Gaming Innovation Group p.l.c.

Annual Report and Consolidated Financial Statements 31 December 2021

Company Registration Number: C 44319

Readers are reminded that the official statutory Annual Report and Consolidated Financial Statements 2021, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on the Swedish Securities Market. A copy of the Independent auditor's report issued on the official statutory Annual Report and Consolidated Financial Statements 2021, is included within this printed document and comprises the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Chapter 16 Section 4a of the Swedish Securities Market Act.

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2021. For environmental, social, employee and other matters refer to the separate 'Sustainability report'.

Principal activities and future developments

The Group's principal activities during 2021 were the provision of online gaming services, primarily casino and sports, provision of a remote gaming platform and affiliate marketing operations.

SportnCo Gaming SaS

In December 2021, the Company has signed a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS. Sportnco is one of the leading platform providers of turnkey betting and gaming solutions for operators in regulated markets through its inhouse developed sportsbook and PAM. The combined company will enhance and strengthen GiG's position as one of the industry leading platforms and media providers with innovative and proprietary products and creating one of the largest and fastest growing providers in regulated iGaming with an unparalleled geographical footprint.

On 1 April the transaction was closed following all the necessary approvals from relevant gaming authorities, shareholder and bondholder approval were obtained.

Combined, GiG and Sportnco will be licensed in 25 markets, currently with around 55 clients, as Sportnco's geographical presence is highly complementary to GiG's current offering. Sportnco's tier 1 sportsbook product is strong, and the acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth.

As part of the SPA, GIG acquired the legal title of certain B2C assets and liabilities. The B2C net assets have been carved out in the SPA, and have not been taken into consideration by both parties in determining the consideration price. The contractual arrangements between GIG and the vendor are such that GIG has no substantive decision-making power over the B2C net assets and are fully indemnified with respect to any lawsuits related to B2C net assets that may emanate. The B2C net assets must be disposed by the vendor within twelve months from closing date. If no vendor is identified after a period of twelve months, B2C net assets are transferred back to current shareholders at no consideration.

The initial consideration is EUR51.4 million (net of debt assumed), whereof EUR23.5 million was paid in 12,623,400 new shares in GiG at a share price of NOK 18.08 and EUR27.9 million in cash. In addition, GiG will assume existing debt in Sportnco of EUR18.6 million and there will be an earn-out of up to EUR23.0 million based on the Sportnco performance in 2022 and 2023. The earn-out will be paid 50% in cash and 50% in new shares in GiG, where the number of shares to be issued shall be based on a 10-day VWAP of the GiG share at the time of payment, expected in April 2023 and April 2024. Further, to keep key employees in Sportnco, a 3-year option program will be entered into, whereby the option holders, pending continued employment, will receive shares in GiG at future VWAP valuation up to a total aggregate value of €4 million.

Also in December 2021, the Company's Parent has entered into an agreement with SkyCity Entertainment Group Limited, whereby SkyCity will invest EUR25 million in GiG through a directed share issue at NOK 18.00 per share, that will finance the main part of the cash consideration. On 1 April, 13,487,500 new shares have been issued to SkyCity.

Directors' report – continued

Principal activities and future developments - continued

Performance Marketing

GiG's premium US affiliate sites, World Sports Network (WSN.com) and Casinotopsonline.com continued their expansion in the US and can now carry out business in nineteen states with a license total of twelve promoting operators offering both casino and sports in such states. WSN and CTO continues strengthening its position and ability to cater for the highly attractive and growing US market.

Due to the activity beyond original expectations from the media domains acquired during 2015-2017, the estimated useful lives of these domains were revised to reflect the re-assessed life of such assets. This reduced the amortisation yearly cost by EUR1.6 million for 2021.

Platform Services

During 2021, nine new agreements were signed for Platform Services where two offer both casino and sportsbook and seven offer casino only. One of the new clients that signed during 2021 went live during 2021. These new agreements are expected to secure recurring revenues from 2022 and beyond.

The number of live brands on the platform was 25 as at end of year, up from 18 as at end of 2020, with an additional nine brands in the integration pipeline.

Sports Betting Services

Six clients are live with the sportsbook as at end of year. With the acquisition of SportnCo, GiG's sportsbook will be phased out as a standalone product and Sportnco's sportsbook is expected to be the preferred product going forward.

Financing

In May 2021, the Company has successfully completed the issuance of a new 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The transaction was oversubscribed and received strong demand from investors across the Nordics, continental Europe, and the US, with participation in the placement from existing as well as new investors.

The net proceeds were used to refinance the existing SEK 400 million bond including any call premium and transaction costs with the balance towards general corporate purposes. Settlement of the new bond issue happened during June 2021. The new bond has a floating coupon of 3 months STIBOR + 8.50% per annum and with more favourable terms than the existing SEK 400 million bond. The new bond was listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market.

Also in May 2021, the Company's parent agreed to convert the EUR8.5 million convertible loan entered into in December 2020. The conversion lowered the overall leverage ratio and strengthened the balance sheet through increased equity. The Company's parent issued 6.6 million new shares to the lenders that covered the outstanding loan, accrued interest and a termination fee for early termination. The new shares were issued within the same month and are subject to portioned lock-up.

Directors' report - continued

Events after the reporting date

On 20 January 2022 a Special Meeting of Shareholders in the Company's parent was held in Stockholm, Sweden. The Special Meeting of Shareholders resolved an amendment to the Company's Parent Amended and Restated Certificate of Incorporation authorizing an increase in the number of shares of stock which the Company's parent is authorized to issue from one hundred and ten million (110,000,000) to one hundred and fifty million (150,000,000). The Special Meeting of Shareholders further resolved an increase of the number of Board members from six to seven and gave the Board of Directors authority to consult the nomination committee and appoint a new Board member.

On 26 January 2022, the Company's parent has successfully completed a SEK 100 million subsequent bond issue under the Group's existing senior secured bond framework with ISIN NO0011017097. Following the subsequent bond issue, the outstanding amount of the bond is SEK 550 million. The proceeds from the tap issue will be used towards partially financing the acquisition of Sportnco Gaming SAS.

On 11 February 2022, one of the Company's subsidiaries has signed an extension to the long-term agreement with Betsson Group for the provision of Platform & Managed Services, which include Customer Service and full business operations across multiple territories. The contract extension is for an additional three years taking the term of the contract to Q4 2025. The agreement includes the brands Rizk, Guts, Kaboo and Thrills, and includes managed services to Betsson for support of operations of the brands. GiG will also deliver several new growth market entries as part of the agreement, which is a testament to our ability to take tier one brands into multiple regulated jurisdictions outside of their core markets.

After the balance sheet date, on February 24th, Russia launched a military attack on Ukraine. GiG has no offices in Ukraine or Russia and no material business with Russia or Belarus and the direct financial effects of the war are at this stage are not material to the Group.

On 1 April, the acquisition of SportnCo Gaming Group was closed following all the necessary approvals from relevant gaming authorities, shareholder and bondholder approval were obtained.

Overall Group performance

Revenues from continuing operations amounted to EUR79.1 (2020: EUR61.5) million during 2021, an increase of 29%, mainly due to the increase in revenues from both the Paid and Publishing Media divisions together with the increase in revenues generated from the SkyCity contract and onboarding of new customers on the platform. Other operating revenue includes a non-recurring revenue of EUR 3.4 million (EUR 1.5 million in 2020) from the lease of the highroller domain.

Reported revenues include Sky City element, a platform client, recognised on a gross basis. Adjusting for the SkyCity contract on a net basis results in revenues from continuing operations of EUR63.4 million (2020: EUR50.7 million) million, a 25% increase year-over-year.

EBITDA for the Group from continuing operations increased from EUR12.0 million in 2020 to EUR21.8 million in 2021. The increase in revenue was partly absorbed by an increase in total operating expenses from EUR70.4 million in 2020 to EUR75.2 million in 2021. Adjusting for the SkyCity contract being recognised on a net basis, results in total operating expenses from continuing operations being flat year over year, slightly decreasing from EUR59.6 million in 2020 to EUR59.4 million in 2021.

EBITDA is equivalent to operating profit before depreciation and amortisation and impairment.

Directors' report - continued

Revenues

Revenues from continuing operations for 2021 consisted of revenues from performance marketing, which increased to EUR45.0 million (2020: EUR33.4 million) and revenues from the platform and other B2B services which increased to EUR34.2 million (2020: EUR28.1 million). The increase in revenue from performance marketing was due to higher revenues generated from both the Paid and Publishing Media divisions whilst the increase in B2B revenues was mainly generated from the SkyCity contract and the onboarding of new customers on the platform. Adjusting for the Skycity contract being recognised on a net basis, B2B revenues increased to EUR18.4 million in 2021 (EUR18.2 million in 2020).

Other operating revenue includes a non-recurring revenue of EUR 3.4 million (EUR 1.5 million in 2020) from the lease of the highroller domain.

Marketing expenses

Marketing expenses were EUR23.0 million (2020: EUR14.9 million) in the year 2021, an increase of 54%. Adjusting for the SkyCity contract on a net basis result in marketing expenses of EUR11.3 million (2020: EUR6.4 million), an increase of 77%, which resulted in a higher increase in revenues in absolute terms.

Total operating expenses

Other operating expenses amounted to EUR15.6million (2020: EUR11.8 million) in 2021, an increase of 32%. Adjusting for the Skycity contract on a net basis, results in operating expenses of EUR11.3 million (2020: EUR9.4 million), an increase of 20%. The increase is mainly due to an increase in consultancy cost as during the year the Group engaged with consultants as opposed to employing further individuals.

Personnel expenses amounted to EUR22.1 million during 2021 (2020: EUR24.3 million), a decrease of 9%. Capitalised expenses relating to the Group's development of technology amounted to EUR8.0 million in 2021 (2020: EUR4.4 million).

Depreciation and amortisation amounted to EUR14.6 million (2020: EUR19.4 million), a decrease of 25% which is mainly due to the re-assessment exercise of the useful life of media domains and fully amortised affiliate contracts by end 2020.

Profit from operations

The Group's profit before tax from continuing operations for 2021 was EUR1.6 million (2020: loss of EUR14.1 million).

The Company's loss before tax for 2021 was EUR1.8million (2020: EUR6.9 million).

Net finance costs

Net finance costs from continuing operations for 2021 were EUR5.8 million (2020: EUR6.9 million). Net finance costs decreased in 2021 as the one-off transactions costs incurred for bond refinancing were offset by a decrease in bond interest expense and a reduction in exchange differences. The interest expense on bonds decreased to EUR3.9 million in 2021 (2020: EUR4.2 million). As part of the refinancing of the bond process, the Company incurred EUR1.0 million in transaction fees (2020: EUR nil million).

Directors' report - continued

Statement of financial position

The largest asset on the balance sheet relates to intangible assets of EUR37.6 million, which mainly comprises goodwill generated through business combinations (EUR5.8 million), development of technology platform (EUR9.3 million) as well as affiliate assets acquired (EUR21.2 million). Trade and other receivables decreased to EUR16.7 million from EUR19.1 million in 2020 mainly due to a decrease in other receivables which mainly comprise of a balance linked to the contingent consideration upon the disposal of B2C segment.

Significant liabilities in the Group's balance sheet include trade and other payables and the bond issue. Trade and other payables have decreased year over year mainly due to the exhaustion of prepaid platform fee settled by Betsson on their acquisition of B2C assets, discontinuation of the white label model contributing to a reduction of player' accounts, and a reduction in other payables mainly due to the settlement with a third-party software provider of a previously disputed case occurring during 2019.

Financing and cash flow

The Group experienced a net cash inflow during the year of EUR1.4 million (2020: EUR3.5 million). During the year the Company's bond was re-financed with maturity date of 2024. Net cash generated from operating activities was mostly utilised to fund investment in non-current assets, payment of bond interest and lease payments.

COVID-19

The COVID-19 virus spread across the world in 2020 and caused disruption to businesses and economic activity. GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy, and may lead to a global recession.

So far, the Group's operations have not been materially negatively affected by COVID-19 and GiG has applied a work from home policy, operating in a work from home and hybrid office set up allowing, when possible and safe, employees to work from the Group's facilities which are constantly sanitised and respectful of all local and WHO's protocols and regulations.

Going concern

The Company's and Group's financial position had already improved in 2020 following the sale of the B2C, the repayment of the SEK300m 2020 bond in April 2020, and the actions taken to rationalise costs. During 2021, the Company has successfully completed the issuance of a new 3-year SEK 450 million senior secured bond, which proceeds were used to refinance the existing SEK 400 million bond. Further, the EUR 8.5 million convertible loan entered into in December 2020 was converted into equity in 2021. These actions lowered the overall leverage ratio and strengthened the balance sheet through increased equity.

