REGISTERED NUMBER: 08179391 (England and Wales)

Merkur Casino UK Limited

Group Strategic Report, Directors' Report and

Consolidated Financial Statements for the Year Ended 31 December 2025

Merkur Casino UK Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2025

Merkur Casino UK Limited

Company Information
for the Year Ended 31 December 2025

Directors:	E Coskun M S Schertle S Blodau
Registered office:	Second Floor Matrix House North Fourth Street Milton Keynes MK9 1NJ
Registered number:	08179391 (England and Wales)
Independent auditors:	BDO LLP 55 Baker Street London W1U 7EU

Merkur Casino UK Limited

Group Strategic Report
for the Year Ended 31 December 2025

Introduction

The directors present their Strategic Report for Merkur Casino UK Limited ("the Company") and its subsidiary undertakings (together referred to as "the Group") for the year ended 31 December 2025.

Business review

Principal Activity

The Group's principal activities are the provision of leisure services and entertainment facilities. The Group operates a network of Adult Gaming Centres ("AGCs") and land-based casinos located throughout the UK. These venues are carefully managed to maintain high levels of customer service, regulatory compliance and operational efficiency. The directors prioritise creating venues that are attractive, comfortable and accessible to customers, with safer gambling and customer welfare embedded within operational practices.

On 24 March 2025, as part of a strategic decision to exit the bingo market, the Group sold its remaining bingo club in Lowestoft to a third-party operator, bringing an end to bingo operations within the Group.

The directors are not aware, at the date of this report, of any likely major changes in the Group's principal activities in the forthcoming year.

Principal risks and uncertainties

Management continuously monitors the key risks facing the Group and evaluate the controls in place for managing these risks. The board formally reviews and documents the principal risks facing the business at least annually.

Regulation
The gambling and leisure industry is subject to an evolving regulatory environment, driven by changes in government legislation and regulatory policy. Such changes may result in increased compliance costs, operational restrictions or other requirements that could adversely impact the Group's profitability. The directors believe that appropriate strategies are in place, and are kept under regular review, to respond effectively to regulatory developments, enabling the Group to mitigate adverse impacts and, where possible, benefit from favourable changes within the sector.

In April 2023, the UK Government published its White Paper on gambling reform, setting out proposals to modernise the regulatory framework and strengthen consumer protections. Following the change of Government in July 2024, progress has continued through consultations, secondary legislation and regulatory updates, with further changes to technical standards and licensing requirements for land-based gambling expected over the coming years. The directors continue to closely monitor regulatory developments and will adapt the Group's operations and compliance arrangements as necessary to ensure ongoing alignment with evolving regulatory requirements.

Economic climate
The directors consider ongoing short- and long-term economic uncertainty to represent a principal risk to the Group, as macroeconomic conditions may adversely affect customer demand, operating costs and overall profitability. Relevant factors include inflationary pressures, changes in consumer confidence and spending patterns, fluctuations in disposable income, and volatility in energy and other operating costs.

The Group seeks to mitigate these risks through prudent financial planning and active cost management. Economic assumptions are incorporated into budgets and forecasts where appropriate, and the directors regularly review performance against expectations. Mitigating actions include, where feasible, the advance purchase and hedging of energy costs to provide greater cost certainty, alongside ongoing monitoring of expenditure and operational efficiency.

Further information on the risks and strategies is disclosed in the Directors' Report of these financial statements.

Key performance indicators

Management use a range of performance measures to monitor and manage the business, as set out below.

Revenue for the year increased by 6.2% to £222.0m (2024: 3.6% increase to £209.0m). Revenue growth in both the current and prior years reflects the continued expansion and optimisation of the Group's venue portfolio, including the opening of new venues and initiatives to enhance performance across the estate. Newly opened venues typically take up to three years to reach full revenue maturity, and a number of venues within the estate remain within this ramp-up period. As a result, the directors anticipate further revenue progression over the next two years as these venues mature, and portfolio optimisation initiatives continue to deliver benefits.

In addition to revenue growth generated from organically developed venues, the Group completed two acquisitions during the year. This included the purchase of a new casino in Milton Keynes and the acquisition of a company based in Northern Ireland, marking the Group's first operations in that jurisdiction. Both acquisitions contributed to trading from October 2025 and are therefore only partially reflected in the results for the year. The full-year contribution from these venues is expected to support further revenue growth in the next financial period.

Operating profit increased by £1.1m to £6.2m for the year (2024: increase of £3.5m to an operating profit of £5.1m). The improvement reflects continued revenue growth across the estate, supported by the maturing of newer venues and ongoing optimisation of the Group's portfolio. While revenue growth was the principal driver of the improved result, this was partially offset by additional operating costs incurred during the year, including increased marketing activity and integration costs associated with recently acquired venues.

Profitability also benefited from disciplined portfolio management and the continued development of newer venues as they progress towards full trading maturity. The Group continues to maintain prudent cost control and regularly reviews its cost base, while making targeted investments to support growth initiatives. These investments include the acquisition and development of new venues, which require ongoing integration into the Group's existing operations. This performance was achieved while maintaining the Group's commitment to high standards of compliance and customer welfare.

Creditor days for the Group were 18 for the year (2024: 16 days), reflecting normal variations in supplier payment cycles.

Financial position at the reporting date

The consolidated Statement of Financial Position shows that the Group's net assets remained stable at £16.2m at the year end. During the year, the Group completed a number of acquisitions which resulted in a significant increase in total assets recognised in the Statement of Financial Position. In addition, the Group reported an improved cash position at the reporting date.

These increases in assets were largely offset by additional liabilities arising from loans provided by the ultimate parent undertaking, which were used to finance the acquisitions completed during the year. As a result, while the Group's asset base increased materially during the period, the overall net asset position remained broadly unchanged at the year end.

Development and financial performance during the year

In 2025, the directors focused on enhancing the performance and long-term sustainability of the Group's estate. Building on the continued expansion and optimisation of the venue portfolio, management concentrated on driving operational excellence, strengthening performance across the estate and supporting the maturation of newer venues. This approach contributed to the strong revenue growth and improved operating profitability achieved during the year.

On 14 October 2025, the Group completed the acquisition of a holding company, Oasis Leisure Group Limited, and its trading subsidiary, Oasis Retail Services Limited, operating in Northern Ireland. The purchase was completed by the Company's subsidiary, Merkur Casino Holdings UK Limited. This transaction represents the Group's first expansion into the Northern Ireland market and forms part of the directors' strategy to strengthen the Group's geographic footprint within the United Kingdom. The acquisition was assessed against the Group's strategic, financial and regulatory criteria. Since completion, integration activities have focused on aligning governance, compliance, financial reporting and operational frameworks with the Group's standards. Further details regarding this acquisition can be found in note 31 of these financial statements.

Oasis Leisure Group Limited was renamed Merkur Operations NI Holdings Limited on 16 October 2025.

Development and financial performance during the year - continued

During the year, the Group also acquired a second casino located in Milton Keynes, which commenced trading under the Group's ownership on 30 October 2025. The purchase was completed by the Company's subsidiary, Merkur Casino Entertainment UK Limited, and represents a further step in the Group's strategy to selectively expand its presence in the land-based casino sector. The directors believe the venue offers strong long-term potential given its location, established customer base and opportunities for operational enhancement under the Merkur brand.

Following completion, the Group has focused on integrating the casino into its existing operational and compliance framework, including enhancements to gaming content, customer experience and operational processes. While the acquisition only contributed to trading for part of the financial year, the directors expect the venue to provide a fuller contribution to revenue and profitability in the next financial period as integration progresses, and operational initiatives are implemented.

During the year, the UK Government announced its Budget, within which changes to Machine Games Duty ("MGD") had been widely anticipated across the industry. The Government ultimately confirmed that no increase to MGD would be implemented at this time. The directors welcome this decision, which provides greater certainty for operators within the sector and supports continued investment in the Group's venues and operations.

Active portfolio management remained a priority during the year, with continued investment in both higher-performing venues and locations where the directors identified clear potential for further growth. Capital and operational resources are allocated to initiatives that enhance long-term performance and sustainability across the estate. During the year, the directors put plans in place to cease operations at venues where sustainable profitability could not be achieved, reflecting the Group's disciplined approach to estate management. Where applicable, the relevant closed store provisions have been recognised in these financial statements. Further details are provided in note 26.

The Group continues to invest in its people, recognising that employee engagement and capability are central to delivering high standards of customer service and regulatory compliance. Competitive remuneration, training and development initiatives remain key components of the Group's strategy to attract and retain skilled employees across the estate.

The machine mix and gaming content within venues are subject to ongoing review to ensure they remain aligned with customer preferences and regulatory requirements. Investment in updated machines and refreshed content during the year supported revenue performance and enhanced the overall customer experience, while maintaining appropriate safeguards.

Safer gambling and customer welfare remain central to the Group's operating model and values. The Group is committed to providing a safe, responsible and supportive environment for its customers. During the year, this commitment was reinforced through continued investment in staff training, enhanced customer interaction and support processes, strengthened self-exclusion procedures, and improved monitoring systems designed to identify and assist customers who may be at risk. While regulatory expectations continue to evolve following the Government's White Paper reforms, the directors view social responsibility as fundamental to the long-term sustainability of the business. The Group will continue to review and enhance its policies, procedures and systems to ensure that safer gambling principles are fully embedded across all venues.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The directors are mindful of their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors have regard to the long-term consequences of decisions, the interests of employees, relationships with suppliers and customers, the impact of the Group's operations on the community and environment, the importance of maintaining high standards of business conduct, and the need to act fairly between members.

