compliance or auditing. Specific third-party services related to the offering, such as payment solutions or affiliate services, are supplied by leading companies in each field. When it comes to office-related services, maintenance, supplies, etc., the company hires local firms.

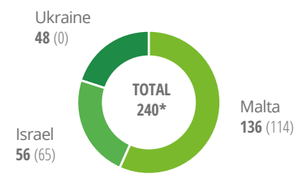
In 2019, Aspire Global worked more intensively to establish centralized HR structures. The aim is to connect the different sites, so that HR can support the company's rapid growth through shared practices, efficient talent sharing and centralized routines for review and training, not least for the new offices in Ukraine and Bulgaria.

Aspire Global is a member of the Maltese association HR Connect, created in 2018 for senior HR decision-makers in the gaming industry. Members regularly meet to learn, network and solve practical challenges. The association also acts as the industry's voice vis-à-vis the government, educational institutions and commercial entities on all employee-related matters.

312

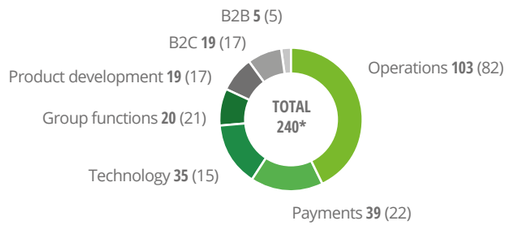
TOTAL NUMBER OF EMPLOYEES I ADSIRE GLOBAL GROUP INCLUDING 72 EMPLOYEES FROM PARIPLAY

Employees per office



* excl. Pariplay

Employees per function



* excl. Pariplay

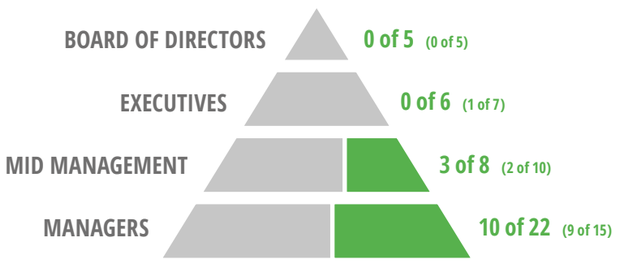
OFFERING ATTRACTIVE CAREER OPPORTUNITIES

Aspire Global offers attractive career opportunities in a sound working environment distinguished by diversity and gender equality, as well as a work-life balance. Providing exciting jobs with secure employment terms is essential to a sustainable business, and a key to continued growth.

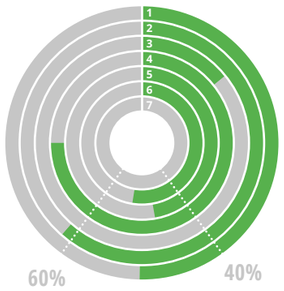
Aspire Global is growing fast, which requires active recruitment and retention of talent in competition with other companies in the gaming hub of Malta. Tel Aviv and Kiev are also hubs, but for tech, meaning that there are a lot of talented people with the right skills and many companies trying to recruit them, often with wages alone rather than a more sustainable focus on the company culture, working conditions and career opportunities. Aspire Global has chosen to target people who value a modern, flexible, stimulating and healthy working environment that enables a work-life balance. In a recent employee survey[1], conducted in 2020, seven out of ten would recommend Aspire Global as an employer.

In 2019, Aspire Global implemented a global HR management platform that helps fast-growing companies attract, stimulate and retain their people through data-driven HR tools. All employees of Aspire Global have access to the system. Furthermore, the HR team is connected to a global recruitment system that records and spreads information about open positions in the company.

SHARE OF WOMEN PER MANAGERIAL LEVEL



SHARE OF WOMEN PER FUNCTION



	Function	Men	Women	Total	Gender balance
1	Operations	51	52	103	✓
2	Payments	15	24	39	
3	Technology	30	5	35	
4	Group functions	5	15	20	
5	Product development	10	9	19	✓
6	B2C	9	10	19	✓
7	B2B	5	0	5	

1) Employee survey conducted in February. Response-rate 58%.

FOCUS AREAS AND PROGRESS IN 2019

In the area of recruiting and retaining talent, Aspire Global has chosen to focus on four topics that are of importance to existing and potential employees and where the company has a material impact: wages, education and training, career development, and diversity and equality. All four social topics are covered by the GRI framework. In 2019, a new office was established in Kiev with 48 employees and 72 employees from Pariplay joined the company following the acquisition of the company.

Fair compensation – Attract employees through high values and fair benefits that promote long-term engagement in the company
Aspire Global offers reasonably good wages, not the lowest nor the highest in the market, in addition to other values and forms of compensation that promote long-term engagement in the company. In this way, the company is able to attract people who are truly interested in Aspire Global and who appreciate the corporate values.

Education and training – Provide relevant and regular training for all employees based on individual career plans
Employees are offered ongoing training programs based on their personal needs and goals, including management training. Workshops are occasionally arranged on personal development themes, including business writing, multitasking and various soft skills. Aspire Global also encourages employees to share their individual talents and skills through internal activities and events. Aspire Global also works with an organizational consultant to strengthen management skills through one-on-one sessions. Some of the training in 2019 was in IT, administration, management skills and HR, held in Malta and Israel. As of 2020, Aspire Global intends to report the number of training hours per employee, to be presented in the Annual report for 2020.

48%

SHARE OF WOMEN OF TOTAL EMPLOYEES EXCL. PARIPLAY

Regular reviews – Enable a long-term career through mutual understanding and a clear road map
Every employee should be familiar with the corporate strategy and be able to see a clear connection between their own contribution and the overall performance for the company in relation to quantitative targets. Furthermore, all employee should have a clear and personal road map for potential career paths in the company. To ensure this, individual reviews are done twice a year, providing a basis for a personal development plan for logical reasoning, performance and professionalism, team and project performance, personal attributes and client relationship management. In 2019, like in 2018, 100% of employees received two reviews each and 14.5% of the employees (excl. Pariplay) were promoted. The CEO meets one-on-one with each of the employees once a year. According to the 2020 employee survey[1], seven out of ten employees are satisfied with the feedback on their work and feel that Aspire Global supports their professional development.

Equality – a diverse organization proving that professional qualities are valued fairly
Aspire Global is convinced that diversity on the one hand drives innovation, and on the other hand is an indicator of a well-functioning recruitment process where personal preferences, cultural background, gender or physical disabilities don't stand in the way of a professional judgment of the relevant qualifications. Against this backdrop, Aspire Global is proud to have employees from a range of nationalities, bringing together a variety of cultural backgrounds, perspectives and skills and reflecting the diversity of our players.

In 2019 end excluding Pariplay, women accounted for 48% (47) of the company's employees. According to the 2020 employee survey[1], eight out of ten employees agreed that the corporate culture actively supports equality and diversity and nine out of ten stated that men and women were offered equal career opportunities, which is indeed reflected in the gender balance in most departments, including the technology related departments, on various management levels and in terms of promotions. There are no women on the executive management team, but two women with key positions are members of the extended management team participating in the decision making. The gender distribution for promotions indicates that there will be better balance in the executive management team going forward. In addition, the CEO and sustainability committee are taking measures to create change, aiming for a 40/60 distribution on every management level, including promotions.

1) Employee survey conducted in February 2020. Response-rate 58%.

EMPLOYEE DATA

GROWTH AND RETENTION

TOTAL EMPLOYEES	2019	2018	Share of total 2019	Share of total 2018	Comment
Total employees	**312**	**179**			
Total employees excl. Pariplay	**240**	**179**			
Per office					
Malta	136	114	57%	64%	
Israel	56	65	23%	36%	
Ukraine	48	0	20%	0%	New office in Ukraine founded in 2019
Pariplay (Bulgaria, India, Gibraltar)	72	N/A	23%	-	
Per function, excl. Pariplay					
B2B	5	5	2%	3%	Sales and Account management
Group functions	20	21	8%	12%	incl. HR, Finance, Analysis and Regulation
B2C	19	17	8%	9%	Player acquisition
Operations	103	82	43%	46%	incl. Customer support, CRM and Sports
Payments	39	22	16%	12%	incl. AML, Compliance and Risk
Product development	19	17	8%	9%	incl. Product and Projects
Technology	35	15	15%	8%	incl. Development, IT and Security

RECRUITMENTS excl. Pariplay	2019	2018	Share of total 2019	Share of total 2018	Comment
Total new employees	**148**	**115**	**62%**	**64%**	
Per office					
Malta	92	97	62%	84%	Malta has the highest turnover
Israel	8	18	5%	16%	
Ukraine	48	0	32%	0%	New office in Ukraine founded in 2019
Per gender					
Male	71	70	48%	61%	Balance
Female	77	45	52%	39%	Balance

EMPLOYESS WHO LEFT THE COMPANY excl. Pariplay	2019	2018	Share of total 2019	Share of total 2018	Comment
Total employees who left the company	**87**	**87**	**49%**	**59%**	Mainly employees from customer support who moved from Malta
Per office					
Malta	56	73	64%	84%	Many emplooyees are temporary residents in Malta
Israel	12	14	14%	16%	
Ukraine	19	0	22%	0%	Contracts are extended on an annual basis
Per gender					
Male	43	46	49%	53%	Balance
Female	44	41	51%	47%	Balance

EMPLOYEE TURNOVER excl. Pariplay	2019	2018	Comment
Total turnover rate	**42%**	-	
Per office			
Malta	45%	-	Many emplooyees are temporary residents in Malta
Israel	20%	-	
Ukraine	N/A	-	Different model of employment
Per gender			
Male	40%	-	
Female	44%	-	

DIVERSITY

GENDER DIVERSITY excl. Pariplay	2019	2018	Share of total 2019	Share of total 2018	Progress toward 40/60	Comment
Share of women of total employees	**115**	**87**	**48%**	**49%**		Balance
Share of women per office						
Malta	68	58	28%	32%	▲	
Israel	22	29	9%	16%	▼	
Ukraine	25	0	10%	0%		No comparison
Share of women per managerial level						
Managent	10	9	45%	60%	▼	Actual increase, but larger group
Mid management	3	2	38%	20%	▲	Many promotions of female managers
Executives	0	0	0%	0%		
Board of directors	0	0	0%	0%		
Share of women per function						
B2B	0	2	0%	13%	▼	Inbalance
Group functions	15	14	75%	67%	▼	Inbalance
B2C	10	10	53%	59%		Balance
Operations	52	37	50%	51%		Balance
Payments	24	12	62%	55%	▲	Inbalance
Product development	9	9	47%	53%		Balance
Technology	5	3	14%	20%	▲	Inbalance

AGE DIVERSITY excl. Pariplay	2019	2018	Share of total 2019	Share of total 2018	Comment
Share of <30					
Managers	4	3	18%	20%	Actual increase, but larger group
Mid managers	0	0	0%	0%	
Excutive managers	0	0	0%	0%	
Board of directors	0	0	0%	0%	
Share of 30-50					
Managers	18	12	82%	80%	Inbalance
Mid managers	8	10	100%	100%	Inbalance
Excutive managers	6	7	100%	100%	Inbalance
Board of directors	3	3	60%	60%	Balance
Share of >50					
Managers	0	0	0%	0%	Inbalance
Mid managers	0	0	0%	0%	Inbalance
Excutive managers	0	0	0%	0%	Inbalance
Board of directors	2	2	40%	40%	Balance

OFFERING A SOUND WORKING ENVIRONMENT

Aspire Global offers a modern, flexible, stimulating and healthy working environment that enables a work-life balance. The corporate culture is warm, friendly and open-minded, free from formality and pretention.

Aspire Global offers a modern, flexible, stimulating and healthy working environment that enables a work-life balance. Seven out of ten employees find the working environment to be sound and healthy. The corporate culture is warm, friendly and open-minded, free from formality and pretention. There is no facetime culture. It's about working together, making things happen, getting the work done and doing the impossible. For this to happen and for people to feel that they can overcome any obstacles, conflicts and difficulties must be brought out into the open, even if they are sensitive. It is gratifying therefore that 84% of employees feel that they can freely express a dissenting opinion to their supervisor and that the company reacts swiftly and constructively to HR issues brought to its attention. In addition, there is a whistleblower function, enabling all employees to anonymously inform the CEO of worrying circumstances.

FOCUS AREAS AND PROGRESS IN 2019

Aspire Global has chosen to focus on three areas: employment terms and non-monetary benefits, work/life balance and anti-discrimination. Benefits are offered in accordance with the laws and standards of the various countries, but Aspire Global's aim is to implement the highest standards in the Group as a whole, so that structures and routines are streamlined and equally attractive in every office.

Terms and benefits – Working conditions that promote a sound health

Working conditions differ somewhat between the sites and include benefits such as private health insurance, frequent eye exams, subsidized transportation and meals, weekly breakfasts and yoga/pilates classes at the office, free gym classes and nutrition workshops. Major holidays are celebrated in the office, creating a personal and warm environment with cultural connections to the local communities. In a recent survey[1], the majority of the employees agreed that the non-monetary terms and benefits offered by the company were fair. Pragmatic solutions enable employees to work from home when needed, and when health requires employees are encouraged to take days off to get well. More than eight out of ten employees confirm that they are able to take days off work when their health requires.

Work/life balance – Enable a modern and equal family life alongside an attractive career

Aspire Global supports a good work/life balance. The working conditions enable employees to combine a top career with an active and equal family life thanks to flexible solutions and attractive benefits. Parental leave is offered in accordance with the laws and standards of each country: In Malta, parents are entitled to 18 weeks of fully paid leave (four and 14 weeks paid by the government and employer respectively), followed by four months of optional leave without payment. In Israel parents are entitled to 15 weeks of fully paid leave, followed by 11 weeks of optional leave without payment, which can be extended up to a year with the right to return to the same or similar position as before.

1) Employee survey conducted in February 2020. Response-rate 58%.

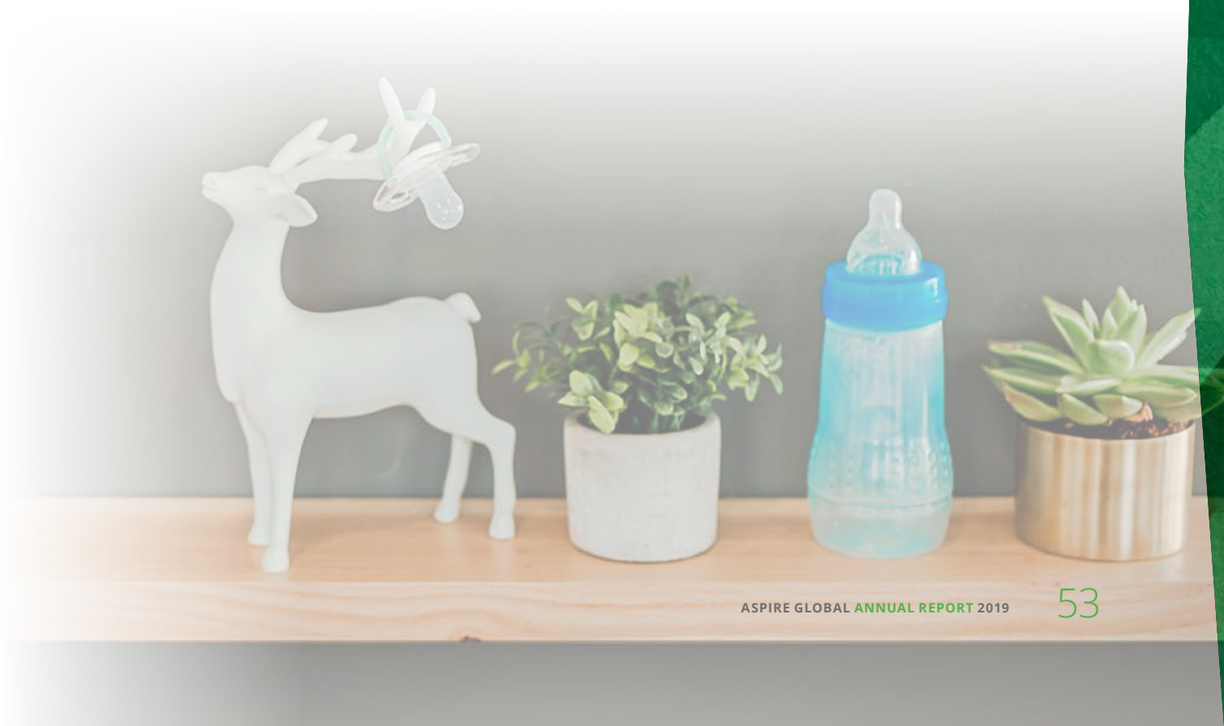
In Ukraine, parents are entitled to paid leave for a total of four months with the right to return to the same or similar position as before, two months of which before and two after giving birth. In 2019, eight employees took parental leave, all of which mothers, five in Israel and three in Malta. All eight returned, one of which after the year-end.

Zero tolerance for discrimination – Promoting a culture of trust

The company has zero tolerance for discrimination of any kind and acts firmly and swiftly to prevent all forms of sexual harassment or discrimination based on ethnic/cultural background, sexual preference, etc. Through the whistleblower function, employees can anonymously report incidents to the CEO and the HR function, who have clear routines for handling any irregularities. Seven out of ten employees feel comfortable in reporting matters to HR and that the company reacts swiftly and constructively to HR issues that are brought to its attention. Zero incidents were reported in 2019. Status of the incidents and actions taken with reference to Incident no longer subject to action.

	Group excl. Pariplay	Malta	Israel	[4]Ukraine
Employee benefits				
Life insurance	23%	0%	[1]100%	0%
Private health care	100%	100%	100%	[2]100%
Disability and invalidity coverage	23%	0%	100%	0%
Retirement provision	25%	[3]9%	100%	0%
Share options	38%	33%	83%	2%
Collective bargaining agreements	0%	0%	0%	0%
Contracts				
Permanent contracts	80%	100% (100)	100% (100)	[5]0% (-)
Full time contracts	96%	94% (97%)	96% (97%)	100% (-)

1) After 3 months of employment
2) After 3 months of employment
3) Executives and seniors
4) Office established in 2019
5) Mostly under Private Entrepreneur model



ATTRACTING AND RETAINING PARTNERS

Aspire Global provides a full-service solution for iGaming, while partners focus on the marketing of their brands. Although Aspire Global is usually the license holder when it comes to marketing, it is up to the operator to comply with regulations, so compliance is in the interest of both parties. Maintaining a close dialogue with our partners benefits responsible gaming, as it enables us to pinpoint and implement actions faster.

BETTER RESULT THROUGH SHARED INCENTIVES

As more markets become regulated and the process of complying with new requirements becomes more challenging for operators, financially as well as practically, the demand for Aspire Global's services and licenses intensifies. Having access to a licensed full-service platform enables operators to promote a safe and competitive iGaming experience under regulated conditions, at lower cost and risk, as Aspire Global is the formal license holder, managing all aspects except for marketing. Thus, it is in the interest of both parties that the marketing activities conducted by operators comply with marketing regulations and Aspire Global's standards. For the same reason, partnership is formed to optimize rather than maximize marketing, and the revenue model is based on shared incentives.

To ensure full compliance, the formal contract with partners includes references to the marketing policy based on Aspire Global's ethical framework. Naturally, as Aspire Global conducts its own B2C marketing, it adheres to the same principles. All 100% of partners have agreed to adhere to these principles. Upon launch, partners are regularly updated on the Aspire Global's rules, tools and strategies and an active exchange is promoted through regular meetings, workshops, case studies and newsletters. The in-house regulation and compliance team monitors operations, conducts training sessions and provides partners with marketing guidelines and the data analysis to support various initiatives.

There are two ways of evaluating whether the correct support has been provided on time: externally when there have been warnings or penalties, and internally through regular feedback from partners, e.g., through surveys. In the event that an operator doesn't comply with the ASGs standards, the partnership would have to be discontinued.

FOCUS AND PROGRESS IN 2019

In relations with partners Aspire Global focuses on offering a competitive full-service solution for responsible iGaming in a regulated environment, providing clear guidelines that enable partners to comply with legal requirements and corporate policies, as well as proactive training and relevant support when needed. All new partners in 2019 agreed to adhere with the marketing policy upon signing of agreement. In a survey[1] conducted in 2020, 83% of partners confirmed that they had access to the relevant support and resources to promote a responsible gaming in line with the policy. In the same survey[1], 89% felt they were up to date on current regulations and that they had received updates well in time to adjust the relevant activities.

1) Employee survey conducted in February 2020. Response-rate 41%.

CHOOSING RELIABLE SUPPLIERS

Aspire Global has a number of external suppliers of services and products related to the B2B and B2C offerings as well as the operations in general. Suppliers are required to adhere to regulations, corporate values and human rights, and Aspire Global continuously ensures compliance to protect other stakeholders that might be impacted.

A SUSTAINABLE SOURCING PROCESS

Aspire has a number of external suppliers that provide products or services related to various aspects of operations. It could relate to the offering, such as game content, payment solutions or digital campaigns, or it could relate to operations, such as office maintenance, server capacity or advisory. In either case, the sourcing of these services and products is regulated by various principles and requirements to protect the interests of the stakeholders in question, whether it is the environment, local communities, the gaming industry as a whole, individuals who are accidentally exposed to the offering, etc. Choosing reliable suppliers requires building and maintaining trust in the company – as a provider of safe entertainment, as a professional employer, as a sustainable investment and a reliable license holder.

Objective criteria such as quantitative key performance indicators (KPIs), transparent contractual conditions, long-term relationships over short-term cost savings, and regular evaluations based on measurable indicators and active dialogue are the four principles that ensure a sound and sustainable sourcing process. Suppliers pledge to abide by the contract and related policies, and in the event that Aspire Global becomes aware of any intentional breach of contract, the cooperation is immediately discontinued. It is up to each department to ensure that sourced products and services comply with the relevant frameworks.

FOCUS AND PROGRESS IN 2019

For more information on our focus and progress in each area, see the other sections of the sustainability report. For games, affiliate services, media space and payment solutions, see "Providing a safe user experience" on pages 40-45. For servers, office supplies and maintenance, see "Controlling our impact on the global and local society" on page 62. For advisory services, see "Offering investors a sustainable placement" on pages 58-59. The structure of the supply chain didn't change materially over the past year. The main changes were related to new offices that joined the Group, which added new supplier countries.

