

Super Group (SGHC) Limited

Consolidated Financial Statements for the three years ended
December 31, 2024, 2023 and 2022

Super Group (SGHC) Limited
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Super Group (SGHC) Limited

Company Information

Directors:	J Le Poidevin R Dutnall A van Wyk N Menashe E Grubman J Jossel N Branch M Wolman
Company Registration:	69022
Registered Office:	Kingsway House Havilland Street St. Peter Port Guernsey GY1 2QE
Administration Office:	Bordeaux Court Les Echelons St. Peter Port Guernsey GY1 1AR
Independent Auditor:	BDO LLP 55 Baker Street London W1U 7EU

Super Group (SGHC) Limited

Directors' Report

The Directors present the report and financial statements of Super Group (SGHC) Limited (the "Company") for the year ended 31 December 2024.

Incorporation

The Company was incorporated in Guernsey on March 29, 2021 under The Companies (Guernsey) Law, 2008 (as amended).

Directors

The Directors who served during the year were:

J Le Poidevin

R Dutnall

R Hasson (resigned February 28, 2025)

A van Wyk

N Menashe

E Grubman

J Jossel

N Branch

M Wolman (appointed February 19, 2025)

Dividends

During the year, dividends of €118.2 million (2023: nil; 2022: nil) were declared to the shareholders.

Principal Activities

The principal activity of the Group is that of the operation of a number of interactive gaming services under licenses granted by gaming authorities in various jurisdictions. The Company is the ultimate holding company of the Super Group (SGHC) Limited group.

Results

The results for the year are reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 7.

Going Concern

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting to prepare the annual financial statements.

Subsequent Events

The Directors performed a review of events subsequent to the reporting date through to the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements other than those already disclosed in note 30.

Statement of Directors' responsibilities

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

The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS as issued by the IASB). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- a. select suitable accounting policies and apply them consistently;
- b. state whether applicable International Financial Reporting Standards as issued by the International Accounting Standards Board, have been followed, subject to any material departures disclosed and explained in the financial statements;
- c. make judgements and accounting estimates that are reasonable and prudent; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008, as amended.

The Directors are responsible for ensuring there is no relevant audit information of which the Company's auditor is not aware and that the Directors have taken all steps deemed necessary to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reporting Framework

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Appointment of independent auditor

BDO LLP will continue as the group's auditors.

By order of the Board - for and on behalf of the Directors

DocuSigned by:

Alinda Van Wyk

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A van Wyk

Date: April 3, 2025

Signed by:

John Le Poidevin

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J Le Poidevin

Date: April 3, 2025

Independent Auditor's Report

The Members

Super Group (SGHC) Limited

St Peter Port, Guernsey

Opinion

We have audited the consolidated financial statements of Super Group (SGHC) Limited and its subsidiaries (the Company), which comprise the consolidated statement of financial position as of 31 December 2024, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, including the required comparative information, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements: (i) present fairly, in all material respects, the consolidated financial position of the Company as of 31 December 2024, and the consolidated financial performance and its consolidated cash flows for the year then ended, including the required comparative information, (ii) have been properly prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (collectively "IFRS") and (iii) have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States of America, including the Financial Reporting Council's ('FRC's') Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Directors and Those Charged With Governance for the Consolidated Financial Statements

As explained more fully in the Statement of Directors' responsibilities within the Directors' Report, the Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are required to evaluate whether there are conditions or events, considered in the aggregate, that cast substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from December 31, 2024; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Directors, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Chartered Accountants

London, United Kingdom

April 3, 2025

Super Group (SGHC) Limited

Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the years ended December 31 2024, 2023 and 2022
(€ '000s, except for shares and earnings per share)

	Note	2024	2023	2022
Revenue	5	1,696,854	1,436,117	1,292,210
Direct and marketing expenses	6	(1,269,917)	(1,136,870)	(979,300)
General and administrative expenses	6	(162,257)	(148,153)	(144,084)
Depreciation and amortization expense	6	(77,709)	(82,189)	(66,729)
Impairment of assets	11	(36,775)	(35,949)	—
Gain on disposal of business	19	40,135	—	—
Other operating income		6,724	6,071	5,491
Finance income		10,225	8,912	2,222
Finance expense		(6,082)	(2,726)	(1,345)
Change in fair value of options	20	(12,976)	(28,642)	6,292
Share of post-tax profit of equity accounted associate		576	—	—
Gain on bargain purchase	4	—	209	—
Gain on derivative contracts	20	—	—	4,148
Transaction fees	24.1	—	—	(22,969)
Share listing expense	24.1	—	—	(126,252)
Change in fair value of warrant liability	24.2	—	—	34,518
Change in fair value of earnout liability	24.3	—	—	237,354
Foreign exchange on revaluation of warrants and earnout liabilities	24.2, 24.3	—	—	(25,047)
Profit before taxation		188,798	16,780	216,509
Income tax expense	8	(75,253)	(25,386)	(34,240)
Profit / (loss) for the year		113,545	(8,606)	182,269
Profit / (loss) for the year attributable to:				
Owners of the parent		113,098	(10,551)	181,439
Non-controlling interest		447	1,945	830
		113,545	(8,606)	182,269
Other comprehensive profit / (loss) items that may be reclassified subsequently to profit or loss				
Foreign currency translation		17,931	(631)	(3,915)
Change in fair value of investment in non-listed equity		(174)	(784)	—
Other comprehensive profit / (loss) for the year		17,757	(1,415)	(3,915)
Total comprehensive income / (loss) for the year		131,302	(10,021)	178,354
Total comprehensive income / (loss) for the year attributable to:				
Owners of the parent		130,855	(11,966)	177,524
Non-controlling interest		447	1,945	830
		131,302	(10,021)	178,354
Weighted average shares outstanding, basic	9	501,803,294	498,243,792	490,017,400
Weighted average shares outstanding, diluted	9	503,697,933	498,243,792	490,035,080
Earnings / (loss) per share, basic (cents)	9	22.54	(2.12)	37.03
Earnings / (loss) per share, diluted (cents)	9	22.45	(2.12)	37.03

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

Super Group (SGHC) Limited
Consolidated Statements of Financial Position
as at December 31, 2024 and 2023

	Note	2024 € '000s	2023 € '000s
ASSETS			
Non-current assets			
Intangible assets	10	170,087	193,395
Goodwill	10	90,901	94,915
Property, plant and equipment	12	20,021	17,406
Right-of-use assets	13	65,678	24,866
Deferred tax assets	8	38,834	36,703
Regulatory deposits		13,015	11,951
Loans receivable	14	—	89,090
Investment in associate		2,666	—
Financial assets		272	174
Prepayment for sportsbook software	15	112,594	—
		514,068	468,500
Current assets			
Trade and other receivables	16	133,791	154,615
Income tax receivables		9,212	12,535
Restricted cash	17	8,703	38,287
Cash and cash equivalents	18	372,882	241,923
Loans receivable	14	853	6,719
Fixed term deposits		13,180	—
Assets held for sale	19	—	38,292
		538,621	492,371
TOTAL ASSETS		1,052,689	960,871
Non-current liabilities			
Lease liabilities	13	64,566	23,919
Deferred tax liability	8	2,096	4,684
Provisions	22	1,096	—
Derivative financial instruments	20	—	2,056
Contingent consideration	4	—	322
		67,758	30,981
Current liabilities			
Lease liabilities	13	5,794	5,226
Deferred and contingent consideration	4	368	2,392
Interest-bearing loans and borrowings		36	87
Trade and other payables	21	270,852	195,392
Customer liabilities	20	51,108	67,592
Provisions	22	7,205	44,826
Income tax payables		19,194	25,840
Derivative financial instruments	20	2,195	42,600
Liabilities associated with assets held for sale	19	—	7,140
Dividends payable	23.4	72,531	—
		429,283	391,095
TOTAL LIABILITIES		497,041	422,076
EQUITY			
Issued capital	23.1	289,753	289,753
Treasury shares	23.2	(2,632)	(2,632)
Accumulated other comprehensive profit / (deficit)	23.3	10,333	(7,424)
Retained profit		260,080	240,618
Equity attributable to owners of the parent		557,534	520,315
Non-controlling interest		(1,886)	18,480
EQUITY		555,648	538,795
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,052,689	960,871

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

Super Group (SGHC) Limited

Consolidated Statements of Changes in Equity
for the years ended December 31, 2024, 2023 and 2022

	Note	Issued capital € '000s	Treasury shares € '000s	Accumulated other comprehensive income / (deficit) € '000s	Earnout reserve € '000s	Retained profit / (Accumulated deficit) € '000s	Equity attributable to owners of the parent € '000s	Non- Controlling Interest € '000s	Total equity € '000s
Equity as at December 31, 2021		269,338	—	(2,094)	—	246,808	514,052	—	514,052
Profit for the year		—	—	—	—	181,439	181,439	830	182,269
Other comprehensive loss for the year		—	—	(3,915)	—	—	(3,915)	—	(3,915)
Total comprehensive income		—	—	(3,915)	—	181,439	177,524	830	178,354
Capital reorganization		—	—	—	—	(1,427)	(1,427)	—	(1,427)
Issue of share capital, net of transaction costs	24.1	226,349	—	—	—	—	226,349	—	226,349
Shares repurchased	23.1	(222,345)	—	—	—	—	(222,345)	—	(222,345)
Acquisition of new business	4	—	—	—	—	—	—	17,127	17,127
Dividends paid to non-controlling interest		—	—	—	—	—	—	(1,388)	(1,388)
RSU expense	25	—	—	—	—	24,261	24,261	—	24,261
Initial recognition of earnout liability	24.3	—	—	—	(249,955)	—	(249,955)	—	(249,955)
Derecognition of earnout liability	24.3	—	—	—	249,955	(217,494)	32,461	—	32,461
Shares issued in exchange for public warrants	24.2	16,411	—	—	—	—	16,411	—	16,411
Derecognition of private warrants	24.2	—	—	—	—	746	746	—	746
Total transactions with owners		20,415	—	—	—	(193,914)	(173,499)	15,739	(157,760)
Equity as at December 31, 2022		289,753	—	(6,009)	—	234,333	518,077	16,569	534,646
Equity as at December 31, 2022		289,753	—	(6,009)	—	234,333	518,077	16,569	534,646
(Loss) / Profit for the year		—	—	—	—	(10,551)	(10,551)	1,945	(8,606)
Other comprehensive loss for the year		—	—	(1,415)	—	—	(1,415)	—	(1,415)
Total comprehensive (loss) / income		—	—	(1,415)	—	(10,551)	(11,966)	1,945	(10,021)
Shares repurchased	23.2	—	(2,632)	—	—	—	(2,632)	—	(2,632)
RSU expense	25	—	—	—	—	16,836	16,836	—	16,836
Issue of share capital, net of transaction costs		—	—	—	—	—	—	1	1
Dividends paid to non-controlling interest		—	—	—	—	—	—	(35)	(35)
Total transactions with owners		—	(2,632)	—	—	16,836	14,204	(34)	14,170
Equity as at December 31, 2023		289,753	(2,632)	(7,424)	—	240,618	520,315	18,480	538,795
Equity as at January 1, 2024		289,753	(2,632)	(7,424)	—	240,618	520,315	18,480	538,795
Profit for the year		—	—	—	—	113,098	113,098	447	113,545
Other comprehensive income for the year		—	—	17,757	—	—	17,757	—	17,757
Total comprehensive income		—	—	17,757	—	113,098	130,855	447	131,302
RSU expense	25	—	—	—	—	10,337	10,337	—	10,337
Dividends declared	23.4	—	—	—	—	(118,159)	(118,159)	(42)	(118,201)
Acquisition of non-controlling interest	29	—	—	—	—	14,186	14,186	(20,771)	(6,585)
Total transactions with owners		—	—	—	—	(93,636)	(93,636)	(20,813)	(114,449)
Equity as at December 31, 2024		289,753	(2,632)	10,333	—	260,080	557,534	(1,886)	555,648

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

Super Group (SGHC) Limited
Consolidated Statements of Cash Flows
for the years ended December 31, 2024, 2023 and 2022

	Note	2024 € '000s	2023 € '000s	2022 € '000s
Cash flows from operating activities				
Profit / (Loss) for the year		113,545	(8,606)	182,269
Add back:				
Income tax expense	8	75,253	25,386	34,240
Depreciation and amortization expense	6	77,709	82,189	66,729
Change in fair value of option	20	12,976	28,642	(6,292)
RSU expense	25	10,337	16,836	24,261
Net foreign currency losses		7,686	10,670	2,910
Bad debt	16	6,453	12,398	8,618
Increase / (decrease) in provisions		38,285	1,081	(3,935)
Impairment of goodwill	10	7,034	35,949	—
Impairment of assets	10, 12, 13	29,929	344	—
Gain on disposal of DGC B2B	19	(40,135)	—	—
Change in fair value of earnout liability	24.3	—	—	(237,354)
Change in fair value of warrant liability	24.2	—	—	(34,518)
Foreign exchange on revaluation of warrants and earnout liabilities	24.2, 24.3	—	—	25,047
Share listing expense	24.1	—	—	126,252
Other non-cash adjustments ¹		2,175	(973)	(1,324)
Changes in working capital:				
Decrease / (increase) in trade and other receivables		13,746	(39,024)	47,050
Increase / (decrease) in trade and other payables		890	8,527	(27,742)
(Decrease) / increase in customer liabilities		(16,484)	14,769	(4,170)
Decrease / (increase) in restricted cash		25,966	(12,030)	(7,084)
Cash from operating activities		365,365	176,158	194,957
Withholding taxes paid on subsidiaries dividends		(6,194)	(223)	(5,611)
Corporation tax rebates/refunds received		10,411	30,868	1,846
Corporation tax paid		(85,999)	(73,954)	(24,356)
Net cash flows from operating activities		283,583	132,849	166,836

Super Group (SGHC) Limited
Consolidated Statements of Cash Flows (continued)
for the years ended December 31, 2024, 2023 and 2022

	Note	2024 € '000s	2023 € '000s	2022 € '000s
Cash flows from investing activities				
Cash received in interest		9,630	5,154	1,700
Acquisition of intangible assets		(78,397)	(44,446)	(21,229)
Acquisition of property, plant and equipment		(12,167)	(9,106)	(6,311)
Initial direct costs on acquisition of right-of-use assets		(1,180)	—	—
Cash received from loans receivable		1,758	4,814	8,528
Cash extended for financial assets	14, 15	(29,841)	(71,055)	(24,332)
Cash received for sale of DGC B2B	19	9,181	—	—
Cash paid for investment in entities		(5,687)	—	—
Cash received from financial assets		917	—	—
Acquisition of businesses, net of cash acquired	4	—	(10,269)	7,282
Extension of restricted cash guarantee	17	—	(18,604)	(79,293)
Release of restricted cash guarantee	17	—	138,499	—
Settled derivative contracts	26	—	—	17,132
Net cash flows used in investing activities		(105,786)	(5,013)	(96,523)
Cash flows from financing activities				
Repayment of lease liabilities - interest	13	(2,559)	(1,844)	(1,196)
Repayment of lease liabilities - principal	13	(5,401)	(5,811)	(7,026)
Proceeds from interest-bearing loans and borrowings	26	—	18,594	—
Repayment of interest-bearing loans and borrowings	26	(27)	(139,436)	(26,679)
Cash paid for deferred consideration	26	—	—	(13,200)
Dividends paid to non-controlling interests		(42)	(35)	(1,388)
Dividends paid to parent equity holders	23.4	(46,120)	—	—
Shares repurchased	23.2, 24.1	—	(2,632)	(224,322)
Proceeds from shares issued net of transaction costs	24.1	—	—	170,632
Net cash flows used in financing activities		(54,149)	(131,164)	(103,179)
Increase / (decrease) in cash and cash equivalents		123,648	(3,328)	(32,866)
Cash and cash equivalents at beginning of the year		241,923	254,778	293,798
Effects of exchange rate fluctuations on cash held		7,311	(9,527)	(6,154)
Cash and cash equivalents at the end of the year ²		372,882	241,923	254,778

¹ Amounts related to the comparative periods are composed by certain line items that have been grouped together and presented within other non-cash adjustments.

