

Building trust in a digital world

Annual Report and Accounts
2023

GBG

Who we are

We are in business to build trust in a digital world.

We believe in a world where everyone can transact online with confidence.

FY23 Summary

Over the last financial year, the macroeconomic challenges facing consumers and businesses have been well-publicised. While GBG continued to make important strategic progress and operational improvements that will have long-term benefits, we were also impacted by unexpectedly deep post-pandemic corrections in some end markets. These corrections were largely felt in the internet economy, notably cryptocurrency and fintech customers.

Looking ahead, as our enhanced location, identity and fraud capabilities continue to come together to build trust across the customer lifecycle, GBG is well-placed to benefit from the structural growth drivers in its markets, capitalising on the breadth of its capabilities and global reach to deliver the mid-term growth targets we have set. This report presents how we help to build trust for businesses across diverse sectors around the world, showcasing how our data and technology are removing digital barriers to enable customer due diligence without compromising the consumer experience.

Revenue

£278.8m

(FY22: £242.5m)

Adjusted operating profit¹

£59.8m

(FY22: £58.8m)

Operating (loss)/profit²

(£112.4)m

(FY22: £23.4m)

Adjusted operating profit margin¹

21.5%

(FY22: 24.3%)

Adjusted diluted earnings per share¹

16.4p

(FY22: 20.2p)

Final dividend per share

4.00p

(FY22: 3.81p)

1. These measures are defined on pages 179 to 181 to the accounts

2. Exceptional costs of £127.2 million include a £122.2 million non-cash goodwill impairment charge as explained further within the financial review on page 41 and in note 7 to the accounts

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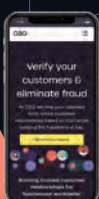
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Building with the best

As one of the world's largest and most trusted digital identity specialists, we work with the best data, the best technology and the best people to deliver market-leading location, identity and fraud prevention solutions. As the digital interface to our global economy and societies continues to drive structural change, we have an enduring opportunity to build markets, build differentiation and, most importantly, build trust in our digital world.

Read more about how our strategy is creating a safer digital world on **page 6**.



**Discover more
at gbgplc.com**

GBG at a glance

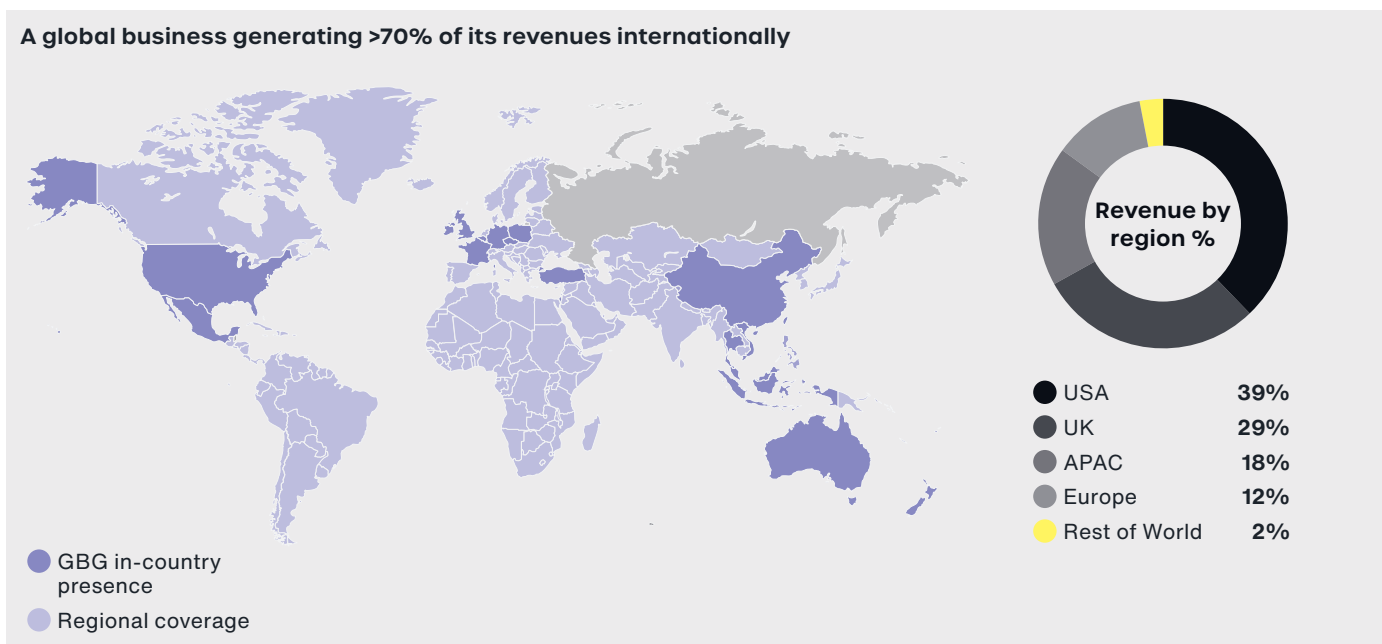
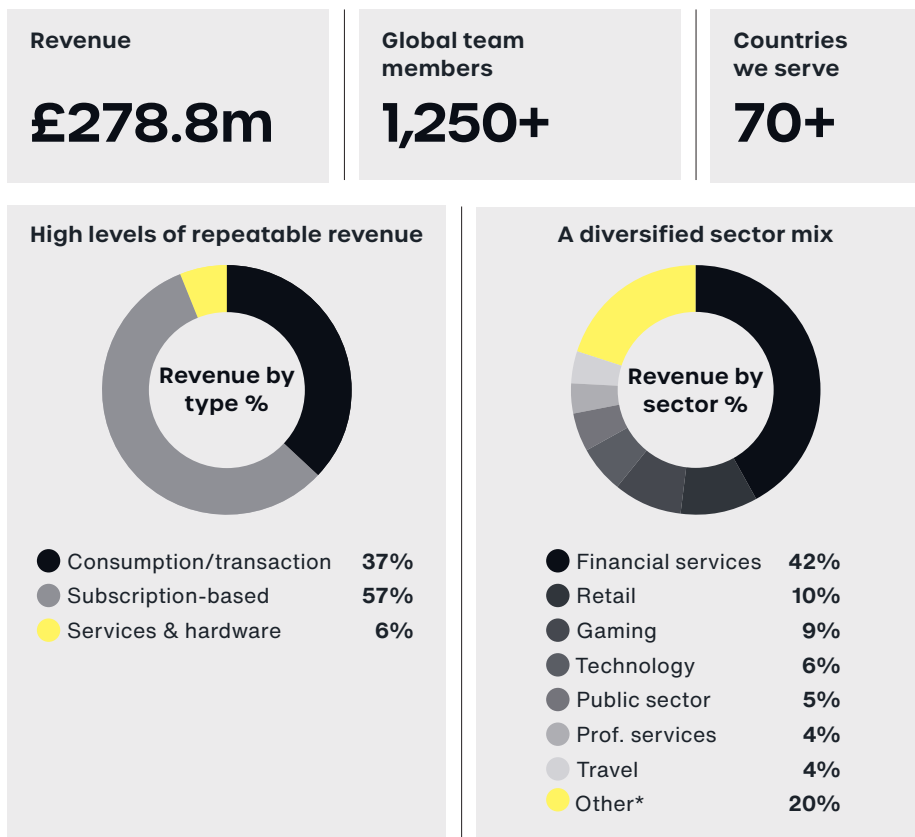
We enable fast, simple and compliant transactions with reduced risk of fraud for many of the world's leading organisations who put their trust in our data and technology.

Business without borders

Any business can trade globally; the digital world has no limits. This creates enormous opportunities but also presents new threats and challenges. By bringing our data expertise and world-class technology to bear on digital barriers, like trust, speed and accuracy, we help deliver frictionless customer experiences and complete customer due diligence to business.

We serve organisations from small start ups to the worlds biggest and fastest-growing brands. From customer onboarding to in-life transactions, we offer these organisations a unique combination of standalone and layered capabilities, helping to build trust across the customer lifecycle. Every day, millions of people around the world interact with our solutions without even knowing it.

As the leading global experts in digital identity, we are at the forefront of a fast-growing but fragmented global industry. In an increasingly data-driven economy and society, our global portfolio of location intelligence, identity verification and fraud prevention solutions is uniquely positioned with capabilities that will drive competitive advantage and diversification to deliver profitable growth over the long term.



* Includes channel partners, utilities & telecoms and automotives

Our market-leading solutions work together to build trust across the complete customer lifecycle.



Location

Revenue
£76.9m

28% of revenue

In the online world, every millisecond matters. Consumer tolerance for poor digital experience is low; we all choose whoever gives us what we want with the least hassle and the least delay. Our address capture and verification capabilities are delivering for organisations of all sizes and sectors around the world. We provide faster, easier input for improved consumer experience, enhanced data quality, higher delivery accuracy and increased conversion rates to support a range of sectors.

Read more about our location solutions on pages 10 and 11.

Identity

Revenue
£162.7m

58% of revenue

Digital identity is the key to unlocking customer trust for successful brands, removing barriers to easy onboarding, swift transactions and business growth. Our global data coverage, document and biometric identity-proofing technology deliver identity verification in seconds. We offer businesses global reach and local regulatory expertise, industry-leading customer due diligence and an ongoing defence against identity fraud via low-code, no-code, API and on-premise solutions.

Read more about our identity solutions on pages 12 to 15.

Fraud

Revenue
£39.2m

14% of revenue

Protecting business and brand reputation from bad actors begins at onboarding. We help businesses take a proactive approach to fighting fraud while maintaining a frictionless digital customer experience. Our end-to-end fraud risk management solutions screen for sanctioned people and places, preventing money laundering activity and delivering regulatory compliance. As transactions occur our solutions detect fraud signals, delivering fast and accurate decisions with real-time protection against complex and constantly evolving financial crimes.

Read more about our fraud and compliance solutions on pages 16 and 17.

Why invest in GBG

A global leader in our markets

We operate in the large, highly fragmented markets of location intelligence, identity and identity fraud. These markets are supported by strong structural drivers signalling future growth through economic cycles.

At the forefront of the fast-growing and global digital identity, identity fraud and location sectors

Experts in data with world-class technology

A large global customer base - large enterprises to SMEs

Our people and culture underpin our success

An attractive, cash-generative financial model

Focused on delivering long-term sustainable growth

Chair's statement

A business uniquely positioned for growth

I am pleased to deliver my first statement as the Chair of GBG's Board and I do so with a strong sense of our purpose and vision. I have joined GBG at an exciting time. It is clear that the business has the ambition and capabilities to execute on the structural growth opportunities in global and highly attractive markets. While GBG has been impacted by macro factors this year, important strategic progress has been delivered, including Acuant's integration following its acquisition last year, which supports the continued acceleration of our global product and technology roadmap. This is underpinned by the talent, passion and culture of the team. I have been struck in my first 10 months by the determination of our people to achieve GBG's potential and deliver fantastic products and solutions for our customers.

I would also like to take this opportunity to extend the Board's sincere thanks to David Rasche, who stood down as Chairman after 12 years, and to Nick Brown, who retired as Group Managing Director and Board member after 16 years. They have both made significant contributions as GBG has developed into a global leader in location, identity and fraud prevention software. As we look to the future, I am excited to work alongside my Board colleagues to support GBG's management team in the next phase of the business's development.

Board development and governance

As Chair, my role is to ensure our governance both challenges and supports decision-making to enable GBG to achieve its potential. The governance policies we follow as a Board have enabled the Group to pursue its strategy at pace, while managing risk appropriately. The approach we take as a Board to our wide range of responsibilities is set out in my introduction to the Governance section on pages 60 and 61 of this report.

The outcome of the FY23 Board Evaluation highlighted that GBG has an aligned, cohesive and trusting Board which promotes open discussion. I am grateful to the Non-Executive Directors who have spent significant amounts of time dedicated to GBG. They have brought strategic thoughtfulness, constructive challenge and independence as they have supported the management team, notably

in September 2022 when the business was subject to a possible takeover, along with other Board matters considered throughout the year.

Our highly engaged people

Our people focus is to nurture the digital identity industry's best and most engaged team, empowered and proud to deliver on GBG's purpose. We recognise that our team's commitment, professionalism, and desire to succeed creates a strong and differentiated culture. This year has seen unprecedented macroeconomic pressures such as rising energy costs and high inflation, but we have remained focused on our ongoing progress, which reflects the commitment and effort of our team.

I am pleased to report GBG has received the prestigious Gallup Exceptional Workplace Award in 2023, one of a select number of companies chosen worldwide. This award recognises how we place our global team at the heart of our strategy. This approach has created a strong and engaged culture throughout the business, with our latest Gallup survey indicating 93% of our people recommend GBG as a great place to work.

Scaling up our ESG action

The Board is mindful of the importance environmental, social and governance (ESG) matters have to all stakeholders. As we are a business that enables our customers to operate safely and compliantly in the digital world, ESG underpins what we do. At Board level, we maintain oversight through our ESG Committee around what we provide to our customers, our people and our impact on the planet. We aim to continually move our credentials forward. This year we scaled up our action, becoming carbon neutral in our operations and we have set out an ambition to become a carbon net zero business by 2045, as well as disclosing our climate-related risks and opportunities within this report for the first time.

Financial performance

GBG has displayed resilience this year despite the difficult macro environment, with double digit growth in both our Location and Fraud segments, however, performance was impacted in certain parts of our business, particularly our identity business in the Americas. This reflects the unexpectedly deep post-pandemic slowdown in volumes related to the internet economy, in particular cryptocurrency and fintech customers.

GBG statutory revenue of £278.8 million (FY22: £242.5 million), represents growth of 15.0%. Adjusted operating profit was £59.8 million (FY22: £58.8 million), representing a margin of 21.5%. On a statutory basis, there was an operating loss of £112.4 million (FY22: profit of £23.4 million), principally due to a goodwill impairment charge of £122.2 million and an increase in the amortisation of acquired intangibles to £42.8 million (FY22: £24.7 million). The Group's net debt at 31 March 2023 was £105.9 million (FY22: £107.0 million). We expect that GBG's cash generation will address the Group's short-term priority to reduce our net debt during FY24. More detail on performance is provided in pages 38 to 43 of this report. Looking ahead, we will maintain a balanced approach to capital allocation that will enable sustainable growth and the achievement of our mid-term financial targets, underpinned by a strong balance sheet and a focus on cash generation.

A progressive dividend

The Board's confidence in the Group is reflected in our progressive dividend policy. This year we are recommending a final dividend of 4.00 pence per share, a rise of 5% on the previous year. If approved, this would represent the 16th consecutive year GBG has increased its dividend. Subject to shareholder approval at our Annual General Meeting, it will be paid on 3 August 2023 to shareholders on our register by 23 June 2023.

Summary

The Board remains confident in the long-term opportunity for GBG, it has a strong financial position, wealth of talent and resources and the flexibility to drive sustainable organic growth over the medium term. Despite some near-term issues impacting growth, GBG is a high-quality business, and we are excited by the opportunities now and into the future to deliver value for all our stakeholders.

I finish by taking this opportunity on behalf of the whole Board to give our thanks to GBG's people for their continued dedication, hard work and all they do for this Company as they deliver on our clear purpose, to build trust in a digital world.

Richard Longdon,
Chair
14 June 2023

In conversation with Richard Longdon



About Richard

Richard joined as non-executive Chair of GBG in September 2022, having held a number of non-executive director and chair roles following a highly successful career in the technology sector. He spent 33 years with AVEVA Group, where he was Chief Executive Officer for 17 years. Richard's global leadership experience will enable him to lead our Board through the next stages of GBG's evolution. In particular, he will lead the Board as they continue supporting our executive management team to execute on the business's strategy as one of the leaders in the global identity market.



I have joined GBG at an exciting time. It is clear that the business has the ambition and capabilities to execute on the structural growth opportunities in global and highly attractive markets.

Q. What has been your key priority since you took over the Chair role in September 2022?

A. I firmly believe that having a strong sense of the purpose and values of the business are intrinsic to the successful running of the Board and governance of the Company. Since I started as Chair in September 2022, I have prioritised getting to know GBG's team members, our market position and engaged with our stakeholders more broadly, such as our partners and investors. All these interactions have reinforced the exciting opportunity that lies ahead for GBG.

Q. How would you describe the culture at GBG and how will it evolve?

A. I have been impressed by the depth of expertise within the team and the culture of the business. It is clear to me that we have the talent and desire within the whole team to deliver excellent results for customers. This means there is a strong culture of doing the right thing as we strive to build trust in the digital world. This culture of trust has underpinned the success of GBG over many years, and the importance of development and oversight of the Company's culture remains high upon the Board's agenda. In FY23 we formalised our "Trust(ed)" behaviours framework, which will help maintain our corporate culture as we continue to grow as a global business.

Q. ESG matters are increasingly important to all businesses, what priorities have been on the Board's agenda over the past year?

A. We take our wider stakeholder and social responsibilities seriously, and the Board is committed to developing our sustainable and ethical practices. This year we formalised our ESG strategy, this involved surveying our stakeholders to ensure we respond appropriately to what is important to them and impactful to our business. You can read more about our Environment, Everyone and Ethics strategy on pages 18 and 19. At Board level we maintain oversight through the ESG Committee, ensuring we achieve progress towards our stretching targets, which includes our ambition to become a carbon net zero business by 2045.

Q. What excites you about the future for GBG?

A. I am delighted to have joined GBG at this stage in its development, the business sits at the forefront of a large, growing and deeply fragmented market with strong structural trends. Our strategic progress over the last few years means we have more data and product and technology capabilities than ever to lead in these markets. Our well-attended capital markets event held in January 2023 articulated GBG's strategy, demonstrating why our differentiated and integrated capabilities across location, identity and fraud enable GBG to win in the markets we serve. The event captured exactly why the Board is confident that GBG is uniquely positioned to drive sustainable, profitable growth over the medium term, with a team relentlessly focused on delivering upon our vast potential.

Our 2023 AGM

GBG will host its Annual General Meeting on 20 July 2023 as a physical Annual General Meeting at which shareholders can attend in person to participate in the meeting, ask questions and vote. This will be held at our registered office address in Chester at 10:00a.m. (BST) and all Directors will be present.

As you will note in the Notice of AGM alongside this Annual Report, we are putting 12 resolutions to vote at our 2023 AGM. We consider the resolutions being proposed at the AGM are in the best interests of both the Company and the shareholders as a whole. We ask our shareholders to support these resolutions, your Board of Directors, and various other business matters on which you are asked to vote.



Read more in our Notice of AGM.

Building trust in a digital world

The acceleration of the digital economy creates enormous opportunities, but also new threats and challenges, and these represent strong structural growth drivers for our business. Our strategy is designed to deliver long-term, sustainable growth in a dynamic and growing global industry.

Global growth strategy

Build markets

We target new and existing geographies, where market drivers create value, volume and speed of opportunity. We are pursuing organic growth in our regions, this includes expansion of our footprint in Europe, Southeast Asia and initial activity in Latin America. Where appropriate, we will consider inorganic activity to accelerate our growth as part of our disciplined approach to capital allocation.

The scale of the financial services market and the cost of fraud, coupled with regulation and ongoing innovation continue to ensure long-term growth opportunities in financial services and all sub-sectors. We also foresee secular growth in gaming as markets liberalise and will continue to grow sector diversity in retail, technology, public sector and healthcare.

Build differentiation

We build differentiation and drive growth by offering unique data insights, layered with innovative trust-building technologies that meet our customers' evolving needs in the digital economy. We aim to achieve this by targeting our response to the demands of consumer experience and business challenges in the face of continued digitalisation, increasing online fraud and regulation.

Build once

We are bringing our global portfolio of market-leading identity, fraud and location intelligence solutions increasingly into alignment with shared technology. In doing so, we make it easier for customers to consume more capabilities by offering end-to-end orchestration of solutions across the complete customer lifecycle.

The trust we build begins with the people and partnerships that are essential to our success: our customers, our team and our investors.