In practice, these considerations are embedded within the Company's governance framework and decision-making processes. Board discussions routinely include assessment of the long-term consequences of strategic decisions, regulatory developments, operational performance, employee engagement, customer welfare and wider stakeholder impact. While not every decision results in a positive outcome for all stakeholders, the directors seek to balance competing interests responsibly and in a manner consistent with the Company's purpose and values.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 - continued

Key strategic decisions during the year

During the year, the directors continued to focus on strengthening the performance and long-term sustainability of the Group's estate. This included strategic investment in the venue portfolio, expansion into new markets and continued optimisation of the Group's operations. These decisions were taken with careful consideration of their financial, regulatory and social implications, as well as the interests of the Group's wider stakeholders.

The Group completed two acquisitions in 2025, including the purchase of a casino in Milton Keynes and the acquisition of a business operating in Northern Ireland. These transactions formed part of the Group's strategy to expand its geographic footprint and strengthen its venue portfolio, with integration activities focused on aligning the businesses with the Group's governance and operational standards.

During the year, the Group also completed the sale of its remaining bingo club in Lowestoft, marking the Group's exit from the bingo market. The directors concluded that the long-term strategic focus of the business would be better directed towards the Group's core adult gaming centre and casino operations. In reaching this decision, the directors considered the financial performance of the venue, the strategic direction of the Group and the impact on employees, customers and local stakeholders. Appropriate transition arrangements were implemented as part of the disposal.

Alongside expansion activity, the directors continued to apply a disciplined approach to portfolio management. Investment has been directed towards venues where the directors believe there is clear potential for sustainable growth, while plans were put in place to cease operations at venues where sustainable profitability could not be achieved. In making such decisions, the directors considered the impact on employees, customers, suppliers and local communities, and appropriate consultation and support processes were implemented where necessary.

The directors also closely monitored developments in the regulatory and fiscal environment affecting the gambling sector. During the year, the UK Government confirmed within its Budget that Machine Games Duty ("MGD") would not be increased as had been widely anticipated across the industry. The directors welcomed this decision, which provides greater certainty for operators and supports continued investment in the Group's venues and operations.

In making these decisions, the directors considered the long-term sustainability of the business, the interests of employees and customers, the stability of supplier relationships, the Company's responsibilities to regulators and local communities, and the need to maintain high standards of responsible operation across the estate.

Stakeholder engagement

The Company's key stakeholders include its customers, employees, suppliers, local communities, regulators and its ultimate parent undertaking. Engagement with these stakeholders helps inform the board's understanding of the potential impacts of strategic decisions and supports balanced decision-making throughout the year.

While day-to-day engagement is primarily undertaken at operational level, the board receives regular reporting on stakeholder matters, including customer welfare, employee engagement, supplier relationships, regulatory developments and community initiatives.

Customers
Customer welfare and safer gambling remain central to the Group's operating model. The directors recognise that maintaining a responsible and supportive environment is fundamental to the long-term sustainability of the business. During the year, the Group continued to strengthen its safer gambling framework through ongoing staff training, enhanced customer interaction and support processes, strengthened self-exclusion procedures and improved monitoring systems designed to identify and assist customers who may be at risk. Investment in refreshed venues and updated machine content was undertaken with careful regard to regulatory requirements and customer protection measures, while also seeking to enhance the overall customer experience.

Employees
Employees play a critical role in delivering high standards of customer service, operational performance and regulatory compliance. The directors remain committed to maintaining open communication and engagement across the business. Feedback mechanisms, regional management structures and regular reporting enable employee perspectives to be considered in the decision-making process. The Group continues to invest in training, development and competitive remuneration to attract and retain skilled employees and to support high standards of operational delivery across the estate.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 - continued

Stakeholder engagement - continued

Suppliers
The Group works closely with suppliers to maintain reliable and collaborative relationships that support operational resilience and service delivery. The directors recognise that strong supplier partnerships contribute to innovation, operational efficiency and cost management. Supplier relationships are managed through established procurement processes and ongoing engagement across the Group.

Local communities and social responsibility
The Group seeks to operate responsibly within the communities in which it operates. In addition to providing local employment opportunities, the Group supports charitable initiatives and organisations focused on gambling harm prevention and education. The directors consider the social impact of venue operations as part of their decision-making processes and aim to ensure that venues operate in a manner that is responsible and respectful of their local communities. During the year, the Group also pledged £100,000 across the next three years to support a children's charity, with the majority of funds expected to be raised through voluntary donations from customers and employees across the Group's venues.

Regulators
Maintaining constructive and transparent relationships with regulators and licensing authorities remains a priority. The Group operates within a highly regulated environment and continues to engage proactively with regulatory stakeholders. During the year, the Group monitored developments arising from the Government's Gambling White Paper and continued to embed evolving regulatory expectations within its venues and operational procedures.

Environment
The directors recognise the importance of reducing the environmental impact of the Group's operations. During the year, progress continued in improving energy efficiency across the estate, including the installation of smart meters and the replacement of older equipment with more energy-efficient alternatives. These initiatives support both environmental responsibility and long-term cost sustainability.

The directors also maintain regular engagement with the Company's ultimate parent undertaking, ensuring that strategic decisions remain aligned with the long-term interests of the Company's members.

Through this approach, the directors believe they have acted in a manner most likely to promote the long-term sustainable success of the Company for the benefit of its members as a whole, while having appropriate regard to the interests of its wider stakeholders. The board remains committed to maintaining high standards of governance, regulatory compliance and social responsibility as the business continues to develop.

This report was approved by the board on 26 March 2026 and signed on its behalf.

On behalf of the board:

Signed by:
0C5A7A464368482...
E Coskun - Director

26 March 2026

Merkur Casino UK Limited

Directors' Report
for the Year Ended 31 December 2025

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2025.

Results

The Group profit for the year, after taxation, amounted to £7k (2024: £11.3m).

Dividends

No dividends have been recommended or will be distributed for the year ended 31 December 2025 (2024: £nil).

Future developments

Following the strategic developments and acquisitions completed during the year, the Group will continue to focus on the sustainable development and optimisation of its estate. The directors' strategy remains centred on enhancing performance across existing venues, supporting the continued maturation of newer locations and allocating capital to opportunities that offer clear long-term potential.

The Group will maintain a disciplined approach to capital allocation, ensuring that potential investments and transactions are assessed against robust financial, regulatory and strategic criteria. Opportunities to expand the Group's geographic footprint, including through acquisitions of AGCs and casinos as well as the development of new venues, will continue to be evaluated where they support long-term growth and operational resilience.

Operational efficiency and disciplined cost management will remain key priorities, helping to ensure resilience within a changing economic and regulatory environment. The directors will continue to review performance across the estate and allocate resources to initiatives that strengthen long-term profitability and sustainability.

The Group will continue to invest in its employees through training, development and competitive remuneration, recognising that employee engagement and capability are fundamental to operational excellence and high standards of customer service and regulatory compliance.

As the regulatory landscape continues to evolve following the Government's Gambling White Paper reforms, the directors will remain proactive in ensuring the Group is well positioned to meet new requirements. Ongoing investment in staff training, monitoring processes and compliance systems will support the Group's commitment to maintaining high standards of safer gambling and customer welfare.

Environmental sustainability and responsible business practices will remain areas of focus, with continued efforts to improve energy efficiency and reduce the environmental impact of operations while maintaining constructive relationships with local communities and other stakeholders.

The Group holds a number of dormant casino licences within the United Kingdom, which the directors intend to develop into new casino operations under the Merkur brand where commercially viable opportunities arise. The Group will also continue to assess opportunities to expand its casino operations through the acquisition of existing venues where suitable opportunities become available.

The directors will continue to review the Group's corporate structure to ensure it remains efficient and appropriate for its operations. During the year, four additional non-trading subsidiaries were placed into Members' Voluntary Liquidation as part of the ongoing rationalisation of dormant entities, and this process is expected to continue where appropriate.

The directors believe that this balanced and disciplined approach will support the Group's long-term sustainable growth while maintaining high standards of governance, regulatory compliance and responsible business conduct.

Directors

The directors shown below have held office during the whole of the period from 1 January 2025 to the date of this report.

E Coskun
M S Schertle
S Blodau

Business risk

The Group operates in a dynamic regulatory and economic environment and is therefore exposed to a range of risks that may affect its operations and financial performance. The directors regularly review the principal risks facing the Group and the systems of control in place to manage and mitigate these risks.

Regulatory risk

The gambling sector is highly regulated and subject to ongoing legislative and regulatory developments. Changes to legislation, licensing requirements and regulatory expectations may affect the way the Group operates and could increase compliance costs or operational restrictions.

Developments arising from the Government's 2023 White Paper on gambling reform continue to be implemented through consultations, secondary legislation and updates to the Gambling Commission's Licence Conditions and Codes of Practice ("LCCP"). Further changes to technical standards, consumer protection measures and reporting requirements are expected in the coming years.

From 6 April 2025, a statutory levy was introduced by the Department for Culture, Media and Sport ("DCMS"), requiring licensed operators to contribute 0.2% of Gross Gambling Yield ("GGY") towards research, education and treatment ("RET") initiatives. The levy is payable by the Group's licensed trading subsidiaries and has been incorporated into the Group's financial planning. The Group has historically supported RET initiatives through voluntary contributions and continues to oversee its approach to social responsibility funding as part of its governance framework.