² Cash and cash equivalents at the year end includes unrestricted cash held for corporate purposes of €355.8 million and monies held for regulatory purposes of €17.1 million.

Investing and financing transactions that do not require the use of cash and cash equivalents were not included in the Consolidated Statements of Cash Flows. Refer to notes 24 and 26 for additional information about these transactions.

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

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

1 General information and basis of preparation

General information

Super Group (SGHC) Limited ("Super Group" or the "Company") is a holding company primarily engaged, through its operating subsidiaries, in the business of online sports betting and casino games.

The Company is a limited company incorporated under the Companies (Guernsey) Law, 2008 (the "Companies Law") on March 29, 2021. The registered office is located at Kingsway House, Havilland Street, St Peter Port, Guernsey.

Super Group and its subsidiaries (together, the "Group") operate a number of interactive gaming services under licenses granted by gaming authorities in various countries. Super Group is the ultimate holding company of the Group. These interactive gaming services consist mainly of casino games of chance and sports betting. The Group is focused on the delivery of a converged interactive gaming experience allowing its customers to interact with its games under several brands on a variety of platforms. The Group also licenses the Betway brand to companies external to the Group.

The consolidated financial statements of the Group for the year ended December 31, 2024 were authorized for issue in accordance with a resolution of the Board on April 3, 2025.

Basis of preparation

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting principles set out below, unless stated otherwise, have been applied consistently for all years presented in the consolidated financial statements. Super Group's fiscal year ends December 31. All intercompany transactions are eliminated during the preparation of the consolidated financial statements.

These consolidated financial statements are presented in Euros, being the currency most utilized within the Group. Foreign operations are included in accordance with the policies set out in note 2.13.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated. All amounts presented are rounded to the nearest thousand except when otherwise indicated. Due to rounding, differences may arise when individual amounts or percentages are added together.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies

The following principal accounting policies have been used consistently in the preparation of these consolidated financial statements.

2.1 Going concern

The accompanying consolidated financial statements of the Group have been prepared assuming the Group will continue as a going concern. The going concern basis of presentation assumes that the Group will continue in operation for at least a period of one year after the date these consolidated financial statements are issued, and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Management continues to monitor the impact of various geopolitical, regulatory and macroeconomic events, including uncertainty and volatility caused by any disruption to global trade and economic policy resulting from major shifts in long-standing trade positions of major economies and the ongoing conflicts in Ukraine and the Middle East.

Despite these challenges, management is satisfied that the Group has sufficient resources available to continue in operational existence for the foreseeable future after having reviewed in detail the current trading position, forecasts, and prospects of the Group, and the terms of the trade in operation with customers and suppliers. Management have prepared cash flow forecasts that model the impact of the aforementioned events and concluded that the Group has the ability to manage its committed expenditure to ensure that it has sufficient working capital to continue to meet its obligations as they fall due.

The Group has recognized net profit of €113.5 million for the year ended December 31, 2024 (2023: net loss of €8.6 million), (2022: net profit of €182.3 million) and generated cash flows from operations for the year ended December 31, 2024 of €283.6 million (2023: €132.8 million) (2022: €166.8 million). As of December 31, 2024 current assets exceeded current liabilities by €109.3 million (2023: €101.3 million). The Group has retained profit of €260.1 million as at December 31, 2024.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for a period of at least one year from the date of issuance of these financial statements, April 3, 2025, and therefore have prepared the consolidated financial statements on a going concern basis.

2.2 Recent accounting pronouncements

The following amendments became effective in 2024, but did not have a material impact on the consolidated financial statements of the Group:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date January 1, 2024);
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective date January 1, 2024); and
- Amendments to IAS 7 and IFRS 7: Disclosures: Supplier Finance Arrangements (effective date January 1, 2024).

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.2 Recent accounting pronouncements (continued)

Standards issued not yet applied

The following IFRSs have been issued but have not been applied in these consolidated financial statements:

- Amendments to IAS 21: Lack of exchangeability (effective date January 1, 2025).
- IFRS 9 and IFRS 7: Power Purchase Agreements (effective date January 1, 2026)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (effective date January 1, 2027 - with early adoption permitted)

The adoption of the above is not expected to have a material effect on the Group's consolidated financial statements.

The Group is currently assessing the effect of the following new accounting standards and amendments:

- IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (effective date January 1, 2026)
- IFRS 18: Presentation and Disclosure in Financial Statements (effective date January 1, 2027 - with early adoption permitted)

IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments had amendments that were issued by the Board in May 2024. The amendments are expected to have a material impact on the classification of cash-in-transit balances where the cash-in-transit is linked to the derecognition of financial instruments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

2.3 Basis of Consolidation

A subsidiary is an entity controlled by the Group. The Group controls an entity when it has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group's consolidated financial statements include the accounts of the Company and its subsidiary undertakings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any residual gain or loss is recognized in profit or loss. Any investment retained, if not assessed as an investment in associate or joint venture, is recognized at fair value.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.4 Revenue recognition

The Group generates revenue through income earned from online gaming activities, comprising online casino games and sports betting, as well as brand licensing agreements. All revenue is recognized net of the fair value of customer incentives and value-added tax ("VAT") and goods and services tax ("GST") in countries where they are applicable.

Online casino and sports betting

Revenues generated from online casino games and sports betting are classified as derivative financial instruments accounted for in accordance with IFRS 9, 'Financial Instruments'. These derivatives are initially recognized at fair value, representing the amount staked by the customer adjusted for any customer incentives. They are subsequently remeasured when the outcome and the transaction price is known and the amount payable is confirmed, at which point the movement is recorded as a gain or loss in the Consolidated Statements of Profit or Loss and Other Comprehensive Income. As such gains and losses arise from similar transactions, they are offset within revenue.

The Group recognizes revenue transactions at the fair value of the consideration received or receivable at the point the transactions are settled. Any open positions at year end are fair valued with the resulting gain or loss recorded in the Consolidated Statements of Profit or Loss and Other Comprehensive Income. Customer liabilities related to these timing differences are accounted for as derivative financial instruments, further discussed in note 20 and 26.

Sports betting and online casino revenue represents the net house win adjusted for the fair market value of gains and losses on open betting positions and certain customer incentives.

Brand licensing agreements

Revenue also includes brand licensing revenues generated by the provision of the Betway brand to other online gambling companies, which is accounted for in accordance with IFRS 15, 'Revenue from Contracts with Customers,' by applying the five step model.

The transaction price for brand licensing contracts are composed of monthly licensing fees, monthly brand exploitation fees, and sports and e-sports contributions. Sports and e-sports contributions are variable elements which are calculated as a percentage of Group's yearly global expenditure on sponsorship agreements. While the amount of these expenditures will fluctuate from year-to-year it is within the Group's control and is considered to be predictable. The variable portion of consideration is only included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Brand licensing agreements allow the contracting partner to use the Group brands for the life of the contract in exchange for a fee which is billed and paid monthly. The agreements have the same pattern of transfer with the customer simultaneously receiving and consuming the benefits provided. The revenue recognized by the Group on brand licensing agreements is thus allocated evenly on a monthly basis over the life of the contract in line with the delivery of the services and benefits.

2.5 Intangible assets

Intangible assets are principally comprised of customer databases, brands, marketing and data analytics know-how, licenses, exclusive rights licenses, acquired technology, internally-generated software development costs and goodwill. All such intangible assets are stated at cost less accumulated amortization and impairment.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.5 Intangible assets (continued)

Goodwill

Goodwill acquired in business combinations is recognized as an intangible asset with any impairment in carrying value being charged to the Consolidated Statements of Profit or Loss and Other Comprehensive Income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Statements of Profit or Loss and Other Comprehensive Income on the acquisition date.

Intangible assets arising on acquisitions

Intangible assets are recognized on business combinations if they are separable from the acquired entity or arise from other contractual/legal rights and are recorded initially at fair value at the date of acquisition. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Customer databases

Customer databases represent the customer database acquired in business combinations.

Brands

Brands represent the brands acquired in business combinations.

Licenses

Licenses represent gaming and sports betting licenses that are a prerequisite for online casino or sport betting together with supplier and outsourcing contracts.

Exclusive license rights

Exclusive license rights represents sole and exclusive rights to operate products under license agreements.

Marketing and data analytics know-how

Marketing and data analytics know-how represents customer and regulatory data analytics associated with player behaviors and the regulatory environment which represents material barriers to entry for both casino and sports betting activities.

Acquired technology

Acquired technology represents internally developed assets and other technology acquired in business combinations.

Internally-generated software development costs

Research costs are expensed as incurred, and development costs are only recognized as internally-generated software if all recognition criteria according to IAS 38, 'Intangible Assets,' are met. Expenses that can be directly allocated to development projects are capitalized provided that:

- the completion of the intangible asset is technically feasible;
 - the Group has the intention to complete the intangible asset and to use or to sell it;
 - the intangible asset can be sold or used internally;
 - the intangible asset will generate future benefits in terms of new business opportunities, cost savings or economies of scale;
 - sufficient technical and financial resources are available to complete the development and to use or sell the intangible asset, and
 - expenditures can be measured reliably.
- Direct costs include not only the personnel and related overhead expenses for the development team, but also the costs for external consultants and developers.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.5 Intangible assets (continued)

Amortization

Amortization is provided at rates calculated to write off the valuation of each asset over its expected useful life, as follows:

Intangible Asset	Amortization method	Useful economic life
Customer databases	Diminishing balance method	2-5 years
Brands	Straight-line method	Assessed separately for each asset, with lives ranging up to 20 years
Marketing and data analytics know-how	Straight-line method	4-5 years
Licenses	Straight-line method	1-10 years
Exclusive license rights	Straight-line method	3 years
Acquired technology	Straight-line method	2-10 years
Internally-generated software development costs	Straight-line method	2-10 years

The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.6 Research and development costs

Research and development costs that are not eligible for capitalization have been expensed in the year incurred totaling €10.5 million for the year ended December 31, 2024 (2023: €15.8 million) (2022: €17.7 million). These expenses are included in the 'Direct and Marketing expenses' line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

2.7 Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Property plant and equipment	Depreciation method	Useful economic life
Leasehold property improvements	Straight-line	Over the life of the lease or the useful life of the asset, whichever is shorter
Furniture and fittings	Straight-line	3-6 years
Office equipment	Straight-line	3-10 years
Computer hardware and software	Straight-line	2-5 years straight-line

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the net carrying amount of the asset and is recorded as income or expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

2.8 Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken at least annually in November. The Group assesses, at each reporting date, whether there is an indication that other non-financial assets or cash generating units (CGUs) may be impaired. If any indication exists, or when annual impairment testing for an asset or CGU is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The current year assessment resulted in an impairment loss relating to the DGC CGU of €36.8 million (2023: €35.9 million). Additional disclosures are provided in note 11.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the circumstances or assumptions initially used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.9 Assets held for sale and associated liabilities

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use as required by IFRS 5. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. Liabilities that are directly associated with assets held for sale are presented separately as a current item in the Consolidated Statement of Financial Position.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. During 2023, the DGC B2B division was reclassified as a non-current asset held for sale. The sale was completed on February 1, 2024. Additional disclosures are provided in note 19.

2.10 Taxes

Current income tax

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Management evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation at each reporting date and establishes provisions where appropriate.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.10 Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income ("OCI") or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was recognized during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.10 Taxes (continued)

Pillar Two legislation

The Organization for Economic Co-operation and Development ("OECD") addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules ("Pillar Two" rules) apply to multinational enterprises ("MNEs") with annual revenue in excess of €750 million per their consolidated financial statements.

The Pillar Two rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax) on the income arising in each jurisdiction in which it operates; that is, the Pillar Two rules levy a top-up tax whenever the effective tax rate, determined on a jurisdictional basis under the Pillar Two rules, is below the minimum rate of 15%.

On May 23, 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the "Amendments"). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two rules; and
- Disclosure requirements for affected MNEs to help users of the financial statements better understand an MNE's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two rules were adopted in Guernsey and are applicable starting from January 1, 2025. According to these rules, the Group is considered a MNE to which the Pillar Two rules shall be applied. At the same time, Pillar Two rules have been enacted or substantively enacted in certain jurisdictions in which the Group operates effective for the financial year beginning January 1, 2024.

The Group has performed an assessment of its exposure to Pillar Two income taxes based on the 2024 country-by-country reporting and 2024 financial information for its subsidiaries. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates is above 15%. However, the Group has recognized a Pillar Two current tax expense of €0.7 million in respect to its subsidiaries in Gibraltar and Spain, which are not subject to the transitional safe harbor relief.

The Group has also estimated its potential exposure to Pillar Two income taxes in Guernsey based on the 2024 country-by-country reporting and 2024 financial information. Based on this assessment a top-up tax of €15.2 million would have been imposed in Guernsey under Pillar Two rules if the rules were effective for the 2024 calendar year.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and are subsequently measured at amortized cost, fair value through OCI or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15, 'Revenue from Contracts with Customers'.

For a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling cumulative gains and losses (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes:

- trade receivables and other receivables which include amounts due from payment service providers and customers under brand licenses;
- loans receivable;
- prepayment of sportsbook software;
- fixed term deposits;
- regulatory deposits which are amounts held by the regulators or ring fenced as a result of regulatory requirements in the various jurisdictions in which the Group operates; and
- restricted cash balances.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.11 Financial instruments (continued)

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at banks, cash in transit, processor bank balances, and cash held in separate, designated accounts for regulatory requirements. Cash and cash equivalents are readily convertible to a known amount of cash within 90 days and subject to an insignificant risk of changes in value. Cash flows relating to required regulatory deposits and/or funds connected to licenses form part of the Group's operating cash flows and are therefore included in the Group's normal cash flow cycle.

Restricted cash and amounts in fixed term deposits represents amounts held at banks by the Group, but which is used as security for specific arrangements. Restricted cash is comprised mostly of cash held on the Consolidated Statement of Financial Position in designated client fund accounts to cover monies owed to customers, as per the terms of the various licensed jurisdictions, and financial guarantees - refer to note 17 for further details. Restricted cash balances are classified as other financial assets held at amortized cost and further classified as current or non-current depending on when the restriction first ends.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Consolidated Statement of Financial Position) when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset; or
- the Group has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

There are three approaches to recognizing ECLs, the general, simplified or the purchased or originated credit-impaired approach.

The Group applies the simplified approach to the following financial assets:

- Trade and other receivables that do not contain a significant financing component as required under IFRS 9.
- Trade receivables that result from transactions within the scope of IFRS 15 (i.e. trade receivables relating to brand licensing agreements).

The Group applies the low credit risk simplification approach to the following financial assets:

- Fixed term deposits
- Restricted cash that meets the definition of a financial guarantee contract that is not accounted for at fair value through profit and loss under IFRS 9.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.11 Financial instruments (continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are calculated based on past default experience, credit risk of receivables and an assessment of the future economic environment. The ECL is calculated with reference to the aging and risk profile of the balance.

Presentation of allowance for ECL in the Consolidated Statement of Financial Position

The expected credit loss allowance for each type of financial asset (i.e. trade receivables) is deducted from the gross carrying amount of the assets (i.e. contra-asset). Impairment losses are presented within the Direct and marketing expenses line in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Financial assets with low risk

The Group applies a low credit risk approach to loans receivable, regulatory deposits and cash and cash equivalents. The Group uses a 12-month ECL and does not assess whether a significant increase in credit risk has occurred at the reporting date.