As at 31 December 2021, the Group reported net current liabilities of EUR3.4 million (2020: EUR11.1 million), and net liabilities of EUR3.9 million (2020: EUR5.1 million). After adjusting for non-cash items, primarily representing net 'premium' element receivable (note 12), the net current liability situation of the Group amounts to €4.1m as at 31 December 2021. Included in the net current liability position is an amount of EUR5.1m due to the parent company, which will not be requested by the parent unless alternative funds are made available. The adjusted current asset position amounts to EUR1.0 million as at year end, after adjusting for the parent company payable.

Directors' report - continued

Going concern - continued

Platform Services continues to sign new clients, and with additional brands going live with recurring revenues from new regulated markets, the Group predicts a positive outlook for Platform Services in 2022. With the addition of SportnCo and their proven Sportsbook, Platform Services is expected to emerge as a profitable business unit in 2022 following consideration of expected synergies. Performance marketing has seen a strong performance over time, and the growth in player intake, as well as the positive developments in website rankings sustain further growth in this segment. Management is pleased with the overall development of the Group and expects to continue to grow going forward.

As a result of the above, the Directors consider the going concern assumption in the preparation of the Group's financial statements to be appropriate as at the date of authorisation for issue of the 2021 financial statements.

Significant risks and uncertainties

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, as the internet operations can be linked to several jurisdictions and there are legal doubts on whether the availability of a site within foreign markets constitutes a solicitation to persons residing within that market. Legislation concerning online gaming is under review in certain jurisdictions, and in some circumstances, previous opportunities to offer gaming products to certain customers based in some markets on principles of freedom to provide services, may be impacted by legal restrictions being imposed. In other cases, previously unregulated jurisdictions pass legislation regulating the market creating new opportunities to offer products and services to those markets with legal certainty.

Following the divestment of its B2C segment, together with the de-risking strategy to discontinue the white label model carried out during 2020, GIG is less directly exposed to legal and compliance risks associated with gaming operations. This strategic decision resulted in a reduction from 15 brands operating on white-label agreements, to, only one remaining at the end of 2021, including Sky City. Subsequent to the year end, only two white label brands remained. These remaining white label brands are in the process of converting into SaaS agreements, pending certain regulatory changes. The majority of white labels were terminated and/or migrated to other white-label platforms although the larger white-labels converted to a SaaS agreement with GiG. As part of the strategy to terminate white-label agreements, GiG rescinded its Swedish and UK B2C licenses in October 2020, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds. As at the year end, GiG has one B2C license with the Malta Gaming Authority, together with various B2B licenses in various regulated markets.

The Group will continue to primarily operate in the online gambling industry. The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty. In certain countries online gambling is prohibited and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators that are also the Group's customers, the Group's revenue streams from such customers may be adversely affected. The Group aims to mitigate this risk through a fixed pricing model that is being adopted for platform services where possible.

Directors' report - continued

Significant risks and uncertainties - continued

This evolving environment makes compliance an increasingly complex area with the risk of non-compliance with territory specific regulations, including responsible gaming and anti-money laundering obligations. These uncertainties represent a risk for the Group's ability to develop and grow the business, as changes in legislation or enforcement practices could force the Group to exit markets, or even result in financial sanctions, litigation, license withdrawal or unexpected tax exposures, which have not duly been provided for in the financial statements. These risks continue to stem from past exposures on B2C and white labels, for as long as related warranties may continue to apply, and until the B2C MGA license is relinquished. During November 2020, one of the Group's subsidiaries was subject to a review by the FIAU in relation to controls on money laundering and counter terrorism. The outcome of this review is not yet finalised and based on the information available as at the date of reporting, Management does not anticipate that there will be any material financial consequence emerging from such review.

It is the Group's view that the responsibility for compliance with laws and regulations rests with the customers for both the Media and Platform business activities. Although gaming laws and regulations of many jurisdictions do not specifically apply to the supply of B2B services, certain countries have sought to regulate or prohibit the supply of such services. The Group may therefore be subject to such laws, directly or indirectly. The Group mitigates this risk through monitoring of legal developments, contractual arrangements, and by seeking external advice to assist with the assessment of risk exposures as appropriate.

In addition to the above, the Group faces the risk that customers are not able to pay for the services rendered when these fall due. Specifically, for Media services, the Group faces operational risks arising from Google's changes of its algorithm that could temporarily impact rankings, and hence also impact revenues.

Financial risk management

Information on the Group's and Company's financial risk management is disclosed in Note 3 of the financial statements.

Pledged securities

The Company has pledged its issued share capital with a nominal value of EUR1 which is owned by the immediate parent and this has been pledged to Nordic Trustee ASA, acting as the agent on behalf of bond holders. The bonds are secured by guarantees provided by group operating subsidiaries guaranteeing the discharge of the Issuer's obligations.

Results and dividends

The income statements are set out on page 12. The directors did not declare a dividend during the current and preceding financial years.

Directors' report – continued

Directors

The directors of the Company who held office during the year were:

- Mr Justin Psaila
- Mr Richard Brown

The Company's Articles of Association do not require the directors to retire.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Group and the parent company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business as a going concern.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The financial statements for Gaming Innovation Group p.l.c. for the year ended 31 December 2021 are included in the Annual Report 2021 which is published in hard-copy printed form and may be available on the Group's website. The directors are also responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over and security of the website. Access to the information published on the Group's website is available in other countries and jurisdictions where legislation governing the presentation and dissemination of financial statements may differ from requirements or practices in Malta.

Signed on behalf of the Board of Directors on 21st April 2022 by Richard Brown (Director) and Justin Psaila (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

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Statements of financial position

		Group		Company	
		As at 31 December			
	Notes	**2021**	2020	**2021**	2020
		€	€	**€**	€
ASSETS					
Non-current assets					
Intangible assets	7	**37,585,983**	38,850,945	**-**	-
Property, plant and equipment	8	**1,762,763**	3,043,425	**-**	-
Right-of-use assets	5	**11,123,323**	13,002,292	**-**	-
Investments in subsidiaries	9	**-**	-	**47,785,142**	47,690,942
Deferred income tax assets	21	**78,006**	60,411	**-**	-
Derivative financial instruments	11	**205,714**	205,714	**-**	-
Trade and other receivables	12	**890,361**	676,955	**-**	676,955
Total non-current assets		**51,646,150**	55,839,742	**47,785,142**	48,367,897
Current assets					
Trade and other receivables	12	**16,781,834**	19,064,368	**909,373**	2,370,615
Cash at bank and other intermediaries	13	**8,483,670**	8,042,813	**30,395**	3,503,678
Total current assets		**25,265,504**	27,107,181	**939,768**	5,874,293
Total assets		**76,911,654**	82,946,923	**48,724,910**	54,242,190

Statements of financial position - continued

		Group		Company	
		As at 31 December			
	Notes	**2021**	2020	**2021**	2020
		€	€	**€**	€
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	**50,000**	50,000	**50,000**	50,000
Share premium	14	**2,304,345**	2,304,345	**2,304,345**	2,304,345
Capital reserves	16	**95,698,929**	95,056,852	**76,823,957**	76,823,957
Merger reserve	17	**3,533,484**	3,533,484	**5,886,789**	5,886,789
Other reserves	18	**(13,985,820)**	(14,007,209)	**-**	2,681
Accumulated losses		**(91,553,821)**	(92,085,326)	**(86,714,715)**	(84,934,530)
		(3,952,883)	(5,147,854)	**(1,649,624)**	133,242
Non-controlling interests		**23,048**	14,413	**-**	-
Total equity		**(3,929,835)**	(5,133,441)	**(1,649,624)**	133,242
Liabilities					
Non-current liabilities					
Borrowings	20	**38,849,954**	35,997,913	**38,849,954**	35,997,913
Deferred income tax liabilities	21	**416,069**	360,432	**-**	-
Lease liabilities	5	**10,080,188**	11,736,232	**-**	-
Trade and other payables	19	**2,855,526**	1,773,148	**-**	-
Total non-current liabilities		**52,201,737**	49,867,725	**38,849,954**	35,997,913
Current liabilities					
Trade and other payables	19	**16,738,564**	26,749,132	**1,265,302**	8,098,156
Current income tax liabilities		**528,360**	111,339	**40,010**	40,010
Borrowings	20	**8,984,530**	9,001,064	**10,219,268**	9,972,869
Lease liabilities	5	**2,388,298**	2,351,104	**-**	-
Total current liabilities		**28,639,752**	38,212,639	**11,524,580**	18,111,035
Total liabilities		**80,841,489**	88,080,364	**50,374,534**	54,108,948
Total equity and liabilities		**76,911,654**	82,946,923	**48,724,910**	54,242,190

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

The financial statements were approved and authorised for issue by the Board of Directors on 21st April 2022. The financial statements were signed on behalf of the Board of Directors by Richard Brown (Director) and Justin Psaila (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Income statements

	Notes	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
		Year ended 31 December			
Net revenue	22	**79,178,047**	61,526,749	**-**	-
Other operating income	22	**3,375,000**	1,500,000	**-**	-
Dividend income	22	**-**	-	**3,872,379**	-
Operating expenses					
Personnel expenses	23	**(22,058,595)**	(24,261,712)	**-**	-
Depreciation and amortisation	5, 7, 8	**(14,584,070)**	(19,406,842)	**-**	(14,163)
Impairment losses	9	**-**	-	**-**	(1,100,000)
Marketing, including commission	22	**(23,009,461)**	(14,899,989)	**(22,218)**	-
Other operating expenses	22	**(15,586,394)**	(11,846,975)	**(292,789)**	(103,163)
Total operating expenses		**(75,238,520)**	(70,415,518)	**(315,007)**	(1,217,326)
Other income/(expense)	24	**851,625**	186,367	**-**	(908,973)
Operating profit/(loss) pre transaction costs		**8,166,152**	(7,202,402)	**3,557,372**	(2,126,299)
Transaction costs	22	**(981,444)**	-	**(981,444)**	-
Operating profit/(loss)		**7,184,708**	(7,202,402)	**2,575,928**	(2,126,299)
Finance income	25	**274,274**	2,661	**540,827**	-
Finance costs	26	**(5,824,109)**	(6,873,053)	**(4,899,621)**	(4,818,101)
Profit/(loss) before income tax		**1,634,873**	(14,072,794)	**(1,782,866)**	(6,944,400)
Income tax (expense)/credit	27	**(631,443)**	845,376	**-**	-
Profit/(loss) for the year from continuing operations		**1,003,430**	(13,227,418)	**(1,782,866)**	(6,944,400)
Loss from discontinued operations	6	**(465,971)**	(1,753,055)	**-**	-
Profit/(loss) for the year		**537,459**	(14,980,473)	**(1,782,866)**	(6,944,400)
Profit/(loss) for the year is attributable to:					
Owners of the company		**528,824**	(14,971,026)		
Non-controlling interests		**8,635**	(9,447)		
		537,459	(14,980,473)		

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

Statements of comprehensive income

		Group		Company	
		Year ended 31 December			
	Note	**2021**	2020	**2021**	2020
		€	€	**€**	€
Profit/(loss) for the year		**537,459**	(14,980,473)	**(1,782,866)**	(6,944,400)
Other comprehensive income					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of foreign operations	18	**24,070**	(169,296)	**-**	-
		24,070	(169,296)	**-**	-
Items that will not be reclassified to profit or loss					
Change in value of financial assets at fair value through other comprehensive income, net of deferred tax	18	**-**	(17,503)	**-**	430,701
Total other comprehensive income for the year, net of deferred tax		**24,070**	(186,799)	**-**	430,701
Total comprehensive income for the year		**561,529**	(15,167,272)	**(1,782,866)**	(6,513,699)
Total comprehensive income for the year is attributable to:					
Owners of the company		**552,894**	(15,157,825)		
Non-controlling interests		**8,635**	(9,447)		
		561,529	(15,167,272)		