The directors maintain a proactive and structured approach to regulatory compliance across the Group. Safer gambling and customer welfare are embedded within the Group's operating model and form a core component of its governance and risk management framework. The Group maintains dedicated compliance and safer gambling teams, comprehensive staff training programmes and robust customer protection processes designed to support responsible play and regulatory alignment.

The Group maintains constructive relationships with regulators, licensing authorities and relevant industry bodies and remains actively engaged in industry dialogue. The directors believe that the Group's embedded compliance culture and governance framework position it well to respond effectively to future regulatory developments.

Financial risk

The Group's activities expose it to a number of financial risks which are managed through the Group's treasury and financial management processes.

Liquidity
The management of the Group's cash and funding requirements is undertaken centrally. The objective is to ensure that sufficient liquidity is maintained to support operational requirements, capital expenditure and strategic initiatives across the Group.

The Group generates strong and consistent cash flows from its operations. Cash flow forecasts are regularly reviewed, and funding capacity is monitored to ensure that adequate resources are available to support ongoing operations and planned investment.

Interest rate
The Group's external financing arrangements are provided by its ultimate parent undertaking. As a result, the Group has no material exposure to movements in market interest rates and does not utilise interest rate hedging instruments.

Foreign currency
The Group has limited exposure to foreign currency risk arising primarily from transactions with overseas suppliers and related party undertakings. Given the nature and scale of these transactions, the directors consider the level of exposure to be low and do not consider it necessary to implement formal hedging arrangements.

Credit
The Group's principal trading activities generally result in cash being received at the point of sale, meaning exposure to customer credit risk is minimal. Counterparty exposure, including balances with financial institutions, suppliers and related parties, is monitored as part of normal treasury oversight procedures.

Charitable and political donations

The Group made charitable donations during the year totalling £5,000 (2024: £206,000). The current year donation was contributed to the Merkur Initiative, which supports a range of local and national charitable causes.

In the prior year, donations included voluntary contributions made under the industry's RET framework. From 6 April 2025, the RET scheme was replaced by a mandatory statutory levy payable by licensed operators and is therefore no longer classified as a charitable donation.

In addition to the Group's direct contribution, the Merkur Initiative continues to raise funds from customers, employees and other stakeholders to support charitable organisations. Amounts raised through this initiative do not represent Group donations unless specifically contributed by the Group.

The Group made no political donations during the year (2024: £nil).

Going concern

The directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least 12 months from the date of this report, therefore they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

In reaching this conclusion, the directors have considered the Group's financial position, recognising the interconnected nature of the business and shared resources. They have reviewed the Group's financial stability and forecasts, which support the Group's and the Company's continued ability to operate as a going concern. Additionally, Merkur Casino UK Limited has confirmed that it will utilise resources throughout the Group to provide financial assistance to individual subsidiaries for the next 12 months if required.

For further information regarding the directors' assessment of the going concern status of the Group, refer to the accounting policies note in the financial statements.

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Group in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Group.

Appropriate directors' and officers' liability cover is in place in respect of all of the Group's directors.

Employee consultation

The Group maintains open and regular communication with employees to ensure they are informed about business performance, strategic priorities and matters affecting the wider organisation. Information is shared through structured one-to-one meetings, departmental and regional forums, leadership briefings, business updates and internal communications.

Performance objectives and key indicators are communicated to employees, and staff participate in incentive and bonus schemes aligned to operational and financial targets. This approach supports engagement, accountability and alignment with the Group's strategic objectives.

Employees are encouraged to contribute to the Group's culture of compliance, customer welfare and social responsibility. Training and development programmes, including structured induction and ongoing refresher training, support employees in understanding their responsibilities in relation to safer gambling, customer interactions, regulatory requirements and operational standards.

The directors recognise that effective employee engagement is fundamental to maintaining strong governance, supporting operational excellence and delivering the Group's long-term sustainable success.

Merkur Casino UK Limited

Directors' Report
for the Year Ended 31 December 2025

Employment of disabled persons

The Group is committed to providing equal opportunities in employment. Applications from individuals with disabilities are given full and fair consideration, having regard to their skills, experience and suitability for the role.

Where employees become disabled during their employment, the Group seeks to provide appropriate support, reasonable adjustments and, where necessary, retraining to enable them to continue in their role or transition to suitable alternative positions within the wider Group.

The Group is committed to fostering an inclusive working environment in which all employees are able to develop their skills and contribute fully to the success of the business.

Streamlined energy and carbon reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018 require large unquoted companies to include an Energy and Carbon Report within the Directors' Report for each financial year. At the reporting date, Merkur Slots UK Limited is within the scope of this legislation and is therefore required to report its energy use and associated greenhouse gas emissions.

The following figures show the consumption and associated emissions for the reporting year, with comparative figures for the previous reporting period.

Scope 1 consumption and emissions relate to the direct combustion of natural gas and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions associated with the consumption of purchased electricity used in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For Merkur Slots UK Limited, this relates to grey fleet travel undertaken in employee-owned vehicles.

The total consumption (kWh) and total emissions (tCO2e) for energy supplies reportable by Merkur Slots UK Limited are as follows:

	Consumption (kWh)		**Total emissions (tCO2e)**	
Utility and Scope	**2025**	**2024**	**2025**	**2024**
Grid-Supplied Electricity (scope 2)	21,773,762	22,689,167	3,853.96	4,697.79
Gaseous and other fuels (scope 1)	288,410	513,571	53.54	94.61
Transportation (scope 1 and 3)	991,582	1,412,997	227.27	321.58
Total	**23,053,754**	**24,615,735**	**4,134.77**	**5,113.98**

Scope 1 and Scope 2 consumption and emissions data have been calculated in line with the UK Government's environmental reporting guidance (2019). The Government Emissions Factor Database (2025 version 1.0) has been used, applying the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for the reporting period 1 January 2025 to 31 December 2025.

<u>Emissions Intensity</u>
An intensity metric of tonnes of CO2e per £m of revenue has been applied to express greenhouse gas emissions relative to business activity. Merkur Slots UK Limited's revenue for 2025 was £213.7m (2024: £196.7m), resulting in an emissions intensity of 19.34 tCO2e per £m revenue (2024: 26.00 tCO2e per £m revenue).

Streamlined energy and carbon reporting - continued

Energy Efficient Measures
The Group remains committed to improving operational energy efficiency and continues to maintain a register of energy efficiency initiatives to be implemented across the estate.

Energy efficiency measures undertaken during the year include:

- Replacement of end-of-life air conditioning units with higher efficiency systems and optimisation of cooling system design;
- Replacement of low efficiency outdoor heaters with higher efficiency infrared heating systems;
- Phased removal of neon lighting and replacement with energy-efficient LED lighting technology; and
- Enhanced monitoring and management of energy consumption at closed, sublet and vacant venues to ensure usage remains controlled and minimal.

Further measures planned include continued installation of lighting sensors and automated signage controls, the replacement of fluorescent lighting with high-efficiency LED fittings across venues, and the gradual transition to more energy-efficient digital gaming equipment.

Overall emissions decreased during the year, reflecting both reduced energy consumption and operational changes, including the closure of certain venues during the period.

Matters covered in the Strategic Report

In accordance with paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters required to be disclosed in the Directors' Report have instead been included within the Strategic Report. These matters include the principal risks and uncertainties facing the Group and the key performance indicators used to assess performance.

The Strategic Report also contains the statement required under section 172(1) of the Companies Act 2006, describing how the directors have had regard to the need to foster the Group's business relationships with suppliers, customers and other stakeholders, and the effect of those considerations on the principal decisions made during the year.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

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

Merkur Casino UK Limited

Directors' Report
for the Year Ended 31 December 2025

Audit exemption for subsidiaries

For the year ended 31 December 2025, the subsidiaries listed below, which are included in these consolidated financial statements, are entitled to exemption from audit under section 479A of the Companies Act 2006.

In accordance with section 479A of the Act, the members of these companies have unanimously agreed that they do not require an audit, and Merkur Casino UK Limited has provided a guarantee under section 479C of the Companies Act 2006 in respect of the outstanding liabilities of these subsidiaries at the Statement of Financial Position date.

Merkur Bingo UK Limited (formerly Merkur Bingo and Casino Entertainment UK Limited)
Cashino Gaming (E&J) Limited
Thomas Holdings Limited
William Clark (Holdings) Limited
Baleday Limited

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 March 2026 and signed on its behalf.

On behalf of the board:

Signed by:

0C5A7A464368482...
E Coskun - Director

26 March 2026

Independent Auditors' Report to the Members of Merkur Casino UK Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit and cashflows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Merkur Casino UK Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report, Directors' Report and Consolidated Financial Statements, other than the consolidated 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 Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the statement of directors responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK GAAP, Companies Act 2006, Corporate tax and VAT legislation, Employment Taxes, and UK Gambling Commission regulations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Bribery Act and Licensing Act.