Write-off

Write-offs are recognized, when the Group has no reasonable expectations of recovering a financial asset either in its entirety or a portion thereof.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities are referenced in notes 20 and 26.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

Financial liabilities at amortized cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Consolidated Statements of Profit or Loss and Other Comprehensive Income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.11 Financial instruments (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative financial instrument is entered into and subsequently remeasured at fair value and changes therein are generally recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Derivative financial instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Amounts received from customers on sportsbook events that have not occurred by the Consolidated Statement of Financial Position date are derivative financial instruments and are financial liabilities at fair value through profit or loss. The resulting gains and losses from bets are included in revenue.

Other financial instruments carried at fair value through profit and loss and Other comprehensive income (excluding those recognized in Revenue)

All financial assets measured at fair value through profit and loss (FVTPL) and other comprehensive income (FVTOCI) are recorded at fair value, being their transaction price, in the Consolidated Statement of Financial Position. The Group has elected to designate financial assets held as equity instruments as financial instruments carried at fair value with changes in fair value recognized in the Consolidated Statement of Other Comprehensive Income. All other assets that meet the definition of a derivative are carried at fair value through profit and loss.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, referred to as a day 1 gains or losses. In those cases where fair value is based on valuation techniques for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the inputs become observable, or when the instrument is derecognized.

Subsequently, if there are no day 1 gains or losses on initial recognition, financial assets at FVTPL are re-measured each period and the re-measurement is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Financial assets at FVTOCI remeasurements are recognized in other comprehensive income.

Earnout Liability

The earnout liability, was initially recognized at fair value at inception with an offsetting entry made to earnout reserve. The earnout liability was subsequently re-measured at fair value at each reporting date and at the date of its extinguishment using a Monte Carlo valuation simulation, with the changes in fair value recognized in the 'change in fair value of earnout liability' line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

As all the earnout shares were held by Pre-Closing Holders, management concluded that the derecognition of the liability represents a transaction with owners and derecognized the liability with an offsetting entry made to earnout reserve in the Consolidated Statement of Changes in Equity. The remaining balance was then reclassified from earnout reserve into retained profit in the Consolidated Statement of Changes in Equity. Refer to note 24.3 for further information.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.11 Financial instruments (continued)

Warrant Liability

Warrants were comprised of public and private placements with both classified and accounted for as derivative financial liabilities and initially recognized at their fair value. The warrants were subsequently re-measured at fair value at each reporting date and at the date of their extinguishment with changes in fair value recognized in the 'change in fair value of warrant liability' line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The fair value of the public warrants up to their extinguishment was determined using their quoted market price and their derecognition was accounted for based on the fair value of Super Group's shares exchanged during the Offer and Consent Solicitation (the "Offer"), which is described in note 24.2. The fair value of the shares issued in exchange of the public warrants was recognized in the 'shares issued in exchange for public warrants' line as an issued capital increase in the Consolidated Statement of Changes in Equity and the difference between the fair value of the shares issued and the fair value of the public warrant liability was recognized in the 'change in fair value of warrant liability' line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The fair value of the private warrants up to their extinguishment was determined using a Black Scholes model and their derecognition represented a transaction with owners and was recognized in retained profit in the Consolidated Statement of Changes in Equity.

2.12 Fair value measurements

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.13 Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value is determined. The gain or loss arising on translation is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Group companies

The Group's consolidated financial statements are presented in Euros, which is also the parent company's functional currency. For each entity in the Group, the functional currency is determined, and items included in the financial statements of each entity are measured using that functional currency.

When translating the subsidiary's respective functional currencies into the Group's presentation currency, which is Euros, assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated using the exchange rates at the reporting date. Income and expense items are translated using the average rates prevailing during the year. Equity is translated at historical exchange rates. All resulting foreign currency translation differences are recognized in OCI and accumulated in the foreign currency translation reserve. If a foreign operation is entirely disposed of or control is lost due to a partial disposal, the cumulative amount of the translation reserve relating to that foreign operation is reclassified to profit or loss and is part of the gain or loss on disposal.

2.14 Capital management

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

If financing is required, management will consider whether debt or equity financing is more appropriate and proceed accordingly.

The capital employed by the Group is composed of equity attributable to the shareholders, as detailed in the Consolidated Statement of Changes in Equity.

2.15 Treasury shares

Super Group's shares that were reacquired as part of the Share Repurchase Program were recognized at cost and deducted from equity within the Treasury Stock account. No gain or loss was recognized in profit or loss on the purchase, sale, issue or cancellation of the reacquired shares.

2.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. For further details refer to note 22.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.16 Provisions (continued)

Onerous contracts

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises costs that are directly related to the contract.

When a contract is deemed onerous, the present value of the Group's obligation in connection with the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. For further details refer to notes 11 and 22.

2.17 Business combinations

Business combinations are accounted for using the acquisition method with assets and liabilities acquired recorded at the acquisition date fair value. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition-date fair value, and the amount of any non-controlling interest share ("NCI") in the acquiree. For each business combination, the Group elects whether to measure NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in General and administrative expenses.

The Group also applies the pooling of interest method when the acquisition of a business either lacks substance or is a business combination under common control. When the pooling of interest method is applied, the assets and liabilities of all combining parties will be reflected at their predecessor carrying amounts.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the fair value of assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

2.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Potential ordinary shares with an antidilutive effect on earnings per share are excluded from the weighted average number of ordinary shares.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.19 Leases

The Group is a lessee and enters into contracts to lease office property.

Determining whether an arrangement contains a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for both a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an asset, the Group assesses whether the contract meets three key evaluations under IFRS 16 'Leases'

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the time the asset is made available to the Group; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

Right-of-use asset

At lease commencement date, the Group recognizes a right-of-use asset and lease liability. The right-of-use asset is initially measured at cost, which is made up of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and if applicable an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

After the commencement date, the Group measures the right-of-use asset applying the cost model under IFRS 16 'Leases'. The right-of-use of asset is measured at cost less accumulated depreciation and accumulated impairment losses and is adjusted for re-measurement of the lease liability. Depreciation is calculated on a straight-line basis over the lease term.

The Group determines the lease term beginning with the non-cancellable period including the extension of the lease term for any renewal options that are reasonably certain to be exercised or the term by which an entity will exercise an option to terminate a contract. The Group performs an assessment on a lease-by-lease basis and once they have assessed whether the renewal option or termination option is reasonably certain to be exercised will this be included within the lease term.

The Group has elected to apply the practical expedient to combine lease and non-lease components into a single lease component as non-lease components are not material to the Group.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2 Accounting policies (continued)

2.19 Leases (continued)

Lease liabilities

The lease liability is measured at amortized cost using the effective interest rate method. The liability is increased as a result of interest accrued on the balance outstanding and is reduced for lease payments made. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-of-use asset has already been reduced to zero.

At the commencement date, the Group measures the lease liability at the present value of the lease payments (currently only consisting of fixed payments), discounted using the interest rate implicit in the lease, if that rate is readily available, or the incremental borrowing rate. Generally, the Group uses the incremental borrowing rate ("IBR") as the discount rate as the rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment.

The Group has elected to adopt the practical expedient and apply a single discount rate to the identified portfolio of leases having similar remaining lease term, similar underlying assets and in a similar economic environment.

On the Consolidated Statement of Financial Position, right-of-use assets and lease liabilities are presented on a separate line.

Short-term leases and leases of low value assets

The Group has elected to adopt the practical expedient and not recognize right-of-use assets and lease liabilities for leases that are short-term and assets that are of low value. The rent expense of €2.2 million (2023: €3.1 million) (2022: €0.6 million) in relation to these leases are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the lease term.

2.20 Equity

Restricted Stock Units ("RSUs") Awards

The Group operates an equity incentive plan which may be settled in shares or cash at the discretion of the Group. The Group intends to settle the RSUs in shares, and, therefore classified them as an equity settled share-based payment plan in accordance with IFRS 2, Share-based Payments.

The cost of equity-settled transactions is determined by the fair value at the date of grant. The fair value of the shares conditionally granted is measured using the market price of the shares at the time of grant. The cost is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the vesting period.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has lapsed and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year represents the movement in cumulative expense recognized as at the beginning and end of that year.

Payroll taxes related to the RSUs are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in accordance with the vesting. Payroll taxes are settled in cash and are therefore recognized as a liability in the Consolidated Statement of Financial Position.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the service condition being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. These estimates are based on historical turnover rates and Group's forecast and are adjusted at each measurement date.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

2.20 Equity (continued)

Dividends

Dividends declared by the Group are recognized at the date of declaration by the Board of Directors. If dividends are payable in a currency different from the Group's presentation currency, they are recognized at the foreign exchange rate prevailing on the declaration date. Any unpaid dividends at year-end are classified as Dividends payable in the Consolidated Statements of Financial Position insofar as the Group will satisfy the solvency requirements as prescribed by The Companies (Guernsey) Law, 2008.

Non-Controlling Interest ("NCI")

The acquisition of additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10 Consolidated Financial Statements. Any excess or deficit of consideration paid over the carrying amount of the NCI is recognized in retained earnings.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

3 Critical accounting estimates and judgments

The preparation of financial statements under IFRS requires the Group to make estimates and judgments that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated along with other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Although these estimates and judgements made by the Company's management were based on the best information available at December 31, 2024, it is possible that events which might take place in the future would require their adjustment in future periods.

Included below are the areas that management believes require estimates, judgments and assumptions which have the most significant effect on the amounts recognized in the financial statements.

3.1 Critical judgments

(a) Internally-generated software development costs

Costs relating to internally-generated software development costs are capitalized if the criteria for recognition as assets are met. The initial capitalization of costs is based on management's judgment of technological feasibility including the following:

- the intention to complete the intangible asset;
- the ability to use the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate resources to complete the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset.

In making this judgment, management considers the progress made in each development project and its latest forecasts for each project. Other expenditure not eligible for capitalization is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

3.2 Critical accounting estimates

(a) Income taxes

The Group operates in a number of international jurisdictions and as such is subject to a range of different income and other tax regimes with differing and potentially complex legislation. This requires the Group to make judgements on the basis of detailed tax analysis and recognize payables or provisions and disclose contingent liabilities as appropriate.

Management evaluates uncertain positions where the tax judgment is subject to interpretation and remains to be agreed with the relevant tax authority. Provisions for uncertain income tax positions are made using judgment of the most likely tax expected to be paid or the expected value, based on a qualitative assessment of all relevant information. In assessing the appropriate provision for uncertain items, the Group considers progress made in discussions with tax authorities and expert advice on the likely outcome and recent developments in case law, legislation and guidance.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

3 Critical accounting estimates and judgments (continued)

3.2 Critical accounting estimates (continued)

(b) Legal and regulatory provisions and contingencies

Given the nature of the legal and regulatory landscape of the industry, from time to time, the Group has received notices, communications and legal actions from a small number of regulatory authorities and other parties in respect of its activities. The Group has taken advice as to the manner in which it should respond and the likely outcomes of such matters. For any material ongoing and potential regulatory reviews and legal claims against the Group, an assessment is performed to consider whether an obligation or possible obligation exists and to determine the probability of any potential outflow to determine whether a claim results in the recognition of a provision or disclosure of a contingent liability. When an obligation becomes certain, the provision is transferred to trade and other payables. Refer to note 22 for provisions raised on uncertain legal or regulatory matters and note 28 for disclosure around current contingencies.

(c) Provisions and contingencies for indirect gaming taxes

The Group may be subject to indirect taxation in the form of GST, VAT, withholding tax, duty or similar, and gaming taxes on transactions which the Group have treated as exempt from such taxes. Where the Group accounts for taxes on revenues in relevant jurisdictions, the method of calculation of such taxes as applied by the Group in determining the relevant tax payable may be challenged by revenue authorities. As such, revenue earned from players located in any particular jurisdiction may give rise to further taxes in that jurisdiction.

The nature of the Group's international operations can give rise to situations where customers can access to the Group's websites from jurisdictions where the Group is not registered for indirect taxes, or where the indirect, gaming and or withholding tax treatment is uncertain. Where the Group considers that it is probable that indirect taxes or withholding taxes are payable to relevant tax authorities, provision is made for the Group's best estimate of the tax payable, unless it cannot be reliably measured. The Group regularly reviews the judgements made in order to assess the need for provisions and disclosures in its financial statements. To the extent that the final outcome of such matters differs to management's assessment at any reporting dates, such differences may impact the financial results or contingent liabilities disclosed in the year in which such determination is made. Further details can be found in notes 22 and 28 to the financial statements.

(d) Impairment of goodwill and other non-financial assets

The Group is required to test, on an annual basis, whether goodwill and indefinite-life assets have suffered any impairment. The Group is required to test other non-financial assets if events or changes in circumstances indicate that their carrying amount may not be recoverable.

The recoverable amount is determined by comparing the carrying amount of the asset or CGU with its recoverable amount. To determine the recoverable amount management performs a valuation analysis based on the higher of Value in Use ("VIU") and Fair Value Less Cost of Disposal ("FVLCD") in accordance with IAS 36, 'Impairment of Assets.' The use of these methods requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Such estimates are based on management's experience of the business, but actual outcomes may vary. More details including carrying values are included in note 10.

(e) Deferred tax assets

The Group has recognized and unrecognized deferred tax assets for tax loss carry-forwards, tax credits and deductible temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

4 Business Combinations

Acquisitions in 2023

On April 7, 2021, the Group entered into an agreement to acquire 100% of the issued share capital of Digital Gaming Corporation Limited ("DGC"), a company holding an exclusive license to use the Betway brand in the United States of America ("USA").

The purchase of DGC was conditional upon written consent from a number of different gaming authorities in the USA that gaming approvals for certain relevant jurisdictions and certain market access agreements would not be terminated due to the purchase of DGC. A closed period agreement was entered into on December 13, 2022 whereby even if the consents were received before January 1, 2023, the completion date of the agreement would not take place before January 1, 2023. These written consents were granted and the Group completed the DGC acquisition on January 1, 2023 (which is considered to be the acquisition date).

The fair value of the consideration transferred for the acquisition of DGC was in the form of cash of €11.7 million, paid upon the transaction closing. The Group also assumed the loan facility extended by Standard Bank to DGC as part of the transaction (see note 17), which is included in the fair value of identifiable liabilities assumed. The loan facility was settled in full on June 30, 2023 and the related restrictions on Group's cash related to this facility were lifted upon settlement. Acquisition costs related to the transaction were immaterial. The acquisition has been accounted for as a business combination in accordance with IFRS 3.

On August 1, 2023, the Group acquired 75% of the outstanding shares of SportCC ApS ("SportCC"), a company which provides sports data and content services and entered into a put and call option arrangement to acquire the remaining 25% outstanding shares. Management concluded that the put and call option gives the Group present ownership over the remaining shares not immediately acquired by the Group and, as such, has not recognized non-controlling interest.

The fair value of the consideration transferred for the acquisition of SportCC was in the form of cash of €6.8 million, contingent consideration of €0.6 million and the fair value of the put and call option over the remaining 25% of outstanding shares of €2.1 million. Acquisition costs related to the transaction were immaterial. The acquisition was accounted for as a business combination in accordance with IFRS 3.