Customer trust

The confidence of our customers is fundamental to how we sustain and grow our business. With high retention rates comes more opportunities to upsell and cross-sell our capabilities, so we continue to elicit and act on feedback from our global customer base through our Voice of the Customer programme. This measures our Net Promoter Score, Customer Satisfaction, and Customer Effort Score. This year, we have received a record number of responses while maintaining high engagement scores.

Team trust

We put team engagement at the heart of our business strategy. Team trust is a key enabler for that strategy and a core differentiator for our business, ensuring that the best, most driven and diverse global workforce is inspired to develop and grow with us. We are proud to be recipients of the Gallup Exceptional Workplace Award 2023 and that 93% of team members would recommend GBG as a great place to work.

Investor trust

We work for the benefit of our investor community as we continue to execute our strategy and capitalise on the growth potential in our markets. We are committed to delivering a consistent and reliable cash return for shareholders as well as long-term shareholder value. Consequently, we take a disciplined approach to capital allocation, maintaining a progressive dividend balanced with the investment to deliver the Group's strategy both organically and via targeted acquisitions that enhance our capabilities.



Financial services

42% of Group revenue

Our products and solutions build trust across the breadth and complexity of this highly regulated sector in areas such as banking, pensions, wealth management and fintech.



Our unique Multi Bureau proposition is now available in the UK and Australian markets, using data from the largest bureaus to offer high levels of compliance while improving match rates.



The GBG compliance platform is now available in all markets to financial services customers to fight fraud and comply with AML regulations.



GBG GO delivers a smarter, faster and safer route to market for companies looking to implement a no-code customer due diligence solution.



Retail

10% of Group revenue

The convenience of eCommerce continues to drive demand for accurate, fast and secure online experiences from consumers and businesses while at the same time, retailers are feeling the pressure more than ever to prevent fraud.



Our next-generation Address Verify solution can serve up to 10,000 requests per second, delivering AI-powered data parsing and increased address match rates.



Leading online marketplaces choose GBG to verify sellers using international identity data, enabling them to grow in new markets successfully and safely.



This year saw Loqate Address Verify fully integrated into our CloudCheck solution, now serving our New Zealand retail customers with identity verification and location intelligence.

Gaming

9% of Group revenue

Online casinos, sports betting and other gaming operators continue to expand into new markets, with compliance, player protection and affordability key areas of focus.



GBG was one of the first identity providers to enter the newly regulated markets in Canada, winning business from 60% of the gaming brands who hold a iGaming Ontario licence.



We offer unique access to two of the main credit bureaus in Canada, helping gaming operators increase match rates and deliver compliance with Fintrac (stringent local regulation).



We continue to work with regulators, associations and charities to safeguard vulnerable players with automated age and affordability checks in a seamless onboarding experience.



Public sector

5% of Group revenue

An increasing number of public sector services are now provided online, placing importance on the need to create secure, non-intrusive relationships between individuals and public sector organisations.



GBG's Identify solution received the UK's Digital Identity and Attributes Trust Framework certification to provide digital identity verification as part of key government checks.



Working with channel partners to deliver document verification solutions for US border control at airports, with regulatory approval for deployment in Italian and Spanish airports.



As healthcare professionals and patients go digital, there is a need to use identity verification to establish high levels of trust, without slowing down critical healthcare processes.



Technology

6% of Group revenue

Ongoing digitalisation continues to underpin the long-term growth trends in this sector with its importance to wider society and the way individuals and businesses interact.



We partner with technology firms across diverse use cases, such as embedding our data and document identity verification solution within Proxyclick's visitor management software.



This year we extended and expanded our IBM partnership to provide address data cleansing and verification within the global IBM InfoSphere® QualityStage® platform.

Building trust in a digital world continued

From flexible identity and location verification solutions through to fraud monitoring and investigation, we combine worldwide data and document coverage, trusted technologies and local expertise to deliver a simple, safe and secure experience across the complete customer lifecycle.

Customer lifecycle

Covering the full customer lifecycle, building trust from onboarding new customers to monitoring in-life activity.

Capabilities

Standalone or layered capabilities to address multiple customer channels and touchpoints.

Industry-leading solutions

We offer industry-leading global address and identity data, document library and tampering detection technology augmented by innovative AI and machine learning.

Global reach

Worldwide location and identity verification of anyone, anywhere in seconds.





Data

The breadth and depth of global data access and unique data insights we offer across Location, Identity and Fraud deliver fast and accurate decisions for our customers.



Technology

Our powerful technologies marshal artificial intelligence and machine learning to deliver increased location intelligence, advanced identity verification and complex fraud detection.



People

Day in day out, our team of dedicated digital identity professionals is what drives us, delivering local expertise from around the world in one global business that makes a real difference.

Location

Validating accurate and reliable address data to ensure our customers can, with minimum friction, provide their products and services to the right people, in the right place.

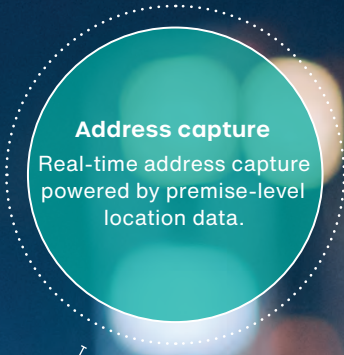
Address verification

Verification, correction and enrichment of location data.

Helping every business in the world reach every customer in the world.

Location data

The most comprehensive premise-level location data in the world.



Address capture

Real-time address capture powered by premise-level location data.

Delivering in the millisecond economy

From front-end experience to order fulfilment, we deliver speed and accuracy where it matters for business.

As one of the world’s most trusted location data specialists, our address capture and verification capabilities deliver for businesses of all sizes and sectors. We provide fast, easy address input for improved consumer experience, enhanced data quality, higher delivery accuracy and increased conversion rates.

We go to market as a global solution offering local location intelligence, with in-country presence in the UK, Germany and the United States. With an international reach of over 245 countries and territories, 6,500 languages and the ability to handle more than 130 different address formats, our solutions offer scale and precision.

Starting this year with the launch of our next-generation address capture and verification solutions, we can now serve up to 10,000 location requests per second. This is a crucial distinction when managing eCommerce demand peaks such as Black Friday. Built on cloud-native technology, they are scalable, multi-platform solutions for business.

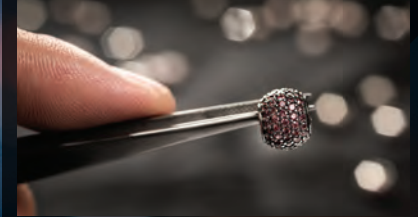
With no global addressing standard, AI powers our address parsing and verification capability, cutting through local complexity to match places our peers cannot reach. Launched this year, our AI Parsing engine currently serves 16 markets and will expand to 40+ markets over the next year. Its ability to handle non-address elements in both developed and hard-to-address markets delivers an average +7% boost to match rates – a key source of differentiation.

Our Location business model continues to evolve as we look to benefit from a range of partnership models, including reseller and OEM relationships. In FY23, we signed a partnership agreement with MapmyIndia to distribute our technology to its enterprise customers and extensive developer network operating throughout the Indian subcontinent.

Learn more at gbgplc.com

PANDORA

International commerce



Pandora is one of the world’s largest jewellery brands. Its distinctive brand and contemporary products have been delighting consumers in more than 100 countries for over 40 years. As online shopping has grown in popularity, the business has successfully developed an eCommerce offering across its regions.

We partner with Pandora’s online experience team to deliver address capture and verification capabilities, reducing friction and enhancing customer experience on its UK online store.

With the power and accuracy of these capabilities proven, we are now working to deliver the same smooth online checkout process to Pandora’s US store. Following a successful proof-of-concept test on transactions in this market, Pandora achieved a 10-15% reduction in manual address corrections. This step change in location intelligence performance prompted Pandora to switch from its previous provider to the GBG solution.

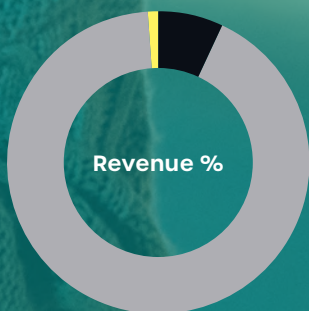
Building on these successes, our partnership with Pandora is going global. Over time we will roll out our market-leading Loqate solution across their new eCommerce platform, meaning that over time we’ll serve consumers with speed and accuracy across Asia-Pacific, Europe and the Middle East.



Hear from

Christian Schiott Drost, Digital Product Manager, Pandora

FY23 revenue
£76.9m
28% of Group Revenue



- Consumption/transaction 8%
- Subscription-based 91%
- Services & hardware 1%

Identity

Our digital identity verification technology and breadth of data and documents build customer trust for successful businesses, removing barriers to onboarding, enabling in-life transactions and reducing time-consuming tasks for consumers.

Data verification

100s of global data sources layering trusted consumer insights.

Biometric authentication

Complete biometric identity proofing in seconds.

We make it easy for businesses everywhere to identify customers and keep everyone safe from fraud.

Document verification
1000s of global identity documents preventing identity fraud.

Building end-to-end trust for business

As the leading expert in digital identity, we help businesses build trust across the complete consumer lifecycle, from onboarding to in-life transactions.

We work with hundreds of identity data suppliers globally, providing our customers with instant access to the breadth and depth of insight needed to determine trust. Every day, millions of consumers around the world interact with our trust-building portfolio of identity data and document verification technologies without ever knowing it.

The launch of Multi Bureau creates an innovative new approach to data-orientated identity verification. Searching across multiple credit bureaus is driving a double-digit boost to match rates and accelerated customer onboarding for our customers who can now access verified credit records across multiple bureaus in Australia, Canada and the UK for gold-standard due diligence.

The acquisition of Acuant increased our presence in the world's largest market, the United States and broadened our capabilities. We now offer a global library of 8,000 identity documents to power identity proofing and biometric authentication within an integrated global data and document portfolio. With minimal user interaction, robust software development kits and AI-powered tamper-proofing, verification is completed quickly and accurately to provide a strong digital defence against identity fraud.

We also extended omnichannel access to our award-winning identity-proofing technologies with the launch of GBG GO in the Americas. This no-code, cloud-based solution builds on the orchestration platform developed by Acuant, empowering businesses to create dynamic customer onboarding journeys that connect to the right checks at the right moment, reducing risk and maximizing customer conversion.

Across the consumer lifecycle, we continue to partner with our customers to ensure they can go to market with confidence, knowing their customers and growing their business at speed.

Learn more at gbgplc.com

ONTO
Electric car subscriptions

EMEA customer



Onto launched its electric car subscription service in 2018, which has now grown to become one of the largest fleet of electric cars in the UK with over 7,000 vehicles. Onto's mission is to offer an affordable, flexible and accessible way for people to drive electric and provide an all-inclusive, hassle-free service for subscribers.

We partner with Onto, integrating with its platform to deliver secure customer due diligence on documents and data behind a single API call, ultimately enhancing the experience of their subscribers.

When a customer requests a booking, they present their driving licence and submit a selfie. We securely authenticate and verify the customer's identity, checking their entitlement to drive and confirming the genuine presence of the licence-holder in as little as thirty seconds.

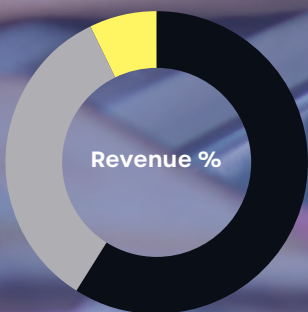
Simultaneously, our data verification solution feeds Onto with instant access to accurate, up-to-date affordability background checks, using personally identifiable information (PII) submitted by the customer, so the whole booking process is a simple, low-touch experience for everyone.



Hear from

Carenza Harvey,
Senior Product
Manager, Onto

FY23 revenue
£162.7m
58% of Group Revenue



- Consumption/transaction 59%
- Subscription-based 34%
- Services & hardware 7%

Digital identity trends

What’s putting digital identity at the heart of trusted transactions? We take a look at some of the digital trends and trust-building technologies that are driving due diligence across the customer lifecycle.

Structural change

In today’s digital world, consumers, businesses, citizens and governments are increasingly interconnecting online. The pace of digital transformation in our lives has significantly accelerated over the last few years; particularly during the global pandemic, however the structural changes in the way we live, work and transact with each other are ongoing.

Digital-first behaviours formed during the pandemic mean that we are more comfortable operating online. People adopted mobile banking, remote working, digital payments, or tried online grocery for the first time, and these shifts in behaviour and consumption create an enduring opportunity to put digital identity at the centre of trusted transactions.



Fraud stays a step ahead

As fast as the digital world accelerates, fraud stays one step ahead. The same period has seen the rapid industrialisation of fraud and financial crime. Data breaches and the dark web put identities on sale and sophisticated fraud technologies lead to increasingly audacious attacks, victimising unsuspecting individuals all the way up to the biggest financial institutions.

As criminal methodologies have evolved and automated, the battle to beat fraud and limit losses begins at the first customer interaction and continues across the customer lifecycle. Businesses must increasingly take an integrated approach to fraud detection and prevention, building an end-to-end fabric of identity insights and ongoing transaction risk assessments that allows for a more holistic view of the changing risk level in any customer relationship.

360-degree view of digital identity

A holistic understanding of identity is essential to building trust in customers and transactions. Deterministic checks of identity data and documents, social security numbers and biometrics, now work alongside probabilistic checks of the metadata created by digital life. Is a mobile device omitting fraud signals, such as a recent SIM swap, for example, or is an email address 10 years or 10 minutes old?

A 360-degree view of digital identity is essential at onboarding and across the customer lifecycle to ensure an established relationship hasn't been compromised, and that this is still a good customer returning time and time again. Brands that get multi-factor digital identity right, layering active and passive checks, make life harder for fraudsters and easier for genuine customers, helping to speed up authentication and transactions.



Customer experience and due diligence

Speed and convenience matter as much as security for successful businesses building user experiences that inspire trust. Consumer tolerance for poor digital experience is low; in the millisecond economy, we choose whoever gives us what we want with the least hassle and the least possible delay. Recent research suggests 80% of consumers consider the experience a company provides to be as important as its product or service.

In a competitive digital economy where every click counts, providing an excellent customer experience with minimal friction matters. The countervailing needs of customer due diligence and convenience are increasingly served by automated identity and detection solutions. Orchestrated customer journeys that dynamically adjust to offer greater speed, greater scrutiny, and consumer choice for the type of identity checks are meeting these needs.

Regulation drives investment

Business investment in digital identity verification and fraud prevention are driven in large part by regulatory requirements. Differences between jurisdictions continue to create market preferences for identity and fraud solutions and compliance capabilities around the world.

Strong customer authentication requirements for eCommerce in Europe have led to focused investment in solutions helping to prevent card-not-present fraud. Similarly, AusPayNet's Card Not Present Framework in Australia and the risk-based authentication framework in Malaysia are driving investment in multi-factor authentication from APAC financial service providers.

Meanwhile, rigorous KYC regulations in Australia have led to enhanced customer

due diligence and a strong focus on compliance solutions. By contrast, US businesses must comply with a comparatively weak identity construct and consequently synthetic identity fraud is a significant problem in that market that GBG can help to solve with its multi-layered identity verification solutions.

Reusable digital identity

While global standards for reusable digital identity remain a distant prospect, national digital identity ecosystems are beginning to emerge that regulate electronic proof of identity. As policymakers and digital identity verification technology providers continue to collaborate, it paves the way for the wider adoption of reusable digital identities, facilitating regulatory compliance and building confidence in online Identity verification.



In the United Kingdom, the launch of the Digital Identity & Attributes Trust Framework in 2022, set standards for digital identity verification technology, security and evidence within UK jurisdiction. The government-authorised framework provides organisations and individuals with the benefits of reliable and reusable certified digital IDs. GBG is a certified digital identity provider to the UK's trust framework and is pending accreditation assessment as a certified provider of Australia's Trusted Digital Identity Framework which aims to provide a reusable digital identity for simpler, safer and more secure identity verification online.

PAYFARE Financial services Americas customer

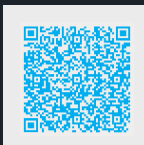



Payfare is a global fintech company providing digital banking plus instant access to earnings and payments for gig workers. Based in Ontario, Canada, Payfare serves the likes of Uber, Lyft, DoorDash and other businesses driving today's on-demand economy across North America.

We partner with Payfare to deliver data and document identity verification at customer onboarding with the same speed and reliability demanded of a digital bank promising instant pay. Together, we have optimised applications, increasing Payfare's auto pass rate by mid-single digits to avoid slow, resource-heavy manual processing.

Of course, security and speed both matter for financial services. Payfare can be confident of its customer due diligence, reducing fraud risk, meeting regulatory requirements and its own high standards of excellence, even as it continues to set the pace for digital banking services.

Over three years of rapid expansion with some of the world's biggest gig platforms, we have helped Payfare scale up, delivering 100% uptime with zero outages to meet the 24-hour service expectations of an always-on digital bank.



 Hear from

Su Young Chun,
Chief Compliance
Officer & Head of
Customer Support,
Payfare Inc.

Fraud

Offering real-time protection and regulatory compliance protection against modern-day financial crimes, identifying and helping to prevent or pursue bad actors to avert crimes such as identity, application and transaction fraud.

Combating origination fraud

AI-powered screening for automatic onboarding or referral of customers.

We take a proactive approach to fighting fraud and delivering industry-leading due diligence.

In-life fraud investigation

Data mapping people and behaviours to deliver new insights.

Transaction fraud monitoring

AI-powered detection and decisioning reducing fraud in real-time.

Creating a safer digital world

Our fraud prevention solutions protect businesses against complex financial crime while helping to provide a frictionless experience across the customer lifecycle. From onboarding to in-life transaction monitoring, our end-to-end fraud and compliance solutions deliver real-time insights, building trust and strengthening brand reputation.

Our market-leading fraud risk management platform protects some of the largest banks and financial services institutions across Asia-Pacific and Europe through application and transaction fraud monitoring solutions. We continue to expand into Southeast Asia, taking advantage of favourable market conditions to move into the Philippines, Thailand and Vietnam over the last eighteen months.

We are leveraging our consortium fraud capabilities from the Americas with increasing deployment across Asia, most recently in the Philippines. This is helping our customers fight fraud more effectively with cross-industry intelligence and real-time alerts. As we look to the future, we will enhance fraud prevention across Asia-Pacific with the launch of our next-generation financial crime studio; AI-powered detection of new and sophisticated patterns of fraud combined with huge scale in transaction volumes.

Cyberattacks continue to drive identity fraud and market demand for solutions that signal data theft. Following large data breaches in Australia last year, we accelerated the launch of GBG Alerts, a market-first proposition that flags exposed personal information for re-authentication, protecting both consumers and our customers from fraud. Following initial success, businesses are reporting a significant uplift in identity fraud detection as a direct result.

We also maintain a powerful fraud investigation capability in the United Kingdom which enables our customers to identify connections between people, places and businesses; uncovering hidden connections to offer a better understanding of people and behaviours. Our powerful matching algorithms now serve both public and private sectors; tracing individuals, understanding relationships and detecting complex financial crime.

Learn more at gbgplc.com



Financial services APAC customer



AMP Bank provides customers with home loans, deposit and transaction accounts in Australia. It has a long history of helping customers save, invest and achieve their financial goals, and has undergone a rapid digital transformation in the last decade.

We partner with AMP to provide a complete platform of digital identity verification and compliance risk management; onboarding customers securely and monitoring customer transactions across channels to protect both AMP's business and customers from financial crime.

But partnering is not just about bringing a product to a problem. As experts in global digital identity, we can leverage our global insights and expertise from other regions such as the Americas, to work alongside AMP and deliver fraud and compliance solutions prepared for new and emerging fraud threats.