SUPPLY CATEGORY	PRODUCTS/ SERVICES	ASPECTS	FRAMEWORK	OTHER STAKE-HOLDERS	MAIN LOCATIONS OF SOURCE excl. Malta/Israel/ Ukraine
Content	Games	violence/drugs/porn/ monetary or children appeal	Ethical policy	Players/global society	Luxembourg, Cyprys
Marketing services	Affiliate/Media space	Public exposure/ porn/criminal net-works	Marketing policy	Players/global society	Dominica Gibraltar
Hard ware	Servers, computers	Energy efficiency/ reliability	Coming Environmen-tal policy	Global society	Locally
Processing service providers	Payment solutions	Reliability	Security policy	Players	UK, Netherlands, Luxembourg
Server hosting	Server capacity: Cloud + Physical	Energy efficiency/ reliability	Security policy and coming environmen-tal policy	Global society	Netherlands, Ireland
Office supplies	Paper/Disposables	Recycling/no plastics	Environmental policy	Global society	Locally
Office maintenance	Cleaning services	Working conditions	Human rights and local law	Local society	Locally
Advisory services	Technical/Legal/ Financial/PR/HR/ Sustainability/ Complience	Certification/exper-tise/sound business ethics	Corporate culture	Authorities/inves-tors/employees	At location of oper-ations

OFFERING INVESTORS A SUSTAINABLE PLACEMENT

Aspire Global offers a sustainable investment opportunity in the sense that the business model is ethically justifiable, operations are conducted in a responsible manner and solid long-term value is created with reasonable financial targets in the short to medium term. There is great potential for the companies that can turn regulatory challenges into attractive business opportunities by meeting the demand for a safe user experience.

STRIVE FAIR SHARE VALUE

Aspire Global strives for fair share value through transparency, predictability and accessibility. The Group's information must be correct, clear, factual, credible and timely, according to regulations and adjusted to demand. One of the challenges in the pursuit of sustainable operations and fair share value is getting all shareholders to understand the advantages of regulations and value the potential of a business model based on responsible gaming. Aspire Global is clearly focused on regulated markets. While some shareholders demand that their investment is not only ethically justifiable but attractive under the changing conditions, other shareholders maintain a more opportunistic investment philosophy. Financial reporting and communication routines and content are continuously improved based on feedback from the capital market, and the company identifies additional forums to meet potential and current investors such as capital markets days, digital communities and industry seminars.

Aspire Global is principally governed through the general meeting of shareholders and the Board of Directors, which is elected by the shareholders. The CEO reports directly to the Board, and the Board in turn reports to the shareholders through press releases, interim reports and investor meetings. Shareholders may exercise their influence and vote at the general meetings. The internal framework is based on the principles of control and accountability. This framework and the full corporate governance process, including responsibilities, evaluation and grievance mechanisms, are described in the corporate governance report on page 70-79.

FOCUS AND PROGRESS IN 2019

Offer a sustainable investment

Aspire Global's aim is to offer a sustainable investment opportunity. In 2019, the company took major steps to centralize monitoring and implementation of sustainability initiatives and to better reflect these aspects of the business in this sustainability report. A Board committee was established for a better overview and clear focus, and resources were allocated for a number of projects, mainly in responsible gaming, talent management, corporate governance and GRI-standards.

Create fair share value

Financial information should be clear, relevant and meet the rules and regulations for publicly listed companies. Aspire Global strives for transparency and reliability for the sake of better predictability, reflected in a fair share value. The company stays up to date on regulatory changes through a close dialogue with authorities and experts in legal, financial, communication and sustainability issues. In July 2019, the company expanded its corporate governance work to comply with the updated Swedish Corporate Governance Code (the "Code").

Deliver long-term return-on-investment (ROI)

Aspire Global's business model is focused on segments with long-term potential and the financial goals are aimed at sustainable and healthy growth with reasonable short- to medium-term targets. In 2019, the company reached the financial targets initially set out for 2020, and the new targets for 2021 are €200 million in revenues and €32 million in EBITDA, adjusted for increased gaming duties as some of Aspire Global's existing markets are expected to be regulated by 2021.

Reflect our market

The market for Aspire Global's offering is diverse when it comes to gender, ethnicity and age. To meet a variety of needs, the company needs employees, governance bodies and shareholders who reflect this diversity. When it comes to a diverse shareholder base, the company can only control this to a limited extent, but can for instance seek to attend targeted investor meeting or adjust communication to address investors who are less familiar with the gaming industry. Ethnic diversity and age are aspects that are well reflected at every level, including shareholders. When it comes to gender, diversity among executive managers, Board members is insufficient and the measures taken in 2019 were not strong enough to create a material change. This was despite that the organization as a whole is more equal as is the extended management team. The Board of directors including the CEO will take stronger measures over the coming year to achieve further improvements.

MAINTAINING GOOD RELATIONS WITH AUTHORITIES

The gaming industry is undergoing a transformation, with several markets currently being regulated. Structures are still emerging and gaming companies have an opportunity to influence future conditions together with authorities and various stakeholders, to the benefit of all parties involved.

COMPLIANCE AND DIALOGUE

Aspire Global has a clear focus on regulated markets, with 73% of revenues coming from taxed, regulated or soon to be regulated markets. Aspire Global is licensed and certified by a number of recognized organizations, including the UK Gambling Commission, Spelmyndigheten in Sweden, Danish Spillemyndigheden, Malta Gaming Authority and SRIJ in Portugal. Obtaining, retaining and renewing licenses is a constant challenge, requiring expertise and efficient routines for the quick adjustments to new or changing requirements. The platform is continuously updated with new features relating to regulation and compliance. The in-house regulation and compliance team monitors all operations, conducts ongoing training and provides partners with regulatory updates and marketing guidelines for their jurisdiction.

Regulated markets with functioning structures allow professional and responsible companies to compete fairly at the expense of less serious enterprises. For the system to function and canalize the vast share of the industry, the level of control and supervision has to be reasonable. Modest structures won't have any effect, while regulations that are too strict will lead to unfair competition and lower canalization. Structures are still emerging and it will take time to find a balance, but for those companies that are active, there are great opportunities to influence future conditions together with authorities and various stakeholders, to the benefit of all parties involved. Markets that are about to define their conditions look to more mature markets for good examples, and innovative solutions can quickly become best practices.

In relations with various authorities, three areas are material: tax payments, compliance and active dialogue. Sustainable market conditions benefit society as a whole, but in addition to the actual regulations, license fees, tax and gaming duties are a material source of government revenue, also benefiting people outside the gaming industry. Contributing financially to the markets where the company is active and generating profit is a key corporate principle, managed by the financial department together with the CEO, Board of Directors, Audit Committee and legal and accounting advisors. For more information on corporate tax principles and focus in 2019, see the section Local Social Responsibility.

Compliance issues are handled by the regulatory department, which supports all relevant departments with current updates, including technical adjustments of the platform, new marketing guidelines and stricter responsible gaming requirements. The ability to swiftly and correctly respond to new market conditions is essential for Aspire Global as the formal license holder, whether B2B or B2C. Non-compliance would generate a warning from the gaming authorities, followed by fines and, in the worst case, withdrawal of the license. Maintaining a dialogue with the gaming authorities enables the company to proactively implement upcoming changes, which is a competitive strength.

Exerting a positive influence is the privilege of companies that act professionally and responsibly with the market's best in mind. Proactive and innovative initiatives may become best practices as regulatory structures emerge in close collaboration with the industry as a whole. Aspire Global takes active part in various forums where authorities invite gaming companies to discuss current topics or mutual challenges. Gaming companies also have their own forums, where they are able to compare conditions in different jurisdictions, exchange knowledge and share mutual experiences, such as the iGaming European Network (IGEN), an association of leading iGaming companies based in Malta and operating in European and international markets.

FOCUS AND PROGRESS IN 2019

In December 2019, Aspire Global reached a settlement with the Israeli tax authority to pay €13.7 million in retroactive tax relating to the eleven fiscal years 2008-2018. The settlement relates to management and control jurisdiction, permanent establishment and transfer pricing among Group entities. No penalties were imposed as a result of the audit.

Aspire Global is currently involved in three pending procedures over alleged regulatory violations related to responsible gaming in Sweden. One warning has been imposed and three fines have been levied but are being appealed.

Aspire Global participated in four meetings held by the iGaming European Network (IGEN). An active dialogue was maintained with various authorities, including in Sweden as new regulations entered into force in early 2019, in Denmark when new marketing regulations entered into force, and in the UK when new registration routines were implemented. There has been a consensus among iGaming companies in Sweden that the regulatory framework is vaguely defined, leading gaming companies to request clearer guidelines and a proactive dialogue.

CONTROLLING OUR IMPACT ON THE LOCAL AND GLOBAL SOCIETY

Aspire Global has a social and environmental impact, locally and globally. Controlling this impact means being aware and minimizing any negative footprint from our operations, whether direct or indirect, and doing our best to contribute in a positive way where we are physically present and everywhere where there is an impact from the gaming industry as a whole. In terms of local impact, Aspire Global focuses on paying tax, providing job opportunities, contributing to a safer gaming market and participating in local charity initiatives.

LOCAL IMPACT – CONTRIBUTE TO COMMUNITIES WHERE WE OPERATE

Aspire Global has offices in Israel, Malta, Bulgaria, India, Bulgaria and Gibraltar. In these locations, Aspire Global provides job opportunities and pays various employer fees. Counting employees excl. Pariplay, 63% are hired locally, i.e. were permanent citizens in the country of the operations. Operations are conducted in several regulated and taxed markets, where the company pays gaming duties and other license fees. In addition, the company pays corporate taxes. Contributing financially to the markets where the company is active and generating a profit is a key corporate principle, managed by the financial department together with the CEO, Board of Directors, Audit Committee and legal and accounting advisors.

The company tries to minimize any negative impact it may have on the local community, such as mistargeted marketing that attracts the wrong audiences or the implications for families of players with a gaming addiction. Against this backdrop, Aspire Global has chosen to avoid advertising the B2C offering in public places such as billboards or the public transportation and is continuously improving its responsible gaming tools and routines.

In addition to the direct impact from its operations, Aspire Global is engaged in various local projects, social initiatives and environmental projects. Several times a year, employees volunteer for various charities to create awareness around the local community and people in need, including support for local NGOs and projects or donations of money, etc. Support was also provided to breast and prostate cancer charities through various company events.

Aspire Global is also a member of the iGaming European Network (iGEN), where 22 of Malta's top iGaming companies have joined forces to ensure that the island remains a competitive European iGaming hub.

73%

SHARE OF REVENUES FROM TAXED, LOCALLY REGULATED OR SOON TO BE LOCALLY REGULATED MARKETS

63%

SHARE OF TOTAL EMPLOYEES WHO ARE HIRED LOCALLY, I.E. PERMANENT CITIZENS IN THE COUNTRY OF THE OPERATIONS

FOCUS AREA AND INITIATIVES IN 2019

In terms of local impact, Aspire Global focuses on paying tax, providing job opportunities, contributing to a safer gaming market and participating in local charity initiatives.

Paying tax

Contribute to sustainable economies

Aspire Global is active in various countries and employs more than 300 people. Being an international company of significant size with geographic diversity comes with a number of responsibilities, one of which is to contribute to the communities where the company operates. Taxes are a direct and transparent way to contribute to societies by financing infrastructure, providing job opportunities, directly and indirectly, while stimulating sustainable economic growth and innovation.

Aspire Global Group contributes to society through corporate income taxes, gaming duties, employer taxes and indirect taxes (such as VAT), and as a global employer generating employee taxes for local governments. Managing tax issues properly and in line with the rules and regulations of the jurisdictions where the company is active is of great importance. While not driven by taxes, the potential impact of taxation is always considered when making major business decisions or changes to the business model.

Tax governance

The Board manages and supervises the affairs of the company in accordance with the Articles of Association and applicable laws and regulations, in particular the Malta Companies Act and the Swedish Corporate Governance Code. Through the Audit Committee, the Board has overall responsibility for the risk management process and risk governance. The Executive Management is responsible for identifying, assessing and managing risks within the Group, and taxes are a material aspect of operational risks.

Aspire Global is determined to fulfil its global tax obligations by remaining in full compliance with all local and international tax laws as well as OECD transfer pricing guidelines. Taxes are paid in accordance with local regulations in all the countries where the company operates. Tax risks are managed carefully, reported systematically and payments are made on time. The corporate tax framework ensures that tax aspects are considered throughout the operations. The principles and procedures include professional methods, key responsibilities and principle approach to stakeholders such as tax authorities.

Principles

The key principle is that taxes will be managed within the regulatory framework of the countries where operations are conducted, according to local laws. One of Aspire Global's purposes is to create maximum value for all stakeholders. In terms of taxes, this typically includes considering three cornerstones:

1. Act in line with the overall Group vision, values and strategy
2. Comply with relevant legislation, disclosure requirements and regulations
3. Protect Aspire Global's reputation and brand

By adhering to these principles and considering ethical aspects, Aspire Global, optimizes its long-term financial position, minimizes the risk of damaging the reputation, brand and relationships, and creates maximum long-term value for all stakeholders.

Risk management

Tax rules are not always clear, and legislation is often subject to interpretation and uncertainty. In cases when the impact on the Group is considered material and it is concluded that independent, objective expertise and assistance is required, written advice is requested from third-party advisors, while open and transparent discussions are conducted with the relevant authorities to support actions and decisions. For more information on risk management, please see the section on risk management in the corporate governance report.

Tax planning

Aspire Global aims to comply with tax laws in all territories where operations are conducted or customers are located. This principle is weighed against the obligation to shareholders to manage the Group's operations and cost base in a scalable manner, ensuring that the structure is efficient. Taxation of international digital businesses is complex and both national and international laws can rapidly change. To mitigate any risks and ensure full compliance, Aspire Global always seeks the advice of legal experts.

2019

In 2019, Aspire Global paid a total of €30.7 million (13.3), including €13.7 million in retroactive tax in Israel relating to the 11 fiscal years 2008-2018. Paid taxes include corporate tax, VAT, gaming duties and employment related taxes including social security taxes.

GLOBAL IMPACT – MINIMIZE ANY ENVIRONMENTAL IMPACT AND SET AN EXAMPLE FOR THE iGAMING INDUSTRY

Aspire Global has a minor but important global impact on the environment and all communities where there is a market for iGaming, whether regulated or not and whether Aspire Global operates there or not. Having a clear focus on regulated markets and contributing to a reformed gaming industry affects players everywhere in the long run. The regulation trend is spreading from market to market, turning best practices into common practice. As a member of iGEN, Aspire Global is one of 22 iGaming companies based in Malta, representing the industry in lobbying efforts vis-à-vis other European countries that are regulated or may regulate. Through regular meetings, six times a year, and close collaboration with the government, private entities and other key stakeholders, iGen is able to actively impact corporate conditions.

Aspire Global has limited environmental impact through its operations but tries to minimize what little impact there may be. The main areas are travel, office supplies and servers. Aspire Global tries to minimize the need for travel through video conferencing, to reduce CO2 emissions. When it comes to minimizing the impact from infrastructure and daily operations, energy-intensive servers are the main concern. Aspire Global owns and leases server space. The company currently has no corporate environmental policy but intends to implement one in 2020 including reporting of relevant GRI-disclosures.

GRI-INDEX

Disclosure		Page	Report	Section	Status	Omission/comment
General Standard Disclosures						
GRI 102: General Disclosures						
The organizational profile						
102-1	Name of the organization	84	MR	The Company	●	–
102-2	Activities, brands, products, and services	84-85	MR	Operations	●	–
102-3	Location of headquarters	84	MR	Introduction	●	–
102-4	Location of operations	84	MR	Introduction	●	–
102-5	Ownership and legal form	71	CGR	Shareholders	●	–
102-6	Markets served	84-85	MR	Operations	●	–
102-7	Scale of the organization	84-85	MR	Operations	●	–
102-8	Information on employees and other workers	84-85	MR	Operations	●	–
102-9	Supply chain	57	SR	A sustainable sourcing process	●	–
102-10	Significant changes to the organization and its supply chain	57	SR	A sustainable sourcing process	●	–
102-11	Precautionary Principle or approach	–	–	–	●	The company does not apply
102-12	External initiatives	33	SR	General principle	●	–
102-13	Membership of associations	63	SR	Local impact	●	–
Strategy						
102-14	Statement from senior decision-maker	34-35	SR	Statement from the Chairman	●	–
102-15	Key impacts, risks, and opportunities	80-83	RA	Risk factors	●	–
Ethics and integrity						
102-16	Values, principles, standards, and norms of behavior	39	SR	Key principles	To be reported for 2020	To be formalized in 2020
102-17	Mechanisms for advice and concerns about ethics and integrity	32-33	SR	Responsibilities	●	
Governance						
102-18	Governance structure	70	CGR	Governance structure	●	
102-19	Delegating authority	33	SR	Responsibilities	●	
102-20	Executive-level responsibility for economic, environmental, and social topics	33	SR	Responsibilities	●	
102-21	Consulting stakeholders on economic, environmental, and social topics	36-38	SR	Stakeholders and materilality	●	
102-22	Composition of the highest governance body and its committees	51,74,78,79	SR, CGR	Board committees, Board members	●	
102-23	Chair of the highest governance body	73, 78	CGR	The Chairman, The Board	●	
102-24	Nominating and selecting the highest governance body	72, 73	CGR	Nomination committee, Composition	●	
102-25	Conflict of interest	78[1]	CGR	The Board, other assignments	●	
102-26	Role of highest governance body in setting purpose, values, and strategy	73-74	CGR	Board meetings	●	
102-27	Collective knowledge of highest governance body	66[2]	SR	GRI-index	●	

1) Enclosed in the "Director service agreement"

2) Workshop with GRI-certified advisor, attended the Sustainbililty Gambling Conference 2019, Met with stakeholder representatives.

MR = Management report

SR = Sustainability report

CGR = Corporate governance report

FS = Financial statements

RA = Risk assessment

● = Reported for 2019

Disclosure		Page	Report	Section	Status	Omission/comment
102-28	Evaluating the highest governance body's performance	74	CGR	Evaluation of the Board and CEO	●	
102-29	Identifying and managing economic, environmental, and social impacts	33,38	SR	Responsibilities, Stakeholders and materilality	●	
102-30	Effectiveness of risk management processes	77[1]	CGR	Risk assessment	●	
102-31	Review of economic, environmental, and social topics	33	SR	Responsibilities	●	
102-32	Highest governance body's role in sustainability reporting	33	SR	About the report	●	
102-33	Communicating critical concerns	–	–	–	To be reported for 2020	Process to be formalized in 2020
102-34	Nature and total number of critical concerns	–	–	–	To be reported for 2020	Process to be formalized in 2020
102-35	Remuneration policies	74-76	CGR	Remuneration	●	
102-36	Process for determining remuneration	74-75	CGR	Remuneration	●	
102-37	Stakeholders' involvement in remuneration	71	CGR	Division of authority	●	
102-38	Annual total compensation ratio	–	–	–	To be reported for 2020	To be formalized in 2020
102-39	Percentage increase in annual total compensation ratio	–	–	–	To be reported for 2020	To be formalized in 2020
Stakeholder engagement						
102-40	List of stakeholder groups	37	SR	Stakeholders and materilality	●	
102-41	Collective bargaining agreements	52-53	SR	Offering a sound working environment	●	
102-42	Identifying and selecting stakeholders	38	SR	Stakeholders and materilality	●	
102-43	Approach to stakeholder engagement	37-38	SR	Stakeholders and materilality	●	
102-44	Key topics and concerns raised	–	–	–	To be reported for 2020	To be formalized in 2020
102-45	Entities included in the consolidated financial statements	106	FS	Consolidated financial statements	●	
Reporting practice						
102-46	Defining report content and topic Boundaries	37-38	SR	Stakeholders and materiality	●	
102-47	List of material topics	38	SR	Key principles	●	
102-48	Restatements of information	–	–	–	To be reported for 2020	Not applicable as this is the first report
102-49	Changes in reporting	–	–	–	To be reported for 2020	Not applicable as this is the first report
102-50	Reporting period	33	SR	About this report	●	
102-51	Date of most recent report	33	SR	About this report	●	
102-52	Reporting cycle	33	SR	About this report	●	
102-53	Contact point for questions regarding the report	33	SR	About this report	●	
102-54	Claims of reporting in accordance with the GRI Standards	33	SR	About this report	●	
102-55	GRI content index	66-69	SR	GRI-index	●	
102-56	External assurance	33	SR	About this report	●	

1) Sustainability risks are integrated in all other risk factors

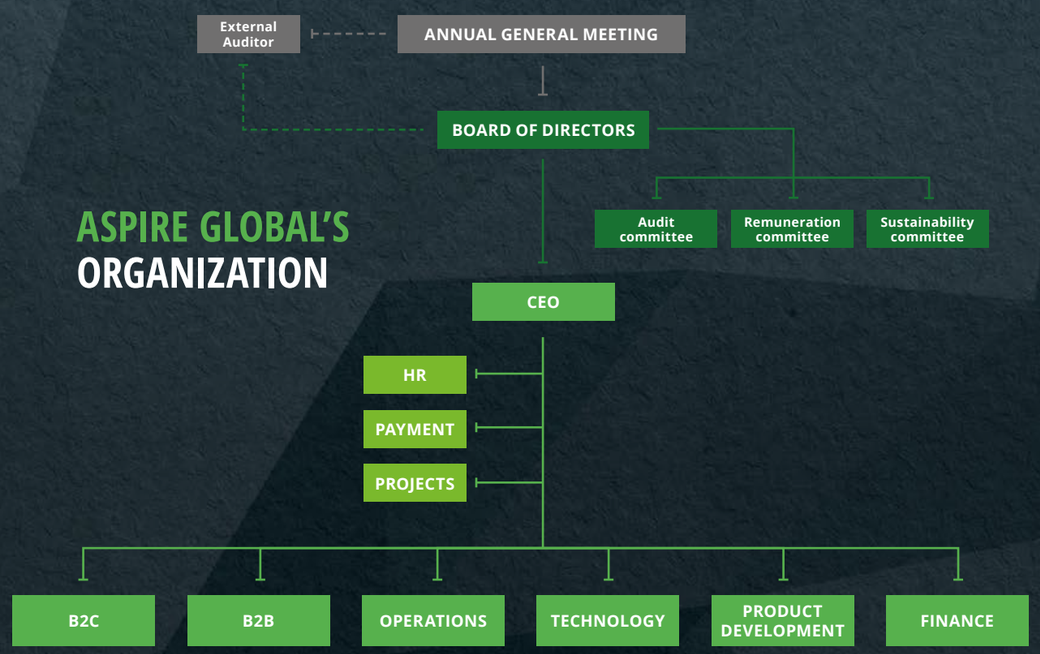
Disclosure		Page	Report	Section	Status	Omission/comment
Economic						
GRI 207: Tax						
207-1	Approach to tax	64	SR	Paying tax,	●	
207-2	Tax governance, control, and risk management	64, 80	SR, FS	Paying tax, Risk factors and mitigation	●	
207-3	Stakeholder engagement and management of concerns related to tax	61	SR	Compliance and dialogue	●	
207-4	Country-by-country reporting	–	–	–	To be reported for 2020	To be formalized in 2020
Environmental						
Management approach						
103-1	Explanation of the material topic and its Boundary	57, 65	SR	A sustainable sourcing process, Global impact	●	
103-2	The management approach and its components	57, 65	SR	A sustainable sourcing process, Global impact	●	
103-3	Evaluation of the management approach	57, 65	SR	A sustainable sourcing process, Global impact	●	
GRI 308: Supplier Environmental Assessment						
308-1	New suppliers that were screened using environmental criteria	57	SR	A sustainable sourcing process	To be reported for 2020	
308-2	Negative environmental impacts in the supply chain and actions taken	57	SR	A sustainable sourcing process	To be reported for 2020	
Social						
PEOPLE						
Management approach						
103-1	Explanation of the material topic and its Boundary	46-49, 52-53	SR	Recruiting and retaining employees	●	
103-2	The management approach and its components	46-49, 52-53	SR	Recruiting and retaining employees	●	
103-3	Evaluation of the management approach				●	
GRI 401: Employment						
401-1	New employee hires and employee turnover	50-51	SR	Growth and retention	●	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52-53	SR	Offering a sound working environment	●	
401-3	Parental leave	52-53	SR	Offering a sound working environment	To be reported for 2020	Information unavailable for 401-3 as this is the first report
GRI 404: Training and Education						
404-1	Average hours of training per year per employee	48-49	SR	Offering attractive career opportunities	To be reported for 2020	Information unavailable for 207-4 due to lack of specific data
404-2	Programs for upgrading employee skills and transition	48-49	SR	Offering attractive career opportunities	●	
404-3	Percentage of employees receiving regular performance and career development reviews	49	SR	Offering attractive career opportunities	●	