On November 1, 2023, the Group acquired 100% of the outstanding shares of 15 Marketing Limited ("15 Marketing"), a company that provides marketing services. The fair value of the consideration transferred for the acquisition of 15 Marketing was in the form of deferred consideration of €2.1 million. Acquisition costs related to the transaction were immaterial. The acquisition was accounted for as a business combination in accordance with IFRS 3.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

4 Business Combinations (continued)

The fair values of the identifiable assets and liabilities assumed as at the dates of acquisition were:

	Note	Digital Gaming Corporation Limited as at January 1, 2023 € '000s	SportCC ApS as at August 1, 2023 € '000s	15 Marketing Limited as at November 1, 2023 € '000s	Total € '000s
Assets					
Property, plant and equipment	12	4,113	—	698	4,811
Customer databases	10	5,733	—	—	5,733
Licenses	10	32,574	—	—	32,574
Acquired technology	10	21,546	—	—	21,546
Income tax receivables		—	—	88	88
Right-of-use assets	13	2,117	—	2,078	4,195
Deferred tax assets		263	—	—	263
Trade and other receivables		11,572	402	4,300	16,274
Cash and cash equivalents		7,701	211	366	8,278
		85,619	613	7,530	93,762
Liabilities					
Lease liabilities	13	(2,227)	—	(2,140)	(4,367)
Interest-bearing loans and borrowings		(120,989)	(3)	—	(120,992)
Trade and other payables		(23,503)	(374)	(2,969)	(26,846)
Customer liabilities		(2,577)	—	—	(2,577)
Deferred tax liabilities		(17)	—	(127)	(144)
Income tax payables		(3,475)	(7)	—	(3,482)
		(152,788)	(384)	(5,236)	(158,408)
Net identifiable assets (liabilities) acquired		(67,169)	229	2,294	(64,646)
Goodwill	10	78,872	9,303	—	88,175
Bargain purchase arising on acquisition		—	—	(209)	(209)
Purchase consideration		11,703	9,532	2,085	23,320

DGC had accumulated unused tax losses that could be deducted from future taxable profits. Given the uncertainty regarding DGC's future profitability in the foreseeable future, a deferred tax asset for DGC's unused tax losses was recognized only to the extent of the deferred tax liability recognized for the taxable temporary differences related to the identifiable intangible assets acquired in the business combination. Recognized deferred tax asset and deferred tax liability correspond to €16.9 million and were offset in the calculation of goodwill above. Unrecognized deferred tax assets related to the remainder of DGC's unused tax losses amounted to €4.6 million at acquisition date.

The fair value of the trade receivables is the same as the gross amount of trade receivables, and it is expected that the full contractual amounts can be collected.

A business combination in which the net of the acquisition-date amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred is considered a bargain purchase and this difference is recognized as a gain in the Consolidated Statement of Profit or Loss and Comprehensive Income as at the acquisition date.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

4 Business Combinations (continued)

Goodwill arising on the acquisition comprise the value of expected synergies arising from the acquisition. The goodwill recognized on the acquisition of DGC of €78.9 million has been allocated to a separate DGC CGU, while the goodwill recognized on the acquisition of SportCC ApS of €9.3 million has been allocated to the Betway CGU. None of the goodwill recognized is expected to be deductible for income tax purposes.

Purchase consideration

The following table summarizes the acquisition date preliminary fair value of each major class of consideration transferred:

	Cash paid € '000s	Fair value of option € '000s	Deferred and contingent consideration € '000s	Total consideration transferred € '000s
Digital Gaming Corporation Limited	11,703	—	—	11,703
SportCC ApS	6,844	2,059	629	9,532
15 Marketing Limited	—	—	2,085	2,085
	18,547	2,059	2,714	23,320

The following table summarizes the net cash flows on acquisition:

	Cash paid € '000s	Net cash acquired with the subsidiaries € '000s	Net cash flow on acquisition € '000s
Digital Gaming Corporation Limited	(11,703)	7,701	(4,002)
SportCC ApS	(6,844)	211	(6,633)
15 Marketing Limited	—	366	366
	(18,547)	8,278	(10,269)

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting

The Group's Chief Operating Decision Maker ("CODM") has been identified as the Board of Directors, who makes key decisions regarding the strategy of and allocation of resources among the separately managed brands. Factors considered in determining the operating segments include how decisions are made regarding recent acquisitions and how budgets are determined and reviewed. These factors are relevant at a brand level. Operating segments are based on the reports reviewed by the CODM at the brand level to make strategic decisions and allocate resources.

The identified reportable segments are described below:

Betway:

Premier single brand online sportsbook and online casino focused business with a global footprint and strategic partnerships with teams and leagues worldwide. Betway additionally recovers sponsorship marketing spend through brand license agreements. The reportable segment aggregates Betway and the portion of DGC operating under the Betway brand.

Spin:

Premier multi-brand online casino focused business with established market leadership in high-growth markets. This reportable segment aggregates Spin, Jumpman, which was acquired in the business combination with Verno, and the portion of DGC operating under the Jackpot City brand. Jumpman expands the Group multi-brand casino footprint in the UK, with a similar product offering when compared to Spin.

Amounts recorded in the 'other' column represents head office costs and other costs that cannot practically be allocated to an operating segment.

Information related to each reportable segment is set out below. Adjusted EBITDA is an alternative performance measure used by management as they believe that this information is the most relevant indicator in evaluating the results of the respective segments relative to other entities that operate in the same industry. Adjusted EBITDA is not a GAAP measure, is not intended as substitute for GAAP measures and may not be comparable to performance measures used by other companies.

	2024 Betway € '000s	2024 Spin € '000s	2024 Other € '000s	2024 Total € '000s
Revenue	1,022,617	674,237	—	1,696,854
Direct and Marketing Expenses ²	(783,333)	(458,287)	(28,297)	(1,269,917)
General and Administrative Expenses ³	(84,511)	(48,881)	(28,865)	(162,257)
Depreciation and Amortization Expense	(37,845)	(38,241)	(1,623)	(77,709)
Impairment of Assets	(36,775)	—	—	(36,775)
Other Operating Income	4,640	2,042	42	6,724
Finance income	8,634	1,438	153	10,225
Finance expense	(1,957)	(3,345)	(780)	(6,082)
Change in fair value of option	—	—	(12,976)	(12,976)
Gain on disposal of business ⁴	—	—	40,135	40,135
Share of post-tax profit of equity accounted associate	—	—	576	576
Profit / (loss) before taxation	91,470	128,963	(31,635)	188,798
Adjusted EBITDA¹	205,074	170,385	(45,195)	330,264

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting (continued)

	2023 Betway € '000s	2023 Spin € '000s	2023 Other € '000s	2023 Total € '000s
Revenue	837,995	598,122	—	1,436,117
Direct and Marketing Expenses ²	(723,879)	(390,895)	(22,096)	(1,136,870)
General and Administrative Expenses ³	(77,213)	(40,666)	(30,274)	(148,153)
Depreciation and Amortization Expense	(38,504)	(41,141)	(2,544)	(82,189)
Other Operating Income	3,530	712	1,829	6,071
Finance income	7,850	483	579	8,912
Finance expense	(1,288)	(11)	(1,427)	(2,726)
Change in fair value of option	—	—	(28,642)	(28,642)
Impairment of Goodwill	(35,949)	—	—	(35,949)
Gain on bargain purchase	—	209	—	209
(Loss) / profit before taxation	(27,458)	126,813	(82,575)	16,780
Adjusted EBITDA ¹	61,343	168,757	(31,922)	198,178

	2022 Betway € '000s	2022 Spin € '000s	2022 Other € '000s	2022 Total € '000s
Revenue	714,165	578,045	—	1,292,210
Direct and Marketing Expenses ²	(609,924)	(365,110)	(4,266)	(979,300)
General and Administrative Expenses ³	(61,657)	(57,538)	(24,889)	(144,084)
Depreciation and Amortization Expense	(27,809)	(35,963)	(2,957)	(66,729)
Other Operating Income	3,669	1,609	213	5,491
Finance income	1,398	382	442	2,222
Finance expense	(147)	(178)	(1,020)	(1,345)
Gain on derivative contracts	2,435	1,713	—	4,148
Transaction fees	—	—	(22,969)	(22,969)
Share listing expense	—	—	(126,252)	(126,252)
Change in fair value of warrant liability	—	—	34,518	34,518
Change in fair value of earnout liability	—	—	237,354	237,354
Foreign exchange on revaluation of warrants and earnouts	—	—	(25,047)	(25,047)
Change in fair value of option	—	21,421	(15,129)	6,292
Profit before taxation	22,130	144,381	49,998	216,509
Adjusted EBITDA ¹	57,922	162,941	(9,997)	210,866

¹ Adjusted EBITDA is a non-GAAP measure and is defined as profit / (loss) before taxation, depreciation, amortization, finance income, finance expense, gain on bargain purchase, transaction fees, gain on derivative contracts, unrealized foreign exchange, impairment of assets, share listing expense, foreign exchange on revaluation of warrants and earnouts, change in fair value of warrant and earnout liabilities, change in fair values of options, market closure, gain in the disposal of business, expenses in connection with RSU awards (and related payroll costs for the one off RSU award in connection with the Transaction described in note 24), and other non-recurring adjustments. Refer to the Group Adjusted EBITDA reconciliation below for further details.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting (continued)

² Direct and marketing expenses €28.3 million (2023: €22.1 million) (2022: €4.3 million) disclosed as "Other" comprises direct employment costs, which mainly comprises of head office personnel.

³ General and Administrative expenses €28.9 million (2023: €30.3 million) (2022: €24.9 million) disclosed as "Other" comprises employment, legal, accounting, audit and other central administrative costs incurred at a Super Group (SGHC) Limited level.

⁴ Gain on disposal of business is disclosed as "Other" in line with the change in fair value of the option held by the Group.

A reconciliation of profit / (loss) reported in the financial statements to non-GAAP measures (EBITDA and Adjusted EBITDA) is as follows:

	Note	2024 € '000s	2023 € '000s	2022 € '000s
Profit / (loss) for the year		113,545	(8,606)	182,269
Income tax expense	8	75,253	25,386	34,240
Finance income		(10,225)	(8,912)	(2,222)
Finance expense		6,082	2,726	1,345
Depreciation and amortization expense	6	77,709	82,189	66,729
EBITDA		262,364	92,783	282,361
Unrealized foreign exchange		5,185	3,526	2,611
Adjusted RSU expense ¹		10,337	16,836	25,386
Gain on disposal of business	19	(40,135)	—	—
Impairment of assets	11	36,775	35,949	—
U.S. Sportsbook closure	11	32,749	—	—
Change in fair value of options	20	12,976	28,642	(6,292)
Market closure ²		5,834	10,397	—
Transaction fees		—	—	22,969
Gain on derivative contracts	20	—	—	(4,148)
Gain on bargain purchase	4	—	(209)	—
Share listing expense	24	—	—	126,252
Change in fair value of warrant liability	24	—	—	(34,518)
Change in fair value of earnout liability	24	—	—	(237,354)
Foreign exchange on revaluation of warrants and earnouts	24.2, 24.3	—	—	25,047
Other non-recurring adjustments ³		4,179	10,254	8,552
Adjusted EBITDA		330,264	198,178	210,866

¹ Associated payroll expenses relating to the one off RSUs issued related to awards following the Transaction described in note 24 of nil (2023: nil, 2022: €1.1 million) are included in this line.

² Market closure costs relates to the Group's exit from the Indian market on October 1, 2023. In 2023, this includes contract termination costs, bad debt and contract write offs. In 2024, this includes additional bad debt in connection with the closure along with other costs relating to additional market closure. These costs are recognized in direct and marketing expenses.

³ Other non-recurring adjustments in 2024 include mainly Sportsbook acquisition related costs and certain legal costs. In 2023, this included bad debt and SOX implementation fees relating to new acquisitions. In 2022, this included audit and other fees relating to the listing.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting (continued)

Disaggregation of revenue

Group revenue disaggregated by product line for the year ended December 31, 2024:

	Betway € '000s	Spin € '000s	Group revenue € '000s
Online casino ⁴	662,138	673,366	1,335,504
Sports betting ⁴	335,950	38	335,988
Brand licensing ⁵	18,598	—	18,598
Other ⁶	5,931	833	6,764
Total revenue	1,022,617	674,237	1,696,854

Group revenues disaggregated by product line for the year ended December 31, 2023:

	Betway € '000s	Spin € '000s	Group revenue € '000s
Online casino ⁴	481,992	597,139	1,079,131
Sports betting ⁴	296,881	—	296,881
Brand licensing ⁵	34,059	—	34,059
Other ⁶	25,063	983	26,046
Total revenue	837,995	598,122	1,436,117

Group revenues disaggregated by product line for the year ended December 31, 2022:

	Betway € '000s	Spin € '000s	Group revenue € '000s
Online casino ⁴	298,800	577,078	875,878
Sports betting ⁴	376,144	377	376,521
Brand licensing ⁵	36,343	215	36,558
Other ⁶	2,878	375	3,253
Total revenue	714,165	578,045	1,292,210

⁴ Online casino and sports betting revenues are not within the scope of IFRS 15 'Revenue from Contracts with Customers' and are treated as derivatives under IFRS 9 'Financial Instruments'.

⁵ Brand licensing revenues are within the scope of IFRS 15 'Revenue from Contracts with Customers'.

⁶ Other relates mainly to DGC usage fee income in 2023 and 2024 as well as profit share and outsource fees in all years from external customers.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting (continued)

Geographical Information

The Group's performance can also be reviewed by considering the geographical markets and geographical locations where the Group generates revenue. The Group has not provided geographic information regarding its non-current assets as this information is not available and the cost to develop would be excessive. Revenue from external customers for the year attributed to Canada is €568.1 million (2023: €514.0 million), (2022: €541.2 million), South Africa is €543.9 million (2023: €317.3 million), (2022: €181.0 million) and the United Kingdom is €183.3 million (2023: below 10%), (2022: below 10%). India is below 10% in 2024 (2023: below 10%), (2022: €144.5 million). No other country accounted for more than 10% of total external revenues in the years presented. The Group's revenue attributable to the country of domicile (Guernsey) is insignificant. The Group further analyzed revenue according to the following regions:

	2024 Betway € '000s	2024 Spin € '000s	2024 Total € '000s
Africa and Middle East	650,919	4,173	655,092
Asia-Pacific	25,303	114,718	140,021
Europe	193,346	83,623	276,969
North America	143,244	459,534	602,778
South/Latin America	9,805	12,189	21,994
	1,022,617	674,237	1,696,854
	%	%	%
Africa and Middle East	64 %	1 %	39 %
Asia-Pacific	2 %	17 %	8 %
Europe	19 %	12 %	16 %
North America	14 %	68 %	36 %
South/Latin America	1 %	2 %	1 %

	2023 Betway € '000s	2023 Spin € '000s	2023 Total € '000s
Africa and Middle East	411,017	3,877	414,894
Asia-Pacific	121,300	103,620	224,920
Europe	143,985	80,927	224,912
North America	147,425	396,997	544,422
South/Latin America	14,268	12,701	26,969
	837,995	598,122	1,436,117
	%	%	%
Africa and Middle East	49 %	1 %	28 %
Asia-Pacific	14 %	17 %	16 %
Europe	17 %	14 %	16 %
North America	18 %	66 %	38 %
South/Latin America	2 %	2 %	2 %

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

5 Segment reporting (continued)

	2022 Betway € '000s	2022 Spin € '000s	2022 Total € '000s
Africa and Middle East	267,750	3,786	271,536
Asia-Pacific	184,668	103,183	287,851
Europe	120,804	38,749	159,553
North America	123,756	417,946	541,702
South/Latin America	17,187	14,381	31,568
	714,165	578,045	1,292,210
	%	%	%
Africa and Middle East	37 %	1 %	21 %
Asia-Pacific	26 %	18 %	22 %
Europe	17 %	7 %	12 %
North America	18 %	72 %	43 %
South/Latin America	2 %	2 %	2 %

6 Profit before taxation

	Note	2024 € '000s	2023 € '000s	2022 € '000s
Profit before taxation is derived after charging the following:				
Amortization of intangible assets	10	63,718	69,076	55,347
Depreciation of property, plant and equipment	12	6,874	6,228	5,337
Depreciation of right-of-use asset	13	7,117	6,885	6,045
Foreign exchange losses		27,663	38,025	43,683

Direct and marketing expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income are broken down as follows:

	2024 € '000s	2023 € '000s	2022 € '000s
Direct and marketing expenses			
Gaming tax, license costs and other tax	178,155	127,189	67,951
Processing & Fraud Costs	202,594	196,533	197,394
Royalties	221,319	198,315	178,203
Staff costs and related expense ¹	133,240	158,107	130,305
Other operational costs	102,814	72,325	50,137
Foreign exchange losses (excluding foreign exchange on processing)	17,309	17,367	12,550
Marketing Expenses	414,486	367,034	342,760
	1,269,917	1,136,870	979,300

¹ Staff costs and related expenses includes certain consultant costs, staff entertainment and recruitment fees.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

6 Profit before taxation (continued)

General and Administration expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income are broken down as follows:

	2024 € '000s	2023 € '000s	2022 € '000s
General and administrative expenses			
Staff costs and related expenses ²	61,921	44,485	68,311
Technical and Infrastructure costs	48,286	51,627	31,149
Audit and professional fees	26,610	30,605	24,309
Other administrative costs	25,440	21,436	20,315
	162,257	148,153	144,084

² Staff costs and related expenses includes staff entertainment and recruitment fees.