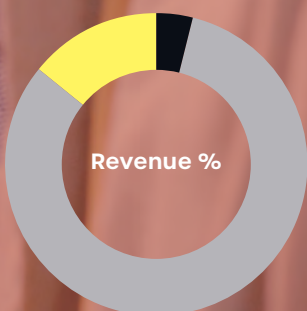
Following the Optus data breach in 2022 which left as many as 10 million customer accounts in Australia exposed, we worked with organisations such as AMP and the Australian Government's Document Verification Service to help manage the increased risk of identity theft. This included an extra, mandatory re-authentication step for exposed identities in transactions and the introduction of GBG Alerts, a market-first in Australia, that shares real-time intelligence of possible fraud between companies.

Hear from



Michelle Reinisch,
Business Management & Financial Crime Director, AMP Bank

FY23 revenue
£39.2m
14% of Group Revenue



- Consumption/transaction 4%
- Subscription-based 82%
- Services & hardware 14%

Environmental, Social and Governance

Our ESG Strategy

Our ESG Strategy – Environment, Everyone & Ethics – reinforces our commitment to embed a sustainable and ethical approach in everything we do. It represents what makes us unique and gives us the framework to drive action on the most impactful and important areas.







Our purpose is to build trust in a digital world, we want to be the partner of choice for businesses who want to interact with their customers safely, securely and sustainably. We embody this through the benefits our solutions have, our operations and the way we interact with our partners and team members.

We are proud to continue our support for the United Nations Sustainable Development Goals (SDG's) and have aligned our strategy with the areas we can influence the most.



Our ESG Strategy demonstrates our continued focus on driving improvements across our operations and the solutions we offer. The Environment, Everyone & Ethics pillars provide us with a stakeholder-driven framework to measure, communicate and enhance our impact.

Natalie Gammon, Chair of the ESG Committee

Pillars	Environment	Everyone	Ethics
Focus	Reducing and improving our impact on the planet.	Ensuring that our team has the support and resources they need to grow their skills, build diverse teams and protect our environment and society.	Having clear oversight and responsibilities for transparent ESG reporting and effective ESG risk management.
UN SDGs supported	 	  	
Goal	To achieve our Group strategic priorities without impacting the planet for future generations.	To have a diverse team of the best and most engaged global team members in the industry.	To have the principles, people and policies in place to have a sustainable and ethical approach to everything we do.
Targets	<ul style="list-style-type: none"> Net zero by 2045 Reduce our Scope 1 and 2 emissions by 42% in 10 years Run two climate-related scenarios and disclose in our FY24 Annual Report 	<ul style="list-style-type: none"> Exceed 40% female representation by 2026 (global workforce and senior leaders level) Continually increase participation in our voluntary diversity data collection 	<ul style="list-style-type: none"> Put the ethical use of data at the heart of everything we do Incorporate the role our industry plays in building a better world in our thought leadership

Our approach


During the last year we conducted a materiality assessment to gather input from our global team members, as well as our largest customers and investors, asking what matters most to them and to gain their views on how we should prioritise our approach. We created a long list of potential factors we should consider, with insight from ESG-related frameworks, standards, and guidance, and then narrowed these down to the factors we can have the most impact on and are most relevant to our business.

We asked our key stakeholders to rate each factor by importance to them and by impact on our business’s future success. We wanted to consider both internal and external views because we know that every one of our stakeholders contributes to the success of our overall strategy. The scores were amalgamated and the averages were plotted against importance and impact. Please see the top six factors listed below.

 **Data ethics, privacy and IT security**

 **Human capital development**

 **Business ethics**

 **Inclusion, diversity and equality**

 **Corporate governance**

 **Occupational health and safety and wellbeing**

We also collected qualitative comments from participants to get a deeper understanding of our stakeholders’ needs. This is why climate change and greenhouse gas emissions, and waste and resource management are also a key priority for us.

We then used this feedback, as well as discussions with our team members, Executive Team and ESG Committee, to create the three pillars of our strategy: Environment, Everyone and Ethics.

How will we deliver on our targets?

We plan to deliver on our strategic targets through our ESG programme, be/sustainable, in the following ways:

Environment

- Procuring renewable energy for our workspaces
- Raising team members’ awareness on climate change and the impact of their actions
- Engaging with our value chain to encourage improved measurement and reduction of greenhouse gas emissions
- Using the recommendations of the Taskforce on Climate-related Financial Disclosures to conduct scenario analysis on our business

Everyone

- Embedding our Culture+ initiative within our hiring and development (see page 26 for further details)
- Using mentoring and training to support the gender and ethnicity balance and development of our workforce
- Encouraging diversity data awareness and participation
- Building diversity considerations into our succession and workforce planning
- Creating a purposeful culture where our team members are engaged, recognised and rewarded

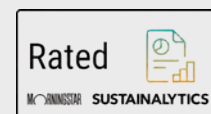
Ethics

- Continuing to embed our approach to putting ethical data considerations at the heart of our processes, procedures and decisions. Read about our approach to data ethics, privacy and security on pages 30 and 31
- Ensuring that positive ESG outcomes continue to be central to our products and solutions, as well as the way we communicate

Recognition



‘A’ rating in the MSCI ESG Ratings assessment



Assessed to be at ‘Low Risk’ of experiencing material financial impacts from ESG factors by Sustainalytics



Winner of the 2023 Gallup Exceptional Workplace Award



We maintained ISO 27001 certification



Continued our membership with the Slave-Free Alliance

93%

of team members recommend GBG as a ‘great place to work’

Environmental, Social and Governance continued



Environment

Our net zero target

Due to the nature of our business, we have less impact than other organisations but we still seek to protect the environment where we can.

We are delighted to launch our ambition to be net zero by 2045. This ambition includes a near-term target of reducing our Scope 1 and 2 emissions by 42%¹ in 10 years², to align with the latest climate science, and was signed off by our ESG Committee.

We have also delivered on our goal to be carbon neutral in our operations, which we achieved by looking for ways to reduce our Scope 1 and 2 emissions and offsetting the remaining. We invested in several offsetting projects local to our team members, with projects in Australia, Indonesia and the US this year.

We are liaising with the landlords of our leased workspaces to understand whether they are using renewable energy to enable us to release our first market-based Scope 2 measurement, which you can see on page 24. We are in the process of reviewing and consolidating our workspaces, where appropriate, to keep our energy usage as efficient and low as possible and are using renewable energy usage as one of the criteria for new workspace decisions.

Measuring our market-based emissions also allowed us to measure the intensity ratio of our Scope 1 and 2 emissions against our revenue more effectively. Our actions, coupled with the improved measurement, has enabled our intensity ratio to decrease from 1.55 in FY22 (location-based emissions) to 0.96 this year, achieving our target of a 10% reduction by FY25 early³.

We have also increased our team member awareness on environmental-related issues and actions they can take with the creation of our 'be/sustainable hub'. be/sustainable is how we describe our ESG programme internally, in line with our other employee GBG brands. The hub contains blogs and resources to help develop our team's knowledge and be part of the change needed. We will continue to encourage team behavioural changes to help reduce our emissions.

Stories from our solutions:

RLDatix and GBG combine forces to support accurate and efficient community healthcare

Demand for smart solutions for community healthcare is stronger than ever as the UK continues to face an increasing ageing population. Historically, many healthcare providers have used paper-based services for their clinician scheduling. This method involves an enormous administrative burden, which can be exacerbated by inaccurate data and result in an inefficient approach to scheduling.

Allocate eCommunity, from RLDatix, is an employee scheduling and workforce planning tool for community healthcare providers. Partnering with GBG has provided a solution to the challenge of deploying staff to the correct location, in the most efficient way.

Our location solution verifies and standardises address data in Allocate eCommunity's planning tool to ensure their customers know exactly where their patients are located. This allows healthcare providers to assign the right staff member to the patient, finding the match that fits the location, coupled with the skills needed.

The geocoding solution is then able to accurately measure the distance between locations, enabling the system to show estimated travel time between patients. This means that the schedule can be created to reflect the most effective route between appointments, maximising the time they spend with their patients over time on the road.

Together, Allocate eCommunity and GBG are able to provide digital, real-time information to allow for a more responsive approach to patient needs, improve employee's productivity and experience, and save travel costs.

1. Based on the FY22 baseline you can find on page 24, including the former Acuant business and Cloudcheck

2. Close of FY32 (ten years from our FY22 baseline)

3. The intensity ratio for location-based emissions against revenue for FY23 is 1.31, also achieving our target of a 10% reduction from our FY22 emissions intensity ratio

We have always sought to refurbish and reuse our IT hardware so that it can be used by other team members and therefore reduce waste during its lifespan, as well as donating our used laptops, where possible, to charity.

Our response to the TCFD recommendations

The recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') create a useful framework for companies to measure and mitigate their climate risk. Although TCFD-aligned reporting is not required of us until FY24, we recognise how crucial the management of climate-related risks and opportunities are and so we have decided to start disclosing this year. We chose to focus on setting the foundations for reporting and embedding our governance and processes. We have, therefore, not run climate-related scenarios this year but plan to do so next year.

We are a global business, with team members, customers, suppliers, and wider stakeholders based across the world.

With rising global temperatures and sea levels and increasing frequency of acute weather events, climate change is a real risk that we are all facing today.

Governance

The Board's oversight of climate-related risks and opportunities

Our Board has overall responsibility for our ESG programme, its activities and targets, which is maintained through regular review of recommendations made by its Committees. Our ESG Committee meets to assess and monitor progress against our ESG strategy, KPIs (which now includes our net zero ambition), and policies. The Committee is scheduled to meet three times a year, where progress, future plans and evolving regulation is discussed. You can read this year's ESG Committee report on pages 96 to 97. Our Audit & Risk Committee regularly monitors the principal risks and uncertainties identified by our risk assessment processes, along with the strategies developed and the actions we have taken to mitigate them.



Management's role in assessing and managing climate-related risks and opportunities

This year we set up a Business Risk Committee to facilitate Executive focus on the management of our key non-financial risks and issues and make sure that they are being managed in line with Board risk appetite. The Committee is chaired by the Chief Regulation Officer, or Chief Financial Officer in their absence, and is attended by representatives from governance, risk, HR, finance, and information technology, privacy and security. Going forward, the Committee will review any changes to top climate-related risks and opportunities and make recommendations, as appropriate, to the ESG Committee.

Strategy

Climate-related risks and opportunities identified over the short, medium, and long term

Examples of the risks and opportunities identified are listed below, grouped by the time horizon we expect they will have the most impact. Our short-term timeline reflects the five-year financial forecast model we maintain. We then we chose longer timelines to reflect the long-term nature of climate-related risks and opportunities.

Short term (0-5 years)

- Risk of failure to comply with transitional climate change policy and legislation in all relevant regions, including enhanced emissions reporting, which could cause increased costs, operationally and through the potential for fines

- Risk of failing to take, or being perceived as failing to take, sufficient climate action, which could result in reputational damage causing loss of, and difficulty in attracting, new customers, team members and investors
- Opportunity to continually enhance our approach to business risk through improved understanding of our climate-related risks and opportunities

Medium term (5-10 years)

- Risk of acute weather events causing disruption to our team's abilities to carry out their responsibilities, to our workspaces, equipment and to our supply chain. The impact of this could be disruption to our business operations in affected regions
- Risk of the introduction of climate-related taxation, such as a carbon tax, raising costs
- Opportunity for improved energy efficiency lowering costs in our operations and supply chain

Long term (10+ years)







- Risk of chronic physical changes causing disruption to our team's ability to carry out their responsibilities (i.e. through climate migration). The impact of this could be an inability to maintain business operations in certain regions, as well as impact on team member wellbeing
- Risk of the need to invest in carbon removals increasing costs
- Opportunity to evolve our solutions in line with changing customer needs and demand

Environmental, Social and Governance continued

The impact of climate-related risks and opportunities on our businesses, strategy, and financial planning

Our strategic goal is to be the global leader in digital identity verification and identity fraud. We want to be the partner of choice for businesses who want to interact with their customers safely, securely, and sustainably.

To do this, we need to ensure that our business and our solutions have the ability to withstand climate-related risks and that we can maximise on climate-related opportunities. Our Group strategy is built around six key priorities:

-  Build markets
-  Build differentiation
-  Build once
-  Customer trust
-  Team trust
-  Investor trust

By focusing on building differentiation and ensuring we build once, we reduce the need for duplication. Coupled with our 'Cloud-first policy', where we are moving away from physical storage, this helps us to improve the energy efficiency of our activities.

Our ESG Strategy (which you can read about on pages 18 and 19) was created to support the Group strategy in achieving these priorities. We set the goal for the Environment pillar of our ESG Strategy to be 'achieving our Group strategic priorities without impacting the planet for future generations'. This means building within the constraints of the planet's natural resources by reducing and improving our effect on the planet. By doing this, we also build trust with our customers, team members and investors.

We have assessed our climate-related risks and, while we do not view them as financially material to our business at the current time, we are continuing to track and review these as the risks, opportunities and our business evolves.

The resilience of our strategy, taking into consideration different climate-related scenarios, including 2 degrees or lower

As this is our first year of reporting against the TCFD recommendations, we decided to focus on getting the right oversight and responsibilities in place, embedding climate into our risk management approach and setting our net zero ambition. We are planning to run climate scenarios in FY24 to ensure that we can report in full alignment with the TCFD recommendations.





Risk management

The process for identifying and assessing climate-related risks

GBG uses a “bottom up, top down” approach to identifying risk. We start by conducting “bottom up” risk assessment workshops, covering each of GBG’s business units and central services functions. The output from the risk assessment workshops creates risk registers, where we have a specific ‘ESG’ subcategory, under ‘Strategic’ as described in the GBG Risk Taxonomy.

A “top down” review of the top risks is conducted by the Audit & Risk Committee to validate the workshop findings and to ratify the risk register.

This process is refreshed regularly and on any material event occurring which is likely to result in GBG being subject to new or additional risks.

This is overseen by our ESG Committee, with sponsorship by our ESG Committee Chair and Executive ownership by our Chief People Officer. Independent review and challenge is provided by Risk Management.

The risk and opportunities are assessed against likelihood and impact against a risk matrix. Climate-related risks and opportunities are assessed against the short-, medium-, and long-term timelines described under ‘Strategy’. Impact is measured by considering the risk impact on our reputation, operation, regulation, information, and finances.

The process for managing climate-related risks

Each risk is given a Risk Owner, who is the person primarily responsible for managing and mitigating that risk. Where a risk response is required it is documented in the risk register and kept under evaluation to ensure it remains appropriate.

Where risks are considered out of appetite or where control weaknesses have been identified by internal or external sources, action plans are documented, owned and time bound.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management

As outlined above, our climate-related risks and opportunities are integrated into our Group Risk Management process and follow the same process. This means that climate-related risks and opportunities follow the same “bottom up, top down” risk identification and assessment approach, have an Executive Owner, Non-Executive Sponsor, dedicated Executive-level Panel and oversight from the Board. As well as independent review from Risk Management.

Metrics and targets

The metrics used to assess climate-related risks and opportunities in line with strategy and risk management process

We measure and report on our emissions annually and track our Scope 1 and 2 absolute emissions and intensity ratio for revenue. You can find this information on the following page. This year we also conducted a Scope 3 screening and are reporting our related emissions for the first time. We aim to work with our suppliers to enhance the accuracy of this data going forward.

Executive Directors’ annual bonuses are earned based on the achievement of a range of financial and non-financial targets, which include maintaining focus on ESG improvements and communication.

Disclosure of Scope 1, Scope 2 and Scope 3 greenhouse (GHG) emissions and the related risks

Please see the table on page 24. For FY22, we have stated the emissions as reported last year and then with the businesses acquired. This enables us to set an accurate baseline for our net zero ambition and corresponding target.

We have seen a large increase in our employee commuting figures due to changing to a more comprehensive methodology for calculating emissions from working remotely.

The targets used to manage climate-related risks and opportunities and performance against targets

We have set an ambition to be net zero by 2045, alongside a target of a 42% reduction of our Scope 1 and 2 emissions in ten years from an FY22 baseline. We are measuring net zero as an, at least, 90% absolute reduction in our Scope 1, 2 and 3 emissions.

We also set a target last year to reduce our emissions intensity against revenue by 10% by FY25, which we have achieved early.

You can read more about our environmental targets and progress on page 20. We will monitor and report on our performance at least annually.

Environmental, Social and Governance continued

Scope	Source	Location	Tonnes CO ₂ e			
			FY23	FY22 (including the former Acuant business and Cloudcheck)	FY22 (without the former Acuant business and Cloudcheck, as reported in FY22)	FY21
Scope 1	Natural gas	UK	15	13	13	36
		Rest of the world	-	-	-	-
		Total	15	13	13	36
Scope 2	Location-based purchased electricity	UK	127	89	89	86
		Rest of the world	223	274	200	204
		Total	350	363	289	290
	Market-based purchased electricity ⁴	UK	48			
		Rest of the world	204			
		Total	252			
Total Scope 1 and 2 (location-based)			365	376	302	326
Total Scope 1 and 2 (market-based) ⁴			267			
Intensity ratio for revenue (Scope 1 and 2 tCO ₂ e/£m revenue)			0.96	1.55	1.25	1.5

		kWh
Location		FY23
Energy consumption used to calculate the above emissions	UK	402,398
	Rest of the world	379,181

Scope	Source ⁵	Tonnes CO ₂ e	
		FY23	FY22 (including Acuant and Cloudcheck)
Scope 3	1. Purchased good and services	267	426
	5. Waste generated in operations	5	0.3
	6. Business travel	656	375
	7. Employee commuting	710	112

4. This is the first year we have reported our market-based data, therefore our intensity ratio is now using market-based rather than location-based emissions.

The intensity ratio for location-based emissions against revenue for FY23 is 1.31, also achieving our target of a 10% reduction from our FY22 emissions intensity ratio

5. Numbers relate to the Scope 3 category of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard



Everyone

Our solutions identify who our customers are transacting with. Our Chief Product Officer, Gus Tomlinson, outlines why this is so crucial:



Under-age kids are getting access to gambling, alcohol, media content and adult sites, and also running up debts without fully understanding the consequences. There has been an increase in crimes of convenience as a result of the cost-of-living crisis with people using false information and fraudulent identities to apply for goods, credit and services.

This stops if you get identity right at the first interaction. And that's why if you have a layered approach to onboarding you can put the right protection in place in proportion to the risk to an individual.

Our team members

We have a vision to have the best and most engaged team members in the industry. We have over 1,250 team members, which is a slight year-on-year decline (2022: 1,275). We have proactively managed our workforce to maximise the skills of available talent. This has created progression opportunities for our team and ensures we are delivering against our highest priority work, thereby avoiding the large-scale layoffs that have been experienced in other areas of our industry. Our team members span across 18 countries (2022: 17) and over 98% (2022: 97%) are permanent employees.

We are honoured to have been named as a winner of the 2023 Gallup Exceptional Workplace Award. We were recognised for placing team engagement at the centre of our business strategy and embedding engagement into our culture. Our employee experience is defined by our inclusive culture and how we show up every day, but, most importantly, placing our people at the heart of our decision making.

Chris Clark, our CEO, and James Miller, our Chief People Officer, host a live bi-weekly update to provide insight from across the business and answer questions submitted. This helps us maintain a transparent and open approach.

Sustainability Society

We have launched a Sustainability Society to empower our team members to drive action on sustainability at GBG. We have a communications channel for those who want to learn more where we post resources and thought pieces and a Working Group for those who want to take part in projects and contribute to resources.

Inclusion, diversity and equity

We believe it is important to promote an inclusive and diverse culture, representative of the markets and societies we serve around the world. We believe that a diverse workforce encourages innovation and widens our perspective, leading to a more successful, happier team and improved business outcomes. Through our be/yourself programme we commit to continuously improving our culture of inclusion and encouraging diversity within our organisation.

The programme has five key focus areas, each one sponsored by a member of the Executive Team who help to drive the programme, advocate in team meetings and to the Board and support the relevant training and resources:

- Age and experience
- Sexual identities
- Race, religion, nationality and location
- Gender
- Neurodiversity, accessibility and mental health

We have built a global network of be/yourself champions, team members who volunteer their support and lend their passion to our programme around the world. Together, our 50 champions create networking opportunities, manage events and listen to and support others.