Disclosure		Page	Report	Section	Status	Omission/comment
GRI 405: Diversity and Equal Opportunity						
405-1	Diversity of governance bodies and employees	48-51	SR	Offering attractive career opportunities	●	
405-2	Ratio of basic salary and remuneration of women to men	–	–	–	To be reported for 2020	To be formalized in 2020
GRI 406: Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	53	SR	Offering a sound working environment	●	
PRODUCTS						
Management approach						
103-1	Explanation of the material topic and its Boundary	41-45	SR	Provide a safe user experience for players	●	
103-2	The management approach and its components	41-45	SR	Provide a safe user experience for players	●	
103-3	Evaluation of the management approach	41-45	SR	Provide a safe user experience for players	●	
GRI 416: Customer Health and Safety						
416-1	Assessment of the health and safety impacts of product and service categories	42-43	SR	Provide a safe user experience for players	●	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	42	SR	Provide a safe user experience for players	●	
GRI 417: Marketing and Labeling						
417-1	Requirements for product and service information and labeling	41-45	SR	Provide a safe user experience for players	●	Only 417-1a-3 & 417-1b are applicable
417-2	Incidents of non-compliance concerning product and service information and labeling	42	SR	Provide a safe user experience for players	●	
417-3	Incidents of non-compliance concerning marketing communications	43	SR	Provide a safe user experience for players	●	
GRI 418: Customer Privacy						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	45	SR	Provide a safe user experience for players	●	
GRI 419: Socioeconomic Compliance						
419-1	Non-compliance with laws and regulations in the social and economic area	61	SR	Compliance and dialogue	●	

CORPORATE GOVERNANCE REPORT

Aspire Global recognizes the importance and value of good corporate governance as a tool to ensure that the company is run sustainably, responsibly and as efficiently as possible. Good corporate governance is at the heart of the long-term sustainable success of the company and its ability to create value for its shareholders, employees, customers and the society at large.

ASPIRE GLOBAL'S ORGANIZATION



OVERVIEW AND REGULATORY FRAMEWORK

Aspire Global Plc ("Aspire Global" or the "company") is listed on Nasdaq First North Growth Market Sweden since July 11th 2017, with its registered office and headquarters in Malta. Aspire Global complies with the corporate governance requirements for companies listed on Nasdaq First North Growth Market Sweden, as well as for Maltese public companies. As of July 1st 2019, the company started to apply the Swedish Corporate Governance Code (the "Code"). Furthermore, the company has a solid internal corporate governance framework that is built around the principles of sustainability, control and accountability. The principal sources of corporate governance rules applied by the company are the Maltese Companies Act (the "Companies Act"), the Code, the memorandum and articles of association of the company, Nasdaq First North Growth Market – Rulebook, the Market Abuse Regulation and the company's internal rules and guidelines, in particular the Charter of the Board, Working Procedures of the Board, CEO Instructions, the company's Risk Management Policy, Insider Policy and Information Policy. Prior to listing on First North Growth Market Sweden, the company's corporate governance has been based upon the laws of Gibraltar, and following re-domiciliation to Malta in May 2017, upon Maltese law and applicable EU regulations.

This summary is not, and does not purport to furnish, a comprehensive outline of all the applicable laws and internal rules and guidelines and is intended to briefly sum up the most relevant aspects of corporate governance of Aspire Global. In this context, it should be read subject to the detailed provisions of the Companies Act, company's memorandum and articles of association and other laws and regulations applicable to the company.

Articles of Association

The articles of association of Aspire Global, adopted by the shareholders of the company on May 31st 2017, contain regulations for the management of the affairs of the company and the conduct of its business and serve as an important tool to supplement the statutory corporate governance provisions. The articles of association are available in their entirety at the company's website (www.aspireglobal.com/corporate-governance).

Division of Authority

Aspire Global acts through two principal organs: the general meeting of shareholders and the Board of Directors (the "Board"). The shareholders of the company exercise their influence through electing the Board and voting on the matters which affect the company and its operations during the company's general meetings. As a general principle, the Board is vested with all the powers of the company that are not reserved to the shareholders' general meeting under the Companies Act or the memorandum or articles of association of the company.

Some of the most significant powers reserved to the general meeting of shareholders are the power to appoint and remove board members, to alter the memorandum and articles of association, to increase and reduce share capital, to approve annual financial statements, to declare dividends (not exceeding the amount recommended by the Board), to amalgamate or divide the company, and the power to appoint and remove auditors. Shareholders of the company exercise their powers at a general meeting of shareholders where they are called to vote on matters requiring their consent, in accordance with the memorandum and articles of association and the Companies Act.

SHAREHOLDERS

Shareholders' meetings

Shareholders' influence in the company is exercised at the shareholders' meeting, where the shareholders decide on matters which fall within their competence. The shareholders' meetings are planned and conducted in such a way to provide conditions in which shareholders can exercise their ownership role in an active, well-informed manner. The shareholders' meetings may be of two kinds: annual general meetings and extraordinary general meetings. Aspire Global must hold an annual general meeting once every year, within six months of the end of each financial year, and not later than fifteen months after the previous meeting. All other general meetings are extraordinary general meetings.

In accordance with the articles of association of the company and subject to the conditions stated in the articles, each shareholder enjoys a number of rights in connection with general meetings, including the right to participate in the shareholders' meeting and to vote according to the number of shares owned, the right to receive a notice of a general meeting, and the right to demand a poll at the meeting. Shareholders may exercise their rights at the general meetings by proxy. Furthermore, each shareholder is entitled to have a resolution put before a general meeting, provided that the Board has received such request at least seven weeks prior to the distribution of the notice convening an annual general meeting, or four weeks prior to the distribution of the notice convening an extraordinary general meeting. In addition, shareholder(s) holding not less than 10% of the issued share capital of the company have the right to request an extraordinary general meeting to be held.

Decisions at the general meetings of the company are normally taken by the shareholders by a simple majority of votes, with each share giving a shareholder the right to one vote at any general meeting. However, certain decisions prescribed under the Companies Act and the memorandum and articles of association of the company require higher voting thresholds.

Shareholder structure
At year-end 2019, Aspire Global had 2,900 shareholders, holding in total 46,420,277 shares. The largest shareholders were Barak Matalon with 26.0% of the issued share capital, Pinhas Zahavi with 16.2%, Elyahu Azur with 16.2%, Aharon (Rony) Aran with 6.5%, and Swedbank Robur Ny Teknik BTI with 5.3% of the issued share capital. The ten largest shareholders held an aggregate of 82.1% of total number of issued shares at the end of 2019. Further details about the company's largest shareholders and ownership structure may be found on the page 115 of the report.

2019 Annual General Meeting
The 2019 Annual General Meeting was held on May 14th 2019. At the meeting, shareholders representing 46.5% of share capital and votes were present. Carl Klingberg, chairman of the Board, assumed the function of the chairman of the meeting. In summary, the resolutions adopted by the general meeting of the shareholders included:

- approval of the financial statements of the company and the consolidated financial statements of the Group, including the director's report and the auditors' report, for the financial year ending December 31st 2018;
- approval of the dividend distribution of SEK 1.27 per share for the financial year ending December 31st 2018, in accordance with the consolidated financial statements of the company and the recommendation as set forth in the 2018 Annual Report;
- discharge to the members of the Board and the CEO from liability for their administration of the company during the year 2018, to the extent permissible by the applicable law;
- resolution that the Board shall be composed of five members and to re-elect Carl Klingberg, Fredrik Burvall, Tsachi Maimon, Barak Matalon and Aharon Aran as Board members for the period until the end of the next Annual General Meeting. Carl Klingberg has been re-elected as Chairman of the Board;
- resolution that the aggregate amount for one year payable to the Board members (excluding fees payable to Tsachi Maimon for his duties as CEO of the company) for carrying out their duties shall not exceed €300 thousand, while the aggregate amount for one year payable to Tsachi Maimon for his duties as CEO of the company shall not exceed €550 thousand (base salary and variable remuneration). The auditors' fees shall be payable in accordance with the approved invoices; and resolution to re-elect BDO as the company's auditors.

2020 Annual General Meeting
The forthcoming annual general meeting of Aspire Global will be held on Wednesday May 6th 2020 at the Group's main office in Malta. The date for the annual general meeting was published on the corporate website in conjunction with the interim report for the third quarter, although not including location for the meeting and information on the latest date for shareholders to include a topic in the agenda for the AGM. This was a deviation from the Code, §1.1. Shareholders who would like to attend the annual general meeting must be entered as shareholders in the register of shareholders maintained by Euroclear Sweden on April 29th 2020 (the record date) and must notify the company of their intention to attend. This must be done in writing no later than May 4th 2020, by emailing agm@aspireglobal.com in accordance with the notice of the annual general meeting.

Shareholders may attend the general meeting in person or by appointing a proxy and may be accompanied by up to two advisors. Due to the circumstances with Covid-19, shareholders are strongly encouraged to observe governments' and public health authorities' advice and guidelines before deciding whether to attend the meeting in person. Instead, shareholders are encouraged to use their right to appoint the Chairman of the AGM, or any other person, as their proxy to attend the meeting and vote on their behalf. We look forward to engaging with our shareholders in person as soon as the circumstances allow it.

Notice of the 2020 annual general meeting, forms for appointing a proxy and further information about the meeting is published on the company's website (www.aspireglobal.com/investors) no later than four (4) weeks ahead of the meeting. The annual general meeting will be also announced in the national business Newspaper Dagens Industri.

Nomination Committee
According to the Code, a company shall have a Nomination committee and every year, the Board shall perform a systematic and structured evaluation of its work and present it to the Nomination Committee. On this point, the company deviates from the rules of the Code. Considering the company's shareholding structure and size of the company, the company's largest shareholders were of the view that it is not necessary to establish a nomination committee and that a direct nomination of persons for appointment as Board members is better suited in the company's circumstances. As the company grows and the shareholder base of the company evolves, the company may reconsider whether establishing a nomination committee would be beneficial.

Shareholders of the company may, in accordance with the articles of association of the company, directly nominate a person to be elected as a Board member by submitting a notice in writing signed by a shareholder qualified to attend and vote at the general meeting for which such notice is given, expressing his intention to propose a person for election, together with a notice in writing signed by the person proposed to be elected indicating his or her willingness to be elected. Such notices need to be provided not less than seven and not more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the general meeting and must be sent to the registered office of the company. Members of the Board are appointed at the general meeting of the company by means of an ordinary resolution. The process of appointment and removal of Board members is conducted in terms of the memorandum and articles of association of the company and the Companies Act.

BOARD OF DIRECTORS
The Board is ultimately responsible for the general governance of the company, its proper administration and management and general supervision of its affairs. Some of the purposes of the Board are to enhance the corporate value of the company, promote the well-being of the company, and serve the legitimate interests of the company including matters of sustainability. The Board determines the strategy, targets and fundamental management policies, and supervises the affairs of the company. The Board is continuously overseeing the performance of the duties of the CEO and executive management and evaluating Aspire Global's financial position and results. Furthermore, the Board ensures that the company has appropriate policies and procedures in place that aim to attain that the company, its management and employees adhere to the highest standards of corporate conduct and comply with the applicable laws, regulations and ethical standards. Board members are accountable for their performance to the shareholders of Aspire Global.

Composition of the Board
In accordance with the memorandum and articles of association of the company, the Board consists of not less than three and not more than ten members. The members of the Board are appointed by the annual general meeting of the company for the period until the conclusion of the following annual general meeting, after which they are eligible for re-election. The shareholders of Aspire Global may, by means of an ordinary resolution, remove any Board member from the office. The process of appointment and removal of Board members is conducted in terms of the memorandum and articles of association of the company and the Companies Act.

At the annual general meeting of the company held on May 14th 2019, the shareholders have re-elected Tsachi Maimon, Barak Matalon, Fredrik Burvall and Aharon Aran as Board members. Carl Klingberg has been re-elected as Board member and Chairman of the Board for another year. Three board members are independent of the company and executive management and three are independent of the company's principal shareholders. More information about the members of the Board is presented in the annual report on page 78 and on the company's website (www.aspireglobal.com/investors).

Chairman of the Board
The chairman of the Board is responsible for organizing and leading the work of the Board, presiding over the meetings of the Board and ensuring that the Board operates in an organized and efficient manner and fulfils its legal obligations. In consultation with the CEO and other Board members, chairman is responsible for drawing up proposed agendas for Board's meetings and ensures that the Board receives sufficient information and documentation to enable it to conduct its work. The chairman is elected by the shareholders of the company and holds office no longer than until the end of the next annual general meeting. Carl Klingberg has been re-elected as chairman of the Board at the annual general meeting of the company held on May 14th 2019.

Board Meetings
The work of the Board is organized in accordance with the rules set under the Swedish Corporate Governance Code, the Companies Act and the company's articles of association. Additionally, the Board has adopted the Charter of the Board, setting out (among other things) rules of procedure regulating the ordinary and special Board meetings, matters to be addressed at each meeting, frequency of Board meetings, duties of the Chairman and the members of the Board and instructions for the CEO. All Board meetings follow an agenda which, together with other materials which may be prepared for a meeting, are distributed to the Board members and other invitees (if any) prior to the Board meetings. The work of the Board is organized in such manner to ensure that all matters requiring Board's attention are addressed at the meetings and that the Board receives all relevant information. Chairman of the Board leads the meetings and supervises the work of the Board.

During 2019, the Board of the company held 19 Board meetings, of which seven were resolutions in writing adopted by the Board. In addition to the Board members, the Board meetings were regularly attended by a secretary and the chief financial officer (CFO) of the company. The Board from time to time invited other persons to deliver presentations or participate in discussions on certain topics, when such persons had the required expertise to make a valuable contribution to the Board's work.

The Board meetings are regularly convened to manage and oversee the company's business, set the overall goals and strategy of the company, continuously monitor the financial performance, major developments and the company's key performance indicators. The company's interim reports are reviewed and approved quarterly, while the annual report, the budget and the yearly business plan are considered and approved at Board meetings convened for this purpose each year. The Board members regularly discuss the strategic initiatives to ensure the long-term sustainable growth of the company, which includes consideration of the initiatives to improve the company's offering, assessment of potential acquisitions and other investment opportunities, as well as strategic partnerships and other major projects of the company.

Most important developments within the company and the industry are regularly discussed at the Board meetings, including matters such as consideration of regulatory developments and the company's compliance with the

applicable regulations, evaluating possibilities of expanding customer base, consideration of sustainability initiatives, risk assessment, consideration of the company's financing arrangements, and review of existing and evaluating entry into new markets. The work of the CEO and the company's management team is regularly evaluated at the Board meetings and guidelines are regularly adopted for strategic matters requiring Board's approval. The Board also administered the company's option plans (see further information on page 76 of the annual report).

EVALUATION OF THE BOARD AND THE CEO

The work of the Board is evaluated annually through a web-based tool that is designed by an external party. The aim of the evaluation is to identify potential improvement related to working methods and efficiency. The results of the evaluation in 2019 were analyzed by the board together with an external advisor.

The Board continuously evaluates the work of the CEO, including at least once a year without his presence, according to the Code. The CEO is also formally evaluated once a year by the Company's Remuneration Committee, on behalf of the Board. The evaluation is carried out through the review of the CEO's performance during the previous year in light of the predetermined performance criteria. No member of the executive management is present during this evaluation process.

BOARD COMMITTEES

The Board is empowered through the articles of association of the Company to delegate any of its powers, authorities or discretions to any committee or committees as it thinks fit. In accordance with such authority, the Board has established three committees: the Audit Committee (established in February 2019), the Sustainability Committee (established in September 2019) and Remuneration Committee (established in February 2018). The Board has defined the responsibilities and objectives of each of the Board committees and each committee reports to the Board on the matters discussed and resolved at the committee meetings.

Audit Committee

The Audit Committee is responsible for supporting the Board in matters relating to financial reporting, auditing and risk management, including reviewing and monitoring the integrity of the company's financial statements and the effectiveness of the company's internal controls. The Audit Committee consists of non-executive board members who are appointed by and are responsible to the Board for carrying out their duties. The members of the Audit Committee are Fredrik Burvall (auditing experience) and Aharon Aran. During 2019, the members of the Audit Committee held two meetings and both members of the committee attended all meetings.

Sustainability Committee

The role of the Sustainability Committee is to assist the Board with overseeing the development and implementation of Aspire Global's strategy and policies on sustainability and to enhance the sustainability practices of the company, primarily in the areas of responsible gaming, social responsibility, environment, diversity, health, safety and community relations including reporting of progress. The members of the Company's Sustainability Committee are Carl Klingberg, Tsachi Maimon, Fredrik Burvall and Motti Gil. The Sustainability Committee held four meetings during 2019 and all committee members attended all the meetings. Among the main tasks in 2019, was the implementation of GRI-guidelines in the Sustainability report.

Remuneration Committee

The Remuneration Committee is responsible for reviewing the performance of the CEO and the management team, setting the performance targets, and determining the structure and amount of the CEO's base and variable remuneration, always within the limits approved by the shareholders of the Company. Proposals of the Remuneration Committee are presented to and approved by the Board. Members of the Remuneration Committee are Barak Matalon, who is the chairman of the committee, and Carl Klingberg. Other non-executive Board members have from time to time joined the committee's meetings to participate in the discussion. The Remuneration Committee held two meetings during 2019 and both committee members were present at all the meetings of the committee.

BOARD OF DIRECTORS

Name	Position	Member since	Independent of the company and executive management	Independent of the company's principal shareholders	Meeting attendance during 2019
Carl Klingberg	Chairman	2017	Yes	Yes	18/19
Fredrik Burvall	Board member	2017	Yes	Yes	19/19
Tsachi Maimon	Board member	2015	No	Yes	18/19
Barak Matalon	Board member	2005	No	No	19/19
Aharon Aran	Board member	2018	Yes	No	18/19

CEO AND MANAGEMENT

The chief executive officer (CEO) of Aspire Global is primarily responsible for the company's day-to-day management and reports to the Board. The CEO is responsible for leading, organizing and developing the business of the company in such ways that the strategic targets set by the Board are achieved and that the value of the company and the brands of Aspire Global are enhanced. The CEO must prepare and present issues that are outside the scope of day-to-day management to the Board and the Board may instruct the CEO on how certain matters are to be handled or decided. The division of responsibilities between the Board and the CEO is primarily set out in the Charter of the Board and the Instructions for the CEO adopted by the Board.

The CEO is required to keep the Board and the Chairman informed of the company's performance, financial position and important developments. The CEO is also responsible to prepare proposals of budgets, business plans, financial reports and is generally responsible to prepare materials for the Board meetings which are required for the Board to take decisions on matters falling within its remit.

The company's CEO heads and is leading the work of the management team, currently consisting of six members: namely, the CEO, Chief Financial Officer (CFO), VP Sales, Chief Operating Officer (COO), Head of B2C and VP of Karamba and VP Product. The CEO and management of Aspire Global are presented in the annual report on page 79 and the company's website (www.aspireglobal.com/investors).

REMUNERATION AND INCENTIVE PROGRAMS

Board Remuneration

The ordinary remuneration of the Board is in accordance with the articles of association of the company determined by the Board, provided that such remuneration does not exceed an aggregate amount per year as may be determined by an ordinary resolution of the shareholders. The remuneration of the Board can be divided among the Board members as they may agree, unless specified by an ordinary resolution by the shareholders.

The articles of association of the company further stipulate that any Board member who holds any executive office (including for this purpose the office of chairman or deputy chairman, whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Board member, may be paid such extra remuneration or may receive such other benefits as the Board may determine.

At the Annual General Meeting held on May 14th 2019, the shareholders resolved that the aggregate amount for one year payable to the Board members (excluding fees payable to Tsachi Maimon for his duties as CEO of the company) for carrying out their duties shall not exceed €300 thousand. Within the aggregate amount set by the shareholders of the Company, the remuneration of the Board members has been determined as follows:

- the Chairman of the Board is entitled to receive a payment in the gross amount (excluding social charges) of SEK 755 thousand annually in consideration for performing his duties for board work and consultancy services; and
- other board member, Fredrik Burvall, is entitled to receive a payment in the gross amount (excluding social charges) of SEK 485 thousand annually in consideration for performing his duties for board work and consultancy services.

CEO and Management Remuneration

Remuneration of the CEO and other senior executives consists of market-based salary, variable remuneration (mostly in the form of performance bonuses), customary fringe benefits and other benefits and pension, as well share options for some executives. The balance between fixed and variable remuneration is generally proportionate to the executive's responsibilities, seniority and authority.