Auditor's responsibilities for the audit of the financial statements - continued

Non-compliance with laws and regulations - continued
Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of correspondence with UK Gambling Commission for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Enquiry with management and those charged with governance of any non-compliance with laws and regulations.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of our forensic specialists throughout the audit to support the risk assessment and related analysis of information received; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and inappropriate journal entries related to revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, including revenue journals with unusual combinations, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year, from the remainder of the population of journal entries, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias such as useful economic life of tangible and intangible fixed assets including goodwill and the timing and amount required to settle obligations included in provisions; and
- Identifying potentially unusual revenue journals through the performance of a cash to revenue reconciliation and agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Chris Isaac

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Chris Isaac (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London, UK

26 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Merkur Casino UK Limited

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

	Notes	2025 £'000	2024 £'000
Turnover	4	221,952	209,014
Cost of sales		(70,178)	(65,598)
Gross profit		151,774	143,416
Exceptional administrative expenses	8	(1,788)	(735)
Administrative expenses		(145,479)	(138,455)
		4,507	4,226
Other operating income	5	1,690	894
Operating profit	8	6,197	5,120
Non-operating income	10	-	13,552
Non-operating expense	10	-	(24)
		6,197	18,648
Interest receivable and similar income	11	563	318
Interest payable and similar expenses	12	(3,321)	(3,794)
Profit before taxation		3,439	15,172
Tax on profit	13	(3,432)	(3,849)
Profit for the financial year		7	11,323
Other comprehensive income		-	-
Total comprehensive income for the year		7	11,323
Profit attributable to:			
Owners of the parent		7	11,323
Total comprehensive income attributable to:			
Owners of the parent		7	11,323

The notes on pages 23 to 50 form part of these financial statements

Merkur Casino UK Limited (Registered number: 08179391)

Consolidated Statement of Financial Position
31 December 2025

	Notes	£'000	2025 £'000	£'000	2024 £'000
Fixed assets					
Intangible assets	15		56,211		31,894
Tangible assets	16		56,403		50,983
			112,614		82,877
Current assets					
Stocks	18	132		55	
Debtors	19	10,998		12,707	
Cash at bank and in hand	20	25,598		15,198	
		36,728		27,960	
Creditors					
Amounts falling due within one year	21	(36,792)		(30,242)	
Net current liabilities			(64)		(2,282)
Total assets less current liabilities			112,550		80,595
Creditors					
Amounts falling due after more than one year	22		(82,125)		(52,445)
Provisions for liabilities	26		(14,232)		(11,964)
Net assets			16,193		16,186
Capital and reserves					
Called up share capital	27		1,000		1,000
Share premium	28		7,000		7,000
Other reserves	28		76,000		76,000
Retained earnings	28		(67,807)		(67,814)
Shareholder funds			16,193		16,186

The financial statements were approved by the board and authorised for issue on 26 March 2026 and were signed on its behalf by:

Signed by:

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E Coskun - Director
3/26/2026

The notes on pages 23 to 50 form part of these financial statements

Merkur Casino UK Limited (Registered number: 08179391)

Company Statement of Financial Position
31 December 2025

	Notes	£'000	2025 £'000	£'000	2024 £'000
Fixed assets					
Investments	17		77,448		77,448
			77,448		77,448
Current assets					
Cash at bank	20	1		1	
Net current assets			1		1
Total assets less current liabilities			77,449		77,449
Capital and reserves					
Called up share capital	27		1,000		1,000
Share premium	28		7,000		7,000
Other reserves	28		76,000		76,000
Retained earnings			(6,551)		(6,551)
Shareholders' funds			77,449		77,449
Company's profit for the financial year			-		-

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board and authorised for issue on 26 March 2026 and were signed on its behalf by:

Signed by:

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E Coskun - Director

3/26/2026

The notes on pages 23 to 50 form part of these financial statements

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2024	1,000	(83,838)	7,000	80,701	4,863
Total comprehensive income	-	11,323	-	-	11,323
Capital Reduction	-	4,701	-	(4,701)	-
Balance at 31 December 2024	1,000	(67,814)	7,000	76,000	16,186
Total comprehensive income	-	7	-	-	7
Balance at 31 December 2025	1,000	(67,807)	7,000	76,000	16,193

The notes on pages 23 to 50 form part of these financial statements

Merkur Casino UK Limited

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2024	1,000	(6,551)	7,000	76,000	77,449
Balance at 31 December 2024	1,000	(6,551)	7,000	76,000	77,449
Balance at 31 December 2025	1,000	(6,551)	7,000	76,000	77,449

The notes on pages 23 to 50 form part of these financial statements

Merkur Casino UK Limited

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Cash generated from operations	35	35,101	33,887
Tax paid		(3,897)	(4,247)
Net cash from operating activities		31,204	29,640
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,173)	(2,037)
Purchase of tangible fixed assets		(15,206)	(11,136)
Purchase of subsidiary net of cash acquired		(32,691)	-
Sale of tangible fixed assets		140	555
Disposal of operations		4,820	8,489
Interest received		382	363
Net cash from investing activities		(43,728)	(3,766)
Cash flows from financing activities			
New loans in year		45,500	-
Loan repayments in year		(16,500)	(21,751)
Capital element of lease repaid		(3,136)	(2,319)
Interest paid		(2,940)	(4,179)
Net cash from financing activities		22,924	(28,249)
Increase/(decrease) in cash and cash equivalents		10,400	(2,375)
Cash and cash equivalents at beginning of year	36	15,198	17,573
Cash and cash equivalents at end of year	36	25,598	15,198

The notes on pages 23 to 50 form part of these financial statements

1. **Statutory information**

Merkur Casino UK Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the General Information page.

The principal activity of the Group is the provision of leisure services and entertainment facilities.

These financial statements are presented in Sterling, which is also the functional currency of all group companies, rounded to the nearest £000.

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions
The Company has taken advantage of the following disclosure exemptions in its individual financial statements:

- Presentation of a Statement of Cash Flows and net debt reconciliation; and
- Disclosure of aggregate remuneration of the key management personnel of the Company.

Basis of consolidation
The consolidated financial statements present the results of Merkur Casino UK Limited and its own subsidiaries ("the Group") as they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Standards issued but not yet effective - Revised FRS 102
On 10 September 2024, the Financial Reporting Council issued amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', which are effective for accounting periods beginning on or after 1 January 2026.

The directors have considered the impact of the revised standard and expect that the amendments to Section 20 - Leases will have a material impact on the Group's financial statements on adoption.

Under the revised requirements, lessees will be required to recognise right-of-use assets and corresponding lease liabilities in the Statement of Financial Position for leases previously classified as operating leases. The lease liability will be measured at the present value of future lease payments, with a corresponding right-of-use asset recognised at a similar amount, subject to certain adjustments.

As a consequence, lease costs currently recognised within operating expenses will instead be recognised as depreciation of right-of-use assets and interest expense on lease liabilities.

The Group expects to apply the modified retrospective transition approach, under which the cumulative effect of initially applying the revised standard will be recognised in retained earnings at 1 January 2026, the date of initial application, with comparative information not restated.

The Group is currently assessing the detailed impact of these changes, and it is not yet practicable to quantify the financial effect of adoption.

continued...

2. **Accounting policies - continued**

Going concern

The directors have reviewed the Group's budgets and cash flow forecasts for the next 12 months from the date of this report, its liquid resources and its medium-term plans. In considering the going concern status of the Group, sensitivity testing has been performed, which included a range of downside scenarios being applied to the latest forecast position.

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

On the basis of the above and notwithstanding the fact that the Group has net current liabilities, the directors have prepared the financial statements on the going concern basis.

Turnover

Turnover represents the Gross Gambling Yield ("GGY") and other turnover, net of value added tax.

Adult Gaming Centres, Bingo Clubs and Casino

GGY is the revenue that is generated from gaming operations, and represents the Group's share of machine income, bingo income and casino table income, after accounting for player winnings, but before the deduction of gaming-related duties. Revenue is recognised at the point at which the gaming transaction is completed, being when the outcome of the game is determined and the amount of winnings payable is known.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of its identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life. The estimated useful life of positive goodwill is 15 years, and negative goodwill 10 years.

Other intangible assets

Other intangible assets are initially recognised at cost. After recognition, under the cost model, other intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Software	- 3 to 5 years
Licences	- Period of lease / 10 years
Lease Premiums	- Period of lease
Customer contracts	- 5 years

continued...

2. **Accounting policies - continued**

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold property	- 10 to 50 years
Short leasehold property	- Period of lease
Motor vehicles	- 4 years
Fixtures, fittings and plant	- 3 to 10 years

Land and assets under construction are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last Statement of Financial Position date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Consolidated Statement of Comprehensive Income.

Impairment of fixed assets and goodwill
Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each Statement of Financial Position date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Leasing and hire purchase
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Operating leases: the Group as a lessor
Rental income from operating leases is recognised in other operating income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which the economic benefits from the leased asset are consumed.

Incentives granted are recognised as a reduction of rental income over the lease term on the same basis.

continued...

2. **Accounting policies - continued**

Operating leases: the Group as a lessee
Rentals payable under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of consumption of the leased asset's economic benefits.

Lease incentives received are recognised as an integral part of the total lease expense and are spread over the lease term on the same basis.

Investments in subsidiaries
Investments in subsidiaries are measured at cost less accumulated impairment. Where there is an indication that an investment may be impaired, the carrying value of the investment is tested for impairment. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and value in use.

Stocks
Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated Statement of Comprehensive Income.

Financial instruments
Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, trade and other payables and intercompany balances. The Group has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

<u>Financial assets and liabilities - classified as basic financial instruments:</u>

(i) Cash at bank and in hand
Cash at bank and in hand includes deposits held with banks and cash held at venues, which comprise the venue float and cash pending deposit.