Direct and marketing expenses and general and administrative expenses in the Consolidated Statement of Profit or Loss and Comprehensive Income are exclusive of depreciation and amortization expenses. The depreciation and amortization expense attributable to each of these is as follows:

	2024 € '000s	2023 € '000s	2022 € '000s
Amount attributable to General and administrative expenses	13,991	13,113	11,382
Amount attributable to Direct and marketing expenses	63,718	69,076	55,347
	77,709	82,189	66,729

Direct and marketing expenses as disclosed on the Consolidated Statement of Profit or Loss and Other Comprehensive Income includes the Group's cost of revenues. Cost of revenues for the year includes gaming tax, license costs, processing costs, fraud costs and royalties which amounts to €602.1 million (2023: €522.0 million), (2022: €443.5 million).

In relation to the Transaction noted in note 24, the Group incurred €23.0 million in transaction costs in 2022, which have been included in Transaction fees.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

7 Staff costs

	2024 € '000s	2023 € '000s	2022 € '000s
Staff costs are as follows:			
Salaries and wages	164,076	168,171	158,231
Social security costs	5,699	6,897	7,891
RSU expense	10,337	16,836	24,261
Other pension costs ¹	3,020	4,021	2,522
	183,132	195,925	192,905

The average monthly number of employees, including the directors', during the year was as follows:

Average number of employees	3,257	3,727	3,891
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¹ Other pension costs relates to contributions made by the Group to defined contribution plans.

Refer to note 27 'Related party transactions' for details relating to key management remuneration included in the above.

8 Income tax

	2024 € '000s	2023 € '000s	2022 € '000s
The following income taxes are recognized in profit or loss:			
Current tax expense			
Current year	70,154	42,921	27,749
Global minimum top-up tax	702	—	—
Changes in estimates related to prior years	(1,351)	(260)	37
Foreign exchange adjustment	348	(168)	642
Deferred tax credit			
Origination and reversal of temporary differences	(7,738)	(13,689)	4,255
Origination of changes in tax rates	—	247	66
Changes in estimates related to prior years	1,794	(574)	—
Recognition of previously unrecognized deferred tax assets	(395)	—	(134)
Write-down of deferred tax asset	4,448	—	—
Foreign exchange adjustment	(73)	17	270
Release of deferred tax arising on business combinations	(2,588)	(3,331)	(4,256)
Dividend tax expense	9,952	223	5,611
Income tax expense reported in profit or loss	75,253	25,386	34,240

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

8 Income tax (continued)

The applicable tax rate for the effective tax reconciliation is taken from the Group's weighted average tax rate of 10.1% (2023: 13.4%) (2022: 5.2%). The weighted average tax rate was calculated by utilizing the absolute profit/loss and applicable domestic tax rate of each subsidiary within the Group.

	2024 € '000s	2023 € '000s	2022 € '000s
Profit before taxation	188,798	16,780	216,509
At Group blended tax rate	19,023	2,245	11,276
Tax expense/(benefit) at statutory rate			
Rate differential between blended tax rate and local tax rate	(754)	(11,301)	18,508
Non-deductible expenses / non-taxable income	6,431	10,020	(2,664)
Dividends tax	9,952	223	5,611
Recognition of previously unrecognized deferred tax assets	(395)	—	(134)
Deferred tax arising on taxable loss not recognized	40,996	24,199	1,643
Expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	75,253	25,386	34,240

	2024 € '000s	2023 € '000s
Reconciliation of deferred tax assets, net:		
Net deferred tax assets as of January 1	32,019	14,587
Net additions from business combinations	—	119
Recognized within income tax expense	4,552	17,330
Foreign currency translation adjustment	167	(17)
Net deferred tax assets as of December 31	36,738	32,019

	2024 € '000s	2023 € '000s
The deferred tax assets and liabilities relate to the following items:		
Taxes arising on acquired intangible assets ¹	(6,683)	(17,137)
Intangible assets	6	43
Trade and other payables	7,829	9,644
Tax loss carried forward ¹	33,877	38,067
RSUs	1,923	2,404
Right-of-use asset	(4,692)	(5,766)
Lease liability	6,404	6,829
Other assets and prepayments	(1,926)	(2,065)
Reflected in the Consolidated Statement of Financial Position:		
Deferred tax assets	38,834	36,703
Deferred tax liabilities	(2,096)	(4,684)

¹ Included in these amounts is a deferred tax liability relating to intangible assets recognized on DGC business combination and deferred tax asset for unused tax losses of €6.2 million.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

8 Income tax (continued)

The Group has tax losses that arose in Betway Limited of €74.9 million (2023: €64.7 million), (2022: €42.2 million) that are available for offsetting against future taxable profits of the companies in which the losses arose. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary has already achieved profits in the last quarter of 2024 and coupled with the business plans set forward, the profitability of the company is expected to continue.

Deferred tax assets of €87.3 million (2023: €36.1 million) have not been recognized in various subsidiaries across different jurisdictions for their assessed losses of €301.7 million (2023: €163.8 million) as they may not be used to offset taxable profits elsewhere in the Group. These tax losses have no expiry date. These have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. The largest portion arises out of DGC where the losses can be carried forward indefinitely and have no expiry date.

9 Earnings per share

The table below sets forth the computation for basic and diluted net income per ordinary share for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Profit / (Loss) attributable to owners of the parent (€ '000s)	113,098	(10,551)	181,439
Weighted average number of ordinary shares, basic	501,803,294	498,243,792	490,017,400
Weighted average number of ordinary shares, diluted	503,697,933	498,243,792	490,035,080
Earnings / (Loss) per share, basic (cents)	22.54	(2.12)	37.03
Earnings / (Loss) per share, diluted (cents)	22.45	(2.12)	37.03

The dilutive earnings per share attributable to owners of the parent for the year ended December 31, 2024 does not include 945,508 (2023: 5,146,683) (2022: 5,691,377) shares relating to the potential dilutive effect of the Group RSU awards as to do so would be antidilutive. As described in note 24.2, the Company exercised its rights to exchange all publicly traded warrants for ordinary shares at an agreed ratio and extinguished any remaining private placement warrants and earnout shares in 2022. The warrants and earnout shares were not dilutive during the period they were outstanding and, therefore, were not included in the dilutive earnings per share calculation for 2022.

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10 Intangible assets

	Goodwill € '000s	Customer databases € '000s	Brands € '000s	Licenses and intellectual property € '000s	Exclusive license rights € '000s	Marketing and data analytics know-how € '000s	Acquired technology € '000s	Internally- generated software development costs € '000s	Total € '000s
Cost									
At January 1, 2023	61,553	39,675	75,393	6,328	55,000	128,143	28,986	53,334	448,412
Arising in business combinations	88,175	5,733	—	32,574	—	—	21,546	—	148,028
Disposals	—	—	—	(890)	—	—	(26,032)	(1,766)	(28,688)
Transfer from WIP	—	—	—	918	—	—	—	(918)	—
Additions	—	—	381	3,770	—	—	343	44,902	49,396
Transfer to assets held for sale	(18,587)	(3,913)	(386)	(249)	—	—	(4,658)	—	(27,793)
Effects of movements in exchange rates	(1,066)	184	246	(1,179)	—	36	(519)	(499)	(2,797)
At December 31, 2023	130,075	41,679	75,634	41,272	55,000	128,179	19,666	95,053	586,558
Disposals	—	(9,014)	—	(17,111)	—	(79,561)	(10,410)	(29,019)	(145,115)
Additions	—	—	—	628	—	—	—	72,612	73,240
Effects of movements in exchange rates	5,445	634	497	1,662	—	72	662	1,345	10,317
At December 31, 2024	135,520	33,299	76,131	26,451	55,000	48,690	9,918	139,991	525,000
Accumulated amortization and impairment									
At January 1, 2023	—	25,346	24,939	3,085	55,000	71,382	26,358	16,073	222,183
Amortization charge for the year	—	10,456	7,477	5,043	—	27,745	3,614	14,741	69,076
Disposals	—	—	—	(890)	—	—	(25,633)	(428)	(26,951)
Transfer to assets held for sale	—	(978)	(14)	(124)	—	—	(291)	—	(1,407)
Impairment charge for the year	35,949	—	—	336	—	—	—	8	36,293
Effects of movements in exchange rates	(789)	7	2	(134)	—	22	(38)	(16)	(946)
At December 31, 2023	35,160	34,831	32,404	7,316	55,000	99,149	4,010	30,378	298,248
Amortization charge for the year	—	5,408	7,468	4,816	—	21,711	1,519	22,796	63,718
Disposals	—	(9,014)	—	(15,625)	—	(79,561)	(10,410)	(22,295)	(136,905)
Impairment charge for the year	7,034	141	—	10,276	—	—	8,860	9,219	35,530
Effects of movements in exchange rates	2,425	517	13	244	—	176	207	(161)	3,421
At December 31, 2024	44,619	31,883	39,885	7,027	55,000	41,475	4,186	39,937	264,012
Net Book Value									
At December 31, 2023	94,915	6,848	43,230	33,956	—	29,030	15,656	64,675	288,310
At December 31, 2024	90,901	1,416	36,246	19,424	—	7,215	5,732	100,054	260,988

The Group capitalized €18.4 million of staff expenses to Internally-generated software development costs in the year ended December 31, 2024 (2023: €19.3 million).

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11 Impairment reviews

Carrying amount of goodwill allocated to each of the CGUs:

	2024 € '000s	2023 € '000s
Betway	31,918	31,844
Spin	2,141	2,141
Jumpman	39,527	37,774
DGC		
Gross DGC goodwill	61,934	58,316
Accumulated impairment of DGC Goodwill	(44,619)	(35,160)
Total	90,901	94,915

11.1 Exit from United States sportsbook market

After the completion of an extensive internal review, the Group began to undertake an exit plan for its sportsbook product in the United States. Following the decision in July 2024, the Group, alongside relevant regulators and partners, began the process to fully close its U.S. sportsbook operation in the nine states in which it was live. The Group further announced it will maintain its online gaming presence in the U.S. under the Betway and Jackpot City brands in both New Jersey and Pennsylvania.

Following a strategic review of its intangible assets portfolio, the Group identified intangible assets amounting to €28.5 million that could not be repurposed to the online gaming business and which are not marketable for third parties. These assets were fully impaired and an impairment loss was recognized in the statement of profit or loss - see note 10.

Furthermore, the Group considered the proposed exit from U.S. sportsbook market as an impairment indicator for the DGC CGU and undertook an impairment test in June 2024. The impairment testing resulted in an impairment loss of €7.0 million that was attributed to DGC's goodwill and recognized in the statement of profit or loss. The remaining CGUs were unaffected by the exit from U.S. sportsbook market and were not tested.

The Group also identified that certain contracts, mostly related to market access fees, became onerous as the Group no longer expects that the unavoidable costs to meet its obligations under these contracts will exceed the economic benefits expected to be received under them. The Group recognized a provision for onerous contracts and other sportsbook closure costs in the statement of profit or loss totaling €32.7 million, recognized mostly in direct and marketing expenses. The balance of the provision for onerous contracts is €1.2 million at December 31, 2024. See note 22 for further details.

11.2 Annual impairment review

The Group performs an annual impairment review for goodwill by comparing the carrying amount of its CGUs with their recoverable amount. For impairment testing, goodwill acquired through business combinations has all been allocated to the Betway, Spin, Jumpman and DGC CGUs. Each CGU is not larger than an operating segment, which are described in note 5.

Management performed a valuation analysis in accordance with IAS 36, Impairment of Assets, to assess the recoverable amount for each CGU. This was then compared to the CGU's carrying amount at the testing date, to identify whether the CGUs were impaired. This is an area where management exercises judgement and estimation, as discussed in note 3. Testing is carried out by allocating the carrying value of these assets to the respective CGUs and determining the recoverable amounts for the CGUs through the higher of VIU and FVLCD calculations. Where the recoverable amount exceeds the carrying value of the assets, the assets are not considered to be impaired.

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11 Impairment reviews (continued)

The following information lists the key procedures Management has performed to estimate the carrying amount of each of its CGUs. As stated above, an impairment review was performed on the Spin CGU, but detailed disclosures are not provided as Spin goodwill is considered to be immaterial.

Jumpman, Betway and DGC CGUs

The recoverable amounts of the Jumpman, Betway and DGC CGUs were based on VIU. The VIU for each CGU was estimated using discounted cash flows ("DCF"). The DCF was then compared with a market approach based on market multiples from listed peers for consistency purposes under a FVLCD approach.

The DCFs are prepared using projected financial information, based on approved budgets and forecasts, for each CGU. The projections reflect management's best estimates, at the impairment test date, of each CGU forecasted financial performance over the projected period. When performing these estimates, the Group considers how macroeconomic, technology, competition and regulation trends, can impact its businesses and their future financial performance.

The cash flow projections included specific estimates of revenue, margin and growth for a five-year period for Jumpman and to reflect the long-term contribution the forecast period was extended to an eight-year period for Betway and eight-year period for DGC. The projection period reflects the point that all markets in operation as of 2024 are expected to reach maturity, with the long-term growth rate applied thereafter.

The pre-tax discount rate and long-term revenue growth were considered by management as key assumptions given their relevance to the recoverable amount estimate. These assumptions have a pervasive impact on the DCF and changes in these would cause significant impact on the recoverable amount estimate. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry segments in which the CGUs operate (online casino and sport betting). The forecasted assumptions are based on historical and market data, as well as internal sources.

The following values were attributed to the key assumptions:

As at December 31, 2024:

	Betway	Jumpman	DGC
Pre-tax discount rate	26.9 %	18.6 %	26.9 %
Long-term growth rate	2.0 %	2.0 %	2.0 %

As at December 31, 2023:

	Betway	Jumpman	DGC
Pre-tax discount rate	26.7 %	16.6 %	20.2 %
Long-term growth rate	2.0 %	2.0 %	2.0 %

The discount rates applied in each DCF are a post-tax measurement estimated using CAPM with reference to market participants' gearing and betas. To reflect regulatory and business risks specific to the CGUs, a specific equity risk premium was added to the discount rate, where the future cash flows have not been adjusted, as follows:

	Betway	Jumpman	DGC
Specific equity risk premium	1.5 %	2.0 %	11.0 %

Super Group (SGHC) Limited
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11 Impairment reviews (continued)

Impairment review results

Following the decision to exit the sportsbook market in the US, the remaining online gaming operation of DGC was retested as a part of the Group's annual impairment assessment. The results of the annual test did not indicate an impairment for DGC as the recoverable amount of the CGU exceeded its carrying value.