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

Statements of changes in equity

Group

	Note	Attributable to owners of the company								
		Share capital €	**Share premium €**	**Capital reserves €**	**Merger reserve €**	**Other reserves €**	**Retained earnings €**	**Total €**	**Non-controlling interest €**	**Total equity €**
Balance at 1 January 2020		50,000	2,304,345	95,413,638	3,533,484	(13,961,678)	(76,973,032)	10,366,757	23,860	10,390,617
Comprehensive income										
Loss for the year		-	-	-	-	-	(14,971,026)	(14,971,026)	(9,447)	(14,980,473)
Other comprehensive income:										
Change in value of financial assets at fair value through other comprehensive income, net of deferred tax	18	-	-	-	-	(17,503)	-	(17,503)	-	(17,503)
Currency translation differences	18	-	-	-	-	(169,296)	-	(169,296)	-	(169,296)
Total other comprehensive income for the year, net of tax		-	-	-	-	(186,799)	-	(186,799)	-	(186,799)
Total comprehensive income for the year		-	-	-	-	(186,799)	(14,971,026)	(15,157,825)	(9,447)	(15,167,272)

Statements of changes in equity – continued

Group		Attributable to owners of the company								
	Notes	**Share capital €**	**Share premium €**	**Capital reserves €**	**Merger reserve €**	**Other reserves €**	**Retained earnings €**	**Total €**	**Non-controlling interest €**	**Total equity €**
Transactions with owners										
Value of employee services	16	-	-	(356,786)	-	-	-	(356,786)	-	(356,786)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	18	-	-	-	-	141,268	(141,268)	-	-	-
Total transactions with owners, recognised directly in equity		-	-	(356,786)	-	141,268	(141,268)	(356,786)	-	(356,786)
Balance at 31 December 2020		50,000	2,304,345	95,056,852	3,533,484	(14,007,209)	(92,085,326)	(5,147,854)	14,413	(5,133,441)

Statements of changes in equity - continued

Group

	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Retained earnings €	Total €	Non-controlling interest €	Total equity €
		Attributable to owners of the company								
Balance at 1 January 2021		50,000	2,304,345	95,056,852	3,533,484	(14,007,209)	(92,085,326)	(5,147,854)	14,413	(5,133,441)
Comprehensive income										
Profit for the year		-	-	-	-	-	528,824	528,824	8,635	537,459
Other comprehensive income:										
Currency translation differences	18	-	-	-	-	24,070	-	24,070	-	24,070
Total other comprehensive income for the year, net of tax		-	-	-	-	24,070	-	24,070	-	24,070
Total comprehensive income for the year		-	-	-	-	24,070	528,824	552,894	8,635	561,529

Statements of changes in equity – continued

Group

	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Retained earnings €	Total €	Non-controlling interest €	Total equity €
		Attributable to owners of the company								
Transactions with owners										
Value of employee services	16	-	-	642,077	-	-	-	642,077	-	642,077
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	18	-	-	-	-	(2,681)	2,681	-	-	-
Total transactions with owners, recognised directly in equity		-	-	642,077	-	(2,681)	2,681	642,077	-	642,077
Balance at 31 December 2021		**50,000**	**2,304,345**	**95,698,929**	**3,533,484**	**(13,985,820)**	**(91,553,821)**	**(3,952,883)**	**23,048**	**(3,929,835)**

Statements of changes in equity - continued

Company	Note	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2020		50,000	2,304,345	76,823,957	5,886,789	(569,288)	(77,848,862)	6,646,941
Comprehensive income								
Loss for the year		-	-	-	-	-	(6,944,400)	(6,944,400)
Other comprehensive income:								
Change in value of financial assets at fair value through other comprehensive income, net of deferred tax	18	-	-	-	-	430,701	-	430,701
Total other comprehensive income for the year		-	-	-	-	430,701	(6,944,400)	(6,513,699)
Transactions with owners								
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	18	-	-	-	-	141,268	(141,268)	-
Total transactions with owners, recognised directly in equity		-	-	-	-	141,268	(141,268)	-
Balance at 31 December 2020		50,000	2,304,345	76,823,957	5,886,789	2,681	(84,934,530)	133,242

Statements of changes in equity - continued

Company	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2021		50,000	2,304,345	76,823,957	5,886,789	2,681	(84,934,530)	133,242
Comprehensive income								
Loss for the year		-	-	-	-	-	(1,782,866)	(1,782,866)
Total other comprehensive income for the year		-	-	-	-	-	(1,782,866)	(1,782,866)
Transactions with owners								
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	18	-	-	-	-	(2,681)	2,681	-
Total transactions with owners, recognised directly in equity		-	-	-	-	(2,681)	2,681	-
Balance at 31 December 2021		**50,000**	**2,304,345**	**76,823,957**	**5,886,789**	**-**	**(86,714,715)**	**(1,649,624)**

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

Statements of cash flows

		Group		Company	
		Year ended 31 December			
	Notes	**2021**	2020	**2021**	2020
		€	€	**€**	€
Cash flows generated from/(used) in operating activities					
Cash generated from operations	28	**17,122,144**	28,198,892	**(1,231,485)**	15,179,118
Interest received		**-**	2,661	**-**	-
Interest paid		**-**	(510)	**-**	-
Tax paid		**(424,640)**	(401,634)	**-**	-
Net cash generated from/ (used) in operating activities		**16,697,504**	27,799,409	**(1,231,485)**	15,179,118
Cash flows from investing activities					
Payments for intangible assets	7	**(9,200,653)**	(6,818,869)	**-**	-
Purchases of property, plant and equipment	8	**(377,558)**	(1,607,461)	**-**	-
Proceeds from disposal of investment in subsidiaries, net of cash transferred	6, 9	**-**	13,537,702	**-**	13,537,702
Sale of financial assets at fair value through other comprehensive income	10	**-**	550,497	**-**	550,497
Net cash (used in)/generated from investing activities		**(9,578,211)**	5,661,869	**-**	14,088,199
Cash flows from financing activities					
Net repayment of loan from ultimate parent	20	**(414,523)**	5,545,704	**(151,590)**	6,517,509
Net proceeds from issuance of bond	20	**1,886,371**	-	**1,886,371**	-
Redemption of bond	20	**-**	(27,824,965)	**-**	(27,824,965)
Interest paid		**(4,901,067)**	(4,914,317)	**(3,976,579)**	(4,479,408)
Lease liability principal payments	5	**(2,331,604)**	(2,720,185)	**-**	-
Net cash used in financing activities		**(5,760,823)**	(29,913,763)	**(2,241,798)**	(25,786,864)
Net movement in cash and cash equivalents		**1,358,470**	3,547,515	**(3,473,283)**	3,480,453
Cash and cash equivalents at beginning of year		**5,494,857**	1,947,342	**3,503,678**	23,225
Cash and cash equivalents at end of year	13	**6,853,327**	5,494,857	**30,395**	3,503,678

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

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements include the financial statements of Gaming Innovation Group p.l.c. ("GIG p.l.c." or "the Company") and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies (see Note 4 – Critical accounting estimates, judgements and errors).

Going concern

The Company's and Group's financial position had already improved in 2020 following the sale of the B2C, the repayment of the SEK300m 2020 bond in April 2020, and the actions taken to rationalise costs. During 2021, the Company has successfully completed the issuance of a new 3-year SEK 450 million senior secured bond, which proceeds were used to refinance the existing SEK 400 million bond. Further, the EUR 8.5 million convertible loan entered into in December 2020 was converted into equity in 2021. These actions lowered the overall leverage ratio and strengthened the balance sheet through increased equity.

As at 31 December 2021, the Group reported net current liabilities of EUR3.4 million (2020: EUR11.1 million), and net liabilities of EUR3.9 million (2020: EUR5.1 million). After adjusting for non-cash items, primarily representing net 'premium' element receivable (note 12), the net current liability situation of the Group amounts to €4.1m as at 31 December 2021. Included in the net current liability position is an amount of EUR5.1m due to the parent company, which will not be requested by the parent unless alternative funds are made available. The adjusted current asset position amounts to EUR1.0 million as at year end, after adjusting for the parent company payable.

Platform Services continues to sign new clients, and with additional brands going live with recurring revenues from new regulated markets, the Group predicts a positive outlook for Platform Services in 2022. With the addition of SportnCo and their proven Sportsbook, Platform Services is expected to emerge as a profitable business unit in 2022 following consideration of expected synergies. Performance marketing has seen a strong performance over time, and the growth in player intake, as well as the positive developments in website rankings sustain further growth in this segment. Management is pleased with the overall development of the Group and expects to continue to grow going forward.

As a result of the above, the Directors consider the going concern assumption in the preparation of the Group's financial statements to be appropriate as at the date of authorisation for issue of the 2021 financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1 Summary of significant accounting policies – continued

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 1.3).

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost includes directly attributable costs of the investment. Cost also includes the vested portion of the grant date fair value of share options which the Company grants as remuneration to employees and other consultants who provide services to the Company's subsidiaries.

Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1 Summary of significant accounting policies - continued

1.2 Consolidation - continued

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 Business combinations between entities under common control

Business combinations between entities under common control, which do not fall within the scope of IFRS 3, are accounted for using predecessor method of accounting. Under the predecessor method of accounting, assets and liabilities are incorporated at the predecessor carrying values which are the carrying amounts of assets and liabilities of the acquired entity from the financial statement amounts of the acquired entity.

No new goodwill arises in predecessor accounting, and any differences between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity, is included in equity in a separate reserve. The financial statements incorporate the acquired entities' results and balance sheet prospectively from the date on which the business combination between entities under common control occurred.

1.4 Segment information

The Group determines and presents operating segments based on the information that internally is provided to the Group's management team, which is the Group's chief operating decision-maker in accordance with the requirements of IFRS 8 'Operating segments'.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Group's management team to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision-maker.

1 Summary of significant accounting policies - continued

1.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro ("EUR"), which is the functional currency of the parent company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The Group's and the Company's accounting policy is to present all exchange differences within finance (costs)/income, including exchange differences arising on cash and cash equivalents and amounts due from payment providers.

(c) Group companies

Income statements of foreign entities are translated into the Group's presentation currency at the average exchange rates for the year and statements of financial position are translated at the exchange rates ruling at year-end. All resulting translation differences are recognised in other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. On disposal or partial disposal of a foreign entity, translation differences that were previously recognised in other comprehensive income are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences are recognised in other comprehensive income.

1.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or Groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1 Summary of significant accounting policies – continued

1.6 Intangible assets – continued

(b) Domains

Domains comprise the value of domain names acquired by the Group as well as the value derived from the search engine optimisation activity embedded in the acquired portfolios. Separately acquired domains are shown at historical cost, which represent their acquisition price and certain domains are expected to have a useful life of 8 years. Amortisation is calculated using the straight-line method to allocate the cost of domains over their estimated useful lives. Other domains have an indefinite useful life.

(c) Affiliate contracts

Acquired affiliate contracts are shown at historical cost and are deemed to have a useful life of 3 years, determined by reference to the expected user churn rate. Amortisation is calculated using the straight-line method to allocate the cost of affiliate contracts over their estimated useful lives.

(d) Trademarks

Separately acquired trademarks and licences are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have indefinite useful lives and are subsequently carried at cost less impairment losses. The trademarks are not amortised and are held indefinitely because trends show that they will generate net cash inflows for the Group for an indefinite period.

(e) Computer software and technology platforms

Acquired computer software and platforms are capitalised on the basis of the costs incurred to acquire and bring to use these assets. These costs are amortised over their estimated useful lives of 2 to 3 years or, in the case of computer software, over the term of the licence agreement, if different.

Development costs that are directly attributed to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of these intangible assets include the development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1 Summary of significant accounting policies – continued

1.7 Property, plant and equipment

All property, plant and equipment are initially recorded at historical cost and subsequently carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

	Years
Installations and improvements to premises	**3 - 6**
Computer and office equipment	**3**
Furniture and fittings	**3 - 6**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.9).

Gains and losses on disposals of plant and equipment are determined by comparing the proceeds with carrying amount and are recognised within profit or loss.

1.8 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that
- option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

1 Summary of significant accounting policies - continued

1.8 Leases - continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives
- received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10 Financial assets

1.10.1 Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

1 Summary of significant accounting policies - continued

1.10 Financial assets - continued

1.10.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

1.10.3 Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

1 Summary of significant accounting policies - continued

1.10 Financial assets - continued

1.10.3 Measurement - continued

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1.10.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1 for further details.

1.11 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 1.9.4). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks and e-wallets, net of restricted balances.

1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any proceed in excess of the nominal value of shares issued is recorded as equity, and presented within 'Share premium'.

1 Summary of significant accounting policies - continued

1.14 Capital reserves

Contributions received from the shareholders for which GIG has no obligation to repay are recorded in equity and presented within the 'Capital contribution reserve'. Included within capital reserves are advances for shares to be issued which represent proceeds received from the Group's shareholders in anticipation of issuance of ordinary shares and exercised share options, the share capital and premium of which had not yet been issued.