The Company participates in a composite banking arrangement with its principal banking provider under which multiple individual bank accounts are administered within a consolidated reporting framework. Each account represents a separate legal balance and cash balances are not physically pooled as part of the arrangement.

The Company recognises cash balances and overdrafts gross in the Statement of Financial Position. Assets and liabilities are offset only to the extent that a legally enforceable right of set-off exists and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously in accordance with FRS 102.

(ii) Trade and other receivables
Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Group assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the Statement of Comprehensive Income.

continued...

2. **Accounting policies - continued**

Financial instruments – continued

(iii) Trade and other payables, loans and borrowings
Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Loans with an interest rate higher or lower than the market rate of interest are measured at the present value at inception of the loan by discounting the loan cash flows over the term using the market rate of interest. The difference arising on the initial recognition of the loan is recognised in equity as a capital contribution.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Borrowing costs
All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

continued...

2. **Accounting policies - continued**

Pension costs and other post-retirement benefits
The Group operates two defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Interest
Interest income and expenses are recognised in the Statement of Comprehensive Income, in the period in which they are incurred, using the effective interest method.

Provisions
Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that requires probable settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. The provision is discounted using the risk-free rate of interest pertaining to the duration of the provision. Where a provision represents the present value of the obligation, it is not discounted.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are made, they are charged to the provision carried in the Statement of Financial Position.

Exceptional items
Exceptional items are those that due to their size, nature, or incidence, are disclosed separately in the Consolidated Statement of Comprehensive Income to provide further understanding of the Group's financial performance. These items may be incurred in the normal course of business but are not related to the core trade of business. They are disclosed in the Consolidated Statement of Comprehensive Income separately from the usual operating activities.

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3. **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in accordance with FRS 102 requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered reasonable in the circumstances. These form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are set out below.

Critical accounting judgments

Acquisition of casino licence and assets
During the year, the Group acquired a casino licence and certain related assets from Aspers (Milton Keynes) Limited (in administration). Management exercised judgement in determining whether the transaction constituted a business combination or an asset acquisition under FRS 102.

In making this assessment, the directors considered whether the acquired assets comprised an integrated set of activities and assets capable of being conducted as a business.

The directors concluded that it did not meet the definition of a business. Although the casino licence is a significant asset and was acquired with certain operating assets, no organised workforce, legal entity, or substantive processes were acquired to enable the generation of outputs independently at the acquisition date. Accordingly, the transaction has been accounted for as an asset acquisition.

Determination of cash-generating units
For the purposes of impairment testing of fixed asset investments, goodwill, intangible assets and tangible fixed assets, the Group assesses assets at the level of cash-generating units ("CGUs").

Management has determined that CGUs represent the investment in groups of venues acquired together rather than individual venues. This reflects the nature of the acquisitions and avoids an arbitrary allocation of goodwill to individual venues.

The determination of the appropriate CGU level represents a key area of judgement in the preparation of the financial statements.

Assessment of indicators of impairment
The directors exercised judgement in determining whether indicators of impairment existed during the year in respect of fixed asset investments, goodwill, and tangible and intangible assets, in accordance with FRS 102. This assessment included consideration of both internal and external sources of information. No indicators of impairment were identified.

Key sources of estimation uncertainty

Fixed asset investments, goodwill, intangible and tangible fixed assets
Where indicators of impairment are identified, management estimates the recoverable amount of the relevant CGU. The recoverable amount is determined based on projected future cash flows derived from approved budgets and forecasts and discounted using an appropriate rate.

The key assumptions used in the impairment assessments include expected future trading performance, operating margins, discount rates and long-term growth assumptions. Changes in these assumptions could result in a material adjustment to the carrying value of the related assets.

Business Combinations
During the year, the Group completed the acquisition of Oasis Leisure Group Limited and its subsidiary Oasis Retail Services Limited.

Accounting for the acquisition required management to exercise judgment in identifying and determining the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date and the allocation of the purchase consideration between those assets, liabilities and goodwill.

continued...

3. **Critical accounting judgements and key sources of estimation uncertainty – continued**

Key sources of estimation uncertainty - continued

Business Combinations - continued
As part of the purchase price allocation exercise, management identified certain intangible assets including amusement permits (licences) and customer contracts, together with the fair value of acquired tangible fixed assets. The determination of these fair values requires the use of valuation techniques based on market participant assumptions and expected future cash flows. The valuation process was supported by independent external valuation specialists.

The acquisition resulted in a significant goodwill balance being recognised in the consolidated financial statements. Goodwill represents the future economic benefits arising from assets that are not capable of being individually identified and separately recognised.

Useful life of goodwill
In accordance with FRS 102, when the Group undertakes a business combination that results in the recognition of goodwill, management applies significant judgement in determining the appropriate useful life of the goodwill. This assessment is based on the expected period over which economic benefits will be generated, with particular reference to the typical duration of lease agreements within the business and the period over which acquired sites are expected to contribute to cash flows. The average lease term provides an indicator of the minimum period over which value is expected to be realised, with further consideration given to renewal patterns and the ongoing strategic importance of the locations.

For the purpose of these financial statements, the Group has assessed the useful economic life of the recognised goodwill to be 15 years. This judgment reflects the expected benefits derived from the acquired goodwill, which are anticipated to be realised over this period, based on the specific circumstances surrounding the business combination.

In addition, annual impairment reviews are conducted to assess whether the carrying value of goodwill remains appropriate. These reviews are designed to ensure that the judgment regarding the useful life of the goodwill continues to reflect its recoverable amount and remains aligned with any changes in the underlying assumptions, business performance, or market conditions.

Provisions
In calculating onerous property lease provisions (including closed site provisions), estimates are made of the discounted cash flows associated with each property and its associated operations including sub-let income together with any estimate of dilapidation obligations.

In calculating the property dilapidations provision for leases in use in the business, management have estimated a cost per square metre on which to base the future dilapidations cost. The estimate is based on prior experience of dilapidation costs incurred.

4. **Turnover**

The turnover and profit before taxation are attributable to the principal activities of the Group.

An analysis of turnover by class of business is given below:

	2025 £'000	2024 £'000
Adult gaming centres	217,663	196,714
Bingo clubs	364	9,994
Casino	3,925	2,306
	221,952	209,014

All turnover arose in the United Kingdom.

continued...

5. Other operating income

	2025 £'000	2024 £'000
Rents received	1,049	727
Other operating income	553	38
Intra-group rents received	88	129
	1,690	894

Rents received relate to properties which are currently being sub-let due to being surplus to business requirements.

Other operating income primarily comprises insurance recoveries and payroll costs recharged to other group companies, together with other miscellaneous income.

Intra-group rents received represent rental income from affiliated companies outside the Merkur Casino UK Limited Group.

6. Employees and directors

	2025 £'000	2024 £'000
Wages and salaries	61,955	55,536
Social security costs	7,355	5,180
Other pension costs	1,215	1,159
	70,525	61,875

The average number of employees during the year was as follows:

	2025	2024
Operations	2,071	2,018
Management and administration	147	139
	2,218	2,157

Company

The Company had no employees during 2025 or 2024.

continued...

7. Directors' emoluments

	2025 £'000	2024 (restated) £'000
Directors' emoluments	1,013	944
	1,013	944

During the year retirement benefits were accruing to two directors (2024: two) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £444,000 (2024: £442,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,000 (2024: £30,000).

Included in directors' emoluments is £386k (2024 - restated: £215k) in respect of amounts recharged by group undertakings for the services of international directors made available to the Company. In the prior year, these amounts were not included within directors' emoluments. These amounts have now been included to reflect the total remuneration attributable to directors' services received by the Company.

The directors of the Group are considered to be the key management personnel. Details of their remuneration can be seen above.

8. Operating profit

The operating profit is stated after charging / (crediting):

	2025 £000	2024 £000
Depreciation of tangible fixed assets: owned	17,521	18,635
Depreciation of tangible fixed assets: held under finance lease	1,691	1,112
Amortisation of intangible assets including goodwill	7,679	7,421
Amortisation of negative goodwill	(13)	(27)
Operating lease rentals: other	14,466	14,200
Operating lease rentals: plant and machinery	20,735	18,488
Defined contribution pension cost	1,215	1,159
Loss / (gain) on disposal of fixed assets	346	(135)

Exceptional administrative (expenses) / income

	2025 £000	2024 £000
Abortive project costs	(256)	(103)
Dilapidations provision charge	(430)	-
Onerous lease charge	-	(242)
Closed site charge	-	(329)
Remeasurement of carrying value of the parent company loan	-	85
Historic parent company recharge	(908)	-
Loss on disposal of operations	(194)	-
Insurance proceeds	-	252
Aborted site costs	-	(398)
	(1,788)	(735)

continued...

8. **Operating profit - continued**

Abortive project costs
During the current and prior year, the Group incurred abortive costs in relation to potential strategic transactions that did not proceed. The associated legal and consultancy fees have been classified as exceptional due to their one-off nature.

Dilapidations provision charge
The Group recognises a provision for the estimated costs of restoring leased properties to the condition required under the terms of the relevant lease agreements ("dilapidations provision"). The provision is calculated using an estimated cost per square metre, based on historical experience and available market data.

During the year, the directors updated the rate applied in the calculation of the provision to reflect revised information indicating an increase in the average cost per square metre of property restoration. This change in the rate was applied to all properties included in the dilapidation provision.

The impact of the update to the rate is an additional charge of £430,000, which has been recognised as an exceptional expense in the Statement of Comprehensive Income for the year ended 31 December 2025.