Under reasonably possible scenarios, a decline of 1% in the long-term growth rate would reduce the recoverable amount of DGC and Jumpman by €2.3 million and €3.1 million respectively. Furthermore, an increase of 1% in the discount rate would reduce the recoverable amount by €5.7 million and €4.1 million respectively. None of those changes would result in an impairment of the these CGUs.

The estimated recoverable amount of the Betway CGU significantly exceeded the carrying amount.

Under reasonably possible scenarios, a decline of 1% in the long-term growth rate would reduce the recoverable amount of Betway by €45.7 million. Furthermore, an increase of 1% in the discount rate would reduce the recoverable amount of Betway by €90.0 million. None of those changes would result in an impairment of the Betway CGU.

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12 Property, plant and equipment

	Leasehold property improvements € '000s	Computer hardware & software € '000s	Office equipment € '000s	Furniture & fittings € '000s	Total € '000s
Cost					
At January 1, 2023	10,766	13,659	1,242	2,291	27,958
Additions	3,519	5,182	385	656	9,742
Disposals	(2,920)	(6,776)	(338)	(404)	(10,438)
Arising on business combinations	800	3,387	496	128	4,811
Transfer to assets held for sale	(205)	(1,777)	(772)	(98)	(2,852)
Effects of movements in exchange rates	(465)	(542)	(142)	(73)	(1,222)
At December 31, 2023	11,495	13,133	871	2,500	27,999
Additions	6,067	4,928	450	213	11,658
Disposals	(1,247)	(3,939)	(258)	(385)	(5,829)
Effects of movements in exchange rates	357	314	18	33	722
At December 31, 2024	16,672	14,436	1,081	2,361	34,550
Accumulated depreciation					
At January 1, 2023	4,032	8,407	489	999	13,927
Depreciation	1,541	3,856	480	351	6,228
Disposals	(445)	(6,531)	(267)	(350)	(7,593)
Transfer to assets held for sale	(36)	(1,046)	(449)	(80)	(1,611)
Effects of movements in exchange rates	(140)	(88)	(102)	(28)	(358)
At December 31, 2023	4,952	4,598	151	892	10,593
Depreciation	1,101	5,060	281	432	6,874
Disposals	(432)	(3,920)	(119)	(181)	(4,652)
Impairment	—	1,245	—	—	1,245
Effects of movements in exchange rates	145	254	29	41	469
At December 31, 2024	5,766	7,237	342	1,184	14,529
Net book value					
At December 31, 2023	6,543	8,535	720	1,608	17,406
At December 31, 2024	10,906	7,199	739	1,177	20,021

Super Group (SGHC) Limited
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13 Leases

The Group is a lessee and enters into contracts to lease office property. Leases are individually negotiated and include a variety of different terms and conditions in different countries.

Lease contracts have fixed payments and are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group includes renewal options as part of the lease term when these are reasonably certain.

The Group has no material short term or low value asset leases.

St. Pancras lease

In September 2024, Camden Property Holding Limited (the landlord) communicated that the workings on St. Pancras Campus in London (UK) were finalized and the property was ready for the Group's fit out workings. Accordingly, the Group has recognized the right-of-use asset and lease liability arising from the contract. The St. Pancras lease has a term of 15 years, with a tenant-only break clause at the end of the 10th year. The leasehold improvements required will entitle the Group to a rent free period up to 12 months and the first lease payment is expected for October 2025.

Right-of-use assets

The amount recognized as right-of-use assets is as shown:

	Leasehold property € '000s
At January 1, 2023	14,165
Arising on business combinations	4,195
Effects of movements in exchange rates	(568)
Transfer to assets held for sale	(1,885)
Additions	4,412
Modification	11,737
Disposals	(305)
Depreciation	(6,885)
At December 31, 2023	24,866
Effects of movements in exchange rates	1,077
Additions	47,212
Disposals	(172)
Impairment	(188)
Depreciation	(7,117)
At December 31, 2024	65,678

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Notes to Consolidated Financial Statements

13 Leases (continued)

Lease liabilities

The recognized lease liability is as shown:

	Leasehold property € '000s
At January 1, 2023	17,259
Arising on business combinations	4,367
Effects of movements in exchange rates	(791)
Transfer to liabilities associated with assets held for sale	(2,038)
Additions	4,410
Modification	11,737
Disposals	(341)
Interest expense	2,068
Lease payments	(7,526)
At December 31, 2023	29,145
Effects of movements in exchange rates	1,118
Additions	44,970
Disposals	(178)
Interest expense	3,256
Lease payments	(7,951)
At December 31, 2024	70,360

Maturity analysis - contractual undiscounted cash flows

	2024 € '000s	2023 € '000s
Less than one year	8,498	7,881
One to five years	35,701	17,919
More than five years	61,963	18,182
Total undiscounted lease liabilities	106,162	43,982

Lease liabilities

Lease liabilities included in the Consolidated Statement of Financial Position

	2024 € '000s	2023 € '000s
Current	5,794	5,226
Non-Current	64,566	23,919
Total lease liabilities	70,360	29,145

Super Group (SGHC) Limited
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13 Leases (continued)

Amounts recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2024 € '000s	2023 € '000s	2022 € '000s
Interest on lease liabilities	3,256	2,068	954
Depreciation on right-of-use assets	7,117	6,885	6,045
Impairment of right-of-use assets	188	—	—
	10,561	8,953	6,999

Amounts included in the Financing Activities of the Consolidated Statement of Cash Flows

	2024 € '000s	2023 € '000s	2022 € '000s
Interest paid on lease liabilities	2,558	1,837	1,196
Principal payment on lease liabilities	5,393	5,689	7,026
Total cash outflow for leases	7,951	7,526	8,222

14 Loans receivable

	2024 € '000s	2023 € '000s
At Amortized cost		
Current loans receivable		
Loan receivable from Apricot Investments Limited	—	3,442
Other loans receivable	853	3,277
	853	6,719
Non-current loans receivable		
Loan receivable from Apricot Investments Limited	—	88,000
Other loans receivable	—	1,090
	—	89,090

The Group entered into a loan agreement with Apricot Investments Limited ("Apricot") on November 14, 2022 to loan funds to be used exclusively in the development of a sportsbook gaming system. Following further amendments to the loan agreement, the Group loaned Apricot €98.0 million, paid in 18 installments from November 15, 2022 until February 15, 2024. The interest rate on the loan is 1% above the Bank of England rate per annum, with interest payable annually in arrears in each year of the term.

On May 8, 2024, the Group entered into a Deed of Novation whereby Apricot assigned all its rights, duties and liabilities under the agreement and related amendments to Fusion Holdings Limited ("Fusion"). On the same date, the Group entered into definitive agreements to assume full control of its sportsbook software technology owned by Fusion subject to the receipt of regulatory approvals. From the effective date of the agreements, the loan receivable is presented as "Prepayment for sportsbook software" to further clarify the intended nature of the financial asset and to differentiate the amounts loaned to Apricot from the remaining loans receivable. The balance of the loan at the date of reclassification was €102.4 million and this remains classified as a financial asset at December 31, 2024 (see notes 15 and 26).

Also on May 8, 2024, an amendment was signed to cease interest from March 1, 2024 for 12 months. This was extended by agreement until March 1, 2026 unless the conditions to complete the purchase agreement are not met by March 1, 2026. If the conditions are not met by this date, interest will be accrued from March 1, 2024, unless otherwise agreed upon.

Other loans receivable are unsecured, have varying interest rates and varying dates of repayment.

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15 Prepayment for sportsbook software

As described in note 14, the Group entered into definitive agreements on May 8, 2024 to assume full control of its sportsbook software technology owned by Fusion. The completion of the agreement is contingent upon receiving customary regulatory approvals. Should these approvals not be secured within one year from the date of the agreement, the transaction will be automatically cancelled and ceased to have effect, unless an extension is agreed upon by the parties. This is shown as a non-current asset on the face of the Statement of Financial Position due to the underlying agreement with a third party being long term in nature.

The Group has agreed to acquire the sportsbook software for a total consideration of €142.4 million, with additional amounts payable if certain earnout conditions are achieved. The upfront consideration ("Tranche One") includes €102.4 million, which will be settled through the cancellation of the pre-existing loan receivable, reclassified per note 14. An additional €20.0 million ("Tranche Two") is payable within 60 calendar days of the conditions being satisfied (the "Completion Date"). On the first anniversary of the Completion Date, the Group will pay an additional €20.0 million ("Tranche Three"), with the option of this amount being paid in cash or settled through the issue of ordinary shares of the Group.

Additional contingent payments of up to €210.0 million may be made through an earn-out mechanism if the Group's sportsbook revenue more than doubles during the earn-out period, which runs through December 31, 2035. The earnout payments are calculated as a percentage of monthly sportsbook net gaming revenue, ranging from 0% to 8%.

During the last quarter of 2024, the Group made two advancements on Tranche Two totaling the equivalent of €10.3 million, resulting in a total balance at December 31, 2024 of €112.6 million.

16 Trade and other receivables

	2024 € '000s	2023 € '000s
Processor receivables	33,901	49,227
Trade receivables	22,957	41,369
Other receivables	8,409	10,239
Prepayments	68,524	53,780
	133,791	154,615

Processor receivables are balances due from Payment Service Providers ("PSPs"). The Group considers the majority of these PSPs as financial institutions that have high credibility in the market and strong payment profiles. During the year an amount of €1.0 million (2023: €5.9 million) was provided for and €5.4 million (2023: €6.5 million) was written off upon the exit from the Indian market on October 1, 2023. These amounts mainly relate to specific balances.

Management considers that the carrying amount of trade and other receivables approximates their fair value.

17 Restricted cash

In 2021, the Group provided a financial guarantee on a loan facility extended by Standard Bank to DGC initially set at \$50 million. This amount was subsequently increased to \$150 million. The facility was extinguished on June 30, 2023, following the acquisition of DGC and was €138.5 million at the time of extinguishment following additional extensions of €18.6 million before extinguishment.

The restricted cash held of €8.7 million as at December 31, 2024 (2023: €38.3 million), relates to cash held under the regulations of certain licensing agreements, as discussed in note 2.11.

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18 Cash and cash equivalents

Cash and cash equivalents comprise of:

	2024 € '000s	2023 € '000s
Cash-in-transit	32,133	31,316
Bank balances (including processor bank balances)	323,659	210,607
Total cash and cash equivalents available for corporate use	355,792	241,923
Cash held for regulatory purposes	17,090	—
Total cash and cash equivalents	372,882	241,923

Cash held for regulatory purposes include amounts held in designated accounts in order to comply with gaming regulations.

We maintain cash and cash equivalents with major financial institutions. Cash and cash equivalents consist of bank deposits held with banks that, at times, exceed federally or locally insured limits.

19 Assets held for sale and associated liabilities

The Group entered into an option agreement on April 7, 2021 with Mahigaming LLC ("Mahi"), an entity nominated by Games Global, in which it granted a call option ("B2B Option") to Mahi to purchase the B2B division of DGC. The option consideration was initially set at \$2.5 million, adjusted for revenues earned and operating expenses incurred by DGC B2B division, and the option was set to expire on April 7, 2023. Subsequent to the initial agreement, an amendment was signed in 2023 which increased the option consideration to \$10 million, adjusted for revenues earned and operating expenses incurred by DGC B2B division, as well as extending the option period so as to end on June 30, 2024.

Mahi's rights to exercise the B2B Option were conditional to the completion of the following events:

- Completion of the acquisition of the entire issued capital of DGC by the Group;
- Mahi (or one of its nominees) having received all gaming approvals necessary for Mahi to acquire and operate the B2B Division in accordance with the applicable gaming laws.

The first condition was met when the Group completed the acquisition of DGC in January 2023, as discussed in note 4. Mahi's regulatory approvals were obtained and the B2B Option was exercised in February 2024. Final consideration was agreed to be determined to be \$12.9 million (€12.0 million). Cash of \$10.0 million (€9.2 million) was received with the balance of the consideration outstanding at December 31, 2024.

The below table summarizes the information at the date of sale:

	€ '000s
Net assets associated with disposal group	28,284
Fair value of derivative liability associated with assets held for sale	(56,522)
Consideration	(11,897)
Gain on disposal	40,135

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19 Assets held for sale and associated liabilities (continued)

The carrying values of the B2B division's assets and liabilities in 2023 were considered in accordance with their applicable IFRS, as required by IFRS 5, and are composed of the following items at December 31, 2023:

	Note	2023 € '000s
Assets		
Intangible assets	10	12,105
Goodwill	10	18,279
Property, plant and equipment	12	1,143
Right-of-use assets	13	1,847
Trade and other receivables		4,918
Assets held for sale		38,292
Liabilities		
Non-current lease liabilities	13	1,638
Current lease liabilities	13	250
Trade and other payables		5,159
Income tax payables		93
Liabilities associated with assets held for sale		7,140
Net assets associated with disposal group		31,152

20 Derivative financial instruments

Customer liabilities

Customer liabilities relate to timing differences of revenue recognition as discussed in note 2.4. The fair value of customer liabilities are further discussed in note 26.

Funding and option arrangements

Option to purchase additional percentage of T and W Holdings Proprietary Limited

On May 17, 2024, the Group entered into call option agreements to purchase additional shares in T and W Holdings Proprietary Limited ("T and W") in order to obtain a 51% and a 75% interest in the company respectively. The Group did not control T and W at December 31, 2024. The fair value of this option at December 31, 2024 was €0.3 million and a gain of €0.3 million was recognized in the Statement of Profit or Loss relating to this option.

The first option exercise period commences on May 1, 2026 and expires after 30 business days and the second option exercise period commences on November 1, 2027. If the option is not exercised during the initial period, an additional option exercise period commences on May 1, 2027 and November 1, 2028 respectively and expires after 30 business days.

Option to sell B2B Division of DGC

As discussed in note 19, in 2022 the Group granted a call option to Games Global to purchase the B2B Division of DGC for \$10 million, adjusted for revenues earned and operating expenses incurred by the B2B Division. The option was set to expire on June 30, 2024 and was exercised on February 1, 2024 at which time the consideration was agreed at \$12.9 million (€12.0 million). The fair value of this option at February 1, 2024 was €56.5 million (December 31, 2023: €42.6 million) and a loss of €13.1 million (2023: €28.6 million) (2022: €15.1 million) was recognized in the Statement of Profit or Loss relating to this option.

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20 Derivative financial instruments (continued)

Option to purchase remaining percentage in SportCC

As discussed in note 4, the Group entered into a put and call option agreement to purchase the remaining 25% of the outstanding shares of SportCC for £1.9 million. The exercise period commences on August 1, 2025 and expires 90 calendar dates after the commencement date. The fair value of this option at December 31, 2024 was €2.2 million (2023: €2.1 million) and a loss of €0.1 million was recognized in the Statement of Profit or Loss relating to this option.

Option to purchase Verno Holdings Limited

In 2021, the Group entered into a call option to purchase shares in Verno Holdings Limited, which was exercised in 2022. A gain of €21.4 million was recognized in the Statement of Profit or Loss relating to this option in 2022.

21 Trade and other payables

	2024	2023
	€ '000s	€ '000s
Trade payables	88,596	80,512
Other taxation and social security	12,976	12,740
Other payables	7,601	3,214
Accruals	161,679	98,926
	270,852	195,392

During the year, certain balances were reclassified from provisions to accruals - refer to note 22 for further details.

Management considers that the carrying amount of trade and other payables approximates their fair value.

All amounts included in trade and other payables are repayable on demand, non-interest bearing and are not secured on the assets of the Group.