1.15 Distributions

Reductions arising from distributions to shareholders, whether in the form of dividends or otherwise, are deducted directly from equity. Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the obligation to pay a dividend is established.

1.16 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.17 Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

1.18 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1 Summary of significant accounting policies - continued

1.20 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of financial position.

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

1.21 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

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

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

1 Summary of significant accounting policies - continued

1.22 Share-based payments

The Company's parent operates a number of equity-settled share-based compensation plans. Through these plans, the Group, through various companies within the Group, receives services from employees and consultants, or purchases intangible assets, as consideration for equity instruments (options) of the Company's parent. The fair value of the employee services received in exchange for the grant of the options is recognised by the Group as an expense.

Equity-settled share-based payments

Equity-settled share-based payment transactions are measured at the grant date at fair value for employee services, which requires a valuation of the options. Once the fair value has been determined, the amount recognised as an expense is adjusted to reflect the number of awards for which the related service are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company's parent, or another entity at the request of the Company's parent, transfers shares to the employees.

The grant by the Company's parent of options over its equity instruments to the employees of the Group is treated as a capital contribution on the basis that the Group does not compensate its parent for the fair value of shares granted. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an expense, with a corresponding credit to equity.

1.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Group's activities. The Group recognises revenue, including other operating revenue, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below.

(a) Gaming

Gaming transactions that are not deemed to be financial instruments, where the Group revenues stem from commissions, are recorded in accordance with IFRS 15 'Revenue from Contracts with Customers'. The revenue recognised in this manner relates to Poker. Such revenue represents the commission charged at the conclusion of each poker hand in cash games (i.e., rake). The Group's performance obligation in this service is the provision of the poker game to the individual players. It is satisfied, and the Group is entitled to its share of the pot (i.e., the rake), once each poker hand is complete.

1 Summary of significant accounting policies – continued

1.23 Revenue recognition – continued

(b) Gaming - continued

Revenue from gaming transactions that are deemed to be financial instruments, where the Group takes open positions against players, is recognised as a net fair value gain or loss after the deduction of players' winnings, bonuses and gaming taxes. The revenue recognised in this manner relates to sports betting and casino. These are governed by IFRS 9 and thus out of scope of IFRS 15.

Revenue from transactions where the Group is taking positions against players, such as sports betting and online casino, is recognised when the outcome of an event is known. Revenue from commission arising on transactions where the Company does not take open positions against players, such as poker, is recognised when players place wagers in a pool.

(c) Platform and sportsbetting services

In contracting with white label operators, the Group considers that it is acting as an intermediary between the third-party platform and the related service providers. On this basis revenue is recognised net of payments made to service providers. For one particular client, the Group has the primary responsibility for fulfilling the promise to provide specific services making the Group the principal. On this basis, the revenues are recognised gross of payments made to service providers in line with accounting policy 1.23(a) above.

In contracting with own license operators, the Group generates revenue by entering into a revenue share deal or a fixed deal where such revenue is apportioned on an accrual basis over the whole term of the contract. The consideration for such services is generally split between an initial setup to configure the software as per the customer's requirements and on-going charge invoiced monthly.

The uncertainty on the amount of revenue to be received is resolved at each calendar month-end since the contracts are such that the amounts reset to zero on a monthly basis. Management has determined that it is appropriate for the Group to recognise the monthly amounts invoiced as revenue in the Income Statement as this best represents the Group's enforceable rights to income, as well as the value of services received by the Group's customers.

In accordance with IFRS 15, the set-up is not seen as a distinct PO as the customer cannot benefit from the set-up itself but from the agreement as a whole. Accordingly, the set-up fee is simply seen as being part of the consideration receivable for the software as a service (SAAS) agreement and should therefore be deferred over the period of the agreement. Management performed a detailed analysis of such impact and concluded that this has an immaterial effect for the Group. Management will continue to monitor this matter due to the increase in customers in this segment.

1 Summary of significant accounting policies – continued

1.23 Revenue recognition – continued

(d) Performance Marketing

For a revenue share deal, the Company receives a share of the revenues that the gaming operator has generated as a result of a player playing on their iGaming site. Revenue is recognised in the month that it is earned by the respective gaming operator.

For a cost acquisition deal, a client pays a one-time fee for each player who deposits money on the client's site. Cost per acquisition contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

For a listing deal, a client pays a fixed fee to be listed and critically reviewed on the Group's websites. Such revenue is apportioned on an accrual basis over the term of the contract.

Management considers the Group's contracts to represent a series of distinct performance obligations to stand ready to redirect players on a constant basis. Such contracts give rise to variable consideration from an IFRS 15 point of view since the revenues are not fixed at the outset. In view of the nature of the service provided as a monthly stand-ready obligation the Group recognises the income in the month in which it has a contractual right to bill the iGaming operators.

(e) Other

Interest income is recognised in profit or loss for interest-bearing instruments as it accrues, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

Dividend income is recognised when the right to receive payment is established.

2 Segment information

Up until the divestment of the Business to Consumer ("B2C") segment in 2020, the Group operated two segments:

- B2C, which included the gaming operations directed towards end users, and
- the Business to Business ("B2B"), which included its platform offering front-end services ('Platform') and affiliate marketing ('Media').

Following the divestment of the B2C segment, the Group's internal reporting to its management team focuses on Platform and Media separately, and accordingly the segment information disclosed below differs from the disclosures that had been made in the Group's financial statements for the year ended 31 December 2020. Comparative information has been restated to be consistent with the current year's disclosures.

2 Segment information - continued

2021	**Media**	**Platform**	**Group**
	€	**€**	**€**
Net revenue	**44,969,637**	**34,208,410**	**79,178,047**
Other operating income	**-**	**3,375,000**	**3,375,000**
Operating expenses			
Personnel expenses	(7,475,177)	(14,583,418)	(22,058,595)
Depreciation and amortisation	(7,689,395)	(6,899,146)	(14,588,541)
Marketing, including commission	(10,961,378)	(12,048,083)	(23,009,461)
Platform and service provider fees	-	(4,403,363)	(4,403,363)
Consultancy fees	(2,683,203)	(2,363,308)	(5,046,511)
Other operating expenses	(2,567,985)	(3,564,064)	(8,294,496)
Total operating expenses	**(31,377,138)**	**(43,861,382)**	**(75,238,520)**
Segment profit/(loss)	**13,592,499**	**(6,277,972)**	**7,314,527**
Transaction costs			(981,444)
Other income			851,625
Operating profit			**7,184,708**
Finance income			274,274
Finance costs			(5,824,109)
Profit before tax from continuing operations			**1,634,873**

2020	**Media**	**Platform**	**Group**
	€	**€**	**€**
Net revenue	**33,491,762**	**28,034,987**	**61,526,749**
Other operating income	**-**	**1,500,000**	**1,500,000**
Operating expenses			
Personnel expenses	(7,591,692)	(16,670,020)	(24,261,712)
Depreciation and amortisation	(10,962,433)	(8,444,409)	(19,406,842)
Marketing, including commission	(6,212,378)	(8,687,611)	(14,899,989)
Platform and service provider fees	(1,726)	(2,677,886)	(2,679,612)
Other operating expenses	(1,920,487)	(7,246,876)	(9,167,363)
Total operating expenses	**(26,688,716)**	**(43,726,802)**	**(70,415,518)**
Segment profit/(loss)	**6,803,046**	**(14,191,815)**	**(7,388,769)**
Other income			186,367
Operating loss			**(7,202,402)**
Finance income			2,661
Finance costs			(6,873,053)
Loss before tax from continuing operations			**(14,072,794)**

2 Segment information - continued

The following table presents the Group's revenue and other operating income by product line, net of intra-segment eliminations:

	Group	
	2021	2020
	€	€
B2C		
Casino	**-**	21,830,212
Sports	**-**	573,816
Poker	**-**	491,562
	-	22,895,590
B2B		
Performance marketing	**44,969,637**	33,491,762
Platform services including other operating income	**37,583,410**	29,534,987
	82,553,047	63,026,749
Net revenue and other operating income	**82,553,047**	85,922,339

The Group operates in a number of geographical areas as detailed below. The geographical revenue split is based on where the operator generates its revenues.

	Group	
	2021	2020
	€	€
Revenue		
Nordic countries	**3,879,036**	16,808,035
Europe excluding Nordic countries	**57,405,997**	58,826,777
Rest of world	**21,268,014**	10,287,527
Total	**82,553,047**	85,922,339

All employees of the Group for both the current and the previous years were based in Europe. Similarly, all assets for the current and the previous years were located in Europe. The Group is not exposed to concentration risk since it operates in a number of markets as disclosed above.

Revenues from one customer accounted for EUR9,267,281 (2020: EUR8,005,504) and arose in both the Platform and the Media segments.

3 Financial risk management

3.1 Financial risk factors

The Group's and Company's activities potentially expose it to a variety of financial risks principally comprising market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group provides principles for overall risk management. The Group and Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the SEK, GBP, NZD, CAD, USD, DKK and NOK. The Company is primarily exposed to foreign exchange risk with respect to SEK arising on the bond in issuance. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

The table below summarises the Group and the Company's exposure to foreign currencies, other than the functional currency, as at 31 December 2021 and 2020.

Group	Assets	Liabilities	Net exposure
	€	€	€
As at 31 December 2021			
SEK to EUR	-	(42,658,484)	(42,658,484)
GBP to EUR	445,494	(7,829)	437,665
NZD to EUR	1,202,628	(368,362)	834,266
CAD to EUR	53,083	(210)	52,873
USD to EUR	632,733	(48,098)	584,635
NOK to EUR	95,747	(2,043)	93,704
DKK to EUR	-	(11,202)	(11,202)
Other currencies	4,166	(1,228)	(2,938)
	2,433,851	**(43,097,456)**	**(40,663,605)**
As at 31 December 2020			
SEK to EUR	55,801	(39,543,955)	(39,488,154)
GBP to EUR	76,163	(1,108,046)	(1,031,883)
NZD to EUR	1,668,100	(282)	1,667,818
CAD to EUR	378,441	(62,152)	316,289
USD to EUR	1,863,792	(80,035)	1,783,757
NOK to EUR	536,054	(204,932)	331,122
DKK to EUR	270,532	-	270,532
Other currencies	275,710	(290,698)	(14,988)
	5,124,593	**(41,290,100)**	**(36,165,507)**

3 Financial risk management - continued

3.1 Financial risk factors - continued

(a) Market risk - continued

(i) Foreign exchange risk - continued

Company	Assets €	Liabilities €	Net exposure €
As at 31 December 2021			
SEK to EUR	-	(42,703,303)	(42,703,303)
As at 31 December 2020			
SEK to EUR	-	(39,455,044)	(39,455,044)

For the Group and Company a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the period was deemed necessary for liabilities denominated in SEK. At the end of the reporting period, had the SEK exchange rate strengthened or weakened against the euro by 0.15% (2020: 1.07%) with other variables held constant, the increase or decrease respectively in net assets of the Group and the Company would amount to approximately EUR63,792 (2020: EUR417,681) and EUR63,984 (2020: EUR426,716) respectively.

A sensitivity analysis for all other assets and liabilities was not deemed necessary on the basis that the directors do not consider the risk to be material.

(ii) Interest rate risk

As at 31 December 2021, the Group and the Company are exposed to cash flow interest rate risk arising on the floating rate note bonds in issue at this date (Note 20). The bond has a 3 monthly STIBOR plus fixed interest rate of 8.5%. The STIBOR rate has not changed over the past years and therefore no sensitivity analysis is required as it does not have a significant effect on the interest rate being paid. There are no other significant exposures to floating rates of interest as at 31 December 2021, and the Group and the Company were not significantly exposed to floating rates of interest as at 31 December 2020.

(b) Credit risk

Credit risk is the risk of a financial loss to the Group and Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from outstanding receivables due to the Group and Company's customers and cash and cash equivalents.

3 Financial risk management - continu

3.1 Financial risk factors - continued

(b) Credit risk - continued

The Group and Company's exposure to credit risk is:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Financial assets at amortised cost:				
Trade and other receivables (Note 12)	**10,858,137**	13,182,574	**871,709**	3,006,865
Amounts due from payment providers (Note 12)	**716,590**	596,587	**-**	-
Cash at bank and other intermediaries (Note 13)	**8,483,670**	8,042,813	**30,395**	3,503,678
Exposure	**20,058,397**	21,821,974	**902,104**	6,510,543

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to the gross carrying amount.