Historic parent company recharge
During the year, the Company received recalculated staff recharges for stakeholder support from its parent company, Merkur Casino GmbH. The charge included in exceptional administrative expenses is relevant to the period from 2019 to 2024. Charges for 2025 have been included in administrative expenses.

Loss on disposal of business
The loss on disposal of business relates to the disposal of the Group's remaining bingo club during the year.

Other prior year exceptional items
In 2024, exceptional items comprised costs associated with site closures, onerous lease provisions and aborted site developments, together with credits relating to insurance proceeds and the remeasurement of the parent company loan. These items were presented as exceptional due to their size and nature in that year. The Group now considers such costs to arise in the normal course of business and, where incurred, they are not expected to be of sufficient size or nature to warrant classification as exceptional. In addition, the remeasurement of the parent company loan is no longer applicable as the loan was fully repaid in the prior year.

9. **Auditors' remuneration**

	2025 £'000	2024 £'000
Fees payable to the Group's auditor for the audit of the Group's and subsidiaries annual accounts	335	257
Fees payable to the Group's auditor in respect of:		
Tax and compliance	-	-

10. **Non-operating income and expenses**

	2025 £000	2024 £000
Gain on sale of subsidiary	-	13,261
VAT claim income	-	291
VAT claim expenses	-	(24)
	-	13,528

Sale of subsidiary
In the prior year, the Group transferred the net assets and trade of its two largest Bingo Clubs to a new subsidiary. After a short period of trading, the subsidiary was sold to Buzz Group Limited.

continued...

10. **Non-operating income and expenses - continued**

VAT Claims
In the prior year, the Group submitted claims for the repayment of VAT on certain gaming machines for the period 2003 - 2005 ("Rank II" claims) on behalf of a former subsidiary company, Classic Leisure (Northern) Limited. The Group recognised £291,000 within non-operating income relating to claims agreed and received by the end of the financial year.

In addition to the VAT claims agreed with HMRC, the Company also agreed associated statutory interest and incurred professional fees relating to the preparation and submission of the claims to HMRC. The amounts recognised in the Statement of Comprehensive Income and the net effect, before tax, is illustrated in the table below.

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
VAT claim income	-	291	-	-
VAT claim interest (note 11)	-	81	-	-
Professional fees	-	(24)	-	-
	-	348	-	-

There were no VAT claims settled during the current year.

11. **Interest receivable and similar income**

	2025	2024
	£'000	£'000
Interest on historic VAT claim refunded in the year (note 10)	-	81
Bank interest	389	237
Release of interest discount	170	-
Other interest	4	-
	563	318

12. **Interest payable and similar expenses**

	2025	2024
	£'000	£'000
Loans from group undertakings	3,023	3,584
Finance leases and hire purchase contracts	220	175
Unwinding of discount on provisions	59	35
Other interest	19	-
	3,321	3,794

Interest payable on loans from group undertakings relates to borrowings from the Group's immediate and ultimate parent companies (see Note 23). Interest on finance leases and hire purchase contracts represents finance charges on lease liabilities recognised by the Group. The unwinding of discount relates to long-term provisions recognised in the Statement of Financial Position.

Interest on balances relating to finance leased assets are unsecured at an interest rate of 5.3% (2024: 6.0%).

13. Taxation

	2025 £'000	2024 £'000
Corporation tax		
Current tax charge on profit for the year	4,192	4,439
Adjustments in respect of prior periods	(809)	(481)
Total current tax	3,383	3,958
Deferred tax		
Origination and reversal of timing differences	21	(35)
Recognised on business acquisition	-	(2)
Adjustments in respect of prior periods	28	(72)
Total deferred tax	49	(109)
Total tax charge	3,432	3,849

Factors affecting the tax charge for the year

The tax assessed for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £'000	2024 £'000
Profit on ordinary activities before tax	3,439	15,172
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	860	3,793
Effects of:		
Expenses not deductible	3,353	3,934
Income not subject to taxation	-	(3,314)
Adjustments to tax in respect of prior periods	(781)	(553)
Other timing differences	-	(11)
	3,432	3,849

Factors that may affect future tax charges

Changes in tax legislation

The directors are not aware of any factors currently existing that are expected to have a material effect on future tax charges.

14. Individual Statement of Comprehensive Income

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after taxation of the parent Company for the year was £nil (2024: £nil).

continued...

15. Intangible fixed assets

Group

	Licences £'000	Customer contracts £'000	Software £'000	Lease premiums £'000	Goodwill £'000	Negative Goodwill £'000	Total £'000
Cost							
At 1 January 2025	4,081	-	361	225	135,685	(167)	140,185
Additions	2,699	791	1	-	28,260	-	31,751
Disposals	(28)	-	(214)	-	-	-	(242)
Transfers from tangible assets	233	-	-	-	-	-	233
At 31 December 2025	6,985	791	148	225	163,945	(167)	171,927
Amortisation							
At 1 January 2025	1,602	-	349	153	106,217	(30)	108,291
Charge for the year	156	26	7	15	7,475	(13)	7,666
Disposals	(27)	-	(214)	-	-	-	(241)
At 31 December 2025	1,731	26	142	168	113,692	(43)	115,716
Net book value							
At 31 December 2025	**5,254**	**765**	**6**	**57**	**50,253**	**(124)**	**56,211**
At 31 December 2024	2,479	-	12	72	29,468	(137)	31,894

Amortisation charge for the year is included within administrative expenses in the Statement of Comprehensive Income.

The Group holds dormant casino premises licences in alignment with its strategy. These licences are held as non-amortising assets as they are not available for use, in line with the Group's accounting policy, and account for £1,827,000 (2024: £1,820,000) of the total licence cost.

Significant additions

Additions during the year include the following significant items:

Acquisition of Oasis Leisure Group Limited Group
On 14 October 2025, the Group acquired 100% of the issued share capital of the Oasis Leisure Group Limited Group. As part of the purchase price allocation exercise, identifiable intangible assets were recognised separately from goodwill at their fair value at the acquisition date.
Intangible assets of £2,318,000 were recognised on acquisition, comprising:

	£'000
Customer contracts	791
Licences	1,527
Total identifiable intangible assets recognised	2,318

The acquisition also resulted in the recognition of goodwill of £28,260,000. Further information on this acquisition is provided in Note 31.

Oasis Leisure Group was renamed Merkur Operations NI Holdings Limited on 16 October 2025.

15. **Intangible fixed assets - continued**

Acquisition of large casino licence - Milton Keynes
In addition to the intangible assets recognised through the above acquisition, the Group also acquired the trade and assets of a casino in Milton Keynes from Aspers (Milton Keynes) Limited (in administration). This included the acquisition of the casino premises licence at a cost of £840,000, which has been capitalised as an intangible asset.

Further information on this acquisition is provided in Note 32.

Company

The Company had no intangible assets at 31 December 2025 (2024: £nil).

16. **Tangible fixed assets**

Group

	Freehold property £'000	Short leasehold property £'000	Motor vehicles £'000	Fixtures, fittings and plant £'000	Total £'000
Cost or valuation					
At 1 January 2025	5,958	3,266	30	121,438	130,692
Additions	-	440	-	19,077	19,517
Acquired through business combination	-	-	344	6,464	6,808
Disposals	(1,220)	(91)	-	(5,960)	(7,271)
Transfers	-	242	-	(242)	-
Transfer to intangible assets	-	-	-	(233)	(233)
At 31 December 2025	4,738	3,857	374	140,544	149,513
Depreciation					
At 1 January 2025	696	1,010	28	77,975	79,709
Charge for the year	55	302	38	18,817	19,212
Disposals	(207)	(31)	-	(5,573)	(5,811)
At 31 December 2025	544	1,281	66	91,219	93,110
Net book value					
At 31 December 2025	**4,194**	**2,576**	**308**	**49,325**	**56,403**
At 31 December 2024	5,262	2,256	2	43,463	50,983

During the year, the Group acquired £4,491,000 (2024: £5,554,000) assets under finance lease arrangements.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2025 £'000	2024 £'000
Fixtures, fittings and plant	8,034	5,530

Additions during the year include the following significant item:

Acquisition of Oasis Leisure Group Limited
On 14 October 2025, the Group acquired 100% of the issued share capital of the Oasis Leisure Group Limited Group. As part of the purchase price allocation exercise, tangible fixed assets were recognised at their fair value at the acquisition date, amounting to £6,808,000.

Further information on this acquisition is provided in Note 31.

Oasis Leisure Group was renamed Merkur Operations NI Holdings Limited on 16 October 2025.

Company

The Company had no tangible assets at 31 December 2025 (2024: £nil).

continued...

17. **Fixed asset investments**

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

Name	Country of Incorporation	Shares	Holding	Principal Activity
Merkur Casino Holdings UK Limited	England & Wales	Ordinary	100%	Intermediate Holding company
Merkur Slots UK Limited	England & Wales	Ordinary	100%	Adult gaming centre operator
Merkur Casino Entertainment UK Limited	England & Wales	Ordinary	100%	Casino operator
Merkur Technical Support Limited	England & Wales	Ordinary	100%	Maintenance services company
Merkur Operations NI Holdings Limited	Northern Ireland	Ordinary	100%	Intermediate holding company
Oasis Retail Services Limited	Northern Ireland	Ordinary	100%	Adult gaming centre and gaming machine operator
Merkur Bingo UK Limited (formerly Merkur Bingo and Casino Entertainment UK Limited)	England & Wales	Ordinary	100%	Non-trading company
William Clark (Holdings) Limited	England & Wales	Ordinary	100%	Intermediate holding company
Baleday Limited	England & Wales	Ordinary	100%	Non-trading company
Thomas Holdings Limited	England & Wales	Ordinary	100%	Non-trading company
Cashino Gaming (E&J) Limited	England & Wales	Ordinary	100%	Non-trading company
Classic Leisure (Northern) Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
United Leisure Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
Dolphin Gaming Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
Mirage Centres Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
William Clark Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
Mayfair Acquisitionco Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation
Merkur Technical Support UK Limited	England & Wales	Ordinary	100%	In Members Voluntary Liquidation

All subsidiaries except for Merkur Casino Holdings UK Limited are indirect subsidiaries.