Our targets

In FY22, we set two long-term targets focused on improving our diversity, which we have now included under the Everyone pillar of our ESG Strategy (you can read about these on pages 18 and 19). These targets were approved by our Executive Team and ESG Committee, who have oversight and receive regular updates on our progress.

Environmental, Social and Governance continued

We have seen a small increase in our overall female representation, which is 36.8% at the end of FY23 (2022: 36.7%, which was rounded to 37% last year). We have also seen female representation in our senior leaders (our Executive Team and their direct reports) increase to 41.9%, from 33.3% in FY22, which we are delighted exceeds our target of 40%.

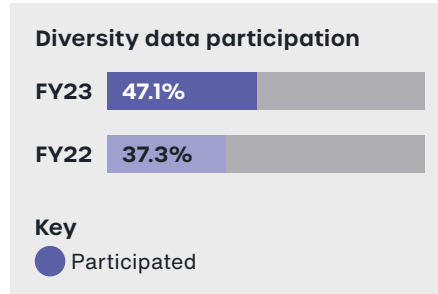
One of the ways we aim to make progress on our gender diversity is through Culture+, which is our way of hiring with an equitable approach. The initiative asks hiring managers to look at the diversity of their teams, recognise gaps and work with the Talent Attraction Team to support them in hiring candidates who can help grow our culture. We are using workforce planning activities to understand our global recruitment needs and to set corresponding recruitment diversity targets.

Culture+ also help us to consider new training and development opportunities and set our mentorship partnerships (you can read more about mentoring on page 28). Our Executive Team receive quarterly updates on the overall and their team's progress against the diversity targets, with the factors that have contributed to the change and the actions needed to continue to develop and improve.

Our second target is to increase participation in all areas of our voluntary diversity data collection, especially ethnicity, as well as delivering a report on our team global ethnicity by 2023. We are pleased to see our voluntary Group diversity data participation increase this year to 47.1% (2022: 37.3%).

We know that there is still work to do, so encouraging participation in this initiative is part of a permanent change in our processes. We have, therefore, built in a long-term communications strategy to provide information from when a candidate applies, through their onboarding and into the team member lifecycle. We did this to ensure all our team members understand and are clear about what data we are collecting, why we are collecting the data and how the data will be used long term. We have released specific communications with our newer acquisitions this year and run in-person sessions to build trust and confidence in our methods and purposes, so we hope to see participation increase as awareness and understanding grows.

We are strongly committed to protecting our team members' privacy. That's why, when we had to change our US human resources system, which covers our IDology team members, we wanted to ensure we had explicit consent for the diversity data we store. We therefore needed to remove and recollect this data, which has resulted in participation currently being lower than previous rates in this group, impacting our overall rates.

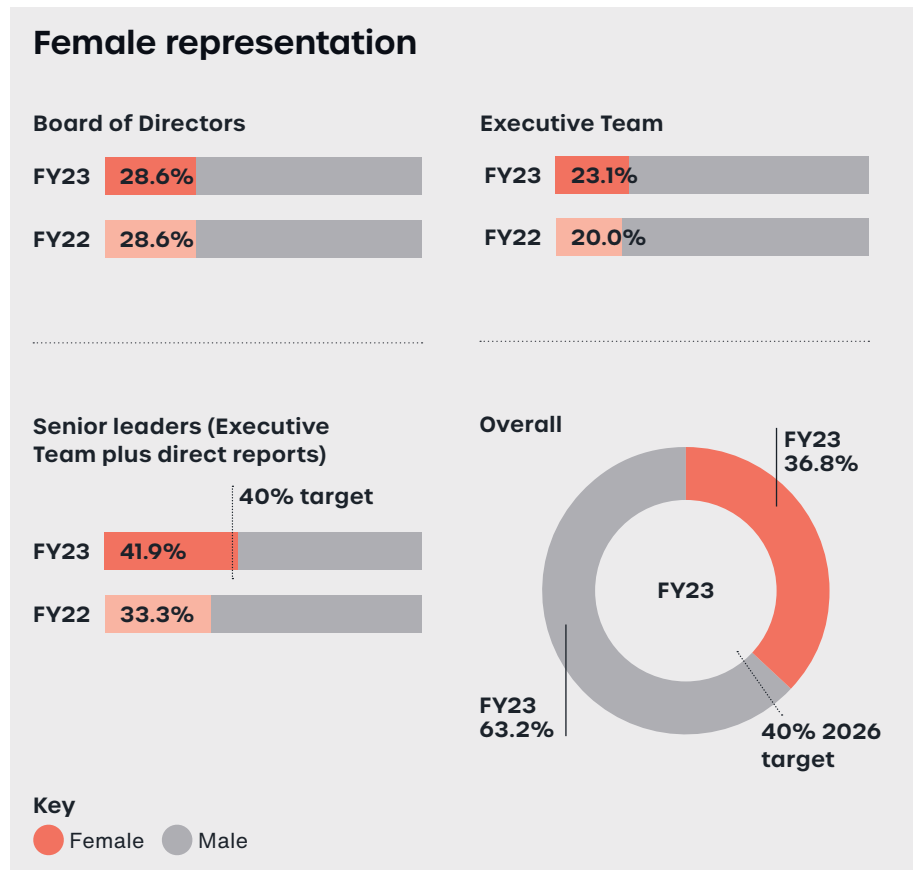


Partnerships

This year we formed a partnership with the Women in Tech Forum to help us drive action on our diversity targets. Our team members have already donated their time speaking at events to help educate and deepen learning and we also co-hosted an in-person event discussing current industry challenges women of colour continue to face and what steps they and allies can take to claim their space in the technology industry.

We also registered as a Disability Confident Committed employer to demonstrate our inclusion of our current and potential team members with disabilities.

We continued our partnership with Stonewall, a charity dedicated to supporting members of the LGBTQ+ community, by assessing our progress with our first UK workplace equality index, which we were pleased to be awarded a bronze award for. The index required us to conduct an extensive review of our practice and policies across the team member lifecycle through the lens of LGBTQ+ inclusion, with helpful guidance on areas we could continue to improve on.





In a world where proving and trusting digital identities is central to how we live, work, socialise, buy, rent and borrow, no one should be left behind.

By using multiple data sources, not just financial data that prejudice against thin-file consumers, or by using alternative identity-proofing processes that don't discriminate against race, gender, age or ability, customer and citizen transactions can take place safely and inclusively for everyone.

Laura Barrowcliff, Head of Strategy and Customer Insight

Training and reporting

The be/yourself programme is supported by our Inclusion, Diversity and Equality Policy. The policy communicates our team members' responsibility and rights to inclusion and equality, as well as clarifying our zero-tolerance towards discrimination.

All new starters receive an introduction to the programme in their mandatory induction training and are automatically enrolled onto training on 'Unconscious Bias' and the 'Bystander Effect'.

We continue to publish our annual Gender Pay Gap Report, which is available on our website at www.gbtplc.com/en/legal-and-regulatory/gender-pay-reports/. In our 2021 report, we expanded from reporting solely on the UK to also reporting on the US, UK, Australia and Malaysia, which account for over 80% of our global headcount. We have continued to report on this expanded information this year.

Attracting and retaining talent

One of our top priorities is to attract and retain a diverse workforce of great people. A key way we do this is through our employee value proposition (EVP), which sets out five areas of our business which enable us to stand out:

- We make the world a safer place
- We trust each other and win together
- We are local experts in a global business
- We want you to be yourself
- We grow when you grow

Our EVP is prominent in our brand and gives potential team members, investors and customers a trusted view of our commitments and our dynamic culture.

Our team members embody this through our TRUSTED behaviours. Our behaviours are incorporated in our culture, from how we engage with our customers, how we manage and coach team member performance, to developing new skills, career progression and succession planning and recognition.

We incorporated this approach into our quarterly check-ins, which you can read more about on page 28 and created a series of communications to deep-dive into how our team members can bring these behaviours to life.

Our Family Friendly Policy provides enhanced paid maternity leave, up to 10 paid 'keeping in touch' days for team members on maternity leave and offers added flexibility for all new parents (all genders) to support their families by returning to work part-time on full pay. We know that supporting our team members in their family lives ensures they get the support they need to create a smooth transition when they are ready to return to work.

Engagement and satisfaction

Every six months we invite our team members to respond to a series of questions relating to workplace satisfaction, management quality and overall engagement. We partner with Gallup, the global consultancy, to ensure the anonymity of participants and to build trust in the process.

93% of our team "would recommend GBG as a great place to work" (2022: 95%), with 89% of our team members responding (2022: 93%) (including all GBG companies). While we recognise these results have seen a small decline, we are pleased so many of our team members continue to contribute and would recommend our organisation.

Team managers are accountable for sharing their team's results, facilitating effective action planning sessions with their teams, keeping the plans live and ensuring there is progress on engagement goals after each survey. We also track this performance over time and build longer-term actions into our overall engagement plans and request that team managers do so for their teams as well.

After its successful launch last year, we continue to offer our team members the choice to Work When and Where They Want. The policy empowers all our team members to choose to work where they want, whether that's from the office, home, a holiday home, or even another country. They also have the flexibility to manage their day and week in a way that works for them and fits in with their personal and work priorities.

Environmental, Social and Governance continued

Our attrition rate has decreased this year to 9.0% (2022: 15.6%), which we are very pleased to see and we believe is, in part, due to our flexible approach and the work we do on understanding and responding to team feedback. We are also proud that this is far below industry levels, with Forbes quoting a 23% average industry average⁶.

Training and development

This year we have commenced a comprehensive workforce planning exercise to ensure that we understand the roles we need now and plan for the ones we will need in the future. This included ensuring that we have a pipeline of diverse talent at multiple levels and that they can receive the development they need to grow with us.

We want everyone in our team to have access to opportunities to learn, develop their skills, grow their careers and progress. Through our training platform, be/developed, we offer a broad range of power skills and job-specific learning opportunities, which are updated regularly. The platform is available to all GBG team members, including part-time and contractors, who are also required to complete our mandated training courses. We partner with different training providers globally to provide a mix of specialist and professional development.

In FY23, our team conducted a total of 19,965 hours of training (2022: 17,899). This year we also launched Lead@GBG, which is leadership training to empower today's leaders and give them the skills to support the leaders of the future.

Our team members were pursuing 80 external formal qualifications, degrees and certifications (2022: 40) in FY23.

After the success of our first global mentoring scheme last year, we decided to launch another cohort of partnerships. The scheme provides opportunities for both the mentor and the mentee to develop their career, broaden their network and increase their knowledge. All members of our Executive team are part of the programme. We are delighted to have 60 active partnerships and over half of the mentees are female. So far, 19% of the mentees have progressed in their career while in the programme.

We continue to offer apprenticeships to new starters and existing team members. In FY23 we had 10 team members undergoing training at a variety of levels and stages in their career (2022: 11).



Without the apprenticeship scheme and without GBG's willingness to take on the levy requirements when hiring me, I don't think I would have ever had the opportunity to do a Masters degree. The difference both my managers and I have seen in my confidence and knowledge has been significant.

Caroline Saunders, Information Security Compliance Analyst

Recognition and incentives

We operate an annual Sharesave Plan, which affords all team members globally, including part-time, at GBG⁷, the opportunity to share in the Group's performance.

We also recognise and reward outstanding achievements and contributions to the business through the GBG awards. Every team member can nominate a colleague with awards attributed to three key areas aligned with our strategy: people; innovation; and customer. A winner for each category is selected quarterly and we also select overall winners at the end of the year, who all receive a prize for their contribution.

We have worked to improve access to variable rewards for all our team members, including non-sales, through role-based bonuses.

We want to ensure our team members are clear about expectations and feel supported to achieve them. We ask everyone to have quarterly check-ins with their manager to discuss progress, development and growth. It gives a structured opportunity to get feedback and discuss professional development and enables managers to have a real-time understanding of what's needed to support their team.

6. 'Spiking Attrition Impact On IT And Engineering Services' quotes post-COVID attrition among third-party IT and engineering service providers is currently 23% www.forbes.com/sites/peterbendorsamuel/2022/05/31/spiking-attrition-impact-on-it-and-engineering-services/?sh=772338a47c99

7. With the exception of China, Israel and countries with less than five team members, where we are unable to offer the Sharesave plan

Health and safety and wellbeing

We continued to release resources and run events and training this year in line with the five core wellbeing areas:

- Mental fitness
- Healthy lifestyle
- Social engagement
- Physical fitness
- Financial stability

For example, in recognition of the struggle rising costs can cause, we held InspireME talks in partnership with FinWELL on building a better relationship with money. This included strategies and tips on improving control of our personal finances and our wellbeing consultant hosted sessions on managing mental health during difficult financial times.

All team members globally have access to our Employee Assistance Programme ('EAP') to help get them the support they need. EAP grants team members access to confidential help with issues such as health, financial support, family matters or other problems which may lead to worry or anxiety. We take our responsibility for health and safety very seriously and are committed to a programme of progressive improvement.

Our Health and Safety Policy outlines our key standards, systems and procedures. We share guidance updates on health and safety with our team members regularly.

Society

We encourage our team members to be active citizens in their local communities through volunteering. One of the ways we do this is through the GBG Challenge, which, for over 17 years, has been a physically demanding challenge that our team members take part in to raise money for the year's chosen charity. In FY23, we raised money for the Disasters Emergency Committee's Ukraine Appeal and to reflect the urgent nature of the situation, we made our donations regularly throughout the year rather than waiting until the end of the year. We also ran a virtual challenge, which enabled those who couldn't take part in a challenge in person to set their own challenge, with the aim of travelling from our Chester, UK, office to Kyiv, Ukraine. In FY23 we raised £27,297.



Stories from our solutions:

Helping consumers discover and claim lost financial assets

This year we announced a partnership with Gretel, an online service reuniting consumers with lost and dormant accounts held in the UK for free. If there's a pension, bank or investment account that's been forgotten since the owner got married, moved house or moved jobs, our partnership enables it to be matched to a new name or current address.

Gretel estimates that there are nearly 20 million customer accounts with a combined value of over £50 billion that have been lost or forgotten in the UK alone. Our identity technology and access to millions of data records, can match consumers and reconnect them with their lost money.



At a time when the cost of living in the UK is at its highest in 30 years, getting the £50 billion of dormant, lost and unclaimed money from savings, investments and pensions back into the hands of the consumer, where it belongs, is more important than ever before.

Duncan Stevens, Chief Executive of Gretel



Our identity data coupled with our technology unlocks the ability for Gretel to reunite lost assets with their owners. This is a great example of how our solutions can be used to power useful and timely innovation that has wider societal benefits.

Hattie Fancourt, Business Development Director of GBG

Environmental, Social and Governance continued

Ethics

Corporate governance

Our ESG Committee provides oversight for our ESG-related activities and represents the Board in defining our ESG strategy and making sure we take a systematic approach to reviewing relevant practices and initiatives. You can read the ESG Committee report on pages 96 and 97.

The Board and its committees oversee, and are ultimately responsible for, ethical issues. We provide training as part of our Group learning management system, 'be/developed', which outlines how to apply an ethical framework to decision-making in the workplace.

Our Executive Directors have ESG-linked targets in their remuneration to emphasise senior accountability and make sure that they consider ESG factors in business planning, priorities and decision making. You can read more about the criteria for Executive Director remuneration on page 81.

We fully comply with the Quoted Companies Alliance Corporate Governance Code.

Practices and policies

Please find an outline of some of the practices and policies we've adopted to ensure GBG is an ethical and sustainable place to work and that our partners can understand and align with our approach.

- Our Code of Conduct reaffirms our approach to professional and ethical standards. It provides clarity about what doing the right thing involves and explains how we can work in support of our Strategy, demonstrating to our stakeholders that GBG is a responsible business with strong values. We updated the Code this year to reflect our evolving approach to ESG and modern slavery
- Our Whistleblowing Policy outlines how to raise a concern confidentially to our external Whistleblowing Hotline, which is available 24/7 in local languages, without fear of reprisals. The policy applies to all individuals working at GBG (whether permanent, fixed-term, or temporary), consultants, contractors, volunteers, interns or any other person associated with GBG. You can find out more about our Whistleblowing procedures on page 76

- We have an open culture and seek to resolve most issues informally. When this isn't possible, however, we have a formal grievance procedure that supports all team members in escalating and resolving concerns
- Our Anti-Corruption and Anti-Bribery Policy sets out our responsibilities in observing and upholding a zero-tolerance position on bribery and corruption. The policy applies to all team members who work for GBG, including its subsidiary companies across all jurisdictions. We require all team members to read, understand and comply with, the information contained within the policy
- Our suppliers are an integral part of our operations and ambitions. The GBG Supplier Code of Conduct sets out our expectations of our full supply chain to ensure high standards are maintained and that our suppliers behave honestly, ethically, fairly and with integrity at all times

Modern slavery

We recognise that all businesses have a key role to play in preventing all types of modern slavery in their own business operations and supply chains.

We have published a Modern Slavery Statement on our website (www.gbGPLC.com/en/legal-and-regulatory/). This statement sets out our commitment to improving our practices to ensure that modern slavery and human trafficking are not taking place in any part of our business operations or supply chain.

Our Modern Slavery Statement is available for all our team members on our intranet, 'be/connected', to make sure everyone understands the risks of modern slavery and human trafficking in our business and supply chain. In addition, we require all new starters to review and confirm their understanding of our Statement as part of their online induction process.

We have continued our partnership with the Slave-Free Alliance this year to help us create and adapt the structures and processes need to improve our approach. We have finalised our gap analysis process and are now working on making the improvements to the gaps in our business which have been identified. The first activities completed included a review of modern slavery provision within our policies. This enables us to provide clarity on the standards and expectations we have set, as we work together towards a world without modern slavery.

Data ethics, security and privacy

Throughout GBG, including at Board level, we have always been committed to implementing leading data protection standards to ensure we comply with applicable legislation and process data securely. We know, however, that this isn't enough – we believe that the ethical use of data goes beyond this. We support this by placing individuals at the heart of what we do, which gives the added benefit of building trust with all stakeholders: individuals, our customers, suppliers, team members, investors and regulators.

We have a global team of experts focused on privacy and data security who work collaboratively with our commercial teams to find solutions that deliver positive outcomes for individuals and our customers. Ethical use of data is an everyday effort, with robust processes and procedures to ensure processing is within the expectations of an individual, that involves minimisation in terms of collection, storage and purpose, plus timely notification where required.

Prior to any processing, we conduct robust privacy and information security due diligence on the third parties we engage with to ensure the operations of third parties are in line with our Company policy (linked below). We carry out a detailed review of the activity involved to ensure we meet legal requirements and maintain high standards.

Internally we have a programme known as 'be/compliant' helping every team member to deliver on our data ethics target. At its simplest level, be/compliant is based on four guiding principles:

1. We will ensure we know what we can do with data and, if unsure, we will ask
2. We will be clear about how we are going to use data
3. We will ensure we protect the data we hold or process
4. We will ensure compliance, both individually and as a team

We embed be/compliant into our business operations, utilising a number of mechanisms including training and awareness. We deliver global privacy and information security training for all GBG's team members annually, including part-time and contract team members. Training is mandatory regardless of a person's role and it is also tracked to ensure completion.

You can find out more by reading about our Privacy Approach (www.gbtplc.com/en/legal-and-regulatory/privacy-approach) and our Privacy Policies (www.gbtplc.com/en/legal-and-regulatory/) on our website.

Cyber security

We've maintained our ISO27001 certification for our UK locations and for our Canberra, Australia office, as well as PCI DSS certification.

We also have a 24/7 security operations centre that responds to any event or notification to uphold GBG's security posture. This means we have eyes and ears on the threats and threat actors that pose a risk to our business.

We also maintain product and location-specific controls and certifications, such as Loqate Verify's ISO20243 certification or IDology's SOC Type II audit.

We conduct external information security systems audits at least annually.