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has processes in place to ensure that sales of services are affected to customers with an appropriate credit history. The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customers are within controlled parameters. The Group and Company monitor the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Group and Company's receivables taking into account historical experience in collection of accounts receivable.

The Group and Company seek to manage credit risk by only undertaking transactions with counterparties which include financial institutions or intermediaries, such as payment providers with quality standing. Control structures are in place to assess credit risk on similar lines. The following table provides information regarding the aggregated credit risk exposure, for deposits with bank and financial institutions or intermediaries with external credit ratings as at 31 December 2021 and 2020.

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Cash at bank and other intermediaries:				
AAA	**894,013**	-	**-**	-
AA+ to AA-	**98,687**	5,142,454	**-**	-
A+ to A-	**62,410**	-	**-**	3,503,461
BBB+ to BBB-	**6,713,647**	862,486	**30,395**	217
BB+ to BB-	**36,970**	-	**-**	-
Below BB or not rated	**677,943**	2,037,873	**-**	-
	8,483,670	8,042,813	**30,395**	3,503,678

Amounts due from payment providers of EUR716,590 (2020: EUR596,587) are not rated.

3 Financial risk management - continued

3.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets

The Group's trade receivables are subject to the expected credit loss model. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but due to the low credit risk the loss allowance was deemed to be immaterial in both current and prior years. The loss allowance in relation to amounts due from payment providers was deemed to be nil as at 31 December 2021 and 31 December 2020. EUR991,057 was determined to be irrecoverable during 2020, and was therefore written off.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on historical experience, as adjusted for qualitative factors, as further described below.

The publishing unit within performance marketing reported trade receivables of EUR4,634,138 as at 31 December 2021 (2020: EUR3,514,526), and a loss allowance of EUR251,914 (2020: EUR452,296). The paid unit within performance marketing reported trade receivables of EUR1,917,915 as at 31 December 2021 (2020: EUR2,172,134), and a loss allowance of €170,777 (2020: nil).

Trade receivables from platform services amounted to EUR2,265,261 as at 31 December 2021 (2020: EUR3,634,212). As at 31 December 2021, management recorded a loss allowance of nil (2020: nil), and EUR 285,254 (2020: EUR986,673) was written off as uncollectible. Management has considered the quality of counterparties as at 31 December 2021 and 2020, and concluded that no further loss allowance should be recorded on the basis of payment experience, where relevant, and management's credit risk assessment.

Other receivables for the Group amount to EUR2,225,945 (2020: EUR3,160,841) which amounts are mostly linked to the sale of the B2C segment amounting to EUR678,158(2020: EUR3,002,462) and receivables related to lease of a domain amounting to EUR1,185,509(2020: nil) which are expected to reduce in line with the contractual obligations of the counterparty.

Other receivables for the Company amount to EUR678,158(2020: EUR3,002,462) linked to the sale of the B2C segment.

3 Financial risk management - continued

3.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets - continued

The table below provides detailed information in relation to the loss allowance established for the publishing unit within performance marketing:

		Days overdue							
31 December 2021	**Current**	**1 - 30**	**31 - 60**	**61 - 90**	**91 - 120**	**121 - 300**	**301 - 500**	**Over 500**	**Total**
Expected loss rate*	0.60%	1.37%	4.21%	5.95%	8.49%	29.75%	58.34%	96.13%	
Trade receivables, gross	2,790,467	992,822	765,745	255,952	126,905	272,947	7,604	80,900	**5,293,342**
Loss allowance	**16,619**	**13,610**	**32,267**	**15,238**	**10,771**	**81,207**	**4,436**	**77,766**	**251,914**

		Days overdue							
31 December 2020	**Current**	**31 - 60**	**61 - 90**	**91 - 120**	**121 - 300**	**301 - 500**	**501 - 700**	**Over 700**	**Total**
Expected loss rate*	1.60%	3.81%	5.36%	11.52%	19.20%	40.50%	64.18%	94.56%	
Trade receivables, gross	1,718,945	849,251	201,330	132,165	20,341	309,390	101,581	181,523	**3,514,526**
Loss allowance	**27,853**	**32,364**	**10,795**	**15,227**	**3,906**	**125,303**	**65,195**	**171,653**	**452,296**

The table below provides detailed information in relation to the loss allowance established for the paid unit within performance marketing:

	Days overdue								
31 December 2021	**1 - 31**	**32 - 62**	**63 - 93**	**94 - 124**	**125 - 247**	**248 - 370**	**371 - 493**	**Over 493**	**Total**
Expected loss rate*	0.75%	2.48%	14.68%	40.96%	46.77%	54.50%	100.00%	100.00%	
Trade receivables, gross	988,648	508,029	204,529	80,646	72,696	21,149	17,406	24,812	**1,917,915**
Loss allowance	**7,385**	**12,589**	**30,029**	**33,029**	**34,001**	**11,526**	**17,406**	**24,812**	**170,777**

*Expected loss rate has been rounded up to the next two decimal places for disclosure purposes.

3 Financial risk management - continued

3.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets - continued

The closing loss allowance for trade receivables related to publishing and paid units within performance marketing as at 31 December 2021 and 2020 reconciles to the opening loss allowance as follows:

Group	**2021**	2020
	€	€
Opening loss allowance as at 1 January	**452,296**	548,676
Increase in loss allowance recognised in profit and loss during the year	**281,764**	(96,830)
Receivables written off during the year as uncollectible	**(311,369)**	-
At 31 December	**422,691**	452,296

(c) Liquidity risk

The Group and the Company are exposed to liquidity risk in relation to meeting future obligations associated with their financial liabilities, which comprise principally trade and other payables and borrowings (refer to Notes 19 and 20). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group and Company's obligations.

Management monitors liquidity risk by reviewing expected cash flows and assesses whether additional financing facilities are expected to be required over the coming year. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments. Further information linked to liquidity, and the going concern basis of preparation is found in Note 1.1 to the financial statements.

The following tables analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at 31 December 2021 and 2020 to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 Financial risk management - continued

3.1 Financial risk factors - continued

(c) Liquidity risk - continued

31 December 2021	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
	€	€	**€**	**€**	€
Group					
Bond	3,853,349	3,731,598	45,557,370	-	53,142,317
Trade and other payables	16,738,564	936,062	1,919,464	-	19,594,090
Loan from Group parent	5,131,181	-	-	-	5,131,181
Lease liabilities	3,056,327	3,218,842	7,488,446	839,507	14,603,122
Total	**28,779,421**	**7,886,502**	**54,965,280**	**839,507**	**92,470,710**
Company					
Bond	3,731,598	3,731,598	45,557,370	-	53,020,566
Trade and other payables	1,265,302	-	-	-	1,265,302
Loan from Group parent	6,365,919	-	-	-	6,365,919
Total	**11,362,819**	**3,731,598**	**45,557,370**	**-**	**60,651,787**

31 December 2020	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
	€	€	**€**	**€**	€
Group					
Bond	3,455,360	41,574,905	-	-	45,030,265
Trade and other payables	29,975,984	1,773,148	-	-	26,749,132
Loan from Group parent	5,545,704	-	-	-	5,545,704
Lease liabilities	3,355,875	2,977,046	8,068,133	-	14,401,054
Total	**37,332,923**	**46,325,099**	**8,068,133**	**-**	**91,726,155**
Company					
Bond	3,455,360	41,574,905	-	-	45,030,265
Trade and other payables	8,098,156	-	-	-	8,098,156
Loan from Group parent	6,517,509	-	-	-	6,517,509
Total	**18,071,025**	**41,574,905**	**-**	**-**	**59,645,930**

3.2 Capital risk management

The Group's capital comprises its equity as included in the statement of financial position. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3 Financial risk management - continued

3.2 Capital risk management - continued

The Company's capital structure is monitored at a Group level with appropriate reference to subsidiaries' financial conditions and prospects. The capital structure of the Company and the Group consist of equity attributable to equity holders, comprising issued shared capital and other reserves. Capital risk is monitored on a regular basis by reporting the net interest-bearing liabilities against targets set by the Board, prior periods and covenants set by third parties.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3.3 Fair values of financial instruments

Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Group	**Level 3** **€**
At 31 December 2021	
Assets	
Financial assets at fair value through profit or loss:	
Derivative instruments	
- purchased call option (Note 11)	**205,714**
Total financial assets	**205,714**
At 31 December 2020	
Assets	
Financial assets at fair value through profit or loss:	
Derivative instruments	
- purchased call option (Note 11)	205,714
Total financial assets	205,714

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 valuations are reviewed regularly by the directors. The Group's derivative financial instrument, comprising an option to purchase intangible assets, is also included in level 3, and is disclosed in Note 12. Further details on how the fair value of these instruments was calculated are disclosed in the respective notes to these financial statements.

There were no transfers between levels of the fair value hierarchy during 2021 and 2020.

3 Financial risk management - continued

3.3 Fair values of financial instruments - continued

Financial instruments not carried at fair value

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables, and borrowings from parent Company reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The bond is held at amortised cost and the fair value is disclosed in Note 20.

4 Critical accounting estimates and judgements

Significant estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, other than the uncertainty associated with the legal environment that the Group operates in (disclosed in Note 31), are addressed below.

Group and Company

(a) Impairment test of goodwill

The Group tests whether goodwill and other intangible assets with indefinite lives have suffered any impairment on an annual basis. The assumptions used in the value-in-use calculations are inherently uncertain. As at 31 December 2021 and 2020, the Group operated two CGUs, following the disposal of the B2C segment.

The two CGUs comprise of performance marketing and platform services.

Performance marketing accounts for 75% (2020: 77%) of the carrying amount of intangibles. The Directors consider that the impairment assessment for this business component is less sensitive to changes in key assumptions due to the level of headroom between the reported intangible assets and the respective value-in-use.

The Directors consider the impairment assessment for Platform services, which accounts for the remaining 25% (2020: 23%) of intangible assets, to be more sensitive to key assumptions, which include the successful onboarding of new clients, projected revenue growth and improved EBITDA margin.

Further details including sensitivity analysis are included in Note 7.

(b) Contingent liabilities

In November 2020, one of the group's subsidiaries was subject to a review by the FIAU in relation to controls on money laundering and counter terrorism. The outcome of this review is not yet finalised and, based on the information available as at the date of reporting, Management does not anticipate that there will be any material financial consequence emerging from such review.

4 Critical accounting estimates, judgements – continued

(c) The Group as a lessor

During 2019 one of the Group companies entered into a contract whereby the Group leased out out one of its domains to be transferred to the counterparty at the end of the agreement if all the terms of the agreement were met. The Group received monthly fixed payments as well as variable payments based on the performance of the domain for a minimum of 3 years and until the terms of the agreement were satisfied. During the current year, the conditions of this agreement were revised for the settlement of the income generated by the lease to be accelerated. Since all conditions were fulfilled, the asset was transferred by the end of the year, and the respective income generated was reflected in the income statement. The revised agreement caters for the settlement of an existing balance through collaboration efforts between both parties, which amounted to a balance of €1.2 million as at the year end. The directors consider this balance to be recoverable based on their assessment of future prospects for settlement.

(d) Pending tax claim

During 2020 the Group opened a claim for overpaid taxes to the relevant authorities. On the basis of advice received from legal experts, and communications with the said authorities, management considers the basis for recognition of such claim to be virtually certain. Refer to Note 6 for further information.

(e) Changes in software development and media domains amortisation policy

During the year the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets. During 2021, a reassessment of certain intangible assets was also performed where the useful life of these assets has been extended from 24 to 36 months. The impact of these change in estimates is disclosed in Note 7 to these financial statements.

5 Leases

(a) The Group as lessee

The Group's leasing activities and how these are accounted for

The Group leases various properties. Rental contracts are typically made for fixed periods of 1 to 8 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of properties across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. No change was required in 2021 or in 2020 that would have resulted in a change in the lease term.

5 Leases - continued

Amounts recognised in the statement of financial position

Group	2021	2020
	€	€
Right-of-use assets		
Buildings	**11,123,323**	13,002,292
Lease liabilities		
Current	**2,388,298**	2,351,104
Non-current	**10,080,188**	11,736,232
	12,468,486	14,087,336

Additions to the right-of-use assets during the 2021 financial year were EUR841,228 (2020: EUR1,778,951). Disposals to the right-of-use assets during the current year were EUR153,513(2020: nil)

Amounts recognised in the statement of profit or loss

Group	2021	2020
	€	€
Depreciation charge on right-of-use assets	**2,591,723**	2,671,152
Interest expense (included in finance cost)	**907,588**	989,141
Expenses relating to short-term leases (included in other expenses)	**-**	3,400
Expenses relating to variable lease payments (included in other expenses)	**-**	222,071

The total cash outflow included lease principal payments amounting to EUR2,331,604(2020: EUR2,720,185) and leasehold interest payments amounting to EUR865,055. (2020: EUR434,909).