The registered address for Merkur Operations NI Holdings Limited and Oasis Retail Services Limited is Oasis House, Mallusk Drive, Newtownabbey, County Antrim, BT36 4GX. The registered address for all other companies listed above is Second Floor Matrix House, North Fourth Street, Milton Keynes, MK9 1NJ.

Acquisition
On 14 October 2025, the Group acquired 100% of the issued share capital of Oasis Leisure Group Limited for total consideration of £45.8m, including transaction costs. Oasis Leisure Group Limited is the parent company of Oasis Retail Services Limited.

Oasis Leisure Group Limited was renamed Merkur Operations NI Holdings Limited on 16 October 2025.

continued...

17. Fixed asset investments - continued

For the year ended 31 December 2025, the subsidiaries shown below, which are included within these consolidated financial statements, are entitled to the exemption from audit by virtue of section 479A Companies Act 2006. In accordance with section 479A of the Companies Act 2006, the members of the companies have unanimously agreed that they do not require an audit, and the carrying value of liabilities at the Statement of Financial Position date have been guaranteed by the Company under section 479C of the Act.

Company	Registered Number
Merkur Bingo UK Limited	02095117
Cashino Gaming (E&J) Limited	02147788
Thomas Holdings Limited	02908142
William Clark (Holdings) Limited	10232984
Baleday Limited	07443123

Company

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 January 2025 and 31 December 2025	91,999
Impairment	
At 1 January 2025 and 31 December 2025	14,551
Net book value	
At 31 December 2025	**77,448**
At 31 December 2024	77,448

18. Stocks

	Group	
	2025	**2024**
	£'000	**£'000**
Stocks	132	55

Stock recognised in cost of sales during the year as an expense was £229,000 (2024: £847,000).

There was no material difference between the value of stock in the Statement of Financial Position and its replacement cost.

Company

The Company had no stocks at 31 December 2025 (2024: £nil).

continued...

19. Debtors

	Group	
	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	576	29
Amounts owed by group undertakings	128	69
Other debtors	2,923	4,833
Corporation tax receivable	1,782	1,050
Prepayments and accrued income	4,512	3,954
	9,921	9,935
Amounts falling due after more than one year:		
Other Debtors	1,077	2,772
Aggregate amounts	10,998	12,707

Rent deposits
Other debtors include £809,000 (2024: £899,000) relating to deposits which have been made to landlords in respect of property rental charges in advance. Of this total, the value of rent deposits which are repayable in more than 1 year is £749,000 (2024: £842,000). The value of rent deposits repayable in less than one year is £60,000 (2024: £57,000).

The rental liabilities are secured by a fixed charge on deposits. The deposits are repayable at the end of each respective lease, which end at various dates up to and including 2038 (2024: 2038).

Deferred consideration
During the year, the Group disposed of its final remaining bingo club in Lowestoft to a third party. Deferred consideration of £575,000 is receivable in respect of this disposal. Of this amount, £350,000 is payable after more than one year. Amounts receivable after more than one year have been discounted at a rate of 4.34%, which the directors consider to be an appropriate risk-free equivalent discount rate.

In the prior year, the Group disposed of a subsidiary, Beacon Entertainment Limited, to Buzz Group Limited. At the Statement of Financial Position date, deferred consideration of £2.1m is receivable within 12 months in respect of this disposal.

Deferred consideration is included within other debtors, with £328,000 classified as amounts falling due after more than one year and £2,275,000 included within amounts falling due within one year.

Company

The Company had no debtors at 31 December 2025 (2024: £nil).

20. Cash at bank and in hand

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	25,598	15,198	1	1

Cash at bank and in hand comprises cash held at venues and balances held in individual bank accounts, legally owned by the entity, which are operated under a composite banking arrangement. This arrangement includes a contractual right for the bank to set off credit balances against amounts owed by participating entities. This right had not been exercised at the Statement of Financial Position date and the bank balance has been presented gross in the Statement of Financial Position.

Composite banking arrangement and cross-guarantee
The Company is party to a composite banking agreement under which all participating entities provide joint and several guarantees in respect of amounts owing to the bank by other participants. Under the terms of the agreement, the bank is contractually entitled to require any participating entity to settle amounts owed by another participant and may set off any credit balances held against such amounts.

At the Statement of Financial Position date, no amounts were owed to the bank, and the bank had not enforced either the cross-guarantee or its right of set-off. The directors have assessed the likelihood of an outflow of economic benefits arising from the guarantee and consider it to be remote. Accordingly, no provision has been recognised in the financial statements in accordance with FRS 102.

21. Creditors: amounts falling due within one year

	Group	
	2025	2024
	£'000	£'000
Finance leases	3,020	2,345
Trade creditors	2,538	2,299
Amounts owed to group undertakings	2,862	1,197
Amounts owed to parent undertaking	1,448	2,209
Social security and other taxes	10,824	8,233
Other creditors	1,114	1,231
Accruals and deferred income	14,986	12,728
	36,792	30,242

Group

The amounts owed to the parent undertaking, and to group undertakings, are considered standard trading balances, and are therefore interest free. They are unsecured and have no fixed term for repayment.

Company

The Company had no creditors: amounts falling due within one year at 31 December 2025 (2024: £nil).

22. Creditors: amounts falling due after more than one year

	Group	
	2025	2024
	£'000	£'000
Other loans (see note 23)	79,476	50,476
Finance leases	2,649	1,969
	82,125	52,445

The obligations under finance leases due after more than one year are split £1,553,000 (2024: £1,896,000) due between one and two years and £1,096,000 (2024: £73,000) due between two and five years.

Company

The Company had no creditors: amounts falling due after more than one year at 31 December 2025 (2024: £nil).

23. Loans

Analysis of the maturity of loans is given below:

	Group	
	2025	2024
	£'000	£'000
Amounts falling due within one year		
Loans from group undertakings	-	-
Amounts falling due 1-5 years		
Loan from Merkur Casino GmbH	33,976	50,476
Loan from Merkur.com AG	45,500	-
	79,476	50,476

All loans from group undertakings are unsecured and measured at amortised cost using the effective interest method.

During the year, the Group entered into loan agreements with its ultimate parent undertaking, Merkur.com AG, to finance the acquisition of Merkur Operations NI Holdings Limited (formerly Oasis Leisure Group Limited) and the purchase and development of the casino in Milton Keynes. Loans totalling £40.0m bear interest at 5.5% per annum (2024: nil) and are not repayable before 31 December 2027. A further £5.5m of loans bear interest at 5.21% per annum (2024: nil) and are not repayable before 30 June 2027. These loans are provided by the Group's ultimate parent undertaking and are included within amounts owed to group undertakings.

The Group also has loans from Merkur Casino GmbH which carry interest at 5.302% (2024: 5.927%). These loans are not repayable within 12 months of the reporting date.

Company

The Company had no loans at 31 December 2025 (2024: £nil).

continued...

24. **Leasing agreements**

Minimum lease payments fall due as follows:

Group

	Finance leases 2025 £'000	2024 £'000
Net obligations repayable:		
Within one year	3,229	2,345
Between one and five years	2,768	1,969
	5,997	4,314

The finance leases primarily relate to gaming machines used in the Group's operating venues. There are no contingent rental or renewal clauses.

25. **Financial instruments**

	Group 2025 £'000	2024 £'000
Financial assets that are debt instruments measured at amortised cost:		
Cash at bank and in hand	25,598	15,198
Trade receivables	576	29
Other receivables	4,129	8,892
	30,303	24,119

	Group 2025 £'000	2024 £'000
Financial liabilities that are debt instruments measured at amortised cost:		
Trade payables	(2,538)	(2,299)
Other payables	(14,808)	(13,593)
Loans and borrowings	(79,476)	(50,476)
	(96,822)	(66,368)

Company
The Company's only financial instrument at 31 December 2025 was a minimal cash balance of £1,000 (2024: £1,000).

continued...

26. Provisions for liabilities

The Group had the following provisions during the year:

	Closed site provision £'000	Onerous lease provision £'000	Dilapidations provision £'000	Deferred Tax £'000	Total £'000
At 1 January 2025	2,358	981	6,358	2,267	11,964
Addition	99	546	1,500	49	2,194
Utilisation	(652)	(541)	(562)	-	(1,755)
Release	(682)	-	-	-	(682)
Recognised on acquisition	-	-	360	-	360
Recognised on business combination	-	-	-	2,151	2,151
At 31 December 2025	1,123	986	7,656	4,467	14,232

Closed site
Where leasehold properties become vacant, the Group provides for all costs, net of anticipated income, to the end of the lease or the anticipated period until its disposal or sublease. The provision, which is discounted at 3.96% (2024: 3.45%) reflecting the risk-free rate of interest, is expected to be utilised at various dates up to 2033 (2024: 2033).