Maintaining the highest levels of privacy and security operations is fundamental to what we do.



Stories from our solutions:

Enabling financial inclusion in the United States

The long-standing approach of opening a bank account by visiting a local branch to provide physical proof of identity is becoming a thing of the past. Today, digital identity verification provides a secure, efficient and flexible approach to reduce friction when onboarding consumers and businesses. This can support greater financial inclusion, especially given the number of individuals who are virtually invisible to the financial system. The use of real-time identification via non-documentary methods can empower regional and community financial institutions (FIs) to grow at scale and thrive by offering an intuitive user experience.

GBG is a trusted and integrated digital account opening partner for Alkami, a leading cloud-based digital banking solutions provider for banks and credit unions in the United States. GBG's digital identity solutions leverage data records such as electoral rolls or data from utility companies in addition to identity documents to enable Alkami's customer base to accurately verify their consumers and businesses' identities. Alternative data, such as IP address, email and phone number, provides an additional layer of understanding to identify suspicious or potentially fraudulent accounts, which can prevent financial crime such as identity theft and money laundering.



GBG's solutions integrate into Alkami's platform to provide a frictionless approach for digital account opening. By leveraging innovative solutions that cater to the changing needs of society, we are making the financial system more accessible to all. Together, we are reshaping how banks and credit unions verify identities – allowing financial institutions to grow market share, acquire and retain hard-earned banking relationships, and compete successfully.

Har Rai Khalsa, Vice President, Digital Account Opening & Loan Origination, Alkami

Chief Executive Officer's review



Chris Clark
Chief Executive Officer

GBG's performance this year is in no small part due to the dedication of our 1,250+ global team. Their commitment and expertise, working tirelessly in partnership with our valued customers, have enabled GBG to navigate the present and evolving macro uncertainty and deliver important strategic progress and operational improvements.

Overview

GBG has a clear purpose, to build trust in a digital world, enabling individuals and businesses to transact online with confidence in the growing digital marketplace. We are at the forefront of the global market for location intelligence, identity verification and fraud prevention. These markets are converging and have strong structural growth drivers such as digital acceleration, eCommerce adoption, increased regulation and the rising industrialisation of digital fraud across sectors. The rapid development of artificial intelligence (AI) has further reinforced the need for customers to adopt multi-layered identity solutions to combat bad actors exploiting these emerging technologies to the detriment of consumers.

The global identity market has seen significant macro uncertainty and GBG has not been immune, with the challenging post-pandemic conditions for the internet economy, cryptocurrency and fintech customers in particular, primarily impacting our identity business in the Americas. Overall, GBG has demonstrated resilience, with growth in revenue and a strong adjusted operating profit margin for FY23, despite, as previously indicated, tough comparators driven by the US stimulus project and exceptional cryptocurrency volumes.

Importantly, against this difficult backdrop, GBG has maintained its leading market positions, and its strong customer relationships. We have continued to win new logos, accelerated up-sell and cross-sell and maintained excellent customer retention rates. At the same time we have driven simplification and efficiency within the business. GBG's performance this year is in no small part due to the dedication of our 1,250+ global team. Their commitment and expertise, working tirelessly in partnership with our valued customers, have enabled GBG to navigate the present and evolving macro uncertainty and deliver important strategic progress and operational improvements to enable the Group to achieve its medium-term growth and profitability plans.

Important strategic progress with our product and technology portfolio

The need to detect and prevent fraud is critically important to our customers, who rely on GBG millions of times each day to increase efficiency, prevent bad actors, and to ensure they know their end customers are who they say they are, with technological shifts such as the advent of generative AI only accelerating the risk involved with operating in the digital world. Our established reputation and relationships as a trusted industry specialist mean GBG is well-positioned as one of the world's leading experts in digital identity to help customers navigate these changes, delivering our multi-layered approach underpinned by our leading combination of data, technologies, and people.

A recent study by identity and security specialists, KuppingerCole, noted the convergence of identity and fraud across the full customer lifecycle, recognising GBG as a market leader in fraud prevention. This year we have focused on deploying our technological capabilities globally, simplifying and rationalising our portfolio to deliver innovation locally that responds effectively to rapidly changing market dynamics. This includes Mobile Fraud Signals in EMEA, while in APAC we extended the fraud monitoring capabilities acquired with Acuant via the GBG Compliance Platform and launched GBG Fraud Alerts. The innovative nature of our solutions supports entry into new markets with growing demand for identity fraud services. Opportunities in Thailand, Vietnam and the Philippines demonstrate our expanding footprint in Southeast Asia, where we are providing fraud data-sharing consortiums to enable customers to combat suspicious transactions effectively.

Our market-leading breadth of capability is a key differentiator in a customer's decision to work with GBG. The integration of the comprehensive document library built by Acuant has upgraded our global documents and biometrics capability to cover 8,000 identity documents, underpinned by AI tampering detection to counter increasing sophistication in counterfeit documents. We are also leveraging our global data partnerships, we have launched our Multi Bureau product in Australia and Canada to build on its success in delivering higher match rates to EMEA customers.

As we evolve, we will remain an expert partner that is easy to work with. The launch of the GBG GO platform enables customers to orchestrate their identity services quickly via a no-code platform. This is resonating with customers, and we are already working with multi-brand gaming such as OX and Jumpman to reduce their risk and maximise customer conversion.

We have continued to expand our broader capabilities in Location, with customers now benefitting from the release of our latest AI-powered address capture/verify solutions, which include AI-parsing capability. This has increased our ability to understand address data with an increased match-rate performance of up to 19% in some markets. Location has also successfully upgraded its digital-first capabilities, developing a next-generation customer experience that we can replicate globally following its initial launch in the Americas. Location's progress this year reinforces the strength of our location intelligence products, which have been recognised by a product leadership award from industry experts, Frost & Sullivan, who highlighted our ability to handle address data more efficiently and accurately than our peers.

Well-positioned for the future

GBG has continued to evolve its go-to-market activities, concentrating on profitable growth through up-selling and cross-selling the breadth of our portfolio, while driving enduring value through our commercial approach, developing solutions bundles to elevate the customer experience. We are enhancing GBG's longer-term competitiveness with product and technology investment in areas to deliver the highest returns, alongside operational efficiency initiatives. This includes reviews of our office footprint in light of hybrid working, marketing activities, the creation of a single global customer support framework and active headcount management.

One of the key activities undertaken this year has been the integration of Acuant with our existing Identity business, IDology, to form the largest pure-play identity verification provider in the Americas. We are well-positioned to navigate the short-term headwinds in our largest region, with the work to achieve the anticipated products and technology benefits of this combination continuing at pace. We delivered £5 million of planned synergy benefits in the last year, with a

runway of enduring benefit to the Group over the medium to long term that reflects the strategic nature of the acquisition.

GBG's go-to-market approach in the Americas has evolved as we capitalise on the increased scale generated by bringing the two businesses together. Beginning April 2023, IDology is the primary go-to-market brand for our identity solutions in this region. This will amplify our voice in a large and fragmented market and leverage our combined capabilities to deliver a unique multifaceted approach in documents & biometrics and data, augmented by the latest machine learning and AI innovations. This is underpinned by a unified sales structure, led by a newly established Chief Revenue Officer role for the Americas, to execute on our priority to capture cross-sell, with over 100 opportunities with new and existing customers secured to date.

Looking ahead, there is a compelling opportunity to build our markets, capitalising on cross-sell and upsell opportunities throughout GBG as we expand use cases with existing customers, as well as capturing new business as we move into new sectors and geographies. High customer satisfaction and net promoter scores higher than our industry benchmarks demonstrate our focus on delivering for the customer. Over 1,275 responses to our Voice of Customer programme this year provide relevant and actionable feedback which we apply to build differentiation through our products, technology and data. This is being reflected in the enhanced solutions we bring to market that offer proprietary data insights to serve customers' evolving needs.

Our focus on delivering for customers is key and we have achieved high customer satisfaction and net promoter scores higher than our industry benchmarks. Over 1,275 responses to our Voice of Customer programme this year provide relevant and actionable feedback which we apply to build differentiation through our products, technology and data. This is reflected in the enhanced solutions we bring to market that offer proprietary data insights to serve customers' evolving needs.

Trading performance

Group revenue and adjusted operating profit were in line with the trading update released on 20 April 2023. Our statutory revenue of £278.8 million (FY22: £242.5 million), represents growth of 15.0%.

Contribution from prior year acquisitions more than offset the tough prior period comparative that includes the unusually high and non-repeating transaction volumes driven by the US stimulus project and cryptocurrency trading customers.

On a pro forma basis, organic constant currency revenue growth was 3.7%. This fully adjusts for the impact of the two prior year acquisitions, including the associated FY23 deferred revenue haircut adjustment. It also adjusts for £4.2 million of revenue from US stimulus customers in the prior period and the full £15.4 million impact from the year-on-year decline in cryptocurrency customer revenues, which was 1.8% of Group revenue in FY23, having stabilised at a run-rate of around 1% going forward. Our Location and Fraud segments performed strongly, delivering double-digit growth, however, overall growth was impacted by the post-pandemic reduction in demand experienced in the internet economy, primarily within our Identity business in the Americas.

Adjusted operating profit increased by 1.7% to £59.8 million, representing an adjusted operating profit margin of 21.5%. Throughout the year, we have maintained discipline around cost and overall headcount, proactively managing our resources to ensure ongoing investment in the business aligns with our medium-term guidance for growth and profitability. On a statutory basis, there was an operating loss of £112.4 million (FY22: profit of £23.4 million), principally due to the FY23 goodwill impairment charge of £122.2 million following the annual impairment review and higher charge for amortisation of acquired intangibles.

The Group's net debt position at the year-end was £105.9 million (FY22: £107.0 million), despite a negative £8.6 million retranslation impact since FY22 from the conversion of US dollar-denominated debt into pound sterling. We will continue to use GBG's ongoing ability to generate good levels of cash to further reduce our net debt over the coming year.

The Board remains committed to a progressive dividend policy that provides consistent reliable cash returns to investors as part of our balanced approach to capital allocation. Based on its ongoing confidence that the business is well-placed for the future, the Board has recommended a final dividend per share of 4.00 pence (FY22: 3.81 pence per share), which represents a year-on-year increase of 5.0%.

Chief Executive Officer's review continued

Location

28%
of Group revenue

Location delivered a strong performance with revenue growth of 11.7% on a constant currency basis to £76.9 million driven by our international expansion in Europe, Americas and APAC, despite softer demand in some sectors. We more than offset these lower transactional volumes with effective up-sell and cross-sell campaigns, proactive pricing strategies and new business in increasingly diversified sectors. This approach yielded positive growth to demonstrate the resilience of Location's business model. We also expanded our existing partnership with IBM, extending our long-standing relationship with a new agreement.

Our new business pipeline has seen wins across sectors and regions. Notable new customers include Inditex (owner of Zara), Converse and Clarks while the trend of manufacturers transitioning to direct-to-consumer sales continues, which includes Scentsy in North America, Delonghi in Italy and Teufel Audio in Germany. We have also continued to diversify through our new customer acquisition. By building on the Group's strength in financial services and gaming, we are now delivering our Location capabilities to customers such as Credit One, Klarna, Lloyds Bank and Bet365 to help meet their regulatory needs and improve transaction effectiveness.

Identity

58%
of Group revenue

Identity's statutory revenue increased to £162.7 million, as a result of the acquisitions of Acuant and Cloudcheck in FY22. On a pro forma constant currency basis, revenue declined by 1.9%, which adjusts for the slowdown in volume from cryptocurrency customers and the non-repeat of the US stimulus work. This reduction, as previously announced, largely reflects the specific impact of lower volumes from internet economy customers, who benefitted significantly from pandemic-related changes in consumer behaviour with a particular impact in the Americas.

Identity	FY23 £m	FY22 £m	Change %
Statutory revenue	162.7	142.8	13.9%
Acquisitions/disposals	-	31.4	-
Full YoY decline in crypto customer revenue	-	(15.4)	-
Revenue related to US stimulus work	-	(4.2)	-
Constant currency adjustment	-	12.3	-
Unwind of deferred revenue haircut and other	1.0	-	-
Pro forma constant currency revenue	163.7	166.9	(1.9%)

The uncertainty also led to an incremental lengthening of sales cycles and project delays. The trends in this region influenced the assumptions used for the annual impairment review, which resulted in an exceptional non-cash impairment charge of £122.2 million, with more detail provided in the financial review.

Outside the Americas, Identity demonstrated resilience through greater sector diversity as EMEA and APAC achieved combined constant currency pro forma organic growth of 9.1%. We are also pleased that, regardless of the overall volume reduction, our customer retention rate remains strong. New customer acquisition continues to contribute to underlying growth, driven by structural opportunities in sectors such as gaming, financial services and the public sector. We demonstrated our ongoing strength in gaming; securing Bally's, Pollard, and NTD in the Americas and Australia; while securing new financial services customers such as Confidia, Mortgage Advice Bureau and Transamerica Lending. A number of additional law enforcement and local authority customers continue to indicate growing public sector demand.

As noted above, we completed the integration of our two businesses in the Americas, creating a strong foundation as our team moves forward as IDology. The team is focused on a number of cross-sell and up-sell revenue initiatives, with customers such as B2B Soft, ClickBank and Qolo among over 100 customers now gaining the benefit of the expanded capabilities we offer. We have also been encouraged by cross-sell in our EMEA and APAC regions for the GBG Compliance platform, with customers such as ZeusFX, Tazapay and BuddyBet being notable new logos selecting our SaaS-based solution for its international coverage.

Fraud

14%
of Group revenue

We continue to see an increasing convergence of fraud and identity which is driving the strong demand for our fraud prevention and detection solutions as customers look to deploy an integrated approach to respond to the fast-evolving threat landscape. Revenue of £39.2 million represents strong organic constant currency growth of 14.7% from success in securing new customers and renewals of agreements with large financial institutions, which demonstrate the importance of GBG's fraud prevention capabilities to customers in both APAC and EMEA. Our new customer pipeline reflects our expansion in Southeast Asia, in Malaysia with CTOS, Union Bank of the Philippines and Bank BJB in Indonesia, while in EMEA we secured Banque Marocaine. We continue to see use case expansion for our specialist fraud investigation capabilities with the UK Government's Department for Work & Pensions, in addition to a competitive win-back of Next, one of the UK's largest non-food retailers.



Recognition for our highly engaged team

Our success and ongoing progress is driven by our 1,250+ people delivering each day for our customers. They create an inclusive environment that supports our position as an employer of choice. We were delighted to have been recognised with Gallup's 2023 Exceptional Workplace Award. Of 57 companies awarded globally, GBG was one of only two companies headquartered in the UK to be selected.

The award reflects our commitment to prioritising team engagement, which we have placed at the heart of our business strategy. We measure this on an ongoing basis with the results consistently demonstrating the high levels of engagement in the organisation, with our latest Q12 survey reporting that 93% of our team members recommend GBG as a great place to work. While we have actively managed our headcount, we have continued to invest in our people. This year we have recognised 138 team members by awarding them with promotions for their contributions to the Group's performance.



Looking ahead, there is a compelling opportunity to build our markets, capitalising on cross-sell and upsell opportunities throughout GBG as we expand use cases with existing customers, as well as capturing new business as we move into new sectors and geographies.

Progress on Environment, Social & Governance (ESG)

At GBG, we are committed to driving positive change and ensuring that the needs of our stakeholders are reflected in our evolving ESG strategy. We have worked closely with our team, customers and investors to identify key areas for improvement, including business and data ethics, people development and inclusion, diversity and equality. We have embedded this feedback into our strategy and processes, as we strive to meet our targets to reduce our environmental impact and increase diversity within our business.

We are actively managing the environmental impact of our operations and solutions while continuing to drive growth and innovation across our business. This year we formalised our ESG strategy and approach to measure, communicate and enhance our impact. Having become carbon neutral in our operations during FY23, we have now set out a longer-term target to become a carbon net zero business by 2045, supported by a 42% reduction in our Scope 1 and 2 emissions over the next decade.

GBG's approach to data use is critical to building a more inclusive digital economy, with our recent Digital Identity Service Provider certification against the UK Government's trust framework being one such example of our commitment to data privacy and security. Following the UK's Information Commissioners Office 2018 audit of data in GBG's services conducted along with several companies, we have now received confirmation that formal engagement has closed. Our significant capabilities and expertise will enable us to continue applying the highest data privacy and protection standards in our operations as a key differentiator for our offering.

Outlook

In the year ahead, GBG will continue to evolve its go-to-market activities, concentrating on profitable growth through up-selling and cross-selling the breadth of our portfolio, driving enduring value through our commercial model as we implement solutions bundles to elevate the customer experience. We will also prioritise enhancing GBG's competitiveness over the longer term, focusing product and technology investment in areas that deliver the highest returns and implementing initiatives to increase our operational effectiveness.

Since our update in February, there has been no material change in market conditions. While uncertainty remains, we still expect some gradual revenue acceleration in the latter part of the year. The Board is confident that GBG will deliver its FY24 profit expectations assisted by a group-wide focus on efficiency. The business is well-placed to benefit from structural growth, capitalising on the breadth of its capabilities and global reach to deliver our mid-term targets.

GBG has a high-quality global customer base, engaged people and differentiated products. The business is well-positioned to capitalise on the significant potential in our markets with solutions that are crucial for customers to operate safely and efficiently in a digital world. Notwithstanding the current headwinds facing the business, the Board remains confident in the long-term opportunity for GBG as the world continues to build an ever-increasing business presence online.

Chris Clark
Chief Executive Officer
On behalf of the Board
 14 June 2023

Key performance indicators

The Board monitors the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Performance is assessed against the strategy and budget using financial and non-financial measures.

The following details the principal Key Performance Indicators ('KPIs') used by the Group, giving the basis of calculation and the source of the underlying data.

A summary of performance against these KPIs is set out opposite. Statutory measures are those taken directly from the Consolidated statement of profit or loss or Consolidated balance sheet. Non-Statutory measures are defined within the last note to the financial statements.

The Group uses the following primary measures to assess the performance of the Group.

Financial

Revenue and pro forma/organic revenue growth at constant currency

Revenue and revenue growth are used for internal performance analysis to assess the execution of our strategies.

Pro forma and organic growth are also measured, although those terms are not defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

Pro forma growth is defined by the Group as year-on-year continuing revenue growth, after adjustments for the pre-acquisition/disposal revenue from acquisitions/disposals in the past twelve months and excluding non-underlying items.

Organic growth is defined by the Group as year-on-year continuing revenue growth, excluding acquisitions (until the date of their anniversary) and disposed businesses.

Pro forma and organic growth are measured on a constant currency basis to remove the impact of changes in exchange rates.

Adjusted operating profit

This is used for internal performance analysis and to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

Adjusted EBITDA

This is used for internal performance analysis and to assess the execution of our strategies. Management believe that this adjusted measure is an appropriate metric to understand the underlying performance of the Group.

Earnings per share

Earnings per share is calculated as diluted earnings per share from continuing operations on both an adjusted and unadjusted basis.

Earnings per share growth

This is calculated as the growth in year- on-year earnings per share on both an adjusted and unadjusted basis.

Net cash/debt

This is calculated as cash and cash equivalent balances less outstanding external loans. Unamortised loan arrangement fees are netted against the loan balance in the financial statements but are excluded from the calculation of net cash/debt.

Net debt leverage

This is calculated as the ratio of Net (Debt)/Cash to Adjusted EBITDA. This demonstrates the Group's liquidity and its ability to pay off its incurred debt. The ratio is a covenant within the Group's bank facility.

Cash conversion

This is calculated as cash generated from operations in the Consolidated Cash Flow Statement, adjusted to exclude cash payments for exceptional items, as a percentage of Adjusted EBITDA.

Deferred revenue

Deferred revenue, which is included in our Consolidated Balance Sheet within Trade and Other Payables, is the amount of invoiced business in excess of the amount recognised as revenue. This is an important internal measure for the business and represents the amount that we will record as revenue in our Consolidated Statement of Profit or Loss in future periods. Trends may vary as business conditions change.