(b) The Group as a lessor

Leasing arrangements

During 2021 and 2020, the Group has sub-leased parts of its office to a number of tenants under operating leases with rentals payable monthly. The Group has recognised rental income from operating leases of EUR851,625 (2020: EUR186,367) (see note 24).

The offices are sub-leased to tenants under operating leases with rentals payable monthly. Lease payments include CPI increases, but there are no other variable lease payments that depend on an index or rate.

5 Leases – continued

Minimum lease payments receivable on leases of investment properties are as follows:

	Group and Company	
	2021	2020
Within 1 year	**935,310**	369,591
Between 1 and 2 years	**955,964**	757,690
	1,891,274	1,127,281

During 2019 one of the Group companies entered into a contract whereby the Group leased out one of its domains to be transferred to the counterparty at the end of the agreement if all the terms of the agreement were met. The Group received monthly fixed payments as well as variable payments based on the performance of the domain for a minimum of 3 years and until the terms of the agreement were satisfied. During the current year, the conditions of this agreement have been revised whereby the income generated by the lease of these domains were accelerated and recognised throughout the year. All payment terms have been fulfilled and asset transferred by the end of the year.

6 Discontinued operations

On 14 February 2020, the Group signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which included the operator brands Rizk, Guts, Kaboo and Thrills. Betsson through this agreement, is a long-term partner of the Group, generating revenues to the Group's Platform Services. On the day of closing, Betsson paid EUR31 million, consisting of a EUR23.9 million cash payment for the acquisition, plus a prepaid platform fee of EUR8.7 million. The Group used the proceeds to repay the Company's SEK300 million 2017-2020 bond. Subsequently, the consideration was adjusted by EUR2.3 million, to reflect working capital adjustments of EUR2.8 million and EUR0.5m deferred payment.

During 2021, the Group incurred additional expenses of EUR0.5 million related to the divested business, and these expenses have also been presented with results from the discontinued operation.

6 Discontinued operations - continued

(a) Financial performance and cash flow information

	Group	
	2021	2020
	€	€
Net revenue	**-**	22,895,590
Other income	**-**	1,910,374
Expenses	**(465,971)**	(25,368,019)
Impairment losses (net of a tax charge of nil)	**-**	(1,100,000)
Operating loss	**(465,971)**	(1,662,055)
Income tax expense	**-**	-
Loss on sale of B2C segment	**-**	(91,000)
Operating loss from discontinued operations	**(465,971)**	(1,753,055)
Loss from discontinued operations attributable to:		
Owners of the company	**(465,971)**	(1,752,689)
Non-controlling interests	**-**	(366)
	(465,971)	(1,753,055)
Net cash outflow from operating activities	**(1,811,953)**	(1,159,882)
Net cash outflow from investing activities	**-**	(196,726)
Net decrease in cash generated by discontinued operation	**(1,811,953)**	(1,356,608)

Other income of EUR1.9m in 2020 relates to a claim for overpaid taxes to the relevant authorities. On the basis of advice received from legal experts, and communications with the said authorities, management considers the basis for recognition of such claim to be virtually certain. Expenses include an amount of EUR1.9m which relates to a settlement with a third-party software provider on a previously disputed case occurring during 2020 regarding a potential fraudulent transaction. Settlement to the third-party software provider was done in full during the current year.

(b) Details of the sale of the subsidiary

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Consideration received or receivable:				
Cash	**-**	19,276,027	**-**	19,276,027
Net present value of future cash flows	**-**	4,642,000	**-**	4,642,000
Total disposal consideration	**-**	23,918,027	**-**	23,918,027
Less: carrying value of net assets disposed	**-**	(24,009,027)	**-**	-
Less: cost of investment	**-**	-	**-**	(24,827,000)
Loss on sale after income tax	**-**	(91,000)	**-**	(908,973)

6 Discontinued operations - continued

The cash consideration received of EUR19,276,027 is net of transaction costs of EUR2,115,000.

The carrying amounts of assets and liabilities as at the date of sale (15 April 2020) were:

	15 April 2020 **€**
Non-current assets	
Intangibles	25,168,544
Current assets	
Prepayments	513,625
Other trade receivables	313,977
License guarantee	2,000,000
Cash	5,743,600
Total assets of disposal group held for sale	33,739,746
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	(4,601,919)
Players liability	(4,062,400)
Jackpot liability	(1,066,400)
Total liabilities of disposal group held for sale	**(9,730,719)**
Net assets	24,009,027

7 Intangible assets

Group

	Note	**Goodwill €**	**Trademarks €**	**Domains €**	**Affiliate contracts €**	**Technology platform €**	**Computer software €**	**Non-compete agreement €**	**Other €**	**Total €**
Cost or valuation										
As at 1 January 2020		28,897,249	862,688	72,957,282	15,081,218	27,097,347	5,350,313	458,500	905,759	151,610,356
Additions		-	-	18,220	-	6,257,060	543,589	-	-	6,818,869
Additional assets transferred upon disposal of discontinued operations	6	-	-	-	-	(233,673)	(107,871)	-	-	(341,544)
Currency translation differences		292,455	-	-	-	31,621	-	-	-	324,076
As at 31 December 2020		29,189,704	862,688	72,975,502	15,081,218	33,152,355	5,786,031	458,500	905,759	158,411,757
As at 1 January 2021		29,189,704	862,688	72,975,502	15,081,218	33,152,355	5,786,031	458,500	905,759	158,411,757
Additions		17,264	-	-	-	8,472,679	710,711	-	-	9,200,654
Write down		-	-	-	-	(72,340)	(57,641)	-	-	(129,981)
Currency translation differences		(3,145)	-	-	-	-	-	-	-	(3,145)
As at 31 December 2021		**29,203,823**	**862,688**	**72,975,502**	**15,081,218**	**41,552,694**	**6,439,101**	**458,500**	**905,759**	**167,479,285**
Accumulated amortisation and impairment										
As at 1 January 2020		23,350,478	22,000	41,629,168	13,374,776	21,708,056	4,394,765	458,500	213,703	105,151,446
Amortisation charge		-	-	6,375,518	1,691,297	5,551,151	791,400	-	-	14,409,366
As at 31 December 2020		23,350,478	22,000	48,004,686	15,066,073	27,259,207	5,186,165	458,500	213,703	119,560,812
As at 1 January 2021		23,350,478	22,000	48,004,686	15,066,073	27,259,207	5,186,165	458,500	213,703	119,560,812
Amortisation charge		-	-	3,772,056	-	4,988,422	879,956	-	692,056	10,332,490
As at 31 December 2021		**23,350,478**	**22,000**	**51,776,742**	**15,066,073**	**32,247,629**	**6,066,121**	**458,500**	**905,759**	**129,893,302**
Carrying amount										
As at 1 January 2020		5,546,771	840,688	31,328,114	1,706,442	5,389,291	955,548	-	692,056	46,458,910
As at 31 December 2020		5,839,226	840,688	24,970,816	15,145	5,893,148	599,866	-	692,056	38,850,945
As at 31 December 2021		**5,853,345**	**840,688**	**21,198,760**	**15,145**	**9,305,065**	**372,980**	**-**	**-**	**37,585,983**

7 Intangible assets - continued

Company	**Technology platform €**	**Computer software €**	**Total €**
Cost			
As at 1 January 2020, 31 December 2020 and 2021	74,982	8,521	83,503
Accumulated amortisation and impairment			
As at 1 January 2020	62,476	6,864	69,340
Amortisation charge	12,506	1,657	14,163
As at 31 December 2020 and 2021	**74,982**	**8,521**	**83,503**
Net book value			
As at 31 December 2020	**-**	**-**	**-**
As at 31 December 2021	**-**	**-**	**-**

Impairment test for goodwill and intangible assets

The Group's reported goodwill as at 31 December 2021 primarily relates to the acquisition of Rebel Penguin ApS, a Company offering digital marketing services. Trademarks acquired in 2017 are considered to have an indefinite life. Trademarks comprise of gig.com domain which is equally split equally between the two cash generating units.

For the purposes of the impairment testing of goodwill and intangibles two cash generating units ('CGU') were identified, comprising of performance marketing and platform services. The determination of CGUs reflects how the Group manages the day-to-day operations of the business, and how decisions about the Group's assets and operations are made.

The carrying amount, key assumptions and discount rate used in the value-in-use calculations are as described below.

	Cash-generating unit			
	2021		2020	
Carrying amounts	**Media**	**Platform**	Media	Platform
Goodwill (€'000)	**5,853**	**-**	5,839	-
Intangible assets with definite lives (€'000)	**21,916**	**8,974**	23,655	8,515
Intangible assets with indefinite lives (€'000)	**421**	**421**	421	421
	28,190	**9,395**	29,915	8,936

The key assumptions on which management has based its impairment test are reflected in the cash flow projections comprising the budget for 2022 as confirmed by the entity's Board and estimated cashflows for years 2023 - 2025 (2020: 2022 - 2024). The key assumptions include

- Revenue percentage annual growth rate.
- Gross margin;
- Total operating expenses percentage annual growth rate; and
- EBITDA margin.

7 Intangible assets - continued

The post-tax discount rate applied to the cash flow projections for performance marketing was 15% (2020: 15%) and for platform services was 17% (2020:17%). The perpetual growth rate, as assumed in the CGU's residual value, is 2% (2020: 2%) based on the estimated long-term inflation.

Performance Marketing

With regards to performance marketing, the directors consider that the impairment assessment for this activity is less sensitive due to the level of headroom between the carrying amount of the intangible assets and the respective value-in-use. Goodwill attributed to this CGU was EUR5.8 million as at 31 December 2021 and 2020, and domains are amortised over a period of 8 years.

Platform Services

The impairment assessment for this business component is sensitive to the Group achieving projected growth, representing an annual CAGR of 16% over the projected period (2023-2025), and an improved EBITDA margin. Intangible assets under platform services accounts for 25% of the total carrying amount of intangibles, and a maintainable free cashflow after tax of at least c. EUR0.9m is required to sustain the carrying value of the intangible assets, excluding the allocation of corporate assets and liabilities allocation to this business activity. The impairment assessment of this activity is susceptible to the Group achieving projected growth and an improvement in EBITDA.

Change in accounting estimate for intangible assets

During the year the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets. The net effect of the changes in the current year was a decrease in amortization expense of EUR1,558,000. Assuming the assets are held until the end of their re-assessed estimated useful lives, amortization in future years in relation to these assets will increase/(decrease) by the following amounts:

Year ending 31 December	**CU'000**
2021	(1,558)
2022	(1,558)
2023	(1,739)
2024	(1,673)
2025	999
2026	3,121
2027	1,204
2028	842

During the year, a reassessment of certain intangible assets was also performed where the useful life of these assets has been extended from 24 to 36 months. The net effect of the changes in the current year was a decrease in amortization expense of EUR671,395.

8 Property, plant and equipment

Group	**Installations and improvements to leasehold premises €**	**Furniture & fittings €**	**Computer and office equipment €**	**Total €**
Cost				
As at 1 January 2020	3,883,926	1,720,800	4,194,025	9,798,751
Additions	181,368	49,018	1,377,075	1,607,461
Disposals	(3,249)	(185,402)	(70,092)	(258,743)
Exchange differences	(1,143)	(586)	(2,159)	(3,888)
As at 31 December 2020	4,060,902	1,583,830	5,498,849	11,143,581
As at 1 January 2021	4,060,902	1,583,830	5,498,849	11,143,581
Additions	45,696	4,494	327,369	377,559
Disposals	-	-	(150)	(150)
Exchange differences	-	1,786	-	1,786
As at 31 December 2021	**4,106,598**	**1,590,110**	**5,826,068**	**11,522,776**
Accumulated depreciation				
As at 1 January 2020	1,530,979	869,694	2,384,049	4,784,722
Depreciation charge	832,444	250,485	1,243,395	2,326,324
Disposals	(3,491)	(49,009)	(58,390)	(110,890)
Impairment losses attributable to discontinued operations	1,100,000	-	-	1,100,000
As at 31 December 2020	3,459,932	1,071,170	3,569,054	8,100,156
As at 1 January 2021	3,459,932	1,071,170	3,569,054	8,100,156
Depreciation charge	450,203	198,522	1,011,132	1,659,857
As at 31 December 2021	**3,910,135**	**1,269,692**	**4,580,186**	**9,760,013**
Net book value				
As at 1 January 2020	2,352,947	851,106	1,809,976	5,014,029
As at 31 December 2020	600,970	512,660	1,929,795	3,043,425
As at 31 December 2021	**196,463**	**320,418**	**1,245,882**	**1,762,763**

During the comparative year, the Group had impaired EUR1.1 million in relation to improvements to leasehold premises.