In 2019, the CEO was entitled to a gross monthly remuneration of €22 thousand. The CEO is also entitled to a variable remuneration consisting of an annual performance bonus, which is linked to predetermined and measurable performance criteria aimed at promoting the company's long-term value creation. Having reviewed the performance of the company and the CEO during 2019 and considering the predetermined performance criteria, the Remuneration Committee proposed the payment of performance bonus of €174 thousand (gross) to the CEO of the Company. The CEO was also eligible for other benefits amounting to approximately €55 thousand. The Remuneration Committee reviewed the performance of the CEO of the company and discussed bonus payment for the year 2019 during the meeting of the committee held in February 2020.

All other senior executives of Aspire Global have a monthly aggregate gross salary amounting to €74 thousand and are entitled to a variable remuneration on a quarterly and annual basis. Actual levels of remuneration are generally determined by the company based on factors such as expertise, experience and performance.

Incentive Programs – Share Option Schemes

Aspire Global has three separate share incentive programs: one program for certain key employees introduced in 2007 ("Share Options Scheme 2007"), one program for the Board introduced in 2017 ("Board Scheme"), and one program for certain key employees (which includes the CEO and CFO) introduced in 2017 ("Share Options Scheme 2017"). The

incentive programs have been designed with the aim of achieving increased alignment between the interests of the participating individuals and the Company's shareholders. If all options under the three incentive programs which have not been already exercised ("Outstanding Options") by the option holders are granted to the eligible persons and exercised, the share capital of the company would increase by 1,184,881 shares.

Share Option Scheme 2007

According to the Share Options Scheme 2007, various employees are entitled to buy a total of 2,582,000 shares in Aspire Global at a price of €0.50 per share (which is equal to €2 per share prior to the re-denomination of the nominal value of ordinary shares of the company from £0.01 per share to £.0025 per share, effected on June 9th 2017). During 2019, the employees of the company have, after duly exercising their options, acquired 1,274,754 newly issued ordinary shares in the company under the Share Option Scheme 2007. If all Outstanding Options under the Share Options Scheme 2007 are granted to the eligible persons and exercised, the issued and outstanding share capital of the company would increase by 220,276 shares.

Board Scheme

Aspire Global has introduced a share-based incentive scheme for the Board, which has been approved by the shareholders of the company during the Extraordinary General Meeting held on June 21st 2017. The Board Scheme has been designed to promote the company's long-term interests by motivating and rewarding the Board members through share options. In accordance with the Board Scheme, the company may issue 200,000 authorised, but not yet issued shares. Carl Klingberg and Fredrik Burvall each hold 80,000 options, which have not been exercised yet. The remaining options are reserved for future Board members of the company. The company did not issue any shares under the Board Scheme during 2019. If all Outstanding Options under the Board Scheme are granted to the eligible persons and exercised, the issued and outstanding share capital of the company would increase by 200,000 shares.

Share Option Scheme 2017

The Share Option Scheme 2017 is an incentive program for senior executives, key employees and other employees of Aspire Global, which has been approved by the General Meeting of the company held on June 21st 2017. The company has reserved 775,800 outstanding but not yet issued shares for the Share Options Scheme 2017. The options are reserved for current and future employees, of which: (i) management and other senior executives (not more than 20 persons) can be offered to acquire up to 615,800 options; and (ii) other employees (not more than 200 persons) can be offered to acquire up to 12,000 options per person, a total of no more than 160,000 options. During 2019, the employees of the company have, after duly exercising their options, acquired 11,195 newly issued ordinary shares in the company under the Share Option Scheme 2017. If all Outstanding Options under the Share Options Scheme 2017 are granted to the eligible persons and exercised, the issued and outstanding share capital of the company would increase by 764,605 shares.

INTERNAL CONTROL AND RISK MANAGEMENT

Aspire Global's internal control system has been designed to provide assurance that approved principles for financial reporting are applied, and that the company's financial reports are accurate, reliable, and produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. Soundly devised internal control not only creates conditions for reliable financial reporting and compliance with applicable laws and regulations, but also contributes to a healthy and sustainable business, with greater profitability as a result.

CONTROL ENVIRONMENT – BOARD AND AUDIT COMMITTEE

The Board is ultimately responsible for internal control and risk management of Aspire Global. Audit Committee has been established to support the Board in matters relating to financial reporting, auditing and risk management, including reviewing and monitoring the integrity of the company's financial statements and the effectiveness of the company's internal controls. The Audit Committee consists of non-executive Board members who are appointed by and are responsible to the Board for carrying out their duties. The members of the Audit Committee are Fredrik Burvall and Aharon Aran. Further information about the Audit Committee may be found on page 74 of this report.

While the Board bears overarching responsibility for establishing an efficient internal control system, certain responsibilities have been delegated to the CEO and the management team reporting to the CEO, in accordance with the Charter of the Board and the CEO Instructions. The CEO, together with the CFO and the Group's finance department, is responsible to ensure that the necessary internal controls and adequate monitoring is conducted. This includes the control of the company's and the Group's organization, procedures, policies and practices. The Group's finance function reports to the CFO, while the CFO in turn reports to the CEO, the Board and the Audit Committee.

The Board continuously evaluates the information provided by the company's management. The process includes monitoring profits and revenues versus budget and plans, analysis of key figure and developments and reporting at Board meetings. The company's CEO and CFO regularly provide the Board with the information required to monitor the company's financial position and compliance with the laws in the countries where the company's subsidiaries operate.

The annual report and interim reports are reviewed and approved by the Board prior to the publication.

The objective of the internal control measures is to ensure that reliable and accurate financial reporting takes place, that the company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, that the company's assets are protected and that other related regulatory requirements are fulfilled. In addition to ensuring compliance with the regulatory requirements, the system for internal control is also intended to monitor compliance with the company's internal policies and instructions. Internal control also includes risk assessment and implementation of corrective measures.

Risk assessment

Aspire Global conducts a structured annual risk assessment to identify, assess and mitigate or manage the risks that affect the company and its business. Risks are identified and categorized in the following risk categories: financial risks, operational risks, legal and regulatory risks, strategic risks, and external risks. The risk assessment is conducted with the aim of identifying and assessing the principal risks that can affect the company and its business, based on the likelihood that they arise and the degree to which such risks would affect the company's objectives and long-term strategy, if they were to occur. Each identified individual risk has a risk owner within the company, who has the responsibility of ensuring that measures and controls are in place and implemented. The risk owner is also responsible for monitoring, following-up and reporting changes in the company's risk exposure to identified risks. The risk assessment is updated annually and presented to, and discussed by, the Board of the company. In addition to the structured annual risk assessment, the principal risks are regularly evaluated and discussed by the Board members during the Board meetings, while the financial risks are also monitored by the Audit Committee. For a more detailed description of the industry and business-related risks that affect Aspire Global, see the separate section "Risk factors" on pages 80-83 of this report.

Monitoring compliance

As part of its internal control activities, the company is regularly monitoring compliance with the applicable rules and legislation, as well as the internal policies of the company, to ensure that risks have been satisfactorily observed and addressed. This includes ongoing monitoring whether the financial reporting of the company is reliable and done in accordance with the IFRS, applicable laws and regulations, as well as the other standards the companies listed on Nasdaq First North Growth Market Sweden are required to apply.

In connection with the listing on Nasdaq First North Growth Market Sweden, the company engaged a certified adviser, approved by Nasdaq, to guide the company through the application process, and to provide support and help the company to ensure that it continuously complies with the applicable Nasdaq First North Growth Market Sweden rules and regulations. Aspire Global's Certified Adviser is FNCA Sweden AB.

Auditor

The auditor of the company is appointed by the shareholders at the general meeting of the company. Among other duties, the auditor of the company is reviewing the company's annual accounts and accounting practices, as well as the management of the company by the Board, the CEO and the management team. According to the Code, the auditor should take part in at least one Board meeting a year without management present. The company deviates from the Code on this point. The auditor participates in the meetings for the audit committee and talks regularly with members of the Board. Following each financial year, the auditor submits an audit report and a consolidated audit report to the annual general meeting of the company. In 2019, the remuneration to the company's auditor amounted to €134 thousand and related fees amounted to €87 thousand. The auditor of Aspire Global is BDO, who has held this office since 2008. The auditor in charge at BDO is Sam Spiridonov, BDO Malta, Triq it-torri, msida, Msd 1824 Malta.

Investor Relations

Aspire Global strives to uphold good communication with its shareholders and provide correct, clear, credible, timely and relevant information. Aspire Global communicates the relevant information to the market primarily through the annual reports, interim reports, press releases and the company's website (www.aspireglobal.com), in accordance with the Market Abuse Regulation and Nasdaq First North Growth Market – Rulebook.

In addition to the disclosure requirements imposed by Nasdaq and those emanating from the Market Abuse Regulation, Aspire Global has adopted internal policies and procedures designed to ensure that correct information is communicated in a timely fashion to its shareholders, the market, its employees and other stakeholders. The company's obligations with respect to inside information are also regulated in the internal insider policy. Regular interim and annual reports are published in English, while certain publications are announced both in English and Swedish.

BOARD OF DIRECTORS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1. CARL KLINGBERG

Chairman of the Board since 2017

Born: 1961

Education: B.A. from Stockholm School of Economics with majors in marketing and data processing

Other current assignments: Chairman of the Board of Mackmyra Svensk Whisky AB, Strömsta Säteri AB, DHS Venture Partners AB, Pay & Pray AB and Rotheca Invest AB. Board member of Scandinavian Weldtech Holding AB.

Previous assignments: CEO of Scandinavia Online AB, CEO of SOL Content AB, MD of bwin Games AB (formely known as Ongame e-solutions AB), Chairman of the Board of Heads Svenska AB, board member of Avanza Fondkomission AB.

Shareholding in the company: 0 shares and 80,000 share options on 80,000 shares

2. FREDRIK BURVALL

Board member since 2017

Born: 1972

Education: M.A. in Economics from Örebro University, Sweden, MBA from Stockholm University Sweden

Other current assignments: Chairman of the Board of Speqta AB (plc) and M.O.B.A Network (plc). Board member of the Gambling.com Group (plc), Enteractive Ltd as well as Board member and CEO of The Networked Nation – tNN AB.

Previous assignments: CEO of Cherry AB (publ), deputy board member of Bell Maritime Gaming AB, board member and CEO of Cherry Casino Syd AB, Playcherry PR & Media AB and Svenska Klubbspel AB. Board member of Cherry Malta Ltd, Esprom Ltd, Inprom Ltd, Cherry Gaming Ltd, Playcherry Ltd, Yggdrasil Malta Ltd, Cherry Ltd, Yggdrasil Gaming Ltd and Yggdrasil Software Ltd.

Shareholding in the company: 40,000 shares and 80,000 stock options on 80,000 shares

3. TSACHI MAIMON

Board member since 2015 and CEO since 2013

Born: 1978

Education: M.A. in business from the College of Management (COMAS) in Israel. B.A. from Hebrew University of Jerusalem - Interdisciplinary studies for outstanding officers (PUM)

Other current assignment: Board member of Neolotto, Minotauro and MarketPlay

Previous assignments: Head of Casino at TNT Marketing (2009-2013), Call center Manager at Cellcom, one of Israel's largest telecom companies (2006-2009)

Shareholding in the company: 800,000 shares

4. BARAK MATALON

Board member since 2005

Born: 1970

Education: B.A. in Economics from Tel Aviv College, Israel

Other current assignments: Board member of Neogames S.A.R.L and Neolotto

Previous assignments: VP Sales and Marketing at the Israeli broadcasting channel NCP (1999-2005), Sales Director at Internet Gold (1996-1999)

Shareholding in the company: 12,048,000 shares

5. AHARON ARAN

Board member since 2018

Born: 1949

Education: B.A in Economics followed by an MBA in Business administration from Tel Aviv University

Other current assignment: CEO of The Israeli Audience Research Board.

Previous assignments: CEO of TMF media Group and Omnicom Media Group, Israel office, CEO of Schoken local newspapers Group, CEO of Hadashot daily newspaper, VP marketing of Elite confectionary Group, EVP Yedioth Ahronoth Media Group, EVP at Reshet TV- Ch. 22, EVP TV Channel 10.

Shareholding in the company: 3,000,000 shares

Shareholding as per March 31st 2020.

AUDITOR

Sam Spiridonov from BDO Malta, born in 1977, has been auditor-in-charge for Maltese subsidiaries since 2013, and for the Group consolidated financials since 2018. BDO Gibraltar, was elected as auditor for the Group in 2008 and re-elected every year until 2018. From the financial year 2018, BDO Malta is the Group auditor.

EXECUTIVE MANAGEMENT


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1. TSACHI MAIMON

For more information, see "Board of Directors"

2. MOTTI GIL

CFO since 2016 and Chief Officer of Responsible Gaming since 2018, with the company since 2016

Born: 1973

Education: B.A. in Accounting and Economics from Hebrew University, Jerusalem, Israel. Certified Public Accountant (CPA) in Israel

Other current assignment: –

Previous assignments: Senior roles at a number of technology enterprises, from startups to public companies. Previously CFO of GoNet Systems (2010-2016) and Vice President of Finance and CFO of IXI Mobile (2007-2009)

Shareholding in the company: 66,664 shares and 58,334 share options on 83,336 shares.

3. JOEL MOMIGLIANO

VP of Karamba Since 2019, with the company since 2015

Born: 1980

Education: M.A. in Economics, Industrial and Management Engineering from Polytechnic University of Milan, Italy

Other current assignment: –

Previous assignments: VP PPC & Media at Aspire Global (2015-2019), Acquisition and Web Conversion Manager at 888holdings (2007-2015), responsible for launches of casino, poker and sports betting in various regulated markets

Shareholding in the company: 34,664 shares and 44,334 share options to 57,336 shares.

4. DMITRI REIDERMAN

Chief Operations Officer (COO) since 2017, with the company since 2013

Born 1981

Education: B.A. in Economics and Management from the Ruppin Academic Center, Israel, with a major in Financing and Banking

Other current assignment: –

Previous assignments: VP Marketing & CRM at Aspire Global (2015-2017), Various positions in e-commerce, specializing in sales and customer retention. Previously CRM Director at Neogames (2013-2015), Head of Sales & Retention at Nextrade Ltd (2012-2013) and Head of Sales Department DSNR (2009-2012)

Shareholding in the company: 400 shares and 64,900 share options to 139,600 shares

5. JOV SPIERO

VP Sales since 2014, with the company since 2010

Born: 1977

Education: International Baccalaureate in Economics and History from the Albert Thijm College, Netherlands

Other current assignment: –

Previous assignments: Ten years in various roles in Internet and mobile application companies. Previously Director of Customer Relations at Neogames (2010-2014), Director of Account Management at Zlango (2006 -2010) and Marketing Operations Manager at 888.com (2005-2006)

Shareholding in the company: 93,332 shares and 41,667 share options on 46,668 shares

6. YOEL ZUCKERBERG

VP Product since 2019, with the company since 2018

Born: 1986

Education: Bachelor's degree, Business, Management, Marketing, and Related Support Services from ICHEC (Brussels, Belgium) & Bachelor of Applied Science (B.A.Sc.) from ULB (Brussels. Belgium)

Other current assignment: –

Previous assignments: Head of Product at Aspire Global (2018-2019), Senior Product Gaming Team Leader at Ladbrokes Coral Group (2017-2018), CRM Team Leader B2B US at 888holdings (2016-2017), Head of Poker & Belgium Regional Manager at Ladbrokes (2013-2016), Internal Poker Marketing Manager at TNT Marketing (2007-2013)

Shareholding in the company: 0 shares and 15,000 share options on 15,000 shares

Ziv Shtaeinberg left the position of CTO in early 2020.

Shareholding as per March 31st 2020.

RISK FACTORS

In conducting our business, we face many risks that may interfere with our business objectives. Some of these risks could materially and adversely affect our business, financial condition and results of operations. In particular, we are subject to various risks resulting from changing economic, political, industry, business and financial conditions. The risks and uncertainties described below are not the only ones we face, for a more elaborate explanation of the company's risks, please visit our website and read the company prospectus. You should carefully consider the following factors and other information in this annual report. If any of the negative events referred to below occur, our business, financial condition and results of operations could suffer. In any such case, the trading price of our ordinary shares could decline.

RISK GOVERNANCE

Aspire Global's board of directors has overall responsibility for the risk management process and risk governance. The executive management team, with the approval of the board of directors, is responsible for identifying, assessing and managing the risk within the Group.

RISK AREA – EXTERNAL

Type of risk	Risk level	Risk mitigation
Macro economy. A general decline in the economy, which could lead to a lower disposable income for the Company's customers may have an impact on some customers' gaming activity.	Probability: low Effect: minor	Aspire Global Continuously monitoring its KPIs to identify trends. In addition, Aspire Global's business activity is well spread, such diversity mitigates the concern of material adverse effect on Aspire Global's results.
Reputational risk. If the company, its brands or industry gets negative publicity, it risks having negative impact on the business and results.	Probability: low Effect: average	Aspire Global's operates and intends to increase its activity regulated and taxed markets in which social acceptance for the gaming industry is relatively higher and governed by local gaming regulation. In addition, the Group continues its commitment towards open dialogue with regulators and other stakeholders to increase transperancy. More information can be found in the Group's Sustainability report.

RISK AREA – REGULATORY

Type of risk	Risk level	Risk mitigation
New laws and regulations will be introduced in areas such as privacy, pricing, content, copyright, distribution, competition expenses claims and product and service quality. The risk may include for example, changes in taxation, an obligation to have a national license and the ability to carry out marketing. The result of the potential legislative changes can have a negative effect on the company and decrease the profitability.	Probability: average Effect: average	Aspire Global is active in several different markets and its operations are adjusted regularly to comply with these different regulations as well as continuous changes. Aspire Global closely following regulatory development. Reviews the legal frameworks and structure. Aspire hires local law firms on specific issues, such as taxation. Aspire Global constantly reviewing relevant new upcoming regulations in order to prepare and adjust for it.

Probability	low	average	high
Effect	minor	average	significant

RISK AREA – FINANCIAL

Type of risk	Risk level	Risk mitigation
Refinancing risk. the company has a bond that will mature in April 2021, in case alternative financing can not be obtained, or obtainable only at substantially higher costs it might materially affect the company's financial position.	Probability: low Effect: average	Aspire Global monitors the cash position, expected cash flow and budget regularly. The company performs short-term and long-term financing and liquidity analysis, in order to ensure sufficient liquid assets to fulfil company goals and to meet the bond terms.
The company partially hedges its currency exposure, hence vulnerable to fluctuations. The company has an exposure towards GBP, ILS, and SEK. Material currency fluctuation may have a negative effect on the company results and decrease its profitability.	Probability: average Effect: low	The company intends to formulate currency hedging policy in the coming year.

RISK AREA – OPERATIONAL

Type of risk	Risk level	Risk mitigation
The legal and technological solutions and marketing limitations that the company applies in certain jurisdictions to block or limit the access to and the use of services to end users may prove inadequate.	Probability: average Effect: average	Aspire Global is active in several different markets and operations are adjusted regularly to comply with these different regulations as well as continuous changes. Limitations in marketing and access, are two areas that are regularly monitored and adjusted as part of the compliance process.
The company's procedures for counteracting GDPR could prove to be inadequate.	Probability: low Effect: average	Aspire Global has made considerable efforts to ensure that its practices comply with data protection laws and the industry's best practices. Data protection is managed by a designated Data Protection Officer responsible for compliance. This work is based on an extensive review of operations, current contracts and other arrangements for sharing data with partners, vendors and clients, as well as internal procedures to safeguard protection prior to sharing personal data. Actions have then been taken to improve routines and technical, administrative and legal tools that enable adequate documentation of data processing activities, including training for employees.
The company's revenue stream from its partners may be adversely affected by any deterioration or decline in the business of these partners or if any of these partners would terminate or not renew their agreements or cooperation with the company.	Probability: low Effect: low	Aspire Global raised the bar for new partners and improved the due diligence of new candidates, while implementing stricter evaluation of existing partnerships including actions, such as better incentive plans for brands with higher potential or closing of brands with insufficient activity. We have also adopted a more proactive approach in order to allow our partners to achieve their full potential.
The company's procedures for counteracting internal controls could prove to be inadequate.	Probability: low Effect: low	The company Aspire Global maintains procedures and processes in order to secure its internal controls, segregation of duties, internal reporting, external reviews and audits are part of the measures that are implemented.
The company is exposed to certain risks attributable to the operation's IT-systems.	Probability: average Effect: average	Aspire Global is constantly monitoring and enchaining the capabilities of our IT-infrastructure, including regular investments in new technology. The company's data center incorporates Active-Active technology, where in case of any failure the activity is routed to the 2nd Data Center. In addition, the company moved part of its assets to the cloud and added security layers and measures.

The company depends on key individuals.	Probability: ● ○ ○ Effect: ● ○ ○	Aspire Global offers individual career plans and ongoing training programs, based on personal needs and goals, including management training and promotion opportunities. Working conditions are modern, flexible and stimulating enabling a balanced life style. We are implementing personal development plans to support the growth ambitions of our employees. We encourage our employees
The company may be involved in litigation. There is a risk that the company may become the target of claims in respect of, for example, regulatory compliance, contract matters, customer related issues, including matters related to gaming, intellectual property rights and tax matters. Such disputes and claims can be time consuming, disrupt normal operations, involve large amounts and entail substantial costs. Ongoing and future disputes may lead to substantial damages which could have a material adverse effect on the company's operations, financial position or earnings.	Probability: ○ ● ○ Effect: ○ ● ○	The company is constantly working, and dedicates substantial resources, to reduce compliance and litigation risks by closely monitoring its policies and practices, obtaining legal advice, addressing each event that may develop to a litigation or an investigation and acts quickly to resolve any such disputes.
The company may face claims alleging infringement of intellectual property rights held by others.	Probability: ● ○ ○ Effect: ● ○ ○	Aspire Global Complies with legal norms and laws to minimizes the risk of intellectual property infringements. We are consulting with our legal advisors whenever required on IP rights. When it comes to M&A transaction, this is material element of the due diligence procedure we are conducting.
The company may be vulnerable to network failure, disruptions, cybercrime attacks and player fraud and significant resources may be required to protect the company from such risks.	Probability: ○ ● ○ Effect: ○ ● ○	Dedicated information security personnel highly qualified, combined with consistent routines and preventive actions were implemented. Aspire Global is highly security minded and priorities preparations to deal with such attacks. Additional security measures were implemented during the past year.
The company operates in a fastgrowing and competitive market. The company has a large number of competitors, including certain competitors that have considerably larger financial and operational resources than the company. If the company is unable to compete effectively, it may lose customers and may not be able to attract new customers.	Probability: ○ ● ○ Effect: ○ ● ○	Aspire Global offers unique solution for iGaming, enabling its partners to focus on marketing and players acquisitions. In case that additional competitors should provide a similar offering, it may negatively affect Aspire Global's results. Our solution creates stickiness to our partners due to the wide variety of services and unique proprietary tools we are providing them with, for example, our lifetime value model.
The company relies on third-party vendors for its operations. For example, the company depends heavily on suppliers in areas such as payment processing, telecommunications, advertising, technology, banking, its sportsbook offering, games content and other service providers. If one or more of these external parties do not meet its undertakings towards the company or, if third party suppliers are unwilling or unable to provide services to the company, it could adversely affect the company's operations, brand, reputation or financial results.	Probability: ● ○ ○ Effect: ○ ● ○	Aspire Global maintains on going relations with its key suppliers, calls, meetings, etc. Aspire Global aims to have several suppliers for the same service. In addition, Aspire Global reviews supplier agreements on regular basis in order to ensure terms are fulfilled. In addition, the company intends to own additional elements in the value chain. During 2019, the company acquired PariPlay, games studio and aggregation company.