Non-financial

Employee engagement

Team member engagement is a key focus area for the business in order to retain and grow what we believe is some of the best talent in our industry. This is measured twice a year through a group wide employee survey conducted through an external provider.

Performance against KPIs

A summary of the Group's progress in achieving its objectives, as measured against KPIs, is set out opposite. Non- Statutory measures are defined on pages 179 to 181.

	FY23	FY22
Revenue growth	15.0%	11.4%
Pro forma revenue growth at constant currency (FY22: organic)	3.7%	10.6%
Fraud pro forma growth at constant currency	14.7%	15.7%
Identity pro forma growth at constant currency (FY22: organic)	(1.9%)	8.5%
Location pro forma growth at constant currency	11.7%	12.7%
Recurring revenue (pro forma) %:		
– Subscription revenue %	56.7%	54.1%
– Consumption revenue %	37.0%	37.5%
Adjusted operating profit (£'000)	59,817	58,839
Adjusted operating profit %	21.5%	24.3%
Adjusted EBITDA (£'000)	63,147	62,196
Adjusted EBITDA %	22.6%	25.6%
Earnings per share – diluted	(47.5p)	6.9p
Earnings per share – adjusted diluted	16.4p	20.2p
Earnings per share growth – diluted	(786.2%)	(48.9%)
Earnings per share growth – adjusted diluted	(18.7%)	(9.8%)
Net (debt)/cash (£'000)	(105,918)	(106,952)
Net debt leverage (multiple of adjusted EBITDA)	1.68	1.72
Cash conversion %	67.3%	95.7%
Deferred revenue (£'000)	56,507	58,823
Employee engagement	93%	95%

Financial review

Principal activities and business review

We are the experts in digital location, identity and managing fraud risk and compliance. Helping organisations across the globe eliminate customer friction and fraud from their digital experiences. GBG develop and deliver address verification, digital identity, fraud risk and compliance software to businesses globally.

Through the combination of the latest technology, the most accurate data and our unrivalled expertise, GBG helps organisations ranging from start-ups to the largest consumer and technology brands in the world deliver seamless experiences, so their customers can transact online with greater confidence.

The performance of the Group is reported by segment, reflecting how we run the business and the economic characteristics of each segment. There are three reportable segments, Location, Identity and Fraud.

The Group results are set out in the Consolidated statement of profit or loss and explained in this Financial Review. A review of the Group's business and future development is contained in the Chair's Statement, the Chief Executive Officer's Review and in this Financial Review.

The Group uses adjusted figures as key performance indicators in addition to those reported under UK-adopted International Financial Reporting Standards and in accordance with standards issued by IFRIC. Adjusted figures exclude certain non-operational or exceptional items, which is consistent with prior year treatments. Adjusted measures are marked as such when used and are explained on pages 179 to 181.

In the year to 31 March 2023 (FY23), GBG's revenue and profit growth was lower than we had expected at the start of the year largely due to two significant external factors that emerged in the period. Firstly, significantly higher levels of cost inflation, which had an impact on interest rates and consumer confidence.

Secondly, GBG was not alone in experiencing an impact during FY23 from adjustments to consumer behaviours following the end of the Covid-19 pandemic that caused some level of reversal of the large accelerating strides made in the digitalisation of the economy during the pandemic.



The Group responded proactively to the tough macroeconomic conditions, undertaking initiatives that will benefit our operational efficiency over the longer term.

Despite these factors that led to GBG falling short of our original financial expectations for FY23, we still recorded our highest ever level of revenue and adjusted operating profit.

Growth in the year included contributions from the Acuant and Cloudcheck businesses that were acquired during the prior year. This more than offset a tough prior period comparative that included a benefit from unusually high and non-repeating transaction volumes driven by the US stimulus project and cryptocurrency trading. Excluding this non-repeating revenue, the pro forma growth was 3.7% on a constant currency basis.

The Group responded proactively to the tough macroeconomic conditions, undertaking initiatives that will benefit our operational efficiency over the longer term, with the near-term outcome enabling an adjusted profit margin of 21.5% (FY22: 24.3%), despite the margin of the prior year having benefited from the non-repeating revenue mentioned above, but also in the face of higher cost inflation pressure. Excluding gains on foreign exchange partially offset by the impact of the FY23 deferred revenue haircut adjustment, the FY23 adjusted operating profit margin would have been 20.7% (FY22: 24.7%).

GBG's commercial model and resilient customer retention continues to support strong cash generation and good forward visibility due to our high levels of repeatable revenue, with 93.7% (FY22: 91.6%) of pro forma revenue coming from subscriptions or consumption. It is our commercial model that ensures that GBG's balance sheet remains strong and during FY23 we continued to focus on cash generation and repayment of the debt that we took on to facilitate the two acquisitions that we completed in FY22. By the end of the year GBG's net debt to EBITDA ratio was 1.68 times (FY22: 1.72 times).

We were pleased to obtain approval for the exercise of the first of the one-year extension options on the existing revolving credit facility. Extending the length of the facility through to July 2026 provides a platform to support investment in organic growth and potential future M&A activity.



	FY23 £'000	FY22 £'000
Revenue	278,810	242,480
Gross profit margin	71.0%	70.9%
Adjusted operating profit	59,817	58,839
Adjusted operating profit margin	21.5%	24.3%
Share-based payments	(2,313)	(6,171)
Amortisation of acquired intangibles	(42,758)	(24,735)
Impairment of goodwill	(122,225)	-
Other exceptional items	(4,950)	(4,526)
Operating (loss)/profit	(112,429)	23,407
Net finance costs	(6,401)	(1,754)
(Loss)/profit before tax	(118,830)	21,653
Total tax charge	(964)	(6,390)
(Loss)/profit for the year	(119,794)	15,263
Final dividend per share (pence)	4.00	3.81
Diluted (loss)/earnings per share (pence)	(47.5)	6.9
Adjusted diluted earnings per share (pence)	16.4	20.2

Financial review continued

Revenue and gross margin

Total revenue growth in the year was 15.0% (FY22: 11.4%). On a pro forma basis, adjusting for the impact of acquisitions, disposals and non-repeating revenue and at constant foreign exchange rates, revenue growth was 3.7%. More detail on revenue performance in each of our operating segments is included in the Chief Executive Officer's Review.

In total on a pro forma basis, 93.7% (FY22: 91.6%) of revenue came from the combination of subscriptions and consumption revenue models which is illustrated in the table below.

This mix of business models provides a strong foundation for investment and growth as subscription revenues (56.7%) provide greater forward visibility whilst the consumption revenues (37.0%)

enable GBG to share in the future growth of our customers. In the current year, the statutory consumption revenues at constant currency have declined in absolute terms by 17% as well as on a relative basis (37.8% in FY22) due to the economic environment where underlying consumer demand has been lower in some of our key end markets.

Gross margin for the year of 71.0% (FY22: 70.9%) was consistent with the prior year.

	2023				
	Statutory revenue £'000	Pre-acquisition /disposal revenue £'000	Deferred revenue haircut £'000	Non-repeating revenue ¹ £'000	Pro forma revenue
Subscription revenues:					
Consumption-based	45,427	-	-	-	45,427
Term-based	112,034	-	1,241	-	113,275
Total subscription revenues	157,461	-	1,241	-	158,702
Consumption	103,834	(219)	-	-	103,615
Other	17,515	-	-	-	17,515
Revenue	278,810	(219)	1,241	-	279,832
	2022				
Subscription revenues:					
Consumption-based	37,402	7,573	-	-	44,975
Term-based	76,465	14,781	1,381	-	92,627
Total subscription revenues	113,867	22,354	1,381	-	137,602
Consumption	115,212	(409)	-	(19,565)	95,238
Other	13,401	7,986	-	-	21,387
Revenue	242,480	29,931	1,381	(19,565)	254,227

1. Non-repeating revenue represents revenue from the US government's stimulus programme and exceptional cryptocurrency volume

Operating loss and cost management

On a statutory basis, there was an operating loss of £112.4 million (FY22: profit of £23.4 million), principally due to the FY23 goodwill impairment charge of £122.2 million and higher charge for amortisation of acquired intangibles (FY23: £42.8 million).

Adjusted operating profit was £59.8 million (FY22: £58.8 million), which represents a margin of 21.5% (FY22: 24.3%).

The decrease in margin was expected as FY22 benefitted from the one-off revenue impacts, while the current period benefitted from an FX gain of £3 million on the retranslation of intercompany loans.

During FY23, we undertook a number of initiatives and reviews designed to increase operational efficiency and enable sharper focus. In totality, these actions kept our adjusted operating cost increase over FY22, in pro forma constant currency terms, to just 2.5%, despite our investments in Technology and the higher inflationary environment. For example, we reviewed our office space requirements in light of our hybrid working patterns, combined our Identity go-to-market teams and brands in the Americas and created a single global customer support framework. These initiatives facilitated a disciplined approach to cost control throughout the year, responding to the macro environment but also enabling GBG to increase investment into a number of key product development activities to ensure we maintain our competitive advantage and are positioned to achieve our short, medium and long term goals. Total spend on technology increased to £54.0m (FY22: £37.7m), which represents growth on a constant currency basis of 22.8% excluding the impact of prior year acquisitions.

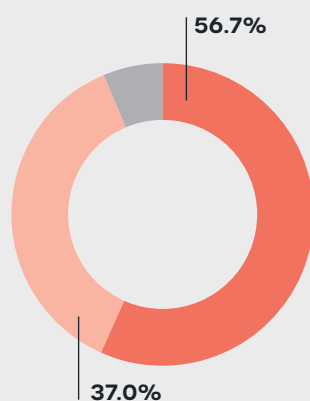
Exceptional and normalised items

Amortisation of acquired intangibles

The charge for the year of £42.8 million (FY22: £24.7 million) represents the non-cash cost of amortising separately identifiable intangible assets including technology-based assets and customer relationships that were acquired through business combinations.

The increased charge in the year is due to the full-year impact of the acquisitions of Acuant (4 months only in FY22) and Cloudcheck (2 months only in FY22) in the prior year.

Pro forma revenue by type



- Subscription revenues
- Consumption revenues
- Other

**FY23
Revenue**

£278.8m

**FY23 Adjusted
operating profit**

£59.8m

**Total revenue
growth**

15.0%

**Pro forma constant
currency
revenue growth**

3.7%

Share-based payments

During FY23 3.3 million (FY22: 1.9 million) new share option awards were granted to Directors and team members across the Group. This increase was due to the share price being comparatively lower in FY23 leading to a greater number of shares being awarded for any given value.

The charge for the year of £2.3 million (FY22: £6.2 million) has decreased due to a combination of the fair value of current year awards being lower as the Group's share price has fallen, and some prior year awards now not expected to vest in full due to performance conditions not being expected to be fully met.

Impairment of goodwill

As required under IFRS, the Group conducts an annual impairment review of goodwill and intangible assets. This review compares the carrying value on the Group's balance sheet of those assets against the present value of the future cashflows they are expected to generate.

As explained in more detail in the Chief Executive Officer's Review, the Group did not fully meet the financial objectives we set ourselves at the start of the year, primarily through the difficult trading conditions in our identity business in the Americas which represents the combination of the IDology and Acuant acquisitions. This group of cash-generating units (CGUs) was tested for impairment for the 30 September 2022 half-year review, based on the information at that time, and the conclusion was that there was no impairment under the base case or sensitised models.

However, as reported in the trading update in February 2023, the trends that had been impacting our identity business in the Americas continued into the second half of the year. Furthermore, we also saw incremental lengthening of sales cycles and project delays due to macro-economic uncertainty which impacted some customer contracts that had been included in the FY23 forecast. As a result, the cashflows used in the year-end impairment assessment were lower than those at the half-year, consequently, the outcome of the impairment review was a non-cash, exceptional impairment charge of £122.2 million, which represents approximately 19% of the pre-impairment carrying value of £644.1 million.

Financial review continued

Other exceptional items

In addition to the goodwill impairment charge, other exceptional costs of £5.0 million (FY22: £4.5 million) were incurred by the Group in the year and have been detailed in note 7 to the accounts. Broadly, these exceptional charges arose either from our M&A activities in prior years or were incurred to enable our initiatives to achieve operational efficiency.

The most significant elements in the current year were: £2.8 million write-off of the intangible asset for the Acuant brand following the strategic decision to adopt IDology as our primary go-to-market Identity brand in the Americas; the exit costs for a limited number of team members which totalled £1.8m and were necessary as we streamlined some teams and delivered acquisition synergies; and acquisition integration costs of £1.1 million.

Exceptional items also contained contingent consideration adjustments related to acquisitions in prior years, where these adjustments needed to be reflected in the Consolidated statement of profit or loss. We released £2.8 million contingent consideration related to the Cloudcheck acquisition where the maximum earn-out targets were not achieved and we completed the final payment in respect of the IDology acquisition with an FY23 cost of £0.8 million. The majority of this cost was offset by interest income as detailed in note 9.

Net finance costs

The Group incurred net finance costs for the year of £6.4 million (FY22: £1.8 million). The increase is due to the interest payable on the loan that was drawn down to part fund the Acuant acquisition in November 2021. The interest rate on the loan is variable and the interest rates payable have continued to increase during FY23.

Taxation

The total tax charge of £1.0 million (FY22: £6.4 million) includes £12.9 million of current tax payable on the Group's taxable profits in the year (FY22: £12.1 million), offset by a deferred tax credit of £11.9 million (FY22: £5.7 million).

The statutory effective tax rate for the Group has decreased from 29.5% in FY22 to negative 0.8% in FY23. The majority of this decrease is due to the impairment of goodwill which is not deductible for tax purposes and greater amortisation on acquired intangibles in the United States which has a higher tax rate.

The adjusted effective tax rate, which excludes the impact of amortisation of acquired intangibles, share-based payments and exceptional items decreased from 22.1% to 21.3%.

Following the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023, the Group expects its future adjusted effective tax rate to be within the range of 25% to 27%. However, the Group's future tax charge and effective tax rate could be affected by several factors which may be currently unknown, including the geographical split of future revenues and profits.

Earnings per share

Basic earnings per share decreased from 7.1 pence to a loss of 47.5 pence reflecting the goodwill impairment charge, higher interest expense and higher number of shares in issue following the issue of additional shares to fund the two prior year acquisitions.

Adjusted earnings (adjusted operating profit less net finance costs and adjusted tax) was £42.1 million (FY22: £44.5 million) resulting in an 18.7% decrease in adjusted diluted earnings per share from 20.2 pence to 16.4 pence.

The basic weighted average number of shares at 31 March 2023 increased to 252.2 million (FY22: 216.2 million), primarily due to the issue of 52.1 million shares to part fund the acquisition of Acuant in November 2021.

Deferred and accrued revenue

Deferred revenue at the end of the year decreased by 3.9% to £56.5 million (FY22: £58.8 million).

This balance principally consists of contracted license revenues and profits that are payable up front but recognised over time as the Group's revenue recognition criteria are met.

The deferred revenue balance does not represent the total contract value of any future unbilled annual or multi-year, non-cancellable agreements as the Group more typically invoices customers in annual or quarterly instalments. Deferred revenue is determined by several factors, including seasonality, the compounding effects of renewals, invoice duration, invoice timing, FX rates and new business linearity within a reporting period.

Accrued revenue at the end of the year increased by £4.0 million to £7.6 million (FY22: £3.6 million). This increase was primarily due to timing differences with several larger contracts, mostly in the Fraud segment, signed or renewed during the year where the revenue recognition profile is different to the invoicing profile.

Cash flows

Group operating activities before tax payments and exceptional items generated £42.5 million of cash (FY22: £59.5 million) representing an Adjusted EBITDA to operating cash conversion ratio of 67.3% (FY22: 95.7%).

This decline reflects some specific non-recurring factors including:

- settlement of an acquired liability related to the prior year acquisitions that reduced cash without a similar EBITDA impact
- reported FX gains on the retranslation of intercompany balances, which improved EBITDA without a similar impact on cash
- bonus payments made during FY23 in respect of FY22 were higher than the bonus accruals at the FY23 year end, which has a negative impact on cash conversion

Normalising the cash conversion for the above would result in an Adjusted EBITDA to operating cash conversion of 86.9% and therefore more consistent with previous years and GBG's medium-term guidance.

During the year to 31 March 2023 net repayments against the RCF were £10.4 million, resulting in outstanding balances of \$149 million (FY22: \$170 million) and £7 million (FY22: £nil).

Overall, our net debt at 31 March 2023 decreased to £105.9 million. This was despite a negative £8.6 million retranslation impact from the conversion of the US dollar denominated debt into pound sterling, the £9.6 million full year dividend payment, £2.5 million of GBG shares purchased for the new Employee Benefit Trust and a one-off payment of £2.3 million for an acquired liability related to the prior year acquisitions.

Further detailed analysis of this movement is included in the Consolidated Cash Flow Statement.

Post year-end further loan repayments of £6.6 million (£5 million and \$2 million) have been made.

Dividend

At the AGM, the Board of Directors will propose a final ordinary dividend of 4.00 pence per share (FY22: 3.81 pence), amounting to £10.1 million (FY22: £9.6 million).

If approved, this will be paid on 3 August 2023 to ordinary shareholders whose names appear on the register of members at the close of business on 23 June 2023. The Group continues to operate a Dividend Reinvestment Plan, allowing eligible shareholders to reinvest their dividends into GBG shares.

Treasury policy and financial risk

The Group's treasury operation is managed by a Treasury Committee within formally defined policies and reviewed by the Board. The Treasury Committee meets on a regular basis to review cash flow forecasts, covenant compliance, exposure to interest rate and foreign currency movements and make recommendations to the Board based on these reviews.

The Treasury Committee receives weekly cash information to monitor liquidity across the Group and ensure that significant cash outflows, such as the acquisition payments, dividends and loan repayments, could be made without exposing the Group to undue risk.

The Group finances its activities principally with cash, short-term deposits and borrowings but has the ability to draw down up to £47.5 million of further funding from a committed revolving credit facility. Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operating activities. Surplus funds of the Group are used to repay the RCF, whilst ensuring that a suitable operational level of cash is retained.

The Group is exposed to a variety of financial risks including: market risk (including foreign currency risk and cash flow interest rate risk), credit risk and liquidity risk which are described in note 27 to the accounts. It is not the Group's policy to engage in speculative activity or to use complex financial instruments.



At the AGM, the Board of Directors will propose a final ordinary dividend of 4.00 pence per share (2022: 3.81 pence), amounting to £10.1 million (2022: £9.6 million).

Silicon Valley Bank

In March 2023 members of the Treasury Committee and wider management team responded quickly to the collapse of Silicon Valley Bank (SVB) to minimise any potential risk and disruption to our customers, team members and operations.

SVB US were the primary day-to-day banking partner used by GBG's US businesses and SVB UK was one of five syndicate banks participating in the Group's revolving credit facility (RCF). Following the acquisition of SVB UK by HSBC, there is no change to the loan syndicate and SVB US have been replaced by HSBC in the US as our primary day-to-day banking partner.

Approved by the Board on 14 June 2023

David Ward

Chief Financial Officer

14 June 2023

Engaging with our stakeholders and Section 172

Stakeholder engagement is central to the formulation and execution of our strategy and, therefore, to the Group's success.

The Board considers the interests of our different stakeholders in all decisions but is mindful that the interests of different groups may compete, and decisions may not always lead to positive outcomes for all stakeholders. This section explains who GBG's stakeholders are, provides insight into how the Board engages with them, explains the actions or outcomes resulting from this engagement and points you to where you can read more about how our business is aligned to stakeholder interests.