9 Investments in subsidiaries

	Company	
	2021	2020
	€	€
At 1 January	**47,690,942**	73,617,942
Additions	**100,000**	-
Impairment of investment	**-**	(1,100,000)
Disposal	**(5,800)**	(24,827,000)
At 31 December	**47,785,142**	47,690,942

	Company	
	2021	2020
	€	€
At 31 December		
Cost	**51,885,142**	51,790,942
Impairment	**(4,100,000)**	(4,100,000)
Carrying amount	**47,785,142**	47,690,942

9 Investments in subsidiaries - continued

The principal subsidiaries at 31 December 2021 and 2020, whose results and financial position affected the figures of the Group, are shown below:

Subsidiaries	Country of incorporation	Class of shares held	Percentage of ownership and voting rights held directly by the Company % **2021**	% 2020	Percentage of ownership and voting rights held directly by the Group % **2021**	% 2020
NV Securetrade	Curacao	Ordinary shares	**-**	-	**100**	100
iGamingCloud NV	Curacao	Ordinary shares	**-**	-	**100**	100
Innovation Labs Limited	Malta	Ordinary shares	**100**	100	**100**	100
MT Securetrade Limited	Malta	Ordinary shares	**100**	100	**100**	100
iGamingCloud Limited	Malta	Ordinary shares	**100**	100	**100**	100
Online Performance Marketing Limited	British Virgin Islands	Ordinary shares	**100**	100	**100**	100
iGamingCloud SLU	Spain	Ordinary shares	**-**	-	**100**	100
iGamingCloud (Gibraltar) Limited	Gibraltar	Ordinary shares	**-**	-	**100**	100
OddsModel AS	Norway	Ordinary shares	**100**	100	**100**	100
Pronzo Entertainment B.V.	Curacao	Ordinary shares	**-**	-	**100**	100
Mavrix Activities Limited	Gibraltar	Ordinary shares	**-**	-	**100**	100
Mavrix 5 X 5 Limited	Gibraltar	Ordinary shares	**-**	-	**100**	100
Mavrix Promotions Limited	Gibraltar	Ordinary shares	**-**	-	**100**	100
Mavrix Holding Limited	Gibraltar	Ordinary shares	**-**	-	**100**	100
GIG Central Services Limited	Malta	Ordinary shares	**100**	100	**100**	100
Rebel Penguin ApS	Denmark	Ordinary shares	**-**	-	**100**	100
iGamingCloud Inc	United States	Ordinary shares			**100**	100
SIA YSG International	Latvia	Ordinary shares	**-**	-	**100**	-
Silvereye International Limited	Malta	Ordinary shares	**100**	-	**100**	-
Thrills Services Limited	Malta	Ordinary shares	**-**	100	**-**	100
Kaboo Services Limited	Malta	Ordinary shares	**-**	100	**-**	100
Highroller Services Limited	Malta	Ordinary shares	**-**	100	**-**	100
Guts Services Limited	Malta	Ordinary shares	**-**	100	**-**	100

10 Financial assets at fair value through other comprehensive income

	Group and Company	
	2021	2020
	€	€
At 1 January	**-**	568,000
Exchange differences	**-**	(17,503)
Net proceeds from sale	**-**	(550,497)
At 31 December	**-**	-

In 2020, the Group sold its 3.57% investment in EPG as this investment no longer suited the Group's investment strategy. The consideration of EUR550,497 was the same as the carrying value in the Company's books. During the lifetime of the investment, the Company recognised a loss of EUR141,268. In line with its accounting policy, this realised loss was transferred from 'Other Reserves' to 'Retained Earnings' (Note 20) upon its disposal in 2020.

11 Derivative financial assets

	Group	
	2021	2020
	€	€
Call option to acquire intangible assets		
Non-current		
At 31 December	**205,714**	205,714

Valuation of call option to acquire intangible assets

During 2016, the Group acquired the right to buy the remaining 50% of the risks and rewards of 'development domains' at any time during March 2018 and June 2021.The purchase price payable by the Group if the option is exercised will be calculated using a specified price mechanism, equating to the annualised revenue generated by the development domains during a period of six months prior to the exercise date, on which a 2.5x multiple will be applied.

At initial recognition, the fair value of the acquired option was estimated to amount to EUR205,714. The fair value of the option represents the difference between the consideration payable as determined by the above-mentioned price mechanism (established in the purchase contact), compared with the price payable if an industry multiple would have been applied to the mechanism determining the consideration payable by the Group. Based on past acquisitions of similar domains, the directors believe that a multiple of 4x revenue generated by domains is a fair representation of an industry multiple. A discount rate of 15% was used to calculate present value of the derivative, both at initial recognition, and at year end.

The directors estimate that as at 31 December 2020 and 31 December 2021, using the same inputs above, the fair value of the derivative remains substantially unchanged and accordingly no fair value movements were recognised in profit and loss for the year.

Adjusting the valuation by increasing/decreasing the industry multiple would result in the fair value of the option increasing/decreasing respectively. The directors envisage that a reasonable shift in the unobservable inputs used in the valuation would not have a significant impact on the amounts on consolidated profit or loss and total assets.

11 Derivative financial assets - continued

The Group has not exercised its option to acquire the remaining 50% of the risks and rewards of 'development domains' in 2021 and the option expired in June 2021. The agreement is currently being extended and management are assessing the options to purchase this asset.

12 Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Non-current				
Other receivables	**890,361**	676,955	**-**	676,955
Current				
Trade receivables - gross	**8,817,314**	9,776,633	**-**	-
Less: loss allowance	**(422,691)**	(452,296)	**-**	-
Trade receivables	**8,394,623**	9,324,337	**-**	**-**
Amounts due from payment providers	**716,590**	596,587	**-**	-
Amounts due from subsidiaries	**-**	-	**193,551**	4,403
Amounts due from group undertakings	**148,742**	671,173	**-**	-
Amounts due from related parties	**88,827**	26,223	**-**	-
Indirect taxation	**4,800,376**	4,476,312	**35,154**	30,500
Other receivables	**1,335,584**	2,483,886	**678,158**	2,325,507
Accrued income	**-**	284,029	**-**	-
Prepayments	**1,297,092**	1,201,821	**2,510**	10,205
	16,781,834	19,064,368	**909,373**	2,370,615

Other receivables of EUR2,225,945 (2020: EUR3,160,841) for the Group and EUR678,158 (2020: EUR3,002,462) for the Company are mostly linked to the sale of the B2C segment and receivables related to lease of a domain, which are expected to reduce in line with the contractual obligations of the counterparty. A portion of EUR890,361 is included in non-current assets as the Group does not expect to receive such amounts in the next twelve months.

As part of indirect taxation, the Group has accrued for EUR1.9m in terms of a claim for overpaid taxes to the relevant authorities. On the basis of advice received from legal experts, and communications with the said authorities, management considers the basis for recognition of such claim to be virtually certain.

In the Group, amounts due from group undertakings and related parties are unsecured, interest free and repayable on demand.

Amounts due from subsidiaries in the Company are unsecured, interest free and repayable on demand.

13 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Cash at bank and other intermediaries	**8,483,670**	8,042,813	**30,395**	3,503,678
Less: restricted cash	**(1,630,343)**	(2,547,956)	**-**	-
Cash and cash equivalents	**6,853,327**	5,494,857	**30,395**	3,503,678

Included in the Group's cash at bank are amounts of EUR1,630,343 (2020: EUR2,547,956) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Malta Remote Gaming Regulations, 2018.

14 Share capital and premium

Group and Company

	Number of ordinary shares	Ordinary share capital	Share premium	Total
		€	€	€
Authorised share capital				
At 1 January 2020	50,000	50,000	2,304,345	2,354,345
At 31 December 2020	**50,000**	**50,000**	**2,304,345**	**2,354,345**
At 31 December 2021	**50,000**	**50,000**	**2,304,345**	**2,354,345**
Issued and fully paid				
At 1 January 2020	50,000	50,000	2,304,345	2,354,345
At 31 December 2020	**50,000**	**50,000**	**2,304,345**	**2,354,345**
At 31 December 2021	**50,000**	**50,000**	**2,304,345**	**2,354,345**

15 Share-based payments

Share options are granted to selected employees as well as to consultants. All options are conditional on the employees and the consultants completing a specified number of years' service (the vesting period). The options are exercisable starting between 1 and 5 years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the current year a new share option package spread over three years was granted to selected employees. Movements in the number of share options outstanding and their related weighted average exercise prices are outlined in the following table.

15 Share-based payments - continued

	2021 Average exercise price in € per option	2021 Options	2020 Average Exercise price in € per option	2020 Options
Share options which were granted or converted into options of GIG Inc.				
At 1 January	**3.21**	**733,000**	4.33	1,128,922
At 31 December	**2.05**	**1,720,000**	3.21	733,000
Share options which were granted or converted into options of GIG Inc.				
Granted	**1.47**	**1,223,000**	-	-
Exercised	**Nil**	**-**	Nil	5,922
Forfeited during the year	**3.00**	**236,000**	4.86	390,000

Out of the 1,720,000 (2020: 733,000) outstanding options in GIG Inc, as at 31 December 2021, 331,000 (2020: 438,001) were vested but not yet exercised.

No options were exercised and converted into GIG inc shares during 2021. During 2020 5,922 options were issued at a weighted average price of nil. The related weighted average share price at the time of exercise was EUR 0.65 per share.

Share options of GIG Inc., outstanding at the end of the year, have the following expiry dates and exercise prices:

Grant dates (year)	Vest dates (range)	Expiry dates	Exercise prices (range) €	Share options 2021	Share options 2020
2016	2015-2017	May to September 2023	4.00-4.30	**86,000**	86,000
2017	2018-2020	December 2022	4.00-4.80	**55,000**	155,000
2018	2019-2021	January 2024	6.00-6.50	**6,000**	6,000
2018	2019-2021	March 2024	7.50	**30,000**	30,000
2019	2019-2022	March 2025	Nil-3.00	**320,000**	456,000
2021	2022-2024	December 2026	1.47	**1,223,000**	-
				1,720,000	733,000

15 Share-based payments - continued

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was EUR0.6128 (2020: nil) per option for the share options granted during the year.

The significant inputs into the model were weighted average share price of EUR1.47 (2020: nil) at the grant date, exercise price shown above, volatility of 53% (2020: 58%), dividend yield of nil (2020: nil), an expected option life of 3 (2020: nil) years, exercisable until end of 2026 with an annual risk-free interest rate of 0.3% (2020: nil). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last 3 years.

16 Capital reserves

Group

	Notes	**Capital contribution reserve €**	**Advances for shares to be issued €**	**Total €**
At 1 January 2020		94,903,093	510,545	95,413,638
Capital contribution arising on share options granted by the Group's parent entity:				
- Fair value of employee services	23	(356,786)	-	(356,786)
At 31 December 2020		94,546,307	510,545	95,056,852
At 1 January 2021		94,546,307	510,545	95,056,852
Capital contribution arising on share options granted by the Group's parent entity:				
- Fair value of employee services	23	642,077	-	642,077
At 31 December 2021		**95,188,384**	**510,545**	**95,698,929**

Company

	Capital contribution reserve €	**Advances for shares to be issued €**	**Total €**
At 1 January and 31 December 2020	76,313,412	510,545	76,823,957
At 1 January 2021	76,313,412	510,545	76,823,957
At 31 December 2021	**76,313,412**	**510,545**	**76,823,957**

16 Capital reserves - continued

Advances for shares to be issued

This balance represents proceeds received by the Company from its shareholders in anticipation of issuance of ordinary shares, and exercised share options, the share capital and premium of which had not yet been issued. The amount of EUR510,545 as at 31 December 2021 and 2020 represents advances in respect of share premium, for which the formal documentation has not been filed with the Registrar of Companies by the end of the respective financial reporting periods. Once the said filing is formalised, the reserve will be capitalised as share premium.

Capital contribution reserve

The movement of EUR642,077 (2020: income of EUR356,786) in the Group's capital contribution reserve comprises the cost of share options granted by GiG Inc. as consideration to employees of the various Group undertakings. The amount recognised in the reserve includes the cost attributable to share option vested during the period, net of the reversals of costs associated with options that were forfeited by employees who resigned prior to the vesting conditions being met.