The company may fail to identify and support players who are suffering from gambling problems	Probability: ● ○ ○ Effect: ○ ● ○	Responsible gaming was a topic of debate in Europe during the last years, to which Aspire Global responded with updated guidelines to its proprietary brands and its partners. Aspire published information on all the company's websites to help players identify problems at an early stage. Aspire Global proactively offers support and tools for gamerelated problems and refers to organizations specialized in dealing with such problems. Examples of such are Deposit Limits, Cool Off Periods, Self-Exclusion, Reality Checks and Session Time Limits. The company has also appointed Officer of Responsible Gaming to ensure that the guidelines and routines are followed.
Aspire Global conducts its business in accordance with its interpretation and understanding of the applicable tax laws and treaties, case law, and the requirements of relevant tax authorities in the coun-tries where we operate. Changes to regulatory, legisla-tive and fiscal regimes could have an adverse effect on our results due to the added cost of corporate and gaming taxes. In 2019, Aspire Global Group reaches a settlement with the Israeli tax authority, bringing an end to all investigations into the company related to manage-ment and control jurisdiction, permanent establish-ment and transfer pricing among the Group entities. Aspire Global agreed to pay €13.7 million in retroac-tive tax relating to the 11 fiscal years 2008-2018.	Probability: ○ ● ○ Effect: ○ ● ○	Aspire Global aims to ensure that each legal entity within its Group is a tax resident of the jurisdiction in which it is incorporated and has no taxable presence in any other jurisdiction. In addition, Aspire Global consults with tax advisers not only in jurisdictions in which its Group companies are incorporated and in which it has personnel, but also in major markets in which it has customers, in order to comply with its legal obligations whilst taking such action as is nec-essary to prevent the improper imposition of unlaw-ful or double taxation. Furthermore, in managing our taxation affairs, including estimating the amounts of taxation due, we rely on the exercise of judgment concerning our understanding of and compliance with those laws, assisted by professional advice.
The COVID-19 outbreak could negatively affect the company's results depending on how long the outbreak lasts and how wide it is spread. Key aspects impacting the result are a potential general decline in the economy which could lead to a lower disposable income and/or a reduction in the quality of services or losses related to the sports vertical, following cancelled sports events. A wide spread within the organization, and among key positions in particular, could affect the ability to run the daily business.	Probability: ○ ● ○ Effect: ○ ● ○	Aspire Global is an online based company in its true sense. Apart from a business focusing on iGaming (as oppose to land based services), the organization in itself is based online. Remote work and digital meetings are well established ways of working, and they have been for several years. No key functions in the Group are depending on physical presence in an office. In order to protect the well-being of the employees, currently more than 300, Aspire Global has banned all traveling and encouraged all employees to work from home, and the vast majority has chosen to do so. With these actions implemented, supported by a robust technology platform, Aspire Global manages to maintain a continued high service level towards customers within both segments, B2B and B2C. Effect related to the many cancelled sports events are expected to be limited thanks to a low relative exposure towards sports, generating around 5% of total revenues win the fourth quarter 2019. And as for general economic decline, the company's geographical spread helps to mitigate the implications of the pandemic outbreak.

MANAGEMENT REPORT

In 2019 we continued to deliver on our growth strategy and accelerated the number of partners and brands as well as strengthened our offering. We see great interest in our recent verticals and several partners are looking to broaden their offering.

The Board of Directors presents the annual report, including the integrated Sustainability report and the consolidated financial statements of Aspire Global plc, registration number C80711, for the financial year ended December 31st 2019. The Group is active as a public limited Group headquartered in Malta, with subsidiaries in Malta, Israel, Bulgaria, Ukraine, Isle of man, Gibraltar and India. The address of the head office is 135, High Street, Sliema SLM 1549, Malta.

The company

The Group consists of the parent company, Aspire Global plc, corp. reg. no. C80711, and its wholly owned material subsidiaries Aspire Global International Limited, corp. reg. no. C42296, AG Communications Limited, corp. reg. no. C48328, AG Software Limited, corp. reg. no. C41837, Aspire Global Marketing Solutions Ltd., corp. reg. no. 512816828 and Aspire Global Ukraine LLC, corp.reg. no. 42892465. The Maltese subsidiaries are the operating companies of the Group, holding the licenses and conducting the operations. The Israeli subsidiary provides the parent company with marketing and development services. The Ukrainian subsidiary serves as a technology development and a customer support center. October 7th 2019 the Pariplay Group was acquired. The Paripaly Group consists of the parent company, GMS Entertainment Limited, corp. reg. no 009953V, and its wholly owned material subsidiaries Pariplay Limited (Isle of Man), corp. reg. no 125304C, Pariplay Limited (Gibraltar), corp. reg. no 114204, Pariplay Malta Limited, corp. reg. no C82425,Pariplay Limited India, corp. reg. no U72900TN-2019FTC128148, Pariplay USA Limited, corp. reg. no 82-4073476, Intop Studios Ltd (Israel), corp. reg. no 514861418 and Pariplay Bulgaria Limited, corp. reg. no 204472299. The Gibraltar, Isle of Man, Malta and USA subsidiaries perform as distributors and active B2B providers. The Bulgarien subsidiary and Israeli subsidiaries mainly provide the parent company with development services.

OPERATIONS

Business set-up

The Group business serves mainly European markets which are usually reviewed under the following segmentation: Nordic countries, UK and Ireland, rest of Europe and the rest of the world. Aspire Global operates under license in the UK, Denmark, Sweden, Ireland, Portugal and Malta (MGA), with the latter license covering all .com-markets.

Aspire Global's proprietary B2C brands (business-to-consumer) operate on the company platform, side by side with B2B brands (business-to-business) owned by white label partners. The proprietary brands share the same benefits as the B2B brands as they add to the size and strength of the network as a whole. Main cost driver for the company aside for employee payroll and related overhead costs are the acquisition costs related to the B2C segment and royalties paid to our B2B partners for their revenue share.

Offering

Aspire Global plc is a leading platform and a B2B service provider for the iGaming market, offering partners a variety of services alongside with unique full-service solution for launching and operating online casinos, sports betting and bingo. With more than ten years of operational experience in managing casino networks and developing in-house proprietary technology, Aspire Global is proud to provide an iGaming solution that ensures every aspect of the partners' casinos - starting with a robust platform including game aggregation to regulation, compliance, payment processing, risk management, CRM, support and player value optimization. Aspire Global manages the operations, allowing the operators to focus entirely on marketing and traffic to the casino. The B2B-offering also includes a game-aggregation service to external operators through the subsidiary game-company Pariplay, acquired in 2019.

In addition to the B2B-offering, Aspire Global operates several proprietary casino brands, mainly Karamba, based on the same operational setup and technical platform that is offered to the partner brands. In January 2018, Aspire Global expanded the company offering to include sports and bingo, becoming the first provider of a full turnkey solution to sport operators, let alone with active operations in more than five regulated markets.

Revenue model

The revenue model for B2B-partnerships is characterized by relatively low set-up fees, moderate mark-up on services from third party suppliers and mainly a share of the adjusted net gaming revenues. Main operational costs revolve around technical development, licenses, customer service and marketing of B2C-brands. Being the license holder, Aspire Global receives net gaming revenues (NGR) directly from the players and keeps a royalty-share before splitting revenues with

partners, as oppose to many other platform-providers who are receiving a royalty-payment from the operators regardless of the operators results. For that reason, the company EBITDA margin is not fully comparable to the EBITDA margin of other platform-providing companies.

Organization

Aspire Global's total number of employees at December 31st 2019 amounted to 312 (180), of which 153 (85) were women, which constituted 48% (47). Due to strong growth, the company is continuing to recruit new employees. As of December 31st 2019 the Group's employees were located across the following countries: Malta 130, Israel 53, Bulgaria 53, Ukraine 48, India 12 and Gibraltar 4. The Group's corporate management is located in the Malta office together with a significant part of the operational departments which include support, compliance and other related departments. The Israeli entities mainly supply software development and certain marketing support services. The Bulgarian, Ukrainian and Indian offices serve mainly as development hubs for the Group's platforms and products. The Ukraine office includes as well a support call center. The Ukraine office which was founded during the second quarter of the year and included 48 employees at year-end. An additional significant growth was recorded in headcount following the integration of the Pariplay B2B Group in October 2019 which employed 72 employees as of the end of the year. The structure of the supply chain did not significantly change over the past year. Main changes were related to new offices following the integration of the new subsidiary Pariplay.

Growth strategy

Aspire Global's B2B business model enables the company to acquire players without investing the amount of resources and funds that are required for effective marketing. New operators can easily be added to the scalable platform, increasing cost benefits as well as the number of partners, brands and players without substantially increased fixed costs. New partners migrating from competing platforms also generate an immediate increase in revenues for Aspire Global. Moreover, there is no limit for additional verticals and game titles, allowing Aspire Global to target new audiences and partnerships. Alongside the organic growth, Aspire Global actively explores potential M&A-targets that will enable the company to control additional parts of the value chain, backed up by a strong balance sheet.

Revenues per segment

	2019		2018		Change
	€ '000	% of total revenues	€ '000	% of total revenues	%
B2B (partner brands)	81,146	62	56,604	54	43
B2C (proprietary brands)	50,299	38	47,988	46	5
Total revenues	**131,445**	**100**	**104,592**	**100**	**26**

Revenues per geography

	2019		2018		Change
	€'million	% of total revenues	€'million	% of total revenues	%
Nordics	25.2	19	30.2	29	-17
UK and Ireland	18.7	14	20.4	19	-8
Rest of Europe	83.2	64	51.1	49	63
Rest of world	4.3	3	2.9	3	48
Total revenues	**131.4**	**100**	**104.6**	**100**	**26**

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KEY OPERATIONAL EVENTS IN 2019

Operational and corporate events

In 2019 we continued to deliver on our growth strategy and accelerated the number of partners and brands as well as strengthened our offering. We see great interest in our recent verticals – sports and bingo – and several partners are looking to broaden their offering. The B2B-segment grew by 43.4% in 2019, constituting 61.7% of Group revenues, and by year-end, we had 77 B2B-brands and 44 partners operating on our platform, which is a material increase from 2018. The B2C also increased somewhat year over year, despite a decrease in the fourth quarter compared to 2018 due to new regulatory requirements.

Aspire Global acquired the leading game-aggregator Pariplay (B2B), operating one of the largest content-aggregating platforms and producing successful casino content in their own game studios. The game portfolio is certified for several regulated markets in Europe. Moreover, Pariplay has cleared an iGaming certification for New Jersey, representing a potential growth opportunity for Aspire Global. The acquisition will create further cost synergies, strengthen our market presence in B2B, serve as our first footprint in the US and generate revenue streams outside our existing partners on our platform.

The share of revenues coming from regulated and taxed markets remained high at 54% for the year, which is in line with our strategy, although it has an expected effect on profitability. The Swedish re-regulation entered into force on January 1st, 2019 and Aspire Global was ready to address the market from day one, strengthening the Nordic footprint along with the rest of the European expansion. Meanwhile, operations in Belgium and Italy were phased out. Aspire Global also entered a new market outside of Europe: South America. As for licenses, the Swedish iGaming license and the Irish sports license were extended and a bingo-license was granted in the UK enabling Aspire Global to increase market share by broadening its B2B-offering from casino and sports. Moreover, Pariplay entered a new agreement with long-standing partner 888casino for New Jersey, enabling Aspire Global's first entry into the regulated US market.

We are currently in the middle of the spread of COVID-19, during which our top priority is to safeguard the health of our employees and their families. Precautionary actions were taken early, enabling us to maintain a high service level towards partners and players. Due to the relatively small part of revenues from sports betting (5% in the fourth quarter 2019), Aspire Global do not expect its revenues to be impacted by the broad cancellation of sports events. In order to mitigate the impact from the cancellation of sports events, Aspire Global and its B2B clients will re-allocate resources including media spend to the casino segment.

In 2020, we continue to enhance our multi-vertical offering while maintaining the search for M&A-opportunities and we expect Pariplay to generate significant growth with a positive effect on the Group's EBITDA. We are also preparing for the coming regulation in the Netherlands as well as the coming launch of Bingo for Karamba. Aspire Global has been profitable since its foundation in 2005. Thanks to our limited exposure to sports in combination with a solid balance sheet, strong liquidity and good ability to generate cash, we are confident about the continued execution of our growth strategy despite the current situation.

FINANCIAL PERFORMANCE[7]

During 2019, revenues increased by 26% to €131.4 million (104.6). The B2B segment increased by 43.4% to €81.1 million (56.6), which was mainly driven by the stronger performance by our partners following a more streamlined brand portfolio. During 2019, 11 partnerships were signed along with two contracts signed by Pariplay with new operators after the integration of the Group in the fourth quarter. 20 B2B-brands were launched or migrated to the platform, while a number of brands with low activity were closed down, bringing the number of partners to a total 44 (39) and number of B2B-brands to a total of 77 (63). The B2C segment stood for €50.3 million (48), an increase of 5%. B2C revenues were lower than expected in the fourth quarter due to regulatory adjustments in a few markets, causing activity to slow down and lowering the contribution from sports. B2C performed well in 2019, regardless of the lower activity in the fourth quarter with somewhat fewer FTDs but more importantly, an increase in active users which is a result of a more sustainable CRM-approach and something that the company strives for.

Total revenues amounted to €25.2 million (30.2) in the Nordics, €18.7 million (20.4) in UK and Ireland, €83.2 million (51.1) in rest of Europe and €4.3 million (2.9) in the rest of the world.

Profit/loss

EBITDA increased to €21.7 million (21.2) with an EBITDA margin of 16.5% (20.3%). Main cost drivers in 2019 were higher royalties to partners, driven by the significant increase in B2B revenues as well as marketing and customer acquisition for B2C. Gaming duties and VAT in 2019 increased by 24% to €8.1 million (6.5) in line with the focus on regulated markets. Administrative expenses increased by 15% to €14.6 million (12.8) for the year, mainly related to continued investments in our technology infrastructure, customer support and compliance departments over the past year including the increase of headcount and the consolidation of Pariplay Group expenses as of October 7th 2019.

The company's interest income and foreign currency exchange differences with respect to funding to a related Group remained at the same level to €2,428 thousand (€2,430 thousand), primarily driven by interest gained on a related Group loan accompanied by a weakened USD against the EUR. Net finance income and expenses amounted to €-3,255 thousand (-2,238), primarily driven by currency exchange rate differences and interest expenses related to the bond. Income taxes for 2019 increased to €15,033 thousand (986), mainly driven by a payment of €13.7 million following a settlement with the Israeli tax authority for the years 2008-2018. Net income before company's share in the results of associated companies amounted to €1.9 million (18.5).

The company's share in the results of associated companies amounted to €-1.5 million (-2.3) for the year, mainly related to investment in Neolotto (see more under related parties). Net income and comprehensive income amounted to €0.4 million (16.2).

Investments

Net investments in intangible assets during 2019 mainly consist of: Capitalized development costs and Customer Relationship. Capitalized expenditure for development work amounted €8.5 million (3.3) of which €3.2 million as a part of Pariplay's business combination. In addition, Customer Relationship amounted of €5.6 million as a part of Pariplay business combination. Development work directly attributable to the continuous investment in our platform infrastructure, adapting it to new regulatory markets, development of new games, etc. See Note 14 for further details of intangible assets. In 2019, the Group invested €0.8 million in property and equipment which €0.1 million as a part of Pariplay business combination, compared with €0.3 million the previous year.

FINANCIAL POSITION

Liabilities

Non-current liabilities consist of Senior secured bonds, lease liabilities, employee benefits and loans related to leasehold improvements. The non-current liabilities as at December 31st 2019 amounted to €29.4 million (27.5). For operating lease commitments please see Note 20 and for contingent liabilities please see Note 24.

Liquidity

Cash flow from operating activities decreased to €2.5 million (23.6) for 2019, the decrease is primarily driven by the settlement of €13.7 million with the Israeli tax authority.

Cash flow used in investing activities increased by 214.6% to €21.3 million (6.8) in the year, mainly constituted by cash paid with respect to Pariplay business combination. The company began to invest in companies in 2017 and intends to further consider a number of identified investments and acquisition opportunities.

Cash flow used in financing activities amounted to -€5.9 million (23.4 million) mainly from by a dividend payment of €5.4 million. In the comparative period in 2018, the cash flow was mostly driven by the issuance of a bond amounting to €26.8 million, offset by a dividend payment of €3.8 million.

Cash and cash equivalents amounted to €29 million at the end of the year compared with €53.7 million at the end of 2018.

Disputes

Aspire Global is currently party to three legal proceedings in Sweden (see page 42-43 of the Sustainability report) and one legal preoceeding in Germany, none of which are expected to have a material financial impact on the company.

TAX POLICY

Aspire Global contributes to societies via e.g. corporate income taxes, employer taxes, indirect taxes (such as VAT etc.) and gaming duties. Managing tax affairs properly and according to the rules and regulations in the jurisdictions of operations, is of significant importance for the Group. The full tax policy can be found on page 64 of the Sustainability report.

RISK AND INSURANCE

Risk assessment

For risks and insurance, see separate section on pages 80-83.

CORPORATE GOVERNANCE

At the Annual General Meeting (AGM) in 2019, five Board Members were re-elected for the period until the next AGM. The Board of Director's expertise encompass the on-line gaming, marketing, financial and strategic issues. The Board held 19 meetings during the year, of which seven were resolutions in writing (per capsulam meetings). Reports at the meetings were presented mainly by the CEO but also by other members of the management team. The focus of the Board's work in 2019 was on strategic issues, particularly matters relating to acquisitions, product development, business development and capital procurement, as well as the further development of the Group's business plan.

See pages 70-79 for the full Corporate governance report, including the general framework and focus in 2019 for of the board, management and committees.

REMUNERATION OF SENIOR EXECUTIVES

Remuneration to the CEO and other senior executives consists of basic salary, other benefits and pension. The CEO and other senior executives receive monthly salaries in line with industry standards, variable remuneration and other customary benefits. In 2019 the CEO was, according to his employment contract, entitled to a gross monthly remuneration of €22 thousand. The CEO is also entitled to variable remuneration consisting of an annual bonus. Having acknowledged that the financial targets of the company for the year 2019 have been met, the Remuneration Committee, as authorized by the Board, approved the payment to the CEO of the company full performance bonus payment of €174 thousand (gross). The CEO was also eligible for other benefits amounting to approximately €55 thousand. All other senior executives in Aspire Global have a monthly aggregate gross salary that amounts to €74 thousand and are entitled to a variable remuneration on a quarterly and annual basis. Actual levels of remuneration are generally determined by the company based on factors such as expertise, experience and performance.

To read more about the remuneration programs, see page 75 of the Corporate governance report.

OUTLOOK FOR 2020

Aspire Global aims to create value and generate a solid return to shareholders through continuous growth, with a mid-term EBITDA margin corresponding to 16%. The Group's growth strategy includes organic growth, acquisitions, expansion of its offering and broadening its partners base. During 2020, focus will be on M&A transactions, broadening our offering to our partners, attract large operator to migrate to our platform and continuous organic growth.

PROPOSED DISTRIBUTION OF APPROPRIATED PROFIT

The Board proposes the AGM that no dividend is paid out for 2019 following the tax settlement with the Israeli Tax Authority (ITA) and the continued search for M&A-opportunities. The long-term dividend target of 50% of net profit remains.

The amount available for appropriation at the Annual General Meeting comprises the following unrestricted reserves, profit carried forward and the profit for the year in the Parent Group.

The Board of Directors proposes that profit for the year be carried forward. Following appropriation, unrestricted equity amounts to:

Equity attributable to the equity holders of the company, EUR thousand	
Share capital and premium	6,715
Share based payment reserve	1,346
Reserve with respect to funding transactions with a related group	-15,371
Retained earnings	41,759
Total equity attributable to the equity holders of the Company	**34,449**
Non-controlling interests	-217
	34,232

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the year ended Dec 31st	
€000, except per share data	**Note**	**2019**	**2018**
Revenues (including EU VAT)		131,445	104,592
EU VAT		–3,907	–2,109
Net revenues		**127,538**	**102,483**
Distribution expenses		–87,052	–64,123
Gaming duties		–4,166	–4,406
Administrative expenses	6	–14,616	–12,753
		–105,834	**–81,282**
EBITDA		**21,704**	**21,201**
Amortization and depreciation		–3,960	–1,895
Operating income		**17,744**	**19,306**
Interest income and foreign currency exchange differences with respect to funding to a related group	21B	2,428	2,430
Finance income	7A	363	138
Finance expenses	7B	–3,618	–2,376
Income before income taxes		**16,917**	**19,498**
Income taxes with respect to previous years	8	–13,666	–
Income taxes	8	–1,367	–986
Net income before Company share in the results of associated companies		**1,884**	**18,512**
Company share in the results of associated companies		–1,479	–2,340
Net income and total comprehensive income		**405**	**16,172**
Net income and total comprehensive income attributable to:			
Equity holders of the company		405	16,172
Non-controlling interests		*	*
Earnings per share attributable to the equity holders of the Company (€):	11		
Net income attributable to the equity holders of the Company:			
Basic		0.01	0.36
Diluted		0.01	0.35

* Less than €500.