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22 Provisions

	Gaming tax and legal provisions € '000s	Sportsbook Closure and other € '000s	Total € '000s
At January 1, 2023	43,745	—	43,745
Provided in the year	2,576	—	2,576
Reversed in the year	(1,495)	—	(1,495)
At December 31, 2023	44,826	—	44,826
Provided in the year	11,020	31,091	42,111
Reversed in the year	(3,540)	(286)	(3,826)
Interest	—	11	11
Amounts transferred to accruals during the year	(46,350)	(27,886)	(74,236)
Effects of movements in exchange rates	—	(585)	(585)
At December 31, 2024	5,956	2,345	8,301
Current	5,956	1,249	7,205
Non-current	—	1,096	1,096
Total provisions	5,956	2,345	8,301

Provisions have been made based on the Group's best estimate of the future cash flows, taking into account the risks and uncertainty of timing associated with each obligation.

Gaming tax and legal provisions

The Group is subject to withholding, indirect and gaming taxes in the jurisdictions in which it operates. The Group records provisions for taxes in certain jurisdictions where the interpretation of tax legislation is uncertain or where the Group continues to challenge the interpretations and the likelihood of tax being payable is considered probable.

Provisions are raised for these matters based on the best estimate based on the individual facts and circumstances. Assessments made rely on advice from legal counsel and management's assessment of judgments reached on cases in similar jurisdictions, as well as estimates and assumptions which may involve a series of complex judgements about future events. To the extent that the final outcome of these matters is different than the amounts recorded, such differences may impact the Group's financial results in the year in which such determination is made.

During January 2024, a Voluntary Disclosure Program ("VDP") was filed with a tax authority for gaming taxes which were provided for in the preceding financial years. Upon the filing of the VDP, the gaming tax provision was reclassified to accruals as the expense materialized as a result of the filing. A monthly payment plan was filed with the VDP and the VDP is yet to be assessed by the tax authority. The provision reclassified to accruals amounts to €46.3 million.

Sportsbook Closure

On July 10, 2024, an announcement was made to close the U.S. sportsbook operation. As at the date of the announcement, a provision to the value of €30.0 million in relation to onerous contracts was raised. Settlement agreements were subsequently reached which resulted in a reclassification of €27.9 million from provisions to accruals.

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23 Equity

	2024 Number of shares	2023 Number of shares	2022 Number of shares
Ordinary shares issued and fully paid as at January 1	497,938,845	497,887,721	483,715,049
Share buy-back during the year	—	(775,501)	(24,993,271)
Issued during the year	—	—	31,475,691
Shared issued in exchange for public warrants	—	—	5,595,748
RSU vesting	5,468,938	826,625	2,094,504
Ordinary shares issued and fully paid as at December 31	503,407,783	497,938,845	497,887,721

The parent company has one class of ordinary shares which carry no right to fixed income and is authorized to issue an unlimited number of shares in any class.

All shares are issued at no par value.

23.1 Issued capital

For the year ended December 31, 2024, the Company issued 5,468,938 (2023: 826,625) (2022: 2,094,504) ordinary shares upon the vesting of restricted stock units.

23.2 Treasury shares

On January 11, 2023, the Company announced that the Board approved a Share Repurchase Program through December 31, 2023. Following the announcement, 775,501 shares were repurchased for total proceeds of €2.6 million during the year ended December 31, 2023.

23.3 Accumulated other comprehensive income

Included in this balance is foreign exchange reserve, which relates to retranslation of the Group's foreign subsidiaries with a non-Euro functional currency into the Parent's presentation currency and retranslation of intangible assets associated with operations in foreign currencies.

Additionally, accumulated other comprehensive income includes fair value adjustments of the remaining investment in non-listed equity. See note 26 for more details.

23.4 Dividends paid and proposed

	2024 € '000s	2023 € '000s	2022 € '000s
Cash dividends on ordinary shares declared during the year:			
Interim dividend, paid during the year	46,725	—	—
Special dividend, payable at year end	71,434	—	—
	118,159	—	—
Cash dividend on ordinary shares declared after December 31, 2024:			
Final dividend	19,288	—	—
Interim dividend per share (cents)	9.32	—	—
Special dividend per share (cents)	14.20	—	—
Final dividend per share (cents)	3.82	—	—

All dividends are declared and paid in USD.

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23 Equity (continued)

23.5 Entities with significant influence over the Group

During the year ended as at December 31, 2024, the Group did not have an ultimate controlling party as no entity is deemed to have control over the Group. Instead, Knutsson Ltd and Chivers Ltd are considered to exercise significant influence by way of holding 45.26% and 19.45% respectively (2023: 46.09% and 19.66%), respectively, of the issued share capital of Super Group as at December 31, 2024.

The Group has transactions with certain entities, including Camden Property Holding Limited, as described in note 13, Apricot Investments Limited, as described in note 14 and 15, and Mahi Gaming LLC and Games Global, as described in note 19, where discretionary beneficiaries of certain trusts are common between ultimate major shareholders of those entities and Super Group. These relationships have been assessed and are not considered by the Company to meet the definition of a related party under IAS 24 'Related Party Disclosures'.

24 Accounting Considerations relating to the Transaction

24.1 Issued capital

As a result of the consummation of the transactions under the business combination agreement (hereinafter the "Business Combination Agreement") to effect a public listing of shares (hereinafter the "Transaction") on the New York Stock Exchange ("NYSE"), the pre-listing shareholders exchanged all issued shares in SGHC Limited ("SGHC") for newly issued shares in Super Group at a fixed ratio of 8.51 for 1. The issuance of these shares to SGHC shareholders prior to listing ("Pre-Closing Holders") has been presented as if the shares had been issued at the beginning of the earliest year presented.

On January 27, 2022 (the "Closing Date"), the Company completed the merger pursuant to the Business Combination Agreement, by and among SGHC, Super Group, Sports Entertainment Acquisition Corp ("SEAC"), a NYSE publicly traded special purpose acquisition company based in the United States, Super Group Holding Company Merger Sub, Inc ("Merger Sub"), a Delaware corporation and a wholly-owned subsidiary of Super Group, which resulted in the public listing of the Group.

SEAC was not considered a business as defined by IFRS 3, Business Combinations given it consisted predominantly of cash in a Trust Account. As Super Group acquired SEAC's cash balance and other net assets and SEAC's public listing through the issuance of its shares and warrants, the merger transaction was accounted for under IFRS 2, Share-based Payment. Under this method of accounting, there is no acquisition accounting and no recognition of goodwill. SEAC was treated as the acquired company for financial reporting purposes.

The difference in the fair value of the SEAC's Consideration (i.e. 31,475,691 shares, 22,499,986 public warrants and 11,000,000 private warrants issued by Super Group) over the fair value of the identifiable net assets of SEAC represented a service for the listing of Super Group and was recognized as a share-based payment expense.

The fair value of SEAC's Consideration on January 27, 2022 was as follows:

- Closing share price of SEAC's shares as traded on NYSE which was \$8.14 per share (€7.19), net of transaction costs, resulting in a value of €226.4 million.
- Closing price of SEAC's public warrants as traded on NYSE which was \$1.63 per warrant (€1.44), resulting in a value of €32.3 million.
- The valuation of the private warrants using the Black Scholes valuation at a total amount of €14.1 million.

The net assets of SEAC of €146.2 million (including cash and cash equivalents in the amount of €170.6 million) were assumed by Super Group and the issuance of ordinary shares and warrants by Super Group was recognized at fair value of €272.8 million, with the resulting difference amounting to €126.3 million representing the listing expense recognized on the transaction.

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24 Accounting Considerations relating to the Transaction (continued)

24.1 Issued capital (continued)

Transaction fees related to the Transaction amounted to €24.5 million in the year ended December 31, 2022, of which €23.0 million were allocated to Pre-Closing Holders and expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income with the remaining amount of €1.5 million allocated to new share ownership and applied as a reduction to share capital.

Concurrently with the execution of the Business Combination Agreement, Super Group, SGHC, and certain Pre-Closing Holders entered into repurchase agreements pursuant to which the Company repurchased a total of 24,993,271 shares from such shareholders. Loans were assumed in connection with the shares repurchased of €222.3 million with the Pre-Closing Holders in exchange for an agreed portion of their Super Group shares at a value of \$10 (€8.9) per share. Subsequently in 2022, the amount was settled in cash for €224.3 million.

24.2 Warrants

Pursuant to the Business Combination Agreement, a total of 22,499,986 public and 11,000,000 private warrants were issued by Super Group as part of SEAC's Consideration. The warrants were initially classified as financial liabilities with any movements in the value of the warrants reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Each warrant entitled the holder to purchase one Super Group ordinary share at a price of \$11.50 per share, subject to certain adjustments.

In an attempt to simplify the Company's capital structure, increase its public float, and reduce the potential dilutive impact of the warrants, the Group made an Offer to the holders of its public warrants wherein each public warrant holder was offered to receive 0.25 ordinary shares of the Group for each public warrant tendered by such holder and exchanged. This Offer was subject to a variety of conditions described in a Registration Statement filed with the U.S. Securities and Exchange Commission in November 2022 (the "Registration Statement"). If the Offer was accepted, the Company would require all outstanding public warrants to be converted to Super Group ordinary shares with the public warrant holders who consented to the amendment and tendered their warrants receiving 0.25 Super Group ordinary shares per public warrant and those who did not receiving 0.225 ordinary shares per public warrant. Further, if this Offer was accepted all private warrants would be cancelled for no consideration. Additionally, conditional on the completion of the Offer, each of the Pre-Closing Holders agreed to irrevocably and unconditionally waive their respective rights to receive earnout shares arising from the earnout obligation.

In December 2022, the Company announced that 21,328,401 (or 95%) of the Company's outstanding public warrants were tendered prior to the expiration date and that it met the conditions set in the Registration Statement. Therefore, the Company would exercise its rights to exchange all non-tendered outstanding public warrants for Super Group ordinary shares at a ratio of 0.225 per warrant and cancel the remaining private placement warrants for no consideration.

Also in December 2022, the Company issued 5,332,141 Super Group ordinary shares in exchange for the 21,328,401 public warrants which were tendered to the Company discharging itself of any remaining liability for the tendered warrants as of this date. Later in December 2022 the Company issued 263,607 Super Group ordinary shares in exchange for the non-tendered public warrants and canceled the private warrants discharging itself of any remaining liability for the non-tendered public warrants and private warrants.

The fair value of the 5,595,748 Super Group ordinary shares issued in exchange for the public warrants was €16.4 million considering the price of Super Group ordinary shares at December 14, 2022 (\$3.13 per share). The combined amount for changes in fair value during the year and upon the derecognition of €19.8 million was recorded in the 'change in fair value of warrant liability' line item within the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

24 Accounting Considerations relating to the Transaction (continued)

24.2 Warrants (continued)

Immediately prior to derecognition, the fair value of the private placement warrants was €0.7 million. The combined amount for changes in the fair value during the year and up until the date the derecognition of €14.7 million was recorded in the "change in fair value of warrant liability" line item within the Consolidated Statement of Profit and Loss and Other Comprehensive Income. The derecognition of the private warrant liability was made with an offsetting entry to retained profit in the Statement of Changes in Equity, as all the private placement warrants were held by Pre-Closing Holders and, therefore, which represents a transaction with owners.

The total foreign exchange effect on public and private warrants combined of €5.2 million was recorded in the "foreign exchange on revaluation of warrants and earnout liabilities" line item within the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

24.3 Earnout Reserves

Pursuant to the Business Combination Agreement, Pre-Closing Holders were granted a contingent right to receive up to 50,969,088 earnout shares subject to attainment of certain stock price hurdles over a five-year period from the Closing Date. The earnout shares were recognized in the same manner as a dividend and recorded to earnout reserves as they were giving value to existing shareholders. The earnout shares were valued at €250.0 million on the Closing Date using an option pricing model.

As outlined in the "Warrants" section above, the recipients of the earnout shares agreed to unconditionally waive their right to receive the earnout shares without any compensation if the Offer to public warrant holders was accepted. Therefore, upon the acceptance of the Offer in December 2022, the Group was discharged of any remaining liability for the earnout shares and the liability was derecognized at that date.

Immediately prior to derecognition, the fair value of the earnout shares was €32.5 million. The combined amount for changes in fair value during the year and up until the date of the derecognition of €237.4 million was recorded in the "change in fair value of earnout liability" line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The foreign exchange effect on earnout of €19.9 million was recorded in the 'foreign exchange on revaluation of warrants and earnout liabilities' line item within the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

As all the earnout shares were held by Pre-Closing Holders, management concluded that the derecognition of the liability represents a transaction with owners. Therefore, its derecognition was made with an offsetting entry to earnout reserve in the Statement of Changes in Equity. The remaining earnout reserve was derecognized with a reclassification entry recorded to retained profit.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

25 Restricted Stock Units ("RSUs") Awards

The Group has granted RSUs to its executives and employees as part of a long-term Employee Incentive Plan ("Plan"). The Board is charged with determining who receives awards, granting awards and setting terms and conditions. They also have the ability to delegate these powers to other committees or officers of Super Group.

The total shares available to award under the Plan is 43,312,150 ("Share Reserve"). The Share Reserve may increase by 3% annually through January 1, 2031. The Share Reserve is a limit on the number of shares that may be issued from awards that were granted under this Plan and does not limit the granting of awards. The Company will keep available at all times the number of shares reasonably required to satisfy its obligations to issue shares pursuant to such awards. Shares issued under the plan will be new shares.

RSUs are subjected to vesting, issuance and forfeiture conditions. Certain awards granted to date by the Group have a 3-year vesting period, in which 1/3 of the RSUs vest on each of the first, second and third anniversaries of the Vesting Commencement Date, subject to the plan participant continuously remaining at the Group, save in the event of death.

The shares provided under the RSUs awards are entitled for dividend rights and will be settled upon vesting. No rights of a shareholder are given to RSU holders until the RSUs are settled in shares of the Company.

The table below illustrates the number and weighted average exercise prices (WAEP) of, and movements in, shares awarded during the year as at December 31, 2024:

	Number	WAEP (\$)
Outstanding as at January 1, 2022	—	
Granted during the year	8,375,062	6.27
Vested during the year	(2,094,504)	7.00
Terminated during the year	(342,500)	7.00
Outstanding as at January 1, 2023	5,938,058	5.97
Granted during the year	2,812,238	3.32
Vested during the year	(2,838,248)	5.84
Terminated during the year	(765,365)	5.97
Outstanding as at December 31, 2023	5,146,683	4.60
Granted during the year	1,870,884	3.42
Vested during the year	(3,456,917)	5.03
Terminated during the year	(451,988)	5.19
Outstanding as at December 31, 2024	3,108,662	3.33

The weighted average remaining contractual life for the shares outstanding as at December 31, 2024 was 1.7 years (2023: 1.5 years) (2022: 1.6 years). The remaining contractual life is calculated with reference to the remaining vesting period at year end.

The number of RSUs vested for which shares were not yet issued as at December 31, 2024 was N.A - no amount to disclose (2023: 2,011,623) (2022: N.A - no amount to disclose).

The RSU expense, excluding payroll taxes, for the year ended December 31, 2024 was €10.3 million (2023: €16.8 million) (2022: €24.3 million, including a once-off RSU expense of €23.1 million related to awards following the Transaction). The total fair value of the RSUs vested, calculated using the fair value on grant date, during the year ended December 31, 2024 was €18.6 million (2023: €7.5 million) (2022: €5.9 million).