Investors

How we have engaged

- live full and half-year results presentations and Q&A's (in-person in London and broadcast virtually);
- the Annual General Meeting;
- regularly updated Investor area on our website, www.gbtplc.com, providing information on the business, news, reports and presentations;
- one-to-one meetings between investors and the Chair and, where appropriate, the Committee Chairs;
- the CEO and CFO participate extensively in investor engagement, conducting investor roadshows at the full and half-year results announcements as well as attending investor conferences hosted by investment banks throughout the year. Feedback is regularly collected by our corporate brokers to provide to the Board following these activities;
- our proactive engagement programme involving our management team conducted over 200 meetings with existing and potential investors, supported by the Group's Investor Relations Senior Manager, with the Board again being updated frequently on these activities; and
- in January 2023, we held a well-attended Capital Markets Day covering the longer-term investment case for GBG. The event was hosted by our CEO and CFO involving senior management from across the business and an independent industry analyst. The event was held in-person in London but also well attended virtually. You can view the materials and watch a recording of the event online (www.gbtplc.com/en/investors/resources/capital-market-events/), read more on page 50.

What is important to this stakeholder group:

- financial performance;
- dividends;
- share price;
- strategy and business model; and
- ESG initiatives & performance.

Actions or outcomes resulting from our engagement:

- ongoing engagement supports good understanding of GBG's current strategy and investment case from the investment community

How our business positively impacts this stakeholder group:

- read about our strategic priority of 'Investor Trust' on page 6



People

How we have engaged

- visits to office locations to meet team members informally;
- bi-weekly live business updates hosted by the CEO and held at two different times of the day, to accommodate different time zones. Approximately two thirds of each session is given over to a live Q&A where team members can have questions answered by the CEO, the Chief People Officer or other Executive Team members;
- regular team member engagement surveys, the results of which are shared with the Board; and
- quarterly awards for outstanding performance, annual ‘kick-off’ seminars to provide team members with information on strategy and objectives and regular team building events. Key feedback from these activities is shared with the Board to celebrate exceptional performance and identify areas of improvement.

What is important to this stakeholder group:

- safe working environment and flexible working;
- development and progression;
- competitive remuneration;
- diversity and inclusion;
- environmental footprint; and
- clear policies.

Actions or outcomes resulting from our engagement:

- engagement survey feedback is collated and management are given action points to address areas of improvement

How our business positively impacts this stakeholder group:

- read about our strategic priority of ‘Team Trust’ on page 6



Customers

How we have engaged

- a ‘Voice of the Customer’ programme, run throughout the year, to gain feedback on how well we are performing for our customers. The Board receives an update on the programme at every Board meeting;
- a 24/7 helpdesk, for all customers, is available via multiple channels, with an automated survey to gain feedback that can be used to improve the service; and
- marketing activities, thought leadership webinars and ‘customer lab’ sessions where customers can discuss topics with industry peers.

What is important to this stakeholder group:

- relationship management;
- product quality;
- product availability; and
- product cost.

Actions or outcomes resulting from our engagement:

- all ‘Voice of the Customer’ feedback is acted on by dedicated account managers

How our business positively impacts this stakeholder group:

- read about our strategy on page 6 and discover how our solutions are delivering for our customers on pages 10 to 17

Engaging with our stakeholders and Section 172 continued



Communities

How we have engaged

- hosting events to support diversity, equity and inclusion, such as our 'Women in Tech' events;
- conducting a materiality assessment, with responses fed back to the ESG Committee so that feedback can be embedded into our ESG strategy. You can read more on pages 18 and 19; and
- running fundraising events and charitable initiatives that raise money for charitable causes or provide practical help to local causes.

What is important to this stakeholder group:

- social and ethical impact;
- ESG;
- supporting the communities in which we work; and
- diversity and inclusion.

Actions or outcomes resulting from our engagement:

- activities designed to support charitable causes through fundraising and volunteering

How our business positively impacts this stakeholder group:

- read how our products and services enable individuals to access online services safely and securely on pages 10 to 17 and read our ESG Statement on pages 18 and 19



Suppliers

How we have engaged

- approving, annually, our supplier Code of Conduct, ensuring it continues to set the tone with regards to the standards we expect from them;
- onboarding due diligence for new suppliers including assessing privacy compliance and infosec standards, with the Board overseeing the expectations we place upon our suppliers; and
- a dedicated procurement team to develop strong relationships with our suppliers. The Board receive an update from the Procurement Team at least annually.

What is important to this stakeholder group:

- social and ethical impact;
- payment practices; and
- develop and maintain long-standing relationships.

Actions or outcomes resulting from our engagement:

- an established GBG Supplier Code of Conduct and procurement process means we have strong relationships with our suppliers

How our business positively impacts this stakeholder group:

- read about Ethics on pages 30 and 31



Government and Regulators

How we have engaged

- the Chair of the Audit and Risk Committee regularly attends events to understand areas of regulatory focus;
- industry consultations, with responses vetted and approved by the Board or a relevant Committee; and
- trade association memberships and conferences, with updates provided to the Board by the relevant area of the business attending.

What is important to this stakeholder group:

- compliance; and
- maintaining good relationships with regulators.

Actions or outcomes resulting from our engagement:

- through engagement with the UK Digital Identity and Attributes Trust Framework, GBG has gained certification to the Framework and you can read more on page 15

How our business positively impacts this stakeholder group:

- read about how our risk management (pages 51 to 59) and our governance processes (pages 64 to 71) ensure compliance with laws and regulations



Banks

How we have engaged

- regular meetings with our banking syndicate, to update them on our prospects and governance and to secure optimum rates and terms

What is important to this stakeholder group:

- well-managed risk; and
- ability to repay loans.

Actions or outcomes resulting from our engagement:

- the strength of our banking relationships and the confidence the banks have in GBG was illustrated by their approval, in November 2022, of a one-year extension to the termination date of our loan agreement to July 2026. The collapse of Silicon Valley Bank (SVB), in March 2023, further demonstrated the strength of our relationships. SVB was our main banking partner in the US and its collapse could have impacted the Group's ability to make and receive payments. Being part of a banking syndicate and our positive relationships with other banks within it, meant we were quickly able to appoint a new banking partner in the US. The same bank also absorbed SVB's part of our key credit facility

How our business positively impacts this stakeholder group:

- read about our financial performance (pages 38 to 43) and our risk management (pages 51 to 59)

Engaging with our stakeholders and Section 172 continued



In accordance with section 172 of the Companies Act 2006, the Board have a duty to act in a way they consider, in good faith, would be most likely to promote the success of the Company. This part of our report explains how the Board have had regard to the matters set out in section 172 when performing their duty.

This section is the Board's "section 172(1) statement" in accordance with section 414CZA of the Companies Act 2006.

The table below sets out the factors to which the Board should have regard when performing their duty under section 172 and points to other disclosures within this report that are relevant to each factor:

Section 172 Factor:	Where you can read more:
(a) the likely consequences of any decision in the long term	Business Model & Strategy – pages 8 and 9 CEO Statement – pages 32 to 35 KPIs and Financial Review – pages 36 to 43
(b) the interests of the company’s employees	ESG Statement – Everyone – pages 25 to 29 Whistleblowing – page 76
(c) the need to foster the company’s business relationships with suppliers, customers and others	Business Model & Strategy – pages 8 and 9 Solutions and Marketplace – pages 10 to 17 CEO Statement – pages 32 to 35
(d) the impact of the company’s operations on the community and the environment	Solutions – pages 10 to 17 ESG Statement – Environment – pages 20 to 24
(e) the desirability of the company maintaining a reputation for high standards of business conduct	ESG Statement – Ethics – pages 30 and 31 Internal Controls – page 76 Sanctions and ABC – page 76
(f) the need to act fairly as between members of the company	Financial Review – Dividend Policy – pages 38 to 43 Annual General Meeting – page 5

The graphic below explains how the Board incorporate stakeholder interests into their decision making process and monitor the impact of key decisions:

<p>Board Information </p> <p>Stakeholder engagement activities are included in Board papers where appropriate, including regular updates on customer experience and people matters</p> <hr/> <p>Investor updates are provided to the Board quarterly, or more regularly if specific issues arise</p> <hr/> <p>Board proposals give information on the likely long-term impact of a course of action</p> <hr/>	<p>Board Scrutiny & Discussion </p> <p>The Chair ensures decision making is sufficiently informed by s172 factors</p> <hr/> <p>The Board challenges the quality of information presented and seeks assurance as required</p> <hr/> <p>The diverse skills and experience of the Directors help the Board, as a whole, make informed decisions which promote success</p> <hr/>	<p>Board Decision & Monitoring</p> <p>The Board receives updates on key decisions through papers or verbal updates</p> <hr/>
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The decisions highlighted below have been included as examples of how the Board have had regard to the matters set out in section 172 when making decisions that impact our different stakeholder groups:

Introduction of a Restricted Share Plan ('RSP')

At the 2022 AGM, shareholders were asked to approve the introduction of a new Restricted Share Plan. Under the plan, executives below Board level can be granted share options that are not subject to performance conditions. Options granted under the RSP are coupled with a greater number of options granted under our Performance Share Plan ('PSP'), which are subject to performance conditions.

Why was this important to the Board?

This was an important decision for the Board, which required them to balance the interests of our team members (who need to be confident that incentive arrangements will provide reasonable return as we navigate a challenging macroeconomic climate), with the needs of shareholders (who need any incentive arrangements to challenge team members to produce growth).

Which s172 factors were at the heart of this decision?

- (a) the likely consequences of any decision in the long term; and
- (b) the interests of the company's employees.

Which stakeholder groups were impacted by this decision?

Investors and People.

Brand Alignment in the Americas

The acquisition of Acuant (covered in detail in last year's Report) significantly expanded the Group's opportunity in the Americas. To capitalise on this opportunity, the Board has taken the decision to align our brand proposition in the region, for our identity business, to "GBG IDology". This will allow us to maximise cross-selling opportunities, increase collaboration between team members and identify opportunities to streamline processes and, therefore, reduce costs.

Why was this important to the Board?

The Americas region and the successful implementation of the Acuant acquisition are key to the successful delivery of our strategy.

Which s172 factors were at the heart of this decision?

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees; and
- (c) the need to foster the company's business relationships with suppliers, customers and others.

Which stakeholder groups were impacted by this decision?

Investors, People, Customers and Suppliers.

Takeover Approach by GTCR

In September 2022, the Board was advised by GTCR that they were considering making a formal offer to acquire GBG's entire issued share capital. An approach such as this is not uncommon but news of the approach was leaked by an unknown source. This leak required both GBG and GTCR to comply with the strict timescales set out in the Takeover Code and meant that all shareholders, team members, customers and suppliers knew of and were interested in the approach.

Why was this important to the Board?

The Board, in responding to the approach, was obliged to comply with their Directors duties under the Companies Act 2006 and with Rule 3 of the Takeover Code by ensuring any offer was fair and reasonable and promoted the success of the Company for the benefit of shareholders. The Board also had to consider the interests of team members and all other stakeholder groups. The Board met 4 times within 6 weeks, receiving regular updates on internal activities required to be undertaken in response to the approach. Ultimately, no formal offer was made by GTCR. However, the Board's response and decisions during the period demonstrated their ability to balance the competing interests of all stakeholders.

Which s172 factors were at the heart of this decision?

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct (in so far as compliance with the Takeover Code was an imperative); and
- (f) the need to act fairly as between members of the company.

Which stakeholder groups were impacted by this decision?

Investors, People, Customers, Suppliers and Regulators.

Engaging with our stakeholders and Section 172 continued

Our capital markets event

We actively engage with investors throughout the year. Our capital markets event on 19 January 2023 provided one of the anchors to our engagement in FY23, articulating our strategy and refreshing investor understanding of our investment case over the mid-term.

Our capital markets event snapshot

260+

Attendees

5

Customer testimonials

8

Presentations from GBG senior management



Watch highlights video from the event and additional materials at

gbgplc.com/en/investors/resources/capital-market-events/



Reinforced GBG’s market opportunity

- Discussed the positive structural tailwinds and themes driving our markets as we heard from Aite Novarica, an independent industry analyst
- Reiterated our strategy to deliver growth



Educated investors on how we differentiate

- Remember most investors are generalists!
- Our strategy to deliver growth
 - Driven by differentiated offering
 - Data, technology & people



Brought GBG’s business to life

- Added weight and credibility to our investment case:
- Hearing and meeting from the wider senior management team
 - Customer testimonials
 - Held a number of product demonstrations including our recently launched GBG GO solution

Principal risks and uncertainties

Risk management overview

GBG has an enterprise-wide risk management approach which is described in the GBG Risk Management Framework document. This Board-owned framework sets the standards and expectations of how risks are identified and managed within GBG. The framework is in line with external best practice and updated at least annually.

Taking risk management seriously and following the processes described in the framework enable the safe delivery of business objectives and helps us to continue to build a sustainable business.

“GBG’s risk strategy is aligned to GBG’s purpose and the achievement of business objectives”

GBG risk strategy recognises that risks are a natural consequence of business activity and to be successful, need to be identified and managed.

Fundamental to GBG’s risk strategy is the nurturing of a positive proactive risk management culture whereby team members feel able to raise risk concerns and have access to processes to consistently identify, assess, manage and report risks.

Wherever possible risk management is embedded within business processes and steps are taken to make sure everyone understands their role when it comes to managing risk.

“GBG’s risk management capabilities continue to mature and embed”

The Audit and Risk Committee oversee an ongoing risk management programme which drives GBG’s risk management approach.

GBG’s Chief Regulation Officer (“CRO”) is accountable for delivering the risk programme and supported in this role by GBG’s Risk Manager.

The CRO, together with the Risk Manager, provide updates to the Executive Committee and Board Audit and Risk Committee on progress with developing GBG’s risk management framework. Both the CRO and Risk Manager have direct access to the Chair of the Board and the Chair of the Audit and Risk Committee and attend the Committee to provide their independent view about the management of the top risks.

In this reporting period the risk programme has:

- delivered an updated risk management framework incorporating ESG;
- matured the risk policy framework;
- enhanced risk reporting;
- managed risk appetite;
- simplified incident reporting;
- improved risk training; and
- continued risk assessment activity.

GBG’s key risks are reviewed throughout the year, considering control issues, business changes and external factors. The top risks are highlighted in the key risk section of this report.

External risk environment

The external risk environment is monitored closely. We seek to proactively manage any potential impacts arising from global events or uncertain economic conditions.

Russia’s invasion of Ukraine

GBG’s exposure to the impacted regions is negligible. However, recognising the potential for risk to arise from this conflict, technology and operations continued to be monitored and reviewed to mitigate against any risks that may emerge e.g. we have strengthened controls surrounding sanctions checking.

Coronavirus (Covid-19)

Recognising the social and economic impacts of the pandemic are still being felt across the globe, and could still impact business performance, regular updates continue to be provided to the Executive. These updates confirm the Group continues to demonstrate financial and operational resilience to the effects of the pandemic.

External Economic Conditions

During this reporting period the state of the global economy has created challenging conditions for our customers and our team members with resultant impacts on GBG’s risks.

The impact of inflation, increasing interest rates, energy price increases and the ‘cost of living crisis’ on the supply chain and the real incomes of our global team members is closely monitored.

Direct action was taken to compensate team members on lower incomes to help alleviate some of the impacts. We continue to listen to team member feedback, benchmark reward packages, track external developments and may act if necessary, overall though the level of People risk has remained stable and attrition rates are reducing.

Customers’ operating conditions have also been very challenging.

Particularly for our Identity customers these difficult conditions resulted in less transactional demand. This is especially true in sectors like cryptocurrency and for our internet economy customers, however, GBG continues to manage a diverse commercial portfolio and is not overly reliant upon specific sectors. As described in the Financial Review section on pages 38 to 43, the collapse of Silicon Valley Bank and subsequent issues surrounding the banking sector did not have any adverse impact on GBG.

Principal risks and uncertainties continued

GBG's Risk Management Framework:

The Board owned Risk Management Framework is reviewed at least once a year, or where there are significant changes to the risk profile. The framework is based on accepted best practice and its implementation is supported by risk processes and risk guidance.

The key elements of the risk framework are as follows:

Risk culture

Risk culture has a significant impact on GBG's ability to manage risk and helps make sure activity which is outside our risk appetite is not undertaken. GBG's Executive team is responsible for establishing, communicating and promoting the Board's expected risk culture, which aligns with GBG's strategy, objectives and risk management principles.

At GBG, a positive proactive risk management culture is expected and embedded within our values and behaviours.

Risk strategy and risk appetite

Risk strategy

GBG's risk strategy is embedded within the Company's objectives and strategic aims.

GBG's risk strategy is to proactively identify, measure and report the risks that exist as a natural consequence of doing business.

GBG's risk management strategy includes investing in appropriate levels of control to keep GBG secure, support sustainable business growth and minimise losses.

Risk appetite

At GBG, risk appetite is defined as 'the amount and type of risk that we are prepared to seek, accept or tolerate'.

The risk appetite framework is built around the principle of setting risk appetite in line with business strategy and aligned to controlling key risks.

The Board approves appetite statements which are then translated into policy and process. We use key risk indicators to measure risk appetite performance against agreed thresholds.

Roles and responsibilities

The Board

The Board reviews the recommendations made to it by the Audit & Risk Committee and oversees strategic risk through our strategic planning cycle.

During the year, the Board is also updated on a range of risk topics. These have included:

- monitoring and reviewing Group strategy
- new product and technology updates
- going concern reviews
- information security matters
- people initiatives
- relationships with investors
- remuneration matters
- succession planning
- governance and regulatory developments
- economic conditions

Audit and Risk Committee

The Committee assess and monitor progress with managing GBG's key risks and has responsibility to review the effectiveness of the Risk Framework making recommendations to the Board about any changes that may be required. The Committee also oversees and approves the external and internal audit plans.

The Executive Committee

As well as owning GBG's key risks, the Executive committee members are responsible for promoting the Board's expected risk culture and reviewing and monitoring how much risk GBG is willing to tolerate (its risk appetite). Collectively the team also make up our Major Incident response team and provide strategic direction and leadership in the event of a major issue occurring.

Executive Risk Committee

This Executive Committee focuses on risk management performance, reviewing material new risks, key risk indicators, the root cause of any material incidents as well as tracking audit actions and assessing risk readiness for new product launches or significant change initiatives.

Specialist risk management teams

Specialist teams help manage GBG's key risks. In information security, compliance, legal and risk, experts are responsible for Group policy and help everyone at GBG understand their role in the identification, assessment and management of key risks and issues.

Auditors

The Group's internal audit functions, led by the risk manager, and external auditors are responsible for reviewing and assessing the Group's risk management and internal controls process and report findings and recommendations to the Audit & Risk Committee.

Actions arising from previously outsourced audits of cyber security, risk management, procurement and finance are completed.

In this reporting period GBG has not used an external firm for internal audits. GBG adopts the 'three lines model' and has internal audit capability. Audits are completed in line with the control of key risks using internal risk management or external auditors depending on which option is most appropriate.



Risk controls

As part of the risk assessment processes, risk control measures are in place. Key controls are documented against the key risks and tested. Key controls include:

Financial
Financial Controls to make sure management information is relevant, timely, reliable and compliant and the controls for the approval of capital expenditure.

Strategic
Strategic Planning Controls to make sure GBG regularly reviews budgeting, strategic plans and business performance.

Operational
Operational Risk Controls to make sure GBG controls key operational risks and reports performance, e.g. cyber security and operational resilience.

Conduct
Conduct Risk Controls to make sure GBG remains compliant with applicable laws and regulations and maintains a strong reputation.

Privacy
Privacy Risk Controls to make sure GBG collects, processes and analyses data in a way that complies with data privacy legislation.

Risk policies

GBG’s policy framework set the standards and expectations that must be observed when working and doing business across the various jurisdictions where we do business. Policies align with the top risks and, where necessary, team members are required to attest to having read and understood the policy.

Risk training

All team members participate in regular training on key risk topics, e.g. privacy and information security. Everyone is reminded routinely of the importance of their role in managing risk in GBG. Where necessary, team members are required to pass tests to make sure they have understood what they have learnt and are meeting regulatory expectations.

Risk incident management

Capturing, evaluating and learning from incidents that occur through the course of doing business helps highlight and improve our controls. Mechanisms are in place to report and manage internal and external incidents which impact or could impact GBG adversely.