The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

€000	Note	As at Dec 31st 2019	2018
ASSETS			
NON-CURRENT ASSETS			
Goodwill	25	6,500	–
Intangible assets	14	19,066	7,031
Right-of-use assets	2W	2,822	–
Property and equipment	13	1,511	1,228
Investments and loans – associated companies	12	3,773	*2,362
Capital notes, loans and accrued interest due from a related group	21B	13,421	11,243
Deferred income taxes		81	73
		47,174	**21,937**
CURRENT ASSETS			
Trade receivables	15	11,371	10,201
Other receivables		2,434	1,518
Income taxes receivable		10,839	9,779
Related group receivable	21C	–	214
Restricted cash		435	782
Cash and cash equivalents	16	29,035	53,720
		54,114	**76,214**
TOTAL ASSETS		**101,288**	**98,151**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital and premium	17	6,715	5,643
Share based payment reserve		1,346	1,616
Reserve with respect to funding transactions with a related group		–15,371	–15,371
Retained earnings		41,759	46,786
Total equity attributable to the equity holders of the Company		**34,449**	**38,674**
Non-controlling interests		–217	–217
TOTAL EQUITY		**34,232**	**38,457**
NON-CURRENT LIABILITIES			
Employee benefits		339	350
Loans with respect to leasehold improvements		195	305
Lease liabilities		1,665	–
Senior secured bonds	26	27,188	26,872
		29,387	**27,527**
CURRENT LIABILITIES			
Client liabilities	18	5,487	6,686
Trade and other payables	19	16,634	*13,693
Lease liabilities		1,178	–
Bond interest payable	26	487	481
Contingent consideration	12B	771	–
Related group payables		182	–
Income taxes payable		12,930	11,307
		37,669	**32,167**
TOTAL EQUITY AND LIABILITIES		**101,288**	**98,151**

* Reclassified.

The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to the equity holders of the Company						
	Share capital and premium	**Share based payments reserve**	**Reserve with respect to funding transactions with a related group**	**Retained earnings**	**Total attributable to the equity holders of the Company**	**Non-controlling interests**	**Total equity**
Balance as at January 1st 2018	**4,882**	**1,642**	**–15,371**	**34,439**	**25,592**	**–217**	**25,375**
Total Comprehensive income	–	–	–	16,172	16,172	*	16,172
Dividends payments to equity holders of the company	–	–	–	–3,825	–3,825	–	–3,825
Exercise of stock options	761	–242	–	–	519	–	519
Employee stock option scheme	–	216	–	–	216	–	216
Balance as at December 31st 2018	**5,643**	**1,616**	**–15,371**	**46,786**	**38,674**	**–217**	**38,457**
Total Comprehensive income	–	–	–	405	405	*	405
Dividends payments to equity holders of the company	–	–	–	–5,432	–5,432	–	–5,432
Exercise of stock options	1.072	–396	–	–	676	–	676
Employee stock option scheme	–	126	–	–	126	–	126
Balance as at December 31st 2019	**6,715**	**1,346**	**–15,371**	**41,759**	**34,449**	**–217**	**34,232**

* Less than €500.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

€000	Note	For the year ended Dec 31st 2019	2018
Cash flows from operating activities:			
Income before income taxes		16,917	19,498
Adjustments for:			
Decrease in options fair value and equity investment		246	84
Amortization and depreciation		3,960	1,895
Employee stock option scheme expenses		126	216
Capital loss due to fixed assets		–	27
Finance expense with respect to senior secured bonds		2,376	*1,512
Interest paid		–2,268	*–1,010
Interest expenses with respect to lease liabilities		214	–
Interest income and foreign currency exchanges differences with respect to funding to a related group		–2,428	–2,430
Interest received		252	186
Increase in trade receivables		–1,110	–626
Decrease in restricted cash		422	72
Increase in other receivables		–24	–303
Decrease in a related group's receivables and payables		396	10
Decrease (Increase) in income taxes payable net of income taxes receivables		37	–16
Increase (Decrease) in trade and other payables		–890	*2,188
Increase (Decrease) in loans with respect to leasehold improvements		22	–14
Increase (Decrease) in client liabilities		–1,199	3,171
Increase (Decrease) in employee benefits, net		–11	46
		17,038	***24,506**
Income taxes paid, net		–14,515	-862
Net cash generated from operating activities		**2,523**	***23,644**
Cash flows from investing activities:			
Purchase of property and equipment		–730	–340
Investment and purchase of intangible assets		–5,551	–3,578
Net cash paid with respect to business combination	25	–12,797	–
Investment and loans – associated companies	12	–2,192	*–2,844
Net cash used in investing activities		**–21,270**	***–6,762**
Cash flows from financing activities:			
Repayment of lease liability		–1,050	–
Repayment of loans with respect to leasehold improvements		–132	–119
Exercise of stock options		676	519
Issuance of senior secured bonds		–	*26,851
Dividends payments to equity holders of the Company		–5,432	–3,825
Net cash generated from (used in) financing activities		**–5,938**	***23,426**
Net increase (decrease) in cash and cash equivalents		–24,685	40,308
Cash and cash equivalents at the beginning of the year		53,720	13,412
Cash and cash equivalents at the end of the year		**29,035**	**53,720**

* Reclassified.

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL

Aspire Global plc (the "Company") was incorporated in Gibraltar on December 17th 2003 and re-domiciled to Malta on 9 May 2017. Since 11 July 2017, the Company shares have been traded on Nasdaq First North Premier in Stockholm, Sweden, under the ticker "ASPIRE".

On October 7th 2019, the Company completed a business combination acquiring GMS Entertainment Limited, the owner of Pariplay B2B group ("Pariplay") which operates game aggregator platforms worldwide, including its own game studios and holds an iGaming license for New Jersey.

The Company together with its subsidiaries (the "Group") is a top platform provider which offers a total "all-in-one" solution for online gaming operators. The Group provides an advanced solution combining a robust platform, interactive games, and a set of comprehensive operational services. Gaming operators, affiliates and media companies benefit from flexible cross-platform solutions that include fully managed operations and customized integrations of a vast games offering.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the financial statements, on a consistent basis, unless otherwise stated, are:

A. Accounting principles
These financial statements have been prepared in accordance with International Financial Reporting Standards including, International Accounting Standards and interpretations (collectively "IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated.

B. Foreign currency
The financial statements of the Company and its subsidiaries are prepared in Euro (the functional currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group's transactions. Balances in foreign currencies are converted into Euro in accordance with the principles set forth by International Accounting standard (IAS) 21 ("The Effects of Changes in Foreign Exchange Rates"). Accordingly, transactions and balances have been converted as follows:

Monetary balances - at the rate of exchange applicable at the end of the reporting year;
All other items - at exchange rates applicable as at the date of recognition of those items.

C. Basis of consolidation
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

D. Revenue recognition
Revenue is recognized provided that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognized in the accounting periods in which the transactions occurred after deduction of certain promotional bonuses granted to customers and VAT, and after adding the fees and charges applied to customer accounts, and is measured at the fair value of the consideration received or receivable.

Revenue consists of income from online activities and income generated from foreign exchange commissions on customer deposit and withdrawals and account fees, which is allocated to each reporting segment. Revenue streams comprises:

1. B2C-Revenue generated from online gaming through the Company's various self-owned brands.
2. B2B- In instances of revenue split arrangements where the Company is the principal in the transaction, revenue is recorded on a gross basis and the third party revenues portion related to the sale is recorded within distribution costs as royalties, while in cases where the Company acts as an agent between the customer and the vendor, revenue is recorded net of costs.
3. Software integration- Revenue in respect of network service arrangements where a third-party uses the Group's gaming and aggregation platforms is recognized in the accounting period in which the gaming transactions occur and is measured at the fair value of the consideration received or receivable.

The Group adopted IFRS 15 using the full retrospective method of adoption with no material impact on the financial statements of the Group. On the opinion of the directors, the revenue recognition process has not changed during the year under review.

E. Distribution expenses
Distribution expenses represent royalties, customer related acquisition and other costs.

F. Gaming duties
Gaming duties relate to gaming taxes imposed by various EU countries.

G. Income taxes
Current income taxes are calculated in accordance with the tax legislation and applicable tax rates in force at the end of the reporting year in the countries in which the Group companies have been incorporated.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated Statement of Financial Position differs from its tax base, except for differences arising on:

- Investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

The amount of the deferred tax asset or deferred tax liability is determined using tax rates that have been enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are expected to be settled/used.

The Group adopted IFRIC 23, Uncertainty over Income Tax Positions ("IFRIC 23"), for the year ended 31 December 2019, which 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.

The Group adopted IFRIC 23 using the full retrospective method of adoption with no material impact on the consolidated financial statements of the Group.

H. Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control or joint control over those policies. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost plus direct transaction cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. In cases equity losses exceed the investment they are not recognized unless the Group is obligated and has its share in those losses.

After the application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on the investment in its associate. At each reporting date, the Group determines whether there is an objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Non-recurring expenses' in the Statement of Comprehensive Income.

I. Property and equipment

Property and equipment comprise computers, leasehold improvements, office furniture and equipment, and motor vehicles and are stated at cost less accumulated depreciation and any accumulated impairment.

Depreciation is calculated to write off the cost of fixed assets to their residual amount. The Group utilized the straight-line basis to depreciate its fixed assets as it reflects the future economic benefits from those assets. The principal annual rates used for this purpose, which are consistent with those of the previous years, are:

	%
Computers	33
Office furniture and equipment	7
Motor vehicles	17
Leasehold improvements	Over the shorter of the term of the lease and useful lives

Subsequent expenditures are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit or loss.

The residual value, the depreciation method and the useful life of an asset are reviewed at least each year-end and the changes are accounted for as a change in accounting estimate on a prospective basis. As for impairment test of fixed assets, see K below.

J. Intangible assets

1. Intangible assets purchased through business combination

Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

2. Internally generated intangible assets

Development expenditures on specific projects are recognized as an intangible asset when the Group can demonstrate that:

- It is technically feasible to develop the product for it to be used or sold
- Adequate resources are available to complete the development
- There is an intention to complete and use or sell the product
- The Group is able to use or sell the product
- The use of product will generate future economic benefits, and
- Expenditure on the project can be measured reliably.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in the Statement of Comprehensive Income as incurred.

During 2019 and 2018, the Group capitalized development cost of €5,210 thousand and €3,269 thousand, respectively. Capitalized development costs are deducted from the staff expenses under the Administrative expenses and are amortized under the amortization and depreciation in the Statement of Comprehensive Income.

The useful life of the capitalized development costs is between 4-8 years and amortized on a straight-line basis over the expected useful lives of the assets concerned.

Gaming license applications - Gaming application expenditures incurred are capitalized only where the expenditure will lead to new or substantially improved products or processes, the Group has intention, ability and sufficient resources to complete and use it, it will probably generate future economic benefits and the Group has the ability to measure reliably the expenditure attributable to it. Gaming license applications are amortized over the license term.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Comprehensive Income in the expense category that is consistent with the function of the intangible assets.

K. Impairment of non-financial assets

The Group evaluates the need to record an impairment of the carrying amount of fixed assets and definite intangible assets whenever events or changes in the circumstances indicate that the carrying amount is not recoverable. If the carrying amount of the above assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of the net sale price and value in use. In measuring value in use, the expected cash flows are discounted using a pre-tax discount rate that reflects the specific risks of the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs (The CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets). Impairment losses are recognized in the statement of comprehensive income. In case of appreciation in the following accounting periods, the impairment charge can be reserved into the statement of comprehensive income up to the depreciated/amortized asset to be recalculated then.

Impairment test on goodwill is undertaken annually at the financial year end. An impairment loss recognized for goodwill is not reversed.

L. Business combination

When the Group gained a control on a business, the business combination has been accounted for based on the purchase accounting method. The identifiable assets and liabilities have been accounted for based on their fair value on the acquisition date based on preliminary management assessment to be finalized within a year from the acquisition date. Goodwill represents the excess of the cost of the business combination over the Group's interest in the fair value of identifiable assets and liabilities. Goodwill was allocated on the initial recognition to the Group's CGU that has expected to benefit from the business combination that gave rise to the goodwill.

M. Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss - Derivatives

The Group uses derivative financial instruments to hedge certain currency cash flow exposures nominated in NIS. The derivative instruments used by the Group consist mainly of forward foreign exchange contracts. They are carried in the statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive income in the finance income or expense line. The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortized cost

These assets arise principally from the provision services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current receivables (including payment processors) are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

The Group's financial assets measured at amortized cost comprise capital notes, loans and accrued interest due from a related group, trade receivables, other receivables, cash and cash equivalents and restricted cash.

Trade receivables principally represent amounts due from payment processors that remit funds on behalf of customers and other types of contractual monetary asset and cash. Carried amounts are netted from an estimate made for expected credit losses based on a review of all outstanding amounts at the period-end as explained above.

Cash and cash equivalents includes cash in hand, funds attributed to players deposits reserves and deposits held at call with banks.

Restricted cash mainly include pledges for the Group's leased premises, security deposits for hedging positions and funds held on behalf of gaming players by the Italian Gaming Regulator.

N. Financial liabilities

The Group classifies its financial liabilities into one of the categories discussed below. The Group's accounting policy for each category is as follows:

Fair value through profit or loss – Derivatives

(see above within financial assets)

Other financial liabilities

Other financial liabilities include mainly senior secured bonds are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Client liabilities due to players for deposits not yet utilized in gaming activity, trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

O. Derivative financial instruments

The Group uses derivative financial instruments to hedge certain currency cash flow exposures nominated in NIS. The derivative instruments used by the Group consist mainly of call and put options as well as forward foreign exchange contracts.

Derivative financial instruments are recognized in the Statement of Financial Position at fair value. Changes in the fair value of derivative financial instruments are recognized as finance income (expense) in the Statement of Comprehensive Income.

P. Provisions and contingent liabilities

Provisions, which are liabilities of uncertain timing or amount, are recognized when the Group has a legal or constructive obligation as a result of past events, if it is probable that an outflow of funds will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where the Group has a possible obligation as a result of a past event that may, but probably will not, result in an outflow of economic benefits, no provision is made. Disclosures are made of the contingent liability (which its likelihood to succeed is not remote) including, where practicable, an estimate of the financial effect, uncertainties relating to the amount or timing of outflow of resources, and the possibility of any reimbursement.

Where time value is material, the amount of the related provision is calculated by discounting the cash flows at a pre-tax rate that reflects market assessments of the time value of money and any risks specific to the liability.

Q. Employee benefits

The Group employs personnel in Israel, Malta, the Ukraine, Bulgaria, Gibraltar and India.

The Group's legal commitment for severance and pension payments to its Israeli subsidiary's employees is partially fulfilled by monthly deposits with insurance policies and/or other funds in favor of the employees.

The Israeli subsidiary has adopted the general authorization in accordance with section 14 Severance Pay Law, 1963 ("Section 14"), according to which deposits to the pension funds and/or policies of insurance companies exempt the subsidiary from additional payments. However, the Group's liabilities for severance pay, attributed to certain employees that are not subject to Section 14 are computed on the basis of the employee's most recent salary as at the balance sheet date, in accordance with the Severance Pay Law, and are partially covered by monthly deposits with insurance policies and/or other funds in favor of the employees and the remaining are accrued for in the financial statements. The latter arrangement is applicable also to the Israeli employees who work in a Maltese subsidiary in accordance with their employment agreements.

As most of the Group's employees are covered by Section 14 and due to immateriality, the Group does not use actuarial estimates

and calculations for severance obligations. The Group accounts for such employees who are not subject to Section 14, by recording accruals on the full amounts assuming that all of these employees will be terminated as at the balance sheet date of each period (shut-down method).

The Bulgarian, Gibraltarian and India based subsidiaries applied the same section 14 concept as described above and by depositing funds on a monthly based those subsidiaries are exempt from any additional payments as well.

The majority of the employees in Ukraine are not entitled by their employment scheme and local regulation to severance pay.

R. Share capital
Ordinary shares are classified as equity and are stated at the value of the proceeds received net of related expenses.

S. Dividend distribution
Dividends are recorded in the Group's financial statements in the period in which they are approved by the Company shareholders.

T. Share-based payments
Certain employees participate in the Group's share option plans (2007 and 2017). The fair value of the options granted is charged to profit and loss over the vesting period of the options and the credit is taken to equity, based on the Group's estimate of options that will eventually vest. Fair value is determined by the Black Scholes valuation model. The share options vest over continued service.

U. Fair value measurement
The fair value measurement hierarchy is based on the inputs to valuation techniques used to measure fair value. The inputs are categorized into three levels, with the highest level which is used first (level 1) given to inputs for which there are unadjusted quoted prices in active markets for identical assets or liabilities, (level 2) inputs are directly or indirectly observable inputs other than quoted prices and the lowest level (level 3) given to unobservable inputs.

V. Earnings per share
Basic earnings per share ("EPS"):
Basic EPS is calculated by dividing:

- the profit attributable to equity holders of the company;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for ordinary shares issued during the year.

Diluted EPS:
Diluted EPS adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of options takes place as expected.
- the addition of the shares to be derived from realization must have a dilutive effect.

W. Leases
The Group adopted IFRS 16 Leases ("IFRS 16") for the year ended December 31st 2019, and which has given rise to changes in the Group's accounting policy.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have leasing activities acting as a lessor.

In accordance with IFRS 16, in order for a contract to constitute an arrangement (or component) of a lease, it is required that the contract grant the lessee the right-of-use asset to control the use of the identified asset over a period of time against receipt of consideration.

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (January 1st 2019), without restatement of comparative figures.

The Group has implemented IFRS 16 since January 1st 2019 and the following is the effect as of that date:

€000	In line with the previous policy	Effect of the application of IFRS 16	Pursuant to IFRS 16
Right-of-use asset	–	3,406	3,406
Current lease liability	–	–944	–944
Non-current lease liability	–	–2,462	–2,462

The lease liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of January 1st 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 7%. Right-of-use assets measured at an amount equal to the lease liability.

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements under IFRS as adopted by the EU requires the Group to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Included in this note are accounting policies and/or estimates which cover areas that the Directors and Management consider require judgments and/or assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the future. These policies together with references to the related notes to the financial statements, which include further commentary on the nature of the estimates and judgements made, can be found below:

Revenues:
The Group applies judgement in determining whether it is acting as a principal or an agent where it provides services to business partners through its business to business unit. In making these judgements the Group shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for the other party to provide those services (i.e. the entity is an agent). See also Note 2D.

Funding transactions with a related group:
The discounted cash flow of the anticipating repayments in connection with the funding transactions with a related group determined in 2015, the relating reserve with respect to funding transactions with a related group recorded then and the relating interest income recorded since 2015 were based on discounted cash flow of the anticipating repayments by an annual market interest rate valued by a reputable appraiser.

Capitalization of development costs:
Costs relating to internally generated intangible assets, are capitalized if the criteria for recognition as assets are met. The initial capitalization of costs is based on Management's judgment that technological and economic feasibility criteria are met. In making this judgment, Management considers the progress made in each development project and its latest forecasts for each project. For further details see Notes 2J and 14.

Contingent liabilities and regulatory matters:
The Group makes a number of judgements with respect to the accounting for contingent liabilities relating to regulatory matters. For further details see Notes 2P and 24.

Income taxes:
The Group operates substantially in seven countries. The applicability of corporate income taxes of the seven jurisdictions and/or the allocation of the Group taxable income to the seven jurisdictions, are subject to Management's assessments and judgments, upon consultations with the Group tax advisors. For further details see Notes 2G and 8.

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NOTE 4 DEFINITIONS

EBITDA (Earnings before interest, taxes, depreciation and amortization)	Profit before financial income/expense, income taxes, depreciation and amortization.
Average number of employees	number of employees expressed as full-time equivalent (full year's work)
B2B	Business to Business
B2C	Business to Customer

NOTE 5 SEGMENT INFORMATION

Segmental results are reported in a manner consistent with the internal reporting provided to Management. The operating segments identified are:

- B2B
- B2C

	For the year ended Dec 31st 2019			
€000	B2B	B2C	Elimination	Total
Revenues (including EU VAT)	81,146	50,299	–	131,445
Revenues (inter-segment)	7,565	–	–7,565	–
EU VAT	–1,128	–2,779	–	–3,907
Net revenues	**87,583**	**47,520**	**–7,565**	**127,538**
Total Expenses	**–71,651**	**–41,748**	**7,565**	**–105,834**
EBITDA	**15,932**	**5,772**	**–**	**21,704**
Unallocated expenses:				
Amortization and depreciation				–3,960
Operating income				**17,744**
Interest income and foreign currency exchange differences with respect to funding to a related group				2,428
Finance income				363
Finance expenses				–3,618
Income before income taxes				**16,917**

	For the year ended Dec 31st 2018			
€000	B2B	B2C	Elimination	Total
Revenues (including EU VAT)	56,604	47,988	–	104,592
Revenues (inter-segment)	7,198	–	–7,198	–
EU VAT	–508	–1,601	–	–2,109
Net revenues	**63,294**	**46,387**	**–7,198**	**102,483**
Total Expenses	**–50,897**	**–37,583**	**7,198**	**–81,282**
EBITDA	**12,397**	**8,804**	**–**	**21,201**
Unallocated expenses:				
Amortization and depreciation				–1,895
Operating income				**19,306**
Interest income and foreign currency exchange differences with respect to funding to a related group				2,430
Finance income				138
Finance expenses				–2,376
Income before income taxes				**19,498**

Geographical information
The Group's revenue can also be reviewed by considering the geographical markets within which the Group operates. This information is outlined below.

Revenue by geographical market based on location of "customer":

	For the year ended Dec 31st	
	2019	**2018**
	€' million	€' million
Nordics*	25.2	30.2
UK and Ireland	18.7	20.4
Rest of Europe	83.2	51.1
Rest of world	4.3	2.9
Total revenues	**131.4**	**104.6**

* Includes: Denmark, Sweden, Norway and Finland.

NOTE 6 ADMINISTRATIVE EXPENSES

	For the year ended Dec 31st	
€000	**2019**	**2018**
Staff expenses	9,486	7,520
Employee stock option scheme expenses	126	216
Research and development services from a related group (see Note 21C)	908	588
Legal and accounting	972	1,535
Rent and maintenance	–	720
Professional services	949	920
Rental income from related parties	–639	–
Other operating expenses	2,814	1,254
	14,616	**12,753**

NOTE 7 FINANCE INCOME AND EXPENSES

€000	For the year ended Dec 31st 2019	2018
A. Finance income:		
Financing income on derivative financial assets	215	19
Bank interest received and other	148	119
	363	**138**
B. Finance expenses:		
Currency exchange rate differences	–798	–559
Bank charges	–119	–156
Bond Financial expenses	–2,376	–1,562
Interest expenses with respect to lease liabilities	–214	–
Other	–111	–99
	–3,618	**–2,376**
Net finance expenses	**–3,255**	**–2,238**

NOTE 8 INCOME TAXES

€000	For the year ended Dec 31st 2019	2018
Income taxes:		
Current income taxes	1,375	996
Income taxes expense with respect to previous years	13,666	–
Deferred taxes	–8	–10
Total	**15,033**	**986**

In Israel, the Group was undergoing a tax audit. The Israeli tax authority ("ITA") raised various arguments with respect to the Group's management and control jurisdiction, permanent establishment and transfer pricing among the group entities and the gain on the sale of the ilottery assets. A settlement agreement with respect to the years 2008-2018 was reached on December 31st 2019 and the Group paid €13.7 million. The Group has considered the implications of the settlement in the recognition of the 2019's current income taxes expenses.