Onerous lease
During the year, the Group recognised a provision for loss-making venues where EBITDA results suggest potential onerous lease charges. In such cases, future expected cash flow performance of those individual venues is reviewed and discounted over the applicable term of the lease and compared to the committed rent payments for the corresponding period. Where there is a deficit between the cash flow and the committed rent then the net cost is recorded as an onerous lease charge. A provision has been made for the net lease costs for a maximum of 5 years on the basis that the loss-making sites will either be closed or become profitable within that timeframe.

The provision is discounted at 3.96% (2024: 4.14%), reflecting an appropriate risk-free rate at the Statement of Financial Position date.

Dilapidation provision
As part of the Group's property leasing arrangements there is an obligation to repair damages which occur during the life of the lease, such as wear and tear. The provision is based on the charge that could reasonably be expected to arise at the end of, or during the respective lease terms and represents the accrued charge from the inception of the lease to 31 December 2025. The provision is expected to be utilised at various dates up to 2045 (2024: 2044).

The provision is not discounted as it represents the present value of the obligation based on current estimates of the cost of repairs.

Deferred tax
The provision for deferred tax consists of the following deferred tax liabilities / (assets):

	2025 £'000	2024 £'000
Accelerated capital allowances	4,633	2,453
Provisions	(166)	(186)
	4,467	2,267

All deferred tax has been recognised in the financial statements of the Group at 25% (2024: 25%).

Company

The Company had no provisions at 31 December 2025 (2024: £nil).

continued...

27. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2025 £'000	2024 £'000
1,000,001	Ordinary	£1	1,000	1,000

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

28. **Reserves**

Group

	Retained earnings £'000	Share premium £'000	Other reserves £'000	Totals £'000
At 1 January 2025	(67,814)	7,000	76,000	15,186
Profit for the year	7	-	-	7
At 31 December 2025	(67,807)	7,000	76,000	15,193

Retained earnings

The profit and loss reserve represents cumulative profits and losses.

Share premium account

This reserve represents the amount received by the Company for shares over and above their nominal value.

Other reserves

Other reserves relate to a capital contribution received by the Company from Merkur Casino GmbH. On 1 October 2012, a capital contribution of £76,000,000 was received which enabled the Company to purchase the entire share capital of Merkur Casino Holdings UK Limited.

29. **Pension commitments**

The Group operates two defined contribution pension schemes into which the employees of Group Companies are enrolled into. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,215,000 (2024: £1,159,000). There were outstanding employer and employee contributions of £279,000 (2024: £228,000) at the year end.

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30. **Commitments under operating leases**

At 31 December 2025, the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £'000	2024 £'000
Not later than 1 year	13,726	12,651
Later than 1 year and not later than 5 years	49,358	40,223
Later than 5 years	78,209	60,883
	141,293	113,757

The increase in lease commitments during the year is primarily attributable to the acquisition of Merkur Operations NI Holdings Limited Group (formerly Oasis Leisure Group Limited) and the purchase of Milton Keynes casino, which resulted in additional property leases being recognised within the Group's lease commitments.

Income from Operating leases

Future minimum lease receipts due are split £952,000 (2024 - restated: £912,000) due within one year, £3,543,000 (2024 - restated: £3,503,000) due later than 1 year and not later than 5 years and £7,200,000 (2024 - restated: £8,024,000) due later than 5 years.

The comparative figures for 2024 have been restated to include future minimum lease receipts arising from a sub-lease entered into in June 2024. The previously reported amounts for 2024 excluded £764,000 due within one year, £3,055,000 due between one and five years and £7,828,000 due after five years, totalling £11,647,000. This omission related to a disclosure oversight in respect of lease commitments. There is no impact on previously reported profit or net assets.

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31. **Acquisition of subsidiary**

On 14 October 2025, the Group acquired 100% of the issued share capital of the Oasis Leisure Group Limited Group, a group whose principal activity is the operation of gaming and amusement machines in Northern Ireland. The acquisition was undertaken to establish a MERKUR presence in the Northern Ireland market.

Oasis Leisure Group Limited was renamed Merkur Operations NI Holdings Limited on 16 October 2025.

The acquisition has been accounted for using the purchase method of accounting in accordance with FRS 102 Section 19 - Business Combinations and Goodwill.

	Book value £'000	Adjustments £'000	Fair value £'000
Fixed assets			
Intangible fixed assets			
- Customer relationships	-	791	791
- Licences	-	1,527	1,527
Tangible fixed assets	5,414	1,394	6,808
Current assets			
Stocks	66	-	66
Debtors	806	-	806
Cash at bank and in hand	13,097	-	13,097
Total assets	**19,383**	**3,712**	**23,095**
Creditors			
Due within one year	(3,415)	-	(3,415)
Deferred tax liabilities	(1,115)	(1,035)	(2,150)
Net assets	**14,853**	**2,677**	**17,530**
Goodwill (see note 15)			28,260
Total purchase consideration (including expenses of £588,000)			**45,790**
Purchase consideration settled in cash (as above)			45,790
Cash and cash equivalents acquired			(13,097)
Cash outflow on acquisition			**32,693**

Directly attributable acquisition costs, including legal and professional fees of £588k, have been included within the cost of the business combination in accordance with FRS 102 Section 19.11.

The acquired sub-group did not recognise any intangible assets in its Statement of Financial Position prior to acquisition. As part of the purchase price allocation exercise, the Group identified and recognised separately identifiable intangible assets relating to customer relationships and operating licences at their fair value at the acquisition date in accordance with FRS 102 Section 19 - Business Combinations and Goodwill.

The deferred tax adjustment arises as a result of the recognised identifiable intangible assets and the fair value uplift on tangible fixed assets. In addition, the acquisition adjustment includes recognition of deferred tax on permanently disallowable items.

<u>Post-acquisition performance</u>
From the date of acquisition to 31 December 2025, the Oasis Leisure Group Limited Group contributed £3,941,000 to the Group's revenue and £433,000 to the Group's profit before taxation.

32. Acquisition of casino

On 14 August 2025, the Group purchased the trade and assets of the Milton Keynes Casino from Aspers (Milton Keynes) Limited (in administration). The details of the assets purchased are below:

	Assets purchased £'000
Licences	840
Tangible fixed assets	360
Stock	-
Consideration paid to Aspers (Milton Keynes) Limited (in administration)	1,200

The results of the Milton Keynes Casino included in these financial statements relate to the period from opening (30 October 2025) to 31 December 2025, and since the acquisition are as follows:

	Milton Keynes Casino £'000
Turnover	1,445
Loss before tax	(1,483)

33. Related party disclosures

The Group is a wholly owned subsidiary of Merkur Casino GmbH and is included in the consolidated financial statements of that company. The Group has taken advantage of the exemption permitted by FRS 102 Section 33 Related Party Disclosures, from disclosing related party transactions with other wholly owned entities that are part of the Group.

During the year, the Company and Group entered into transactions with other group companies which are under the common control of the ultimate parent company, Merkur.com AG. Under the terms of FRS 102 Section 33 Related Party Disclosures, an exemption from disclosing these transactions has been taken.

34. Ultimate controlling party

The immediate parent undertaking of Merkur Casino UK Limited, and the controlling party is Merkur Casino GmbH, a Company registered in Germany.

The smallest group in which the results of the Company are consolidated is that headed by Merkur Casino UK Limited.

The largest group in which the results of the Company are consolidated is Merkur.com AG. A copy of these financial statements may be requested from Merkur.com AG, Merkur Allee 1-15, 32339, Espelkamp, Germany.

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35. Reconciliation of profit for the financial year to cash generated from operations

	2025 £'000	2024 £'000
Profit for the financial year	7	11,323
Depreciation charges (note 15/16)	26,878	27,141
Loss on disposal of fixed assets	304	3,301
Loss / (profit) on disposal of operations (note 8)	194	(13,261)
Fair value adjustment on loan (note 8)	-	(85)
Other provisions less payments	9	(3,630)
Finance costs (note 12)	3,321	3,794
Finance income (note 11)	(563)	(318)
Taxation (note 13)	3,432	3,849
	33,582	32,114
(Increase)/decrease in stocks	(26)	239
(Increase)/decrease in trade and other debtors	(797)	1,511
Increase in trade and other creditors	2,342	23
Cash generated from operations	35,101	33,887

36. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2025

	31/12/25 £'000	1/1/25 £'000
Cash and cash equivalents	25,598	15,198

Year ended 31 December 2024

	31/12/24 £'000	1/1/24 £'000
Cash and cash equivalents	15,198	17,573

37. Analysis of changes in net debt

	At 1/1/25 £'000	Cash flow £'000	Acquisition of subsidiary £'000	Other non-cash changes £'000	At 31/12/25 £'000
Net cash					
Cash at bank	15,198	(2,697)	13,097	-	25,598
	15,198	(2,697)	13,097	-	25,598
Debt					
Finance leases	(4,314)	3,136	-	(4,491)	(5,669)
Debts falling due after 1 year	(50,476)	(29,000)	-	-	(79,476)
	(54,790)	(25,864)	-	(4,491)	(85,145)
Total	(39,592)	(28,561)	13,097	(4,491)	(59,547)

Non-cash movements relate to obligations under finance leases. During the year, the Group entered into new finance leases in respect of assets with a total capital value at inception of the leases of £4,491,000 (2024: £5,554,000).