The total compensation cost related to outstanding RSUs that will be incurred in the future as of December 31, 2024, including payroll and employee income tax, was €5.9 million (2023: €11.1 million) (2022: €23.4 million). The unrecognized expense is expected to be recognized over a weighted average period of 1.4 years (2023: 1.1 years) (2022: 1.3 years). The weighted average period is calculated with reference to the remaining number of calendar years at year end.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Fair values

Fair values vs carrying amounts

The following are the fair values and carrying amounts of financial assets and liabilities in the Consolidated Statement of Financial Position:

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2024 € '000s	2024 € '000s	2023 € '000s	2023 € '000s
Assets				
Regulatory deposits	13,015	13,015	11,951	11,951
Loans receivable	853	853	95,809	95,809
Financial assets				
Derivative financial instruments	272	272	—	—
Investments in non-listed equity instruments	—	—	174	174
Prepayment for sportsbook software ¹	112,594	112,594	—	—
Trade and other receivables	60,281	60,281	97,158	97,158
Restricted cash	8,703	8,703	38,287	38,287
Cash and cash equivalents	372,882	372,882	241,923	241,923
Fixed term deposits	13,180	13,180	—	—
Total	581,780	581,780	485,302	485,302
Liabilities				
Lease liabilities	70,360	70,360	29,145	29,145
Derivative financial instruments	2,195	2,195	44,656	44,656
Deferred and contingent consideration	368	368	2,714	2,714
Interest-bearing loans and borrowings	36	36	87	87
Trade and other payables	218,812	218,812	162,875	162,875
Customer liabilities (at fair value through profit/loss)	51,108	51,108	67,592	67,592
Dividends payable	72,531	72,531	—	—
Total	415,410	415,410	307,069	307,069
Net	166,370	166,370	178,233	178,233

¹ Refer to note 15.

Financial assets and liabilities included in the assets and associated liabilities held for sale, the details of which are disclosed in note 19, approximate their fair value.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Fair value hierarchy

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs for the asset or liability that are based on observable market data (i.e. observable inputs); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Financial instruments carried at amortized cost

All financial instruments measured at amortized cost approximate their fair value because the EIR is not materially different to the applicable market rates during the term of these instruments.

Financial instruments carried at fair value through other comprehensive income

Investments in non-listed equity instruments (Level 3)

The Group holds non-controlling interest in an entity. These investments were irrevocably designated at fair value through OCI as the Group considers the investments to be strategic in nature.

Financial instruments carried at fair value through profit and loss

Basis for determining fair value through profit and loss

The following are the significant methods and assumptions used to estimate the fair values for the financial instruments below.

Derivative financial instruments (Level 3)

Customer Liabilities

Customer liabilities relating to open sports bets are fair valued as at year end to reflect the movement in odds between the date a bet was placed and the odds as at year end.

Funding and option arrangements

Option to sell B2B Division of DGC

As referred to in note 19, the Group concluded the disposal of the B2B division of DGC. To record the gain on the disposal, the Group has determined the fair value of the B2B Option as at January 31, 2024 - immediately before the completion of the disposal.

In determining the fair value of the B2B Option as at January 31, 2024 and December 31, 2023, the Group applied a valuation technique that takes into accounting the likelihood of occurrence of each event outlined in note 20, based on the Group and its legal counsel assessment of the probability of both conditions being met at each valuation date. This approach allows for a two-step process, which incorporates uncertainty around the satisfaction or not of each condition and the underlying B2B Division business risks using a Black Scholes model. The volatility was based on historical volatility of a group of comparable companies with a look back period equal to the time to expiry of the option at each valuation date. The B2B Option was categorized as a Level 3 instrument under the fair value hierarchy due to the non-observable inputs used in the valuation.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Financial instruments carried at fair value through profit and loss (continued)

Derivative financial instruments (Level 3) (continued)

Option to sell B2B Division of DGC (continued)

The fair value of the option liability as at January 31, 2024 was €56.5 million (2023: €42.6 million) and was derecognized in the derivative financial instruments line within the liabilities of the Consolidated Statements of Financial Position on February 1, 2024 when the B2B Division of DGC was sold. The change in fair value was recognized in the change in fair value of option line within the Consolidated Statement of Profit or Loss - see notes 19 and 20 for details.

The key valuation assumptions as at January 31, 2024 and December 31, 2023 were as follows:

	2024	2023
Exercise price (\$m)	12.9	4.3
Volatility	N/A ¹	72.66%
Time to expiration (years)	N/A ¹	0.5
Risk-free rate	N/A ¹	5.40%
Probability of conditions being met	100%	91%

¹ At the exercise date, on January 31, 2024, the fair value of the option was equal to the intrinsic value of the option and these assumptions were not applicable for the fair value measurement.

Financial instruments carried at amortized cost

Interest-bearing loans and borrowings

Analysis of loans and borrowings for the year ended December 31, 2024

Facility	Maturity	Interest rate	Currency	Facility amount
Other loans	On demand	0.00 %	NGN	Unspecified

Analysis of loans and borrowings for the year ended December 31, 2023

Facility	Maturity	Interest rate	Currency	Facility amount
Other loans	On demand	— %	NGN	Unspecified
Other loans	On demand	0.00 %	EUR	Unspecified

Financial risk management

The Group's activities expose it to a variety of financial risks, namely, market risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group reviews and agrees on policies for managing each of these risks which are described below.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Market risk

Market risk relates to the risk that changes in prices, including sports betting prices/odds, foreign currency exchange rates and interest rates, will impact the Group's income or the value of its financial instruments. Market risk management has the function of managing and controlling the Group's exposure to market risk to within acceptable limits, while at the same time, ensuring that returns are optimized.

The management of market risk is performed under the supervision of the Group's senior management and according to the guidance approved by them.

Sports betting prices/odds

Managing the risks associated with the sportsbook bets is a fundamental part of the Group's business. Group senior management has the responsibility for the compilation of bookmaking odds and for sportsbook risk management as well as responsibility for the creation and pricing of all betting markets, and the trading of those markets through their lives.

A mix of traditional bookmaking approaches married with risk management techniques from other industries is applied, and extensive use is made of mathematical models and information technology. The Group has set predefined limits for the acceptance of sportsbook bet risks. Stake and loss limits are set by reference to individual sports, events and bet types. These limits are subject to formal approval by senior management.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they become due.

Cash flow forecasting is performed in the operating entities of the Group on a monthly basis and then aggregated by Group Finance which closely monitors the actual status per company and the rolling forecast of the Group's liquidity.

Customer funds are kept in dedicated accounts, separately from the Group's operational bank accounts in order to ensure that their liability is met.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Liquidity risk (continued)

The following table shows the undiscounted cash flows for financial liabilities.

	Carrying Amount € '000s	Contractual cash flows € '000s	less than 1 year € '000s	1 - 2 years € '000s	3 - 5 years € '000s	Over 5 years € '000s
At December 31, 2024						
Liabilities						
Lease liabilities	70,360	106,162	8,498	9,224	26,477	61,963
Contingent consideration	368	368	368	—	—	—
Interest-bearing loans and borrowings - principal	36	36	36	—	—	—
Trade payables	88,596	88,596	88,596	—	—	—
Accruals ¹	122,615	122,615	122,615	—	—	—
Other payables	7,601	7,601	7,601	—	—	—
Customer liabilities (at fair value through profit/loss)	51,108	51,108	51,108	—	—	—
Derivative financial instruments	2,195	2,195	2,195	—	—	—
Dividends payable	72,531	72,531	72,531	—	—	—
Total	415,410	451,212	353,548	9,224	26,477	61,963
At December 31, 2023						
Liabilities						
Lease liabilities	29,145	43,982	7,881	6,549	11,370	18,182
Derivative financial instruments ²	44,656	44,656	42,600	2,056	—	—
Deferred and contingent consideration	2,714	2,714	2,392	322	—	—
Interest-bearing loans and borrowings - principal	87	87	87	—	—	—
Trade payables	80,512	80,512	80,512	—	—	—
Accruals ¹	79,150	79,150	79,150	—	—	—
Other payables	3,214	3,214	3,214	—	—	—
Customer liabilities (at fair value through profit/loss)	67,592	67,592	67,592	—	—	—
Total	307,070	321,907	283,428	8,927	11,370	18,182

¹ Excludes gaming tax accruals.

² Derivative financial instruments in 2023 include instruments that were settled by way of the conclusion of the option arrangements detailed in note 20.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Changes in liabilities arising from financing activities

	Interest-bearing loans and borrowings and deferred and contingent consideration € '000s	Lease liabilities € '000s	Total € '000s
At January 31, 2022	16,972	16,249	33,221
Cash outflows	(26,679)	(8,222)	(34,901)
Loans assumed in connection with the shares repurchased	222,345	—	222,345
Payments related to the repurchased shares	(224,322)	—	(224,322)
Deferred consideration paid	(13,200)	—	(13,200)
Effects of movements in exchange rates	1,875	(306)	1,569
Disposals	—	(112)	(112)
New leases	—	8,024	8,024
Arising as a result of merger	671	—	671
Arising from business combinations	23,445	—	23,445
Liabilities assumed on business combination	—	671	671
Interest	96	955	1,051
At December 31, 2022	1,203	17,259	18,462
Cash inflows	18,594	—	18,594
Arising from business combinations	120,992	4,367	125,359
Increase in deferred consideration	2,714	—	2,714
Cash outflows	(139,436)	(7,526)	(146,962)
Effects of movements in exchange rates	(1,859)	(791)	(2,650)
Disposals	—	(341)	(341)
New leases	—	4,410	4,410
Lease modification	—	11,737	11,737
Transfer to Liabilities associated with assets held for Sale	—	(2,038)	(2,038)
Other	15	—	15
Interest	578	2,068	2,646
At December 31, 2023	2,801	29,145	31,946
Cash outflows	(2,512)	(7,951)	(10,463)
Effects of movements in exchange rates	37	1,118	1,155
Disposals	—	(178)	(178)
New leases	—	44,970	44,970
Other	78	—	78
Interest	—	3,256	3,256
At December 31, 2024	404	70,360	70,764

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

26 Financial instruments - fair values and risk management (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk also arises where cash and cash equivalents, fixed term deposits and restricted cash are deposited with banks or financial institutions. It is the Group's policy to deposit funds only with reputable institutions with an acceptable credit rating, and to keep the position under review. Management do not consider there to be a concentration of credit risk within the Group as the cash equivalents and amounts receivable at year end are spread across a number of 3rd party suppliers across multiple locations. Additionally, cash and cash equivalents are kept deposited with banks or financial institutions with an acceptable credit rating and a stable outlook, thus mitigating the concentration risk.

The Group applies the IFRS 9, 'Financial Instruments,' simplified approach for trade and other receivables that do not contain a significant financing component and those that are recognized under IFRS 15, 'Revenue from Contracts with Customers.'

The Group's sports betting and online casino business are predominantly cash businesses where there is a requirement for the customer to pay in advance of entering into a transaction. These payments are collected through payment service providers. The Group does not grant credit to customers.

As such, the majority of the Group's outstanding receivables balance is with payment service providers (PSPs), some of which are global brands, and others are smaller and country specific. The Group considers these PSPs as financial institutions that have high credibility in the market and strong payment profiles.

The Group monitors trade and other receivables based on credit risk characteristics and aging of the receivables.

This is accomplished through weekly cash flow meetings where inflows from PSPs are reviewed, and on a monthly basis a 'PSP aging report' is assessed. This enables management to identify any settlements outstanding for more than a month and will then be raised for consideration of write offs. Management also considers current and forward-looking information based on publicly available information affecting the ability of the debtors to settle receivables, for example, news of a PSP declaring bankruptcy, experiencing fraud or financial difficulties, etc..

In relation to regulatory deposits, cash and cash equivalents and loans receivable, the credit risk is low and any required provision would be non-existent or immaterial.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. Foreign exchange risk arises from future commercial transactions and recognized financial assets and liabilities. The Group has exposure to various currencies, primarily ZAR, CAD, USD, GBP, GHS and MZN. Exchange rates are monitored by Group Finance on a monthly basis to ensure that adequate measures are taken if fluctuations increase.

The effect of a 10% change of foreign currency exchange rates of the Euro against these exposed currencies on the Group's monetary financial assets and liabilities is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

The Group is mainly exposed to borrowings interest rate risk. The interest rate on borrowings is based on the variable and fixed interest rates disclosed in the analysis of financial institution loans table included in this note.

The Group monitors its treasury at least monthly and seeks to obtain a commercial rate of return from AA or above rated institutions while not impacting on cash flow.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

27 Related party transactions

Remuneration of key management personnel

The remuneration of the directors (excluding non-executive directors) and executive officers, who are considered to be key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosures'. These expenses are included in the 'General and administrative expenses' line item within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	2024 € '000s	2023 € '000s	2022 € '000s
Short term employee benefits	14,459	9,208	5,388
Restricted Stock Units ("RSUs") Awards	3,634	3,267	1,487
	18,093	12,475	6,875

Key management personnel services were also provided by Whitfield Management Limited. Amounts paid to Whitfield Management Limited for these services for the year ended December 31, 2024 amounted to €1.8 million (2023: €2.1 million; 2022: €2.2 million).

28 Commitments and contingencies

Withholding, indirect and gaming taxes

As reflected in the critical accounting estimates and judgments disclosures in note 3, the Group reviews tax developments at each reporting date to determine if a provision should be recorded or a contingency disclosed. The Group assesses its tax liabilities taking into account current (and enacted but not yet implemented) tax law in conjunction with advice received from professional advisers and/or legal counsel. Management have assessed that the financial effect of such contingencies are either possible or probable but cannot be reliably measured due to considerable uncertainty regarding amount and/or timing.

Jumpman Limited is subject to an assessment from the HMRC totaling £21.5 million in respect of Remote Gaming Duty ("RGD") from 2018 to 2022. This amount has been reduced to £12.1 million as per the letter received from HMRC, dated May 21, 2024. On September 5, 2024, Jumpman amended its existing grounds of appeal to the Tribunal arguing that the original assessments should be nullified. On December 24, 2024, the Tribunal acknowledged receipt of Jumpman's application and the preliminary date for the hearing is set for July or August 2025. The Group does not consider it probable that the assessments will ultimately be payable, and as such, no provision has been made.

Legal contingencies

The business is party to pending litigation in various jurisdictions and with various plaintiffs in the normal course of business, including claims from customers within such jurisdictions as Austria, Germany and the Netherlands. The Group takes legal advice as to the likelihood of success of claims and counterclaims. No provision is recorded where, due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings can be determined.

Other contractual commitments

The Group entered into definitive agreements on May 8, 2024 to assume full control of its sportsbook software technology owned by Fusion. Refer to note 15 for further details on contractual commitments as of December 31, 2024.

Super Group (SGHC) Limited
Notes to Consolidated Financial Statements

29 Subsidiaries

The table below includes the Company's principal subsidiaries as at December 31, 2024, determined as either contributing to 10% or more of the Group assets or revenues. The Company has other subsidiaries, but the assets and revenues did not exceed 10% of the Group's consolidated assets or revenues for the year ended December 31, 2024:

Name	% Equity interest	Country of incorporation	Nature of business
Raging River Trading Proprietary Limited	100%	South Africa	Licensed Western Cape Gambling and Racing Board ("WCGB") / software development
Baytree Interactive Limited	100%	Guernsey	Licensed with the Kahnawake Gaming Commission ("KGC")
Betway Group Limited	100%	Guernsey	Operational
Betway Limited	100%	Malta	Licensed with the MGA

Certain subsidiary entities of the Group are not wholly-owned. Management has assessed the values of the NCI in these instances and determined them to be individually immaterial for additional disclosures.

On November 1, 2024, the Group entered into an agreement with the non-controlling shareholders of Jumpman Gaming Limited and The Six Gaming Limited to purchase the remaining 30% shareholding in both entities for a total purchase consideration of £5.5 million (€6.5 million), of which £1.0 million (€1.1 million) was cash and the remaining amount was non-cash settlements of amounts owing from the shareholder to the Group.

30 Subsequent events

As disclosed in note 23.4, the Group declared a dividend of \$0.04 (€0.04) per share on February 25, 2025, which was paid on March 28, 2025.

The Group entered into a sale agreement to purchase property in Cape Town, South Africa to the value of R390.0 million (approximately €19.9 million), subject to registration by the Deeds Office. In order to finance this purchase, the Group entered into a facility agreement with FirstRand Bank Limited with a total facility amount of R320.0 million (approximately €16.4 million).