The total charge for the year can be reconciled to accounting profit as follows:

€000	For the year ended Dec 31st 2019	2018
Income before income taxes	16,917	19,498
Income taxes at effective tax rate in Malta (35%)	6,431	6,487
Income taxes expenses with respect to previous years	13,666	–
Carry forward tax from previous years	–111	–138
Refundable Malta tax (30%)	–5,416	–5,442
Different tax rates applied in overseas jurisdictions	218	88
Nondeductible expenses, net	253	*
Other	–8	–9
	15,033	**986**

* Less than € 1 thousand.

The corporate tax liabilities in various tax jurisdictions are recorded in the Corporation Tax Payable balance on the Consolidated Statement of Financial Position.

Malta:
The Company and its subsidiaries in Malta are subject to corporate tax rate in Malta of 35%, however according to Maltese tax regime certain portion of the Maltese tax payable amounts is refundable upon meeting certain criteria defined under the Maltese tax ordinance inter alia of dividend distributions. Receivable tax amounts are recorded in the Corporation Tax receivable balance on the Consolidated Statement of Financial Position.

Israel:
The subsidiaries in Israel are subject to Israeli corporate tax rates of 23% in 2018 thereafter.

Ukraine:
The subsidiary in Ukraine is subject to a Ukrainian corporate tax rate of 18%.

Bulgaria:
The Bulgarian subsidiary is subject to Bulgaria corporation tax at 10% on profits derived from activities carried out in Bulgaria.

USA:
The US subsidiary is subject to the Federal (21%) and State tax laws established in the United States.

India:
The India subsidiary is subject to India corporation tax at 22% and 4% Health & Educational Cess (HEC) on profits derived from activities carried out in India

Gibraltar:
The Gibraltarian subsidiary is subject to corporate tax rate of 10% on profits derived from activities carried out in Gibraltar.

NOTE 9 STAFF COSTS AND BENEFITS

Total staff costs comprise the following:

€000	For the year ended Dec 31st 2019	2018
Salaries, wages and employer social contributions	9,486	7,520
Share based compensation	126	216
	9,612	**7,736**

Average number of employees	2019	2018
Acquisition, sales and marketing	47	40
Operations	106	91
Research and development	50	23
Management and general	24	18
	227	**172**

The Group has an employee share option plan ("ESOP") for granting to certain employees of non-transferable options to be exercised to the Company's shares, upon satisfaction of their vesting and exercise terms.

The following tables present the required information with respect to the ESOP:

2019	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,222,545	€1.37
Granted during the year	104,000	€4.97
Forfeited	–149,934	€3.10
Exercised	–1,285,949	€0.53
Outstanding at the end of the year	890,662	€2.67
Exercisable	**457,169**	**€1.95**

2018	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2,855,500	€0.76
Granted during the year	462,750	€3.4
Forfeited	–55,413	€2.25
Exercised	–1,040,292	€0.5
Outstanding at the end of the year	2,222,545	€1.37
Exercisable	**1,423,622**	**€0.64**

Share options outstanding at the end of the year have the following exercise prices and periods:

Grant date	Expiry date	Exercise price	Number Dec 31st 2019	Dec 31st 2018
April 1st 2010	April 1st 2020	€0.50	–	1,200
January 28th 2011	January 28th 2021	€0.50	–	14,000
November 3rd 2011	November 3rd 2021	€0.50	22,000	86,900
December 19th 2012	December 19th 2022	€0.50	2,000	36,000
February 7th 2014	February 7th 2024	€0.50	–	300,000
July 7th 2014	February 7th 2024	€0.50	51,600	51,600
October 30th 2014	October 30th 2024	€0.50	4,000	80,000
November 19th 2015	November 19th 2025	€0.50	52,000	691,336
February 28th 2017	February 28th 2027	€0.50	88,676	250,672
June 21st 2017	June 20th 2022	€2.30	80,000	80,000
July 31st 2017	June 20th 2022	€2.30	80,000	80,000
August 29th 2017	June 20th 2022	€3.65	71,970	95,837
February 7th 2018	June 20th 2022	€3.38	320,083	438,000
August 13th 2018	June 20th 2022	€3.00	15,333	17,000
February 13th 2019	June 20th 2022	€4.97	103,000	–
Outstanding at the end of the year			**890,662**	**2,222,545**

On February 7th 2018, the Company granted all its employees who completed a minimum of certain number of months of service, based on seniority 441,750 options to purchase its shares, such options shall vest over a three-year period – 33% at the end of each year.

On August 13th 2018, the Company granted all its employees who completed a minimum of certain number of months of service, based on seniority 21,000 options to purchase its shares, such options shall vest over a three-year period – 33% at the end of each year.

On February 13th 2019, the Company granted all its employees who completed a minimum of certain number of months of service, based on seniority 104,000 options to purchase its shares, such options shall vest over a three-year period – 33% at the end of each year. The fair value of these granted options was calculated based on the Black-Scholes model, utilizing the following assumptions: Stock price €4.95, Expected term 2.68 years, Volatility 45%, Dividend yield 2.47% and risk free rate 2.57%. The fair value of the options estimated at €1.32 per option.

NOTE 10 AUDITOR FEES AND EXPENSES

BDO Limited is the selected auditor of the Group. The following remuneration is a summary of the audit and related fees recorded during 2019 and 2018 as part of the consolidated statement of comprehensive income:

€000	For the year ended Dec 31st 2019	2018
Audit fees	182	134
Related fees	14	87
	196	**221**

NOTE 11 EARNINGS PER SHARE

€000, except per share data and number of shares	For the year ended Dec 31st 2019	2018
Basic and Diluted earnings per share:		
Net income attributable to the equity holders of the Company	405	16,172
Weighted average number of ordinary shares issued	45,977,309	44,475,645
Dilutive effect of share options	453,678	1,706,632
Weighted average number of dilutive ordinary shares	46,430,987	46,182,277
Basic earnings per share (€)	0.01	0.36
Diluted earnings per share (€)	0.01	0.35

NOTE 12 INVESTMENT AND LOANS

€000	As at Dec 31st 2019	2018
Neolotto (A)		
Investment, loans and accrued interest Less the Group's share in accumulated results and impairment charges	–	650
	–	**650**
Minotauro (C)		
Investment	1,183	1,183
Loans and accrued interest Less the Group's share in accumulated results	–423	–173
	760	**1,010**
Market Play (E)		
Investment	2,028	*1,724
The Group's share in accumulated results	–1,501	–1,222
	527	**502**
NEG Group (B)		
Investment	2,000	200
The Group's share in accumulated results	–199	–
	1,801	**200**
Vips Holdings (D)		
Investment	750	–
The Group's share in accumulated results	–65	–
	685	**–**
Total	**3,773**	**2,362**

* Reclassified.

A. The Company has an investment in Neolotto Limited ("Neolotto"), an entity registered in Malta. The Company holds approximately 38% of the share capital of Neolotto. The total investment in Neolotto at December 31st 2018 amounted to €2.8 million. In addition to the investment, as at December 31st 2018 the Company has provided loans amounting to €3.7 million to Neolotto and other shareholders have provided loans amounting to €5 million. The total loans provided by the Company are under a convertible loan agreement, which may be converted into equity in Neolotto in accordance with the terms of the loan agreements. The amount which is recognized in the Statement of Financial Position at December 31st 2018, comprises the loans, accrued interest and the Company share of the deficit of Neolotto, totaling to €650 thousand. As at December 31st 2019, all investment amounts have been written off by accumulated losses as there is no reasonable expectation of recovering the contractual cash flows.

B. On May 10th, 2019, the Company completed an investment, in a way of convertible loan, in NEG Group Limited ("NEG") in consideration for up to €2 million of which €1,260 thousand was paid and the remaining is performance based ("Contingent consideration"), to be paid (if any) till June 2020, resulting in 25% holdings. The Contingent consideration amount was estimated by the Company's management at €2 million and the unpaid amount was recorded as "Contingent consideration" on the Company' Statement of Financial Position as of December 31st, 2019. NEG has re-launched of Digibet brand ("Digibet") well in time for the UEFA euro 2020 tournament. Digibet will be offering a regulated gaming experience focusing on sports betting. The brand, has been operated on another platform and was re-launched on the Company's platform in Q3 2019. NEG is also responsible for marketing activities, bringing valuable expertise related to the key markets and acquisition channels. Purchase price allocation of the investment was completed allocating €1 million to goodwill.

C. In February 2017, the Company, through its wholly owned subsidiary (the "Acquirer"), acquired 30% of the shares of Minotauro Media Limited ("MML") for a total consideration of €1,183 thousand, of which €828 thousand and €355 thousand were paid on February 3rd 2017 and June 30th 2017, respectively. MML is engaged in the business of marketing and promoting online gaming services via its domain names. The Acquirer was granted a call option for the remaining 70% of MML and the seller was granted a put option, exercisable subject to certain performance terms, which have not been met yet, as described in the shareholders' agreement, from October 2018 to June 2021, based on a multiple of 6 times of the exit EBITDA of MML capped at €12.6 million. Such options are considered financial derivative instruments and are measured and presented at fair value based on a valuation which is considered as a level 3 category of the fair value hierarchy and conducted by a reputable appraiser, pursuant to which, the call and put options were valued as €371 thousand and €33 thousand respectively, as at the transaction date and included as part of the Investments and loans - associated companies in the Consolidated Statement of Financial Position. The allocated cost to the acquired shares was valued at €845 thousand by the reputable appraiser and allocated to domain to be amortized over 7 years. As of December 31st 2019 the call and put options were revaluated by a reputable appraiser as €179 thousand and €16 thousand respectively. The net effect of impairment in the value of the options was recorded in the year ended December 31st 2019 to Finance expenses under "Consolidated Statements of Comprehensive Income". In the years ended December 31st 2019 and 2018 the Group recorded its share of MML results aggregated to €286 (including expenses with respect to amortization that amounted to €121 thousand) and €45 thousand loss, respectively, such amounts are presented as part of the "Company share in the results of associated companies and other related" within the "Consolidated Statements of Comprehensive Income".

D. On May 9th, 2019, the Company invested in Vips Holdings ("Vips") in consideration for €750 thousands of which €575 thousand were paid as of December 31st, 2019, resulting in 13% holdings. The Company will invest an additional €750 thousand subject to additional funding raised by Vips, resulting in an increase to holdings of 25%. Vips launched the Vips Casino brand in Q3 2019, inter-alia is investing in the tech infrastructure and marketing in order to create unique features for the brand.

E. On November 20th 2017, the Company's board of directors approved an investment in Market Play Limited a company that launched Mr. Play, a new casino and sports betting brand. The Company provides the technology and is a significant shareholder in the venture, holding 40% of its shares, along with various investors. The shareholders will fund the new company up to €4 million, of which, the Company will invest up to €2 million, based on business milestones. As at December 31st 2018 the Company has invested €1,050 thousand which were included as part of the Investments and loans - associated companies in the Consolidated Statement of Financial Position. In the year ended December 31st 2019 and December 31st 2018 the Group recorded its share of Market Play Limited's results aggregated to €279 and €1,222 thousand loss respectfully, such amount is presented as part of the "Company share in the results of associated companies and other related" within the "Consolidated Statements of Comprehensive Income.

See further information under note 22.

None of the above investees are considered as material associates.

NOTE 13 PROPERTY AND EQUIPMENT

€000	Computers	Office furniture and equipment	Motor vehicles	Leasehold improvements	Total
Cost – As at Jan 1st 2019	1,940	424	12	1,568	3,944
Business combination	38	40	–	–	78
Additions	661	23	–	53	737
Retirement	–	–7	–	–	–7
As at December 31st 2019	**2,639**	**480**	**12**	**1,621**	**4,752**
Accumulated depreciation – As at January 1st 2019	1,588	162	12	954	2,716
Additions	322	53		152	527
Retirement	–	–2	–	–	–2
As at December 31st 2019	**1,910**	**213**	**12**	**1,106**	**3,241**
Net Book Value – As at December 31st 2019	**729**	**267**	**–**	**515**	**1,511**

€000	Computers	Office furniture and equipment	Motor vehicles	Leasehold improvements	Total
Cost – As at Jan 1st 2018	1,702	417	44	1,473	3,636
Additions	238	7	–	95	340
Retirement	–	–	–32	–	–32
As at December 31st 2018	**1,940**	**424**	**12**	**1,568**	**3,944**
Accumulated depreciation – As at January 1st 2018	1,371	129	16	807	2,323
Additions	217	33	1	147	398
Retirement	–	–	–5	–	–5
As at December 31st 2018	**1,588**	**162**	**12**	**954**	**2,716**
Net Book Value – As at December 31st 2018	**352**	**262**	**–**	**614**	**1,228**

NOTE 14 INTANGIBLE ASSETS

	Gaming licenses	Capitalized development costs	Customer Relationship	Total
Cost – As at January 1st 2019	1,225	9,080	–	10,305
Business combination	–	3,247	5,612	8,859
Additions	294	5,257	–	5,551
As at December 31st 2019	**1,519**	**17,584**	**5,612**	**24,715**
Accumulated amortization – As at January 1st 2019	1,073	2,201	–	3,274
Additions	337	1,968	70	2,375
As at December 31st 2019	**1,410**	**4,169**	**70**	**5,649**
Net Book Value – As at December 31st 2019	**109**	**13,415**	**5,542**	**19,066**

	Gaming licenses	Capitalized development costs	Total
Cost – As at January 1st 2018	916	5,811	6,727
Additions	309	3,269	3,578
As at December 31st 2018	**1,225**	**9,080**	**10,305**
Accumulated amortization – As at January 1st 2018	751	1,026	1,777
Additions	322	1,175	1,497
As at December 31st 2018	**1,073**	**2,201**	**3,274**
Net Book Value – As at December 31st 2018	**152**	**6,879**	**7,031**

The above intangible assets represent operating gaming licenses in where the Company operates for a period of one to five years and development costs for games, web infrastructure which are amortized for an average period of 7 years and technology and customers relations as a part of Pariplay business combination (see note 25).

NOTE 15 TRADE RECEIVABLES

€000	As at Dec 31st 2019	2018
Payment processors receivables	9,479	9,438
Trade receivables	1,892	763
	11,371	**10,201**

The directors consider that the carrying amount of trade receivables approximates to their fair values, which is based on estimation of amounts recoverable. The directors have evaluated the credit risk exposure by an appraiser who found no indication of financial distress by the payment processors receivables and therefore no provision is needed. The impact of IFRS 9 application is de-minimis and the Company decided not to make any provision.

NOTE 16 CASH AND CASH EQUIVALENTS

€000	As at Dec 31st 2019	2018
Cash at bank	23,548	47,034
Funds attributed to players deposits reserves	5,487	6,686
	29,035	**53,720**

The Group's cash and cash equivalents are invested in short term daily deposits denominated mainly in Euros with major international banks.

Funds attributed to players represent cash balances used to cover future players payment commitments.

NOTE 17 SHAREHOLDERS' EQUITY

Share Capital	As at Dec 31st 2019	2018
	Number of shares	
Share capital is comprised of shares at £0. 0025 par value as follows:		
Authorized	4,000,000,000	4,000,000,000
Issued and fully paid	46,420,277	45,134,328

On February 7th 2018, the Company's Board of Directors proposed a dividend in the amount of €3.825 million to the Company shareholders. The dividend was approved at the annual general meeting on May 8th 2018 and was paid on May 24th 2018.

On February 6th 2019, the Company's Board of Directors proposed a dividend in the amount of €5.432 million to the Company shareholders. The dividend was approved at the annual general meeting on May 14th 2019 and was paid with the record date of May 16th 2019.

Reserves

The following describes the nature and purpose of each reserve within the Company equity:

Reserve	Description and purpose
Retained earnings:	Cumulative net gains and losses recognized in the consolidated Statement of Comprehensive Income net of dividend declared.
Share-based payments:	Share based payments reserve represents the accumulated expenses recognized with respect to the outstanding share options at the end of the year.
Non-controlling interests:	Interests of other shareholders in certain subsidiaries.
Reserve with respect to funding transactions with a related group:	See Note 21B.

NOTE 18 CLIENT LIABILITIES

Client liabilities represent amounts due to customers including net deposits received, undrawn winnings and certain promotional bonuses. The carrying amount of the client liabilities approximate to their fair value which is based on the net present value of expected future cash flows.

NOTE 19 TRADE AND OTHER PAYABLES

€000	As at Dec 31st 2019	2018
Accrued expenses	5,719	5,479
Royalty payables	4,983	*3,552
Trade payable	2,321	2,108
Employees payable	1,453	1,144
Value added tax	1,099	388
Other payables	1,059	1,022
	16,634	***13,693**

The carrying amount of trade and other payables approximates their fair value which is based on the net present value of expected future cash flows.

* Reclassified.

NOTE 20 LEASE COMMITMENTS

All operating lease commitments relate to buildings and operating car lease arrangements. Here are the current lease arrangements:

A. In September 2011, the Israeli subsidiary entered into a lease agreement for office space. The agreement commenced in January 2012 for a period of sixty months with an option to renew for an additional fifty seven months. The annual lease payment (NIS denominated) is approximately €752 thousand and is linked to the Israeli consumer price index ("ICPI") such annual payment should increase by 6% during the option period. In September 2016 the subsidiary realized such option. Commencing April 2015, all expenses related to the above lease agreement are charged to a related group which is the user of this office space.

B. On May 8th 2017, the Israeli subsidiary entered into a lease agreement for an office space. The agreement commenced in September 2017 for a period of sixty months with a sixty months renewal option. The annual lease payment and related expenses (NIS denominated) is approximately €444 thousand and is linked to the ICPI, such annual payment should increase by 5% during the option period.

C. In October 2009, the Maltese subsidiaries entered into a lease agreement for office space. The agreement commenced in May 2010 for a period of forty-four months with an option to extend the lease period for additional four fixed periods of one year each, those options were realized by the subsidiary. In December 2015 the subsidiary signed an extension notice for additional year, all together up to December 31st 2018. During December 2018 the subsidiary signed an additional extension notice for additional 3 years, all together up to December 31st 2021. The 2019 annual rent was approximately €214 thousand.

D. Pariplay

1. The India subsidiary signed a rental lease agreement commencing February 1st 2019 through January 30th 2021 for a monthly payment of approximately Rp. 272 thousands, with an option to extend the agreement for additional 12 months, such option was realized.
2. The Bulgarian subsidiary signed several rental lease agreements all through December 31st 2022 for an aggregate monthly payments of approximately Bulgarian lev 22 thousand, with an option to extend each one for a period 12, all options were realized.
3. The Gibraltarian subsidiary signed a rental lease agreement commencing March 14th 2019 through March 13th 2020 for a monthly payment of approximately £1 thousands, with an option to extend the agreement for additional 12 months, such option was realized.

NOTE 21 RELATED PARTIES

A. Barak Matalon, who is one of the Principal Shareholders of the Company and a Director has been engaged as a consultant. The consulting fees for the years ended December 31st 2019 and 2018 amounted to €137 thousand and €126 thousand, respectively.

B. Interest bearing funding provided to the related group in 2014 and 2015, accounted for based on market interest rate which exceeded the contractual interest rate, whereby the differences of the fair value and the balances at the grant dates as well as at the extension date (May 2017) were recorded into "Reserve with respect to funding transactions with a related group" as "Benefit to the Company equity holders with respect to funding transactions". Interest income has been recorded based on the market interest rate on the fair value of funding.

Capital notes, loans and accrued interest

€000 As at	Principal amount	Balance*	Contractual interest rate, %	Effective interest rate, %
December 31st 2019	19,461	13,421	1	20
December 31st 2018	19,072	11,243	1	20

* including accrued interest and exchange rate differences of €10,431 thousand and €8,253 thousand as of December 31st 2019 and 2018, respectively.

Maturity date: 2020 in the case of the exercise of call option by a shareholder of the related group or 2022.

C. Other transactions:

In 2019, the Group consumed development services from a related group aggregated to €3,203 thousand which were capitalized as an intangible asset. Additionally, the Group consumed research and development services from the related group aggregated to €457 thousand which were recorded as research and development services from a related group within administrative expenses. Furthermore, the Group was entitled for a reimbursement of certain administrative expenses, rental income and related expenses aggregated to €61 thousand, €639 and €684 thousand, respectively, which were recorded as a deduction of the staff expenses and rent and maintenance within administrative expenses, respectively.

In 2018, the Group consumed development services from a related group aggregated to €2,258 thousand which were capitalized as an intangible asset. Additionally, the Group consumed research and development services from the related group aggregated to €588 thousand which were recorded as research and development services from a related group within administrative expenses. Furthermore, the Group was entitled for a reimbursement of certain administrative expenses and rent and related aggregated to €246 thousand and €1,240 thousand, respectively, which were recorded as a deduction of the staff expenses and rent and maintenance within administrative expenses, respectively.

NOTE 22 SUBSIDIARIES AND ASSOCIATES

Details of the Group's subsidiaries and associates as at the end of 2019 are set out below, for further details see Note 12 above:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Aspire Global International Limited	Malta	100%	Maltese-licensed B2C trading company
AG Software Ltd	Malta	100%	Maltese-licensed B2B trading company
Aspire Global Marketing Solutions Ltd	Israel	100%	Provides certain marketing support and development services to Aspire Global Plc.
AG Communications Limited	Malta	100%	B2C trading company holding licenses in Denmark, United Kingdom and Sweden
Utopia Management Group Ltd	British Virgin Islands	100%	Provides certain marketing and acquisition services
ASG Technologies Ltd	British Virgin Islands	100%	Acts as a nominee with respect to the registration of certain domains owned by the Group
Aspire Global Ukraine	Ukraine	100%	Provides customer support and development services to Aspire Global Plc.
Novogoma Ltd	Malta	83%	Social online gaming trading company
Neolotto Ltd	Malta	37.6%	Online lottery tickets reseller focused on the German market
Minotauro Media Limited	Ireland	30%	Engaged in the business of marketing and promoting online gaming services via its domain names
Market play Ltd	Malta	40%	Engaged in the business of marketing and promoting online gaming services via its domain names
NEG Group Limited	Malta	25%	Engaged in the business of marketing and promoting online gaming services via its domain names
Vips Holdings	Malta	13%	Engaged in the business of marketing and promoting online gaming services via its domain names
GMS Entertainment Limited ("GMS")	Isle of man	100%	Engaged in developing and licensing Real Money Gaming games and systems in global regulated markets

All the subsidiaries and associates are held by the Company, except for Minotauro Media Limited which is held by AG Communications Limited.