Business continuity, disaster recovery and incident management plans are in place and periodically tested.

We closely monitor levels of business disruption and these remain low. Where issues are identified, technology-designated people and processes are in place to bring them under control.

Principal risks and uncertainties continued

GBG risk profile

“GBG’s risk profile is stable and top risks remain under control”

Like all businesses, GBG face risks and uncertainties. The goal is to make sure that identified risks are managed within acceptable levels.

Whilst the external economic environment has been difficult for our customers, with resultant impacts on GBG, the overall stability of the risk profile is evidenced by continued low levels of business disruption and very limited financial loss.

GBG uses a “bottom up” approach to identifying risks by conducting regular risk assessment reviews. The output from the risk assessment creates risk registers, which set out all risks applicable to GBG globally.

A “top down” review is led by the Executive members and the Audit & Risk committee to validate and ratify the risk profile. This enables further consideration of strategic risks.

GBG risk appetite and principal risks

Risks are assessed for likelihood and impact against different impact definitions which include the potential for financial or reputational damage. Controls are assessed and resultant residual risks are reported against primary risk categories:

- Operational risks – The risks that affect GBG’s ability to execute our strategy.

Risk Appetite Statement:

GBG has minimal appetite for operational disruption which adversely impacts our customers or reputation. We have low appetite for financial loss arising from inadequate systems, process, people or external events. We implement appropriate levels of control to maintain operational resilience while growing sustainably

- Financial risks – Risks relating to market, liquidity and credit risks.

Risk Appetite Statement:

We maintain a prudent liquidity profile to make sure we meet our long-term commitments and a balance sheet structure that limits reliance on potentially volatile sources of funding. We aim to deliver high quality consistent earnings and have low appetite for earnings shocks

- Conduct risks – Risks relating to GBG’s legal and regulatory compliance.

Risk Appetite Statement:

We aim to comply with all relevant regulation and laws in the jurisdictions within which we operate. We seek to maintain robust governance arrangements and meet ethical, environmental and societal expectations including transparent tax behaviour

- Privacy risks – Risks relating to failure to prepare for privacy changes which impact the business.

Risk Appetite Statement:

We expect to meet all relevant privacy rules and regulations in the countries within which GBG operates. We have no appetite for major breaches

- Strategic risks – Risks that affect or are created by GBG’s strategic objectives.

Risk Appetite Statement:

We maintain appetite for organic and inorganic growth from complimentary, diverse sources with palatable Return on Investment assessing opportunities for the long term. We offer our products at prices which appropriately balance risk, growth and reward

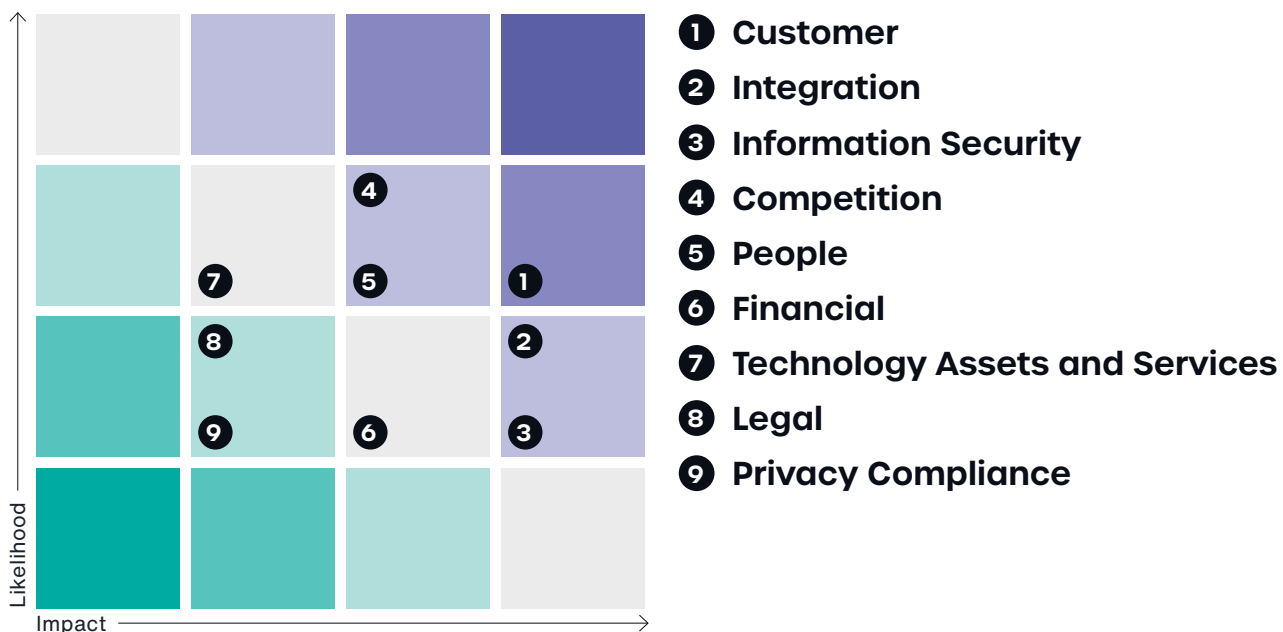
GBG’s top risks

The risk profile has remained controlled. The Board have overseen some changes to GBG’s top risks, notably:

Operational Resilience and Third Party risk no longer feature as top risks. Service availability performance continues to be very strong backed up by further successful migrations to cloud based solutions and internal audit actions relating to procurement and control over suppliers have been closed.

The latest top residual risks are set out below together with a summary of the control measures and mitigations.

Risk heatmap – GBG’s top risks



Key

 Increased
  Decreased
  Stable


Risk	Description	Mitigation	Progress
Customer  	<p>Risk of a reduction in revenue from existing customers caused by external factors e.g. economic conditions.</p> <p>Economic conditions are impacting key customers with resultant impact on the use of GBG services, particularly in demand for Identity verification.</p>	<p>Customer needs-based, innovative product development and adding additional value to existing customer integrations.</p> <p>Business plans focused on winning new business, retaining business, and broadening the range of products used by our existing customers.</p> <p>Cost control measures to make sure investment is correctly targeted, without compromising the need for ongoing investment in the business to support growth.</p> <p>Ongoing simplification of GBG's onboarding processes.</p>	<p>GBG recognise there are many factors that can have an adverse impact on customer experience resulting in a reduction in the use of GBG products and services.</p> <p>Performance indicators are in place to measure these factors and we proactively seek 'voice of customer' feedback so action can be taken on any weakness.</p> <p>GBG's focus remains strongly on customer retention, delivering on customer's service expectations and expanding our products and services to meet their needs.</p>
Integration  	<p>Risk of failing to integrate Acuant and deliver on benefits.</p>	<p>Regular updates are shared with the Board, who oversee integration.</p> <p>Robust executive-level programme governance is in place to manage integration activities. This risk will be closed when Executive steering formally concludes.</p> <p>Following the acquisition of Acuant, we successfully brought the business together with our existing Identity business in the Americas, IDology, under one Regional CEO combining capabilities and enabling strong delivery for our customers and alignment of internal processes.</p>	<p>Expansion of services into other core GBG geographies (EMEA and APAC) is well underway.</p> <p>Sales teams are integrated into one team, aligned to "direct" and "partner" sales channels.</p> <p>Policies and processes in central functions are aligned e.g. People services, IT and legal.</p>
Information Security  	<p>The risk of cyberattacks breaching controls, resulting in the loss or compromise in the confidentiality, integrity and/or availability of GBG information assets.</p> <p>As for all businesses the inherent risk of cyberattack is significant and continues to be treated as one of the main threats to the Group's strategy.</p> <p>As a custodian (Controller/Processor) of customer identity data for some of the largest organisations in the world, GBG aims to set the highest standards of information security.</p>	<p>GBG operates an Information Security Management System that provides a common baseline set of information security controls to protect GBG information assets wherever they are being used. Threat and vulnerability detection is in place to inform the risk position.</p> <p>All team members receive information security training and must comply with this and all associated information security policies.</p> <p>GBG meets and maintains international standards of certification including ISO27001, PCI-DSS and FedRAMP where appropriate.</p> <p>GBG regularly assess the risk level of all GBG's critical suppliers.</p>	<p>GBG successfully maintains external certifications and standards to benchmark controls.</p> <p>Further investment has been made in systems and expertise, notably in respect of threat and vulnerability management.</p> <p>Controls continue to be tested regularly and security event management remains strong as evidenced by no major incidents adversely impacting GBG during the reporting period.</p>

Principal risks and uncertainties continued

Key

 Increased  Decreased  Stable



Risk	Description	Mitigation	Progress
<p>Competition</p> <p>4</p> <p></p>	<p>Operating in a highly competitive market there is a risk of being undercut on price, reducing margins, or competitors introducing new products which would make GBG uncompetitive.</p> <p>Linked to this is the risk that we fail to respond to meet opportunities when they arise, or we see unexpected shifts in customer or market demand.</p>	<p>GBG work to identify and manage trends, threats and opportunities, pursuing a business strategy that seeks to build a strong reputation in the industry and ensure a sustainable future.</p> <p>Competition factors are incorporated in a thorough strategic planning lifecycle, e.g.: Changes in competition, market trends, regulatory changes limiting or opening sources of data or creating market opportunity.</p> <p>Business development and product teams track competitors and this information influences the go-to-market strategy.</p> <p>We seek to organically differentiate product capability adding data and functionality and deliver end-to-end propositions for customers covering the Identity lifecycle.</p> <p>The product portfolio is continually enhanced, focusing on innovation through a mix of internal development, partnering, acquisition and investment and strategic recruitment.</p> <p>There remains strong focus on core target markets within UK, EMEA, Europe, North America and APAC working with partners to extend GBG’s reach.</p>	<p>GBG’s acquisition strategy and product development has enabled geographic and market expansion, increasing competitive advantage in key markets; scale is an advantage.</p> <p>The acquisition of Acuant has brought complementary and differentiated products and technology to GBG and GBG’s customers.</p> <p>Acquisition opportunities are continually being considered to further develop GBG’s strategic aims and differentiate GBG from the competition.</p>
<p>People</p> <p>5</p> <p></p>	<p>There is a risk that GBG fails to attract and retain top talent in a highly competitive market, resulting in key skills gaps and/or reducing our ability to grow.</p> <p>Like many organisations, GBG operates in a competitive market. GBG team members have skills and expertise which are attractive to many of our competitors.</p> <p>Losing team members or not having access to the right skills and expertise could adversely impact GBG.</p>	<p>Key metrics are in place to monitor attrition rates, vacancy levels and employee engagement levels by location and business function to make sure appropriate corrective actions are in place.</p> <p>GBG continues to invest in and offer opportunities for team members’ growth and development and maintains a high level of focus on wellbeing.</p> <p>Total reward packages are competitive and regularly benchmarked and reviewed.</p> <p>Options are available to identify and retain top talent.</p> <p>GBG’s ‘work when and where you want’ policy empowers all our team to work as flexibly as they require, enabling strong work/life balance by providing choice and flexibility to work in a way that suits.</p> <p>The Board’s effectiveness and skill set is monitored, recruiting additional members where necessary. This helps with succession planning, supplementing the Board’s skill set and ensures GBG maintain strong, independent Directors.</p>	<p>The GBG annual team member survey of people engagement continues to demonstrate high levels of engagement right across the Group with 93% of team members saying they would recommend GBG as a great place to work.</p> <p>Year-on-year attrition levels are reducing.</p> <p>Vacancies are closely managed to ensure the right team members are in the right roles to enable the individual’s success and that of GBG.</p> <p>Inclusion and Diversity data collection is undertaken enabling action where required.</p>

Risk	Description	Mitigation	Progress
Financial 	<p>Risk of adverse impact because of losses arising from movements in market variables (including FX and interest rates) or loss through failures in credit management processes.</p> <p>In the most extreme but much less likely case, this risk encompasses the potential threat that the business could at some point be unable to meet its payment obligations.</p>	<p>Financial Key Performance Indicators are in place for all measures of financial performance, including Net Debt, level of overdue receivables and leverage and interest cover under our RCF facility.</p> <p>These metrics are routinely reported to the Executive Committee and Board to enable decision-making and broken down by business unit and regionally.</p> <p>A Treasury Committee is in place to monitor and manage liquidity and funding, interest rate risk, foreign exchange (transaction and translation) counterparty credit risk and operational risk.</p> <p>Group cash balances are reported on a weekly basis to support cashflow forecasting. As set out in the going concern statement in note 2.2, in the event of a forecast liquidity issue the Group has a range of measures available to it to reduce cash outflows or access alternative sources of funding.</p> <p>The management of operational risk will include the segregation of sensitive duties, maintenance of accurate records, reconciliation of key records, and close supervision of financial risk management activities by the Treasury Committee and Board.</p>	<p>Financial risk remains well controlled. Financial risk KPI's remain within appetite and are monitored closely.</p> <p>In view of the external environment leading to volatile foreign exchange rates and increasing interest rates, coupled with more difficult trading conditions, the Board reviewed the overall risk and agreed that the risk remains relatively high but stable and under control.</p> <p>Detailed progress is covered in the financial sections of the Annual Report. In November 2022 the Group exercised the first of two one-year extension options on its debt facility, with expiry now not until July 2026.</p>
Technology assets and services 	<p>Risk of loss, disruption or damage because of the failure or inflexibility of IT systems or IT services.</p> <p>Technology supports service continuity and team members. It strengthens GBG's ability to develop products to remain competitive and reliable.</p>	<p>Product and technology teams use methods, tools and skills that reinforce best-practice development approaches.</p> <p>The prioritised technology development roadmap makes sure systems are maintained, performance is optimised and end-of-life IT is carefully managed.</p> <p>Full lifecycle IT Service Management processes are in place including detailed procedures covering incident and problem management, change management, capacity management, access management and risk management.</p>	<p>Investment to modernise customer-facing platforms continues, enabling the achievement of greater scale and reach.</p> <p>Acuant IT integration is well-progressed enabling synergies, insights and collaboration across the businesses.</p> <p>New front-end platforms for the location business and fraud services and a new back-end platform for our identity solutions continue to be developed and embedded.</p>

Principal risks and uncertainties continued

Key

↗ Increased ↘ Decreased ↔ Stable

Risk	Description	Mitigation	Progress
Legal 	<p>Risk of disruption or adverse impacts due to unenforceable contracts, lawsuits, adverse judgements or other legal/regulatory proceedings.</p> <p>As GBG brand awareness increases in the US, there is potential for increases in US litigation.</p>	<p>GBG has a global legal team who are led by the Chief Regulation Officer.</p> <p>The legal team actively monitors emerging legal risks and new regulations, proactively advises on disputes and issues and regularly reviews GBG's contract templates to mitigate risk.</p> <p>GBG instructs external counsel in each jurisdiction in which it operates to supplement internal legal expertise, as necessary.</p>	<p>During the reporting period, the Board agreed that legal risk had increased in view of GBG's increased operations in the US, which is typically a more litigious jurisdiction, and as a result of the new US state privacy regulations which came into force in January 2023.</p> <p>GBG has conducted a review of the new US state privacy regulations applicable to its business and has made the necessary changes to its US privacy notices, website disclosures and contract templates.</p>
Privacy compliance 	<p>Risk of GBG global products and services being non-compliant with privacy rules and regulations.</p> <p>Internationally, privacy compliance rules and regulations continue to develop and data subjects are also becoming more aware of their rights.</p> <p>For GBG, privacy compliance is a top risk because of the global nature of the business, use of customer and supplier data to provide services and the changes to products and services as we seek to innovate and grow.</p>	<p>GBG has a robust privacy programme that applies globally across GBG.</p> <p>A dedicated legal and privacy global team is in place led by the Chief Regulation Officer and Data Protection Officer.</p> <p>Working with business areas, this team are collectively responsible for monitoring changes to legislation, ensuring privacy compliance in GBG is 'by design', making sure effective controls are in place and that business teams understand the regulatory obligations associated with data protection and privacy legislation.</p> <p>GBG also have access to a global range of external professional advisors, seek to maintain a positive relationship with regulators and undertake continuous monitoring to ensure processes are effective and team members comply with privacy programme requirements.</p>	<p>Internal privacy controls are well understood, embedded and robust.</p> <p>In February 2023 the Information Commissioner's Office, the data industry regulator in the UK, closed their audit of GBG (without requiring any further action) as part of the work they were undertaking on several companies to understand the use of data in their services.</p> <p>Data ethics and standards is a core element of GBG's ESG strategy.</p> <p>Investment in training will continue to ensure best practice is maintained in respect of data handling and privacy.</p>

Emerging risks

The risk landscape continues to evolve. The assessment of the top risks highlighted in this year's report recognises this fact. GBG continually scans the horizon for regulatory developments, market trends and changes in customer expectations. It is this ability to identify, assess and respond to these changes that will ensure the sustainability of the business.

In addition to the risks already reported in this year's annual report, risk profile work monitors for risks like customer concentration, compliance with governance expectations, environmental issues like climate change, and change risk to make sure we are staying within appetite.

Further consideration is given to the impacts of the external environment on GBG, GBG's customers and GBG's team members especially political instability and economic factors like inflation and interest rates.

When necessary, we conduct reviews to make sure our strategy is aligned to developments. Increasingly, we see a role for GBG to guide our customers through changes and trends we have identified that will impact their sectors by helping them with their business plans.

It is also important to plan for the unexpected too. News reports about cyberattacks on often well-known businesses are a frequent occurrence that GBG continues to take opportunities to learn from.

The ongoing implications of Russia's invasion of Ukraine, the potential for pandemic to return and the earthquakes impacting Turkey and Syria have highlighted the need to carefully consider responses to potentially major events, to have robust incident management responses and to track the subsequent developments for impacts on GBG.

Viability statement

Our business model and strategic priorities are key to the Board's assessment of the Group's prospects and determination about whether the Group can continue in operation and meet liabilities as they fall due. We continuously review these alongside forecasts and budgets to have a clear view, so far as is possible, on the Group's viability over the medium term.

The Board's assessment of viability is influenced by the business' current and projected performance against financial and non-financial KPIs and an analysis of principal risks within the Group's risk assessment framework.

In particular, the assessment includes consideration of, recovery from the pandemic, the impact of the external economic environment, the impact of any Merger & Acquisition activity and the regulatory agenda.

Management currently forecasts a variety of different time horizons relevant to assessing our prospects as part of the business planning process and capital investment cycle. We use a detailed bottom-up budget model to forecast for a period of one year in advance and a top-down model for a period of five years.

We use a five-year timeline when considering viability, because we believe it's difficult to forecast across the entire Group for a period longer than this with any significant level of certainty.

The principal risks and uncertainties that affect the Board's assessment of the Group's viability in this period are operational, conduct, strategic, privacy and financial risks. The Board considers the key mitigants:

- GBG's operations being spread across diverse sectors and increasingly global presence in markets with a history of political and economic stability
- a history of limited business disruption or major incidents due to investment in commensurate controls
- strong cash reserves and access to pools of liquidity
- continued strong customer demand for GBG's innovative and reliable products
- Board-approved prudent risk appetite
- being well placed to manage regulatory change

Based on the actions available to them, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment. We acknowledge that this assessment is subject to uncertainties outside of our control and accordingly, the viability of the Group cannot be guaranteed. Although the RCF facility is due to expire in July 2026, there is a one-year extension option (subject to further bank approval) and so the RCF facility would need to be extended, refinanced or repaid in full during the viability period. Based on current forecasts we would expect to have fully repaid the current outstanding RCF facility within the viability period.

Going Concern

The Group's business activities, together with the factors likely to affect our future development, performance and position are set out in the Chief Executive's Review on pages 32 to 35. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 38 to 43. Full details of the Group's going concern assessment is set out in note 2.2 in the consolidated financial statements.

Following consideration of the budget, downside and stress test scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence beyond the assessment period which covers through to 30 September 2024. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.