During the year 2019 the following subsidiaries were incorporated for the purpose of operating various remote gaming licenses. Aspire Global 1 Limited (Dormant), Aspire Global 2 Limited (Dormant), Aspire Global 3 Limited (Dormant), Aspire Global 4 Limited (Dormant), Aspire Global 5 Limited (Dormant), Aspire Global 6 Limited (Dormant), Aspire Global 7 Limited (Commenced activity in 2019)

GMS Entertainment Limited is holding the following companies: Pariplay Limited (Isle of Man), Pariplay Limited (Gibraltar), Pariplay Malta Limited, Pariplay Limited India, Pariplay USA Limited, Intop Studios Ltd (Israel) and Pariplay Bulgaria Limited.

NOTE 23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group is exposed to a variety of financial risks, which result from its financing, operating and investing activities. The objective of financial risk management is to minimize exposures in these financial risks and to mitigate a negative impact on the Group's financial performance and position. The Group's financial instruments are its:

- Loans and accrued interest due from related group
- Trade receivables
- Other receivables
- Cash and cash equivalents
- Restricted cash
- Loans with respect to leasehold improvements
- Client liabilities
- Senior secured bonds
- Lease liabilities
- Trade and other payables

€000	As at Dec 31st 2019	2018
Financial assets:		
Loans and accrued interest due from related group	13,421	11,243
Trade receivables	11,371	10,201
Other receivables	2,434	1,518
Cash and cash equivalents	29,035	53,720
Restricted cash	435	782
Total	**56,696**	**77,464**
Financial liabilities:		
Loans with respect to leasehold improvements	195	305
Client liabilities	5,487	6,686
Senior secured bonds	27,675	27,353
Lease liabilities	2,843	–
Trade and other payables	15,535	*13,305
Total	**51,735**	**47,649**

*Reclassified

Due to the nature of the above financial instruments, their carrying value approximates their fair value.

Capital

The capital employed by the Group is substantively composed of equity attributable the equity holders of the Company. The primary objective of the Group is maximising shareholders' value, which, from the capital perspective, is achieved by maintaining the capital structure most suited to the Group's size, strategy, and underlying business risk.

The risks arising from the Group's financial instruments are mainly credit risk, currency risk and liquidity risk. The risk management policies employed by the Group to manage these risks are discussed below.

a. Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting year.

The Group closely monitors the activities of its counterparties enabling it to ensure the prompt collection of processor and customer balances. Furthermore the Company engages only with reputable payment service providers. These are third party companies that facilitate deposits and withdrawals of funds to and from customers. These are mainly intermediaries that transact on behalf of the main credit card companies. The Group has evaluated the processor service provider balances by an appraiser considering its extensive experience and found no indication of financial distress.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Currency risk

Currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk also arises when Group operations are entered into in currencies denominated in a currency other than the functional currency.

Transaction exposures: The Group's policy is that all material transaction currency exposures are economically hedged using foreign exchange contracts and/or by holding cash in the relevant currency. Additionally, the Group has discretion to hedge some or all of its forecast operational costs in Israel up to 12 months. Currency exposures are monitored by the Group on a monthly basis.

Sensitivity analysis to currency and interest rate risk

The Group has not presented a sensitivity analysis for the impact on its statement of comprehensive income of potential movements in interest rates, as in the opinion of the directors, the change in the fair value of its financial assets or liabilities would be negligible.

Any change in the currency exchange rates will cause a respective change on the relating asset or liability and accordingly will affect the statement of comprehensive income.

The tables below specify the monetary assets and liabilities by currency:

€000	As at December 31st 2019 EUR	GBP	USD	NIS	Others	Total
Assets:						
Capital notes, loans and accrued interest due from a related group	–	–	13,421	–	–	13,421
Trade receivables	8,869	1,391	47	–	1,064	11,371
Other receivables	1,499	482	52	289	112	2,434
Cash and cash equivalents	15,668	5,517	5	645	7,200	29,035
Restricted cash	270	–	–	136	29	435
Monetary assets	**26,306**	**7,390**	**13,525**	**1,070**	**8,405**	**56,696**
Liabilities:						
Loans with respect to leasehold improvements	–	–	–	195	–	195
Senior secured bonds	27,635	–	–	–	–	27,675
Lease liabilities	401	22	–	1,991	429	2,843
Client liabilities	2,354	1,741	23	–	1,369	5,487
Trade and other payables	13,896	583	123	1,207	825	16,634
Monetary liabilities	**44,326**	**2,346**	**146**	**3,393**	**2,623**	**52,834**

	As at December 31st 2018					
€000	**EUR**	**GBP**	**USD**	**NIS**	**Others**	**Total**
Assets:						
Capital notes, loans and accrued interest due from a related group	–	–	11,243	–	–	11,243
Trade receivables	7,607	1,060	–	–	1,534	10,201
Other receivables	1,054	268	45	145	6	1,518
Cash and cash equivalents	35,684	8,048	3	736	9,249	53,720
Restricted cash	444	–	–	338	–	782
Monetary assets	**44,789**	**9,376**	**11,291**	**1,219**	**10,789**	**77,464**
Liabilities:						
Loans with respect to leasehold improvements	–	–	–	305	–	305
Client liabilities	3,423	1,690	327	–	1,246	6,686
Trade and other payables	11,271	15	43	1,101	1,263	13,693
Monetary liabilities	**14,694**	**1,705**	**370**	**1,406**	**2,509**	**20,684**

c. Liquidity risk
Liquidity risk exists where the Group might encounter difficulties in meeting its financial obligations as they become due. The Group monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations.
The following table details the contractual maturity analysis of the Group's financial liabilities:

	As at December 31st 2019				
€000	**On demand**	**In 3 months**	**Between 3 months and 1 year**	**More than 1 year**	**Total**
Loans with respect to leasehold improvements	–	–	–	195	195
Client liabilities	5,487	–	–	–	5,487
Senior secured bonds	–	487	1,461	27,987	29,935
Lease liabilities	–	336	1,010	1,835	3,181
Trade and other payables	–	15,599	1,035	–	16,634
Total	**5,487**	**16,422**	**3,506**	**30,017**	**55,432**

	As at December 31st 2018				
€000	**On demand**	**In 3 months**	**Between 3 months and 1 year**	**More than 1 year**	**Total**
Loans with respect to leasehold improvements	–	–	–	305	305
Client liabilities	6,686	–	–	–	6,686
Senior secured bonds	–	487	1,461	29,935	31,883
Trade and other payables	–	12,358	1,335	–	13,693
Total	**6,686**	**12,845**	**2,796**	**30,240**	**52,567**

NOTE 24 CONTINGENT LIABILITIES

The Group is a gaming operator and provides gaming services to players. As part of Management's ongoing regulatory compliance process, Management continues to monitor legal and regulatory developments and their potential impact on the Group's operations. Given the changing nature of the legal and regulatory landscape of the online gaming industry, the Group from time to time has been challenged by certain regulatory authorities in respect of its activities in certain jurisdictions.

NOTE 25 BUSINESS COMBINATION

On October 7th, 2019, the Company completed a business combination acquiring GMS Entertainment Limited, the owner of Pariplay B2B group ("Pariplay"), in consideration totaling to €13.3 million of which €0.8 million were transferred to escrow. Pariplay operates game aggregator platforms worldwide, including its own game studios and holds an iGaming license for New Jersey. Pariplay has been considered as a cash generating unit and the goodwill was fully allocated to it.

Details of the preliminary purchase price allocation of the fair value of identifiable assets and liabilities acquired and goodwill are as follows:

	€000, Fair Value
Cash and cash equivalents	465
Restricted deposits	75
Other receivables	892
Trade receivable	60
Property and equipment	78
Right-of-use assets	401
Intangible assets*	8,859
Trade payables	–2,210
Other Payables	–1,101
Lease liabilities	–269
Other long-term liabilities	–256
Deferred Tax liability	–232
Total Net Assets	**6,762**

Fair value of consideration paid:

	€000
Total consideration (cash)	13,262
Goodwill	6,500

The hypothetical results for the year ended December 31st 2019 of the combined entity assuming that the business combination had been completed on January 1st 2019:

	Full year 2019 (Jan–Dec)		
€000	**The Group excluding Pariplay**	**Pariplay**	**Total**
Revenues	128,392	10,553	138,945
EBITDA	21,187	1,705	22,892
Net income and comprehensive income	144	574	718

* Intangible assets comprise of technology and customers relations valued at of €3.3 million and €5.6 million, to be amortized over its useful life.

NOTE 26 SENIOR SECURED BONDS

On April 3rd 2018, the Company issued a €27.5 million senior secured bonds, under a €80 million framework. On May 18th 2018 the Company listed the Bond on Nasdaq Stockholm. The Bond has a 3-year term with a floating interest rate of Euribor 3m + 7.0% and a Euribor floor of zero. The bond loan is aimed to allow the Company to grow through mergers and acquisitions. Net proceeds of the bond amounted to €26.8 million and the amount presented under long-term liabilities reflects the discounted cash flow net of related issuance costs which amounted to €700 thousand. The related accrued interest for the period amounted to €481 thousand and is presented under the current liabilities Bond interest payable. The book value of the bonds approximates its fair value as of December 31st 2019.

NOTE 27 SUBSEQUENT EVENTS

1. On January 14th 2020, the board of directors of the Company, approved an exercise of options to purchase 14,000 shares to certain employees, according to company's 2017 share options scheme.
2. COVID -19 -
   The Group is carefully monitoring the outbreak and spread of the COVID-19 (coronavirus) across the world. Pro-active measures have been taken to reduce the risk for the staff and to ensure business continuity.
   The Group is an online Group where working remotely and meeting virtually are established ways of working.
   In order to protect the well-being of its more the employees, the Group banned all travelling.
   The Group's operations are directed mainly towards the casino vertical. Sports betting represented approximately 5% of total revenues in the fourth quarter 2019, including the casino games studio and aggregator Pariplay. The casino operations have not been impacted by the outbreak of COVID-19.

ASSURANCE BY THE BOARD OF DIRECTORS

The undersigned certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and with generally accepted accounting principles, and give a true and fair view of the financial position and results of the Group and that the Director's Report for the Group provide a fair overview of the development of the Group's operations, financial position and results, as well as a fair description of significant risks and uncertainties faced by the companies included in the Group.

Stockholm, April 6th 2020

Carl Klingberg
Chairman of the board

Fredrik Burvall
Board member

Tsachi Maimon
Board member

Barak Matalon
Board member

Aharon Aran
Board member

The Audited report was issued at Malta, April 7th, 2020

Malta BDO Limited
Sam Spiridonov, auditor

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aspire Global plc

OPINION

We have audited the consolidated financial statements of Aspire Global and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31st 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31st 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards adopted by EU (IFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), 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.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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 management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion: We have not received all the information and explanations we require for our audit. Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.

The financial statements are not in agreement with the accounting records and returns.

The information given in the directors' report is not consistent with the financial statements.

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

BDO Malta
It-Torri Street
Msida MSD 1824
Malta

April 7th 2020

DEFINITIONS

Aspire Global's definitions of a number of performance measures and industry terms presented in the annual report.

Active players	Players with activated (played) deposits during the period
Affiliate	Companies that convey advertising on the internet on behalf of various websites
Betting duties	Betting duties are excise duties on gaming. The tax is paid by anyone organizing gaming for the public or organizing games for business purposes.
Company Hold	Net gaming revenues/deposits
CRM	Customers Relation Management
Earnings per share	Profit for the period divided by the average number of outstanding shares during the period
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA margin	EBITDA/net revenues (Note that being the license holder means Aspire Global receives payment directly from players, as oppose to a royalty from partners; which is the case for most other B2B-companies. Adjusted for these circumstances, the company's EBITDA margin would be much higher, meaning EBITDA margin is not fully comparable to the EBITDA margin of peers.)
EBITDA margin, adjusted	EBITDA margin adjusted for discontinued operations
EBITDA, adjusted	EBITDA adjusted for discontinued operations
Gaming license	Approval to operate and provide online gaming in a regulated market
Gaming transactions	Total bets on games in a certain period
GDPR	Abbreviation of the English name General Data Protection Regulation. In Swedish, this is called the Allmänna dataskyddsförordningen. GDPR is a regulation adopted by the EU, which applies as of May 25th 2018. The aim is to strengthen protection for individuals in the handling of personal information and the regulation defines the handling of information that can be directly or indirectly linked to an individual
Gross Gaming Revenues (GGR)	Total bets minus prizes
HTML	Hyper Text Markup Language. A standard markup language used to create web pages
Jackpot	Typically a large cash prize, accumulated of unwon prizes
LTV	Total net profit from a specific player
LTV-model	Lifetime Value Model – Statistic tool for prediction of the total future net profit from a specific player
MGA	Malta Gaming Authority
Net Gaming Revenues	Gros gaming revenue (GGR) adjusted for bonus costs and external jackpot contributions
Partner royalties	Share of net gaming revenue (NGR) kept by Aspire Global before paying partners.
Player acquisition cost	The cost of acquiring FTDs
Regulated markets	Markets with local regulations for online gaming, limiting casinos operations to companies holding a local license
Revenue growth	Revenues (period)/Revenues (previous period)
Revenues, adjusted	Revenues adjusted for discontinued operations
Set-up-fee	A fixed set-up fee is charged immediately following the agreement to launch a new casino
Slots	Casino game with three or more reels which spin when a button is pushed. Slot machines are also known as one-armed bandits.

THE SHARE

The Aspire Global share has been listed on Nasdaq First North Premier in Stockholm, Sweden, since July 11th, 2017 under the name ASPIRE.

THE SHARE

In 2017 Aspire Global was listed for trading on Nasdaq First North Premier in Stockholm, Sweden. The offering comprised of 8,856,603 existing Shares offered by the selling shareholders and 2,099,716 new shares issued by the company. The Offering Price had been set to SEK 30 per share, corresponding to a value of the company's shares of SEK 1,323 million after the completion. The offering was significantly over-subscribed and trading commenced on Tuesday July 11th 2017. At year-end 2019, the number of shareholders was 2,900, ten of which held 82.1% of shares and votes.

SHARE PERFORMANCE

Based on the closing price paid on December 30th 2019, SEK 29.6, Aspire Global's market capitalization was SEK 1,374 million. The share price declined 40.5% in 2019, while the total index, OMX Stockholm PI, increased by 29.6% in the same period. The highest closing price during the year was SEK 53.3 on May 21st, 2019, and the lowest closing price was SEK 26.35, on December 12nd, 2019. During the year, a total of 15,864,436 shares were traded, with an average daily trading volume of 64,228 shares.

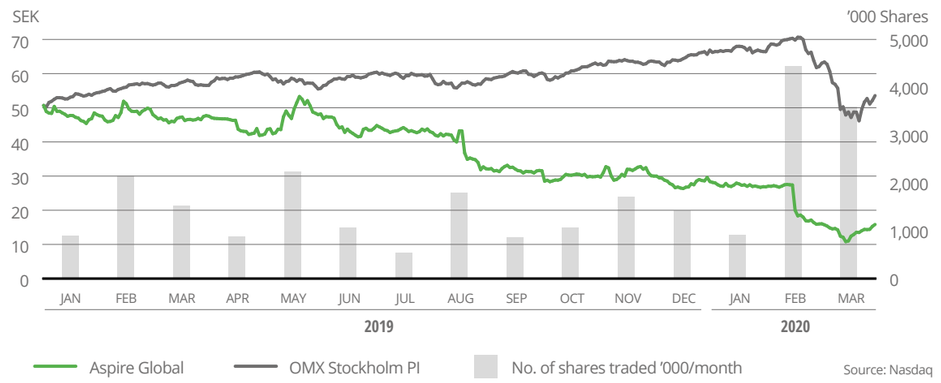
OUTSTANDING SHARE OPTIONS

At year-end 2019, there were 46,420,277 outstanding shares, totaling €137 thousand par value. 890,662 share options are outstanding of which 457,169 were exercisable at December 31st 2019.

DIVIDEND POLICY

Aspire Global's dividend policy is to distribute annual dividend totaling at least 50% of the company's net profits after taxes, subject to the discretion of the Board of Directors. When considering the distribution of dividends, the Board of Directors of Aspire Global may consider the then-existing conditions, including the company's financial results, capital requirements, the Group's ability to meet its foreseeable financial liabilities, investment opportunities, contractual restrictions, statutory restrictions on Aspire Global's ability to pay dividends as prescribed by the Maltese company laws, and other factors deemed relevant by the board. In 2019, Aspire Global paid dividend equivalent to €0.12 (SEK 1.27) per share. The Board proposes the AGM that no dividend is paid out for the year 2019 following the tax settlement with the Write Israeli Tax Authority and the continued search for M&A opportunities. The long-term dividend target of 50% of net profit remains.

The share



Source: Nasdaq

KEY FIGURES, PER SHARE

- Earnings per share €0.01
- Outstanding shares at year end, thousands 46,420
- Average number of shares, thousands 46,182
- Last price paid 2019, SEK 29.60
- Highest closing price paid 2019, SEK 53.30
- Lowest closing price paid 2019, SEK 26.35
- Market capitalization at year-end, SEK 1,374 million
- Number of shareholders, December 31st, 2019, 2,900

LARGEST SHAREHOLDERS

(December 31st 2019)	Number of shares	Share of votes and capital
Matalon Barak	12,048,000	25.95%
Zahavi Pini	7,500,000	16.16%
Azur Eli	7,500,000	16.16%
Aran Aharon	3,000,000	6.46%
Swedbank Robur Ny Teknik BTI	2,453,300	5.28%
Avanza Pension	1,776,792	3.83%
BNY MELLON	1,473,815	3.17%
Fondita Nordic small CAP	825,000	1.78%
Lighthouse (Tsachi Maimon)	800,000	1.72%
BNP Paribas SEC Services London	722,031	1.56%
Nordnet pensionsförsäkring AB	720,453	1.55%
Swedbank Robur Microcap	700,000	1.51%
Ålandsbanken i ägares ställe	338,288	0.73%
SEB AB, Luxemburg Branch	319,191	0.69%
Clearstream Banking S.A.	300,000	0.65%
Zeroman OY	278,642	0.60%
BNY Mellon SA/NV (Former BNY)	211,321	0.46%
CBLDN- OP Custody LTD CLT	134,085	0.29%
Nordea Livförsäkring Sverige AB	120,147	0.26%
Rosen, Ilan	117,760	0.25%
Total 20 largest shareholders	**41,338,825**	**89.05%**
Other 2,880 shareholders	5,081,452	10.95%
Total	**46,420,277**	**100%**

OWNERSHIP DISTRIBUTION

	Number of shareholders	Number of shares	Share of votes
Physical entities	2,781	35,064,884	76%
Legal entities	119	11,355,393	24%
Total	**2,900**	**46,420,277**	**100%**
Of which based in			
Sweden	2,556	9,837,834	21%

DISTRIBUTION STRUCTURE

	Number of shareholders	Number of shares	Share of votes
1000	2,130	634,322	1.37%
1,001–5,000	555	1,299,177	2.80%
5,001–25,000	160	1,613,122	3.48%
25,001–50,000	29	1,067,401	2.30%
50,001–100,000	4	252,966	0.54%
100,001–500,000	10	2,033,898	4.38%
500,001–1,000,000	5	3,767,484	8.12%
>1,000,001	7	35,751,907	77.02%
	2,900	**46,420,277**	**100%**

ANALYST WHO MONITOR ASPIRE GLOBAL

Lars-Ola Hellström
Marlon Värnik
Pareto Securities AB

Jonas Amnesten
Kristoffer Lindström
Redeye

Markus Augustsson
Carlsquare

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Shareholders are invited to the Annual General Meeting of the Company, which will be held at the Company's head office at 135 High Street, Sliema, Malta, on May 6th, 2020 at 14:00 CEST. Notification of attendance at the AGM must be submitted in writing to the Company no later than May 4th, 2020, by emailing agm@aspireglobal.com.

Due to the present circumstances with Covid-19, shareholders are strongly encouraged to observe government and public health authorities' advice and guidelines before deciding whether to attend the meeting in person. Instead, shareholders are encouraged to use their right to appoint the Chairman of the AGM, or other person, as their proxy to attend the meeting and vote on their behalf. We look forward to engaging with our shareholders in person as soon as circumstances allow.

Registration and attendance

Every shareholder who is entered in the Company's register of shareholders maintained by Euroclear Sweden AB on April 29th 2020 (the record date) is entitled to attend and vote at the AGM. Notice of the AGM with full details about attendance and voting, as well as proxy forms and voting instructions, are available on the Company's website https://www.aspireglobal.com/corporate-governance/annual-general-meeting-agm/.

When registering, shareholders must include their name, personal identity or corporate registration number, address, telephone number, email address, the names of any assistants and their shareholding.

Shareholders participating by proxy are required to provide their proxy with a dated power of attorney. If the power of attorney is provided on behalf of a legal entity, a certified copy of a registration certificate or equivalent document for the legal entity must be enclosed with the notice of attendance. The power of attorney and registration certificate must be sent to the company at the above address well in advance of the meeting. The power of attorney may not be more than five years old.

Nominee-registered shares

Shareholders whose shares are registered with a bank's trust department or another nominee must temporarily have their shares re-registered in their own name with Euroclear Sweden AB to be able to participate in the AGM.

Dividend

The Board proposes to the AGM that no dividend be paid for 2019 following the tax settlement with the ITA and the continued search for M&A opportunities. The long-term dividend target of 50% of net profit remains in effect.

CALENDAR FOR THE FINANCIAL YEAR 2020

Interim report for January–March	**May 5th 2020**
Interim report for January–June	**August 20th 2020**
Interim report for January–September	**November 5th 2020**
Year-end report	**February 18th 2021**

Financial reports are available in English at the company website, www.aspireglobal.com/investors.

CONTACT

- **Tsachi Maimon**, CEO, tel: +356-79 777 898 or email: investors@aspireglobal.com
- **Motti Gil**, CFO, tel: +356-99 240 646 or email: investors@aspireglobal.com

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CERTIFIED ADVISOR

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