17 Merger reserve

	Group		**Company**	
	2021	2020	**2021**	2020
	€	€	**€**	€
At 1 January and 31 December	**3,533,484**	3,533,484	**5,886,789**	5,886,789

The merger reserve is attributable to mergers that have taken place in previous years, and represents the difference between any consideration received or paid, and the carrying amounts of the net assets acquired.

18 Other reserves

Group	**FVOCI fair value reserve**	**Currency translation reserve**	**Transactions with non-controlling interests**	**Total**
	€	**€**	**€**	**€**
At 1 January 2020	(121,084)	(451,417)	(13,389,177)	(13,961,678)
Changes in value of financial assets at fair value through other comprehensive income (Note 10)	(17,503)	-	-	(17,503)
Currency translation differences	-	(169,296)	-	(169,296)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	141,268	-	-	141,268
At 31 December 2020	2,681	(620,713)	(13,389,177)	(14,007,209)
At 1 January 2021	2,681	(620,713)	(13,389,177)	(14,007,209)
Currency translation differences	-	24,070	-	24,070
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	(2,681)	**-**	**-**	(2,681)
At 31 December 2021	**-**	**(596,643)**	**(13,389,177)**	**(13,985,820)**

18 Other reserves - continued

Company

	FVOCI fair value reserve €	**Total €**
At 1 January 2020	(569,288)	(569,288)
Changes in value of financial assets at fair value through other comprehensive income (Note 10)	430,701	430,701
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	141,268	141,268
At 31 December 2020	2,681	2,681
At 1 January 2021	2,681	2,681
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	(2,681)	(2,681)
At 31 December 2021	**-**	**-**

FVOCI fair value reserve
Changes in fair value of investments that are classified as financial assets at FVOCI are recognised in other comprehensive income and accumulated in a separate reserve within equity. On disposal, any related balance within FVOCI reserve is transferred directly to retained earnings without impacting the results for the year.

Currency translation reserve
Translation differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Transactions with non-controlling interests
The reserve is used to record transactions where the Group acquires a further interest in a subsidiary or disposes of a stake in a subsidiary without losing control. The above reserves are non-distributable reserves.

19 Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Non-current				
Indirect taxation and social security	**2,855,526**	1,773,148	**-**	-
Current				
Trade payables	**2,686,231**	3,132,462	**2,934**	4,843
Players' accounts	**452,140**	1,453,387	**-**	-
Jackpot balances	**1,178,203**		**-**	-
Amounts due to subsidiaries	**-**	-	**-**	994,878
Other payables	**1,080,098**	3,482,366	**-**	38,483
Indirect taxation and social security	**8,750,124**	7,672,792	**-**	-
Accruals	**2,591,768**	3,157,155	**1,262,368**	303,545
Deferred income	**-**	6,756,401	**-**	6,756,407
	16,738,564	26,749,132	**1,265,302**	8,098,156

The Group's other payables as at 31 December 2020 included an amount of EUR1.9m which it had agreed to settle with a third-party software provider on a previously disputed case occurring during 2019 regarding a potential fraudulent transaction. The amount was settled during 2021.

The Company's accruals include a provision for a potential fine from the SGA related to its discontinued operations sold in 2020.

In the preceding year, the amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Certain of the Group's subsidiaries postponed the remittance of certain indirect taxes. Management has entered into a payment plan with the relevant authorities for any overdue balances relating to 2020 and preceding years. Amounts for which the renegotiated payment does not fall due within 12 months are presented as non-current liabilities.

20 Borrowings

Current	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Loan from Group parent	**5,131,181**	5,545,704	**6,365,919**	6,517,509
Bonds	**3,853,349**	3,455,360	**3,853,349**	3,455,360
	8,984,530	9,001,064	**10,219,268**	9,972,869

Non-Current	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Bonds	**38,849,954**	35,997,913	**38,849,954**	35,997,913

20 Borrowings

The loan from Group parent as at 31 December 2021 and 2020 was interest free and repayable on demand. However the parent company has confirmed as at that date that the amounts will not be requested unless alternative funds are made available to the Group and Company.

As at 1 January 2020, the Group and the Company had the following outstanding bonds:

Issuance year	Maturity date	Seniority	Currency	Nominal amount	Interest rate
2017	6 March 2020	Senior secured	SEK	300 million	Fixed coupon of 7% p.a.
2019	28 June 2022	Senior secured	SEK	400 million	3m STIBOR Fixed coupon of 9% p.a.

On 22 April 2020, the Group used part of the proceeds from the sale of B2C to repay its SEK 300 million 2017-2020 bond together with the cost incurred of SEK 1.1 million for extending the bond's maturity date from 6 March 2020 to 22 April 2020.

The quoted market price of the 2019-2022 bonds at 31 December 2020 was SEK383,000,000 (EUR38,269,384) which in the opinion of the directors fairly represented the fair value of these liabilities. The fair value estimate in this respect is deemed to fall under level 2 of the fair value measurement hierarchy as it constitutes a quoted price in a market with low trading volume.

In June 2021, the Group issued a new 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The net proceeds were used to refinance the existing SEK 400 million 2019-2022 bond including transaction costs with the balance applied towards general corporate purposes. Transaction costs included a rollover premium to bondholders continuing participation in the new bond and a voluntary early redemption fee to bondholders being repaid, in the aggregate of EUR1.3 million.

As at 31 December 2021, the Group and the Company have the following outstanding bond:

Issuance year	Maturity date	Seniority	Currency	Nominal amount	Interest rate
2021	11 June 2024	Senior secured	SEK	450 million	3m STIBOR + 8.5% p.a.

In January 2022, the Group successfully completed a SEK 100 million subsequent bond issue under the above bond framework, to be used towards partially finance the acquisition of Sportnco and general corporate purposes. The borrowing limit of SEK 550 million was therefore fully utilised after the reporting period.

The 2021-24 bonds are registered in the Norway Central Securities Depository and are dual listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market. Their quoted price as at 31 December 2021 was SEK461,925,000 (EUR45,064,535) which in the opinion of the directors fairly represents the fair value of these liabilities. This fair value estimate is deemed to fall under level 2 of the fair value measurement hierarchy, as it is based on a quoted price in a market with low trading volume.

21 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

21 Deferred taxation - continued

The following amounts determined after appropriate offsetting are shown in the statement of financial position:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Deferred tax asset to be recovered after more than 12 months	**78,006**	60,411	**-**	-
Deferred tax liability to be settled after more than 12 months	**(416,069)**	(360,432)	**-**	-
	(338,063)	(300,021)	**-**	-

The movement on the deferred income tax account is as follows:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
As at 1 January	**(300,021)**	(1,209,180)	**-**	(448,204)
Deferred tax liability on temporary differences - recognised in profit or loss	**(38,042)**	909,159	**-**	-
Deferred tax liability on temporary differences - recognised in OCI	**-**	-	**-**	448,204
As at 31 December	**(338,063)**	(300,021)	**-**	-

Deferred taxation is calculated on temporary differences under the liability method using the principal tax rate within the relevant jurisdiction. The year-end balance comprises temporary differences arising on:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Future tax credits on subsidiaries' undistributed profits	**78,006**	60,411	**-**	-
Differences between the tax base and carrying amounts of intangible assets	**(980,463)**	(1,575,500)	**-**	-
Capital allowances and tax losses	**516,880**	1,190,849	**-**	-
Provision for impairment of receivables	**47,514**	24,219	**-**	-
	(338,063)	(300,021)	**-**	-

As at 31 December 2021, the Group had unrecognised unutilised tax credits which are estimated to be in the region of €27,893,839 (2020: €33,534,519) arising from unabsorbed tax losses and capital allowances.

22 Revenue and other operating expenses

(a) Revenue and Other operating income

The Group's revenue by product line is disclosed in note 2.

Other operating income refers to income generated through the sale of domain disclosed in note 4(c).

(b) Other operating expenses

Other operating expenses include:

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Platform and service provider fees	**4,403,363**	2,679,612	**-**	-
Gaming taxes	**201,817**	90,617	**-**	-
Consultancy fees	**5,046,511**	3,060,271	**54,552**	98,858
Loss allowance (Note 3)	**281,764**	(96,380)	**-**	-
Bad debts	**596,263**	2,077,611	**-**	-
Software expenses	**2,085,609**	3,392,654	**6,609**	-
Other operating expenses	**2,971,067**	642,590	**231,628**	4,305
	15,586,394	11,846,975	**292,789**	103,163

The Company's other operating expenses includeswrite off on intragroup balances upon liquidation of subsidiaries.

(c) Marketing expenses

	Group		Company	
	2021	2020	**2021**	2020
	€	€	**€**	€
Skycity marketing expenses	**11,655,787**	8,572,408	**-**	-
Other marketing expenses	**11,353,674**	6,327,581	**22,218**	-
	23,009,461	14,899,989	**22,218**	-

(d) Transaction costs

The Group and the Company accrued for the amount of EUR 981,444 for transaction costs incurred in connection with the acquisition of Sportnco.

(e) Dividend income

Dividend income of EUR 3,872,379 relates to the dividend in kind distributed to the parent upon liquidation of some of the Company's subsidiaries during 2021.

Independent auditor's report

To the Shareholders of Gaming Innovation Group p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the Group and the Parent Company's financial position of Gaming Innovation Group p.l.c. as at 31 December 2021, and of the Group's and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Board of directors.

What we have audited

Gaming Innovation Group p.l.c.'s financial statements comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2021;
- the Consolidated and Parent Company income statements and statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

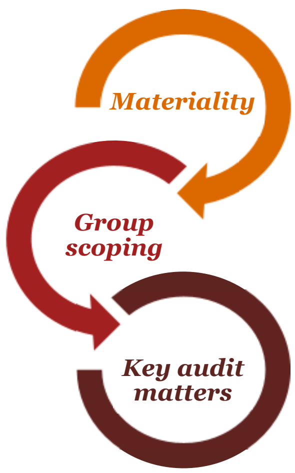
We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2021 to 31 December 2021, are disclosed in note 22 to the financial statements.

Our audit approach

Overview



- Overall group materiality: €791,000, which represents 1% of net revenue from continuing operations
- We conducted a full scope audit on the significant components based in Malta and performed oversight procedures on the work performed by other auditors on a material foreign component, in accordance with our instructions. Moreover, specified audit procedures were performed on certain account balances on foreign entities.
- Impairment assessment of goodwill and other intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€791,000
How we determined it	1% of net revenue from continuing operations
Rationale for the materiality benchmark applied	We chose net revenue as the benchmark because, in our view, it is a key financial metric used in assessing the performance of the Group. We chose 1% based on our professional judgement noting that it is also within the range of commonly accepted revenue related thresholds.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above €79,100 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Impairment assessment of goodwill and other intangible assets	
As described in the accounting policies, and notes 4 and 7 to the financial statements, the Group tests whether goodwill and other intangible assets are impaired on an annual basis. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, referred to as a cash generating unit ("CGU"). Following the divestment of the B2C (business-to-customer) CGU during the previous year, the Group operates two CGUs comprising the performance marketing (Media) segment and the platform services segment. As described in Note 7, the impairment assessment for goodwill and other intangible assets for the above-mentioned CGUs relied on value-in-use calculations. The cash flow projections were based on the Group's approved budget for 2022, projection of free cash flows for the period 2023 – 2025, as well as an estimate of the residual value. The perpetual growth rate, as factored in the residual value estimate, was assumed at 2%. As at 31 December 2021, only goodwill and trademarks with a carrying amount of €6.7m have an indefinite useful life. The carrying amount of all intangibles assets as at 31 December 2021 was €37.6m. The underlying forecast cash flows, and the supporting assumptions, reflect significant judgements as these are affected by future market or economic conditions, changes to laws and regulations as well as management's success in achieving growth targets. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement. Judgement is also applied in the assessment of useful lives of intangible assets that are amortised over a defined period. During the year, the Group extended the estimated useful lives of certain media domains and other intangible assets as disclosed in Note 7. The extent of judgement, and the size of goodwill and intangible assets resulted in this matter being identified as an area of audit focus.	As part of our work on the impairment assessment of goodwill and other intangible assets, we evaluated the appropriateness of the methodology used, and the assumptions underlying the discounted cash flow model prepared by management, by involving our valuation experts. The calculations underlying the impairment model were reviewed in order to check the model's accuracy. For the performance marketing CGU, we carried out sensitivity analysis to assess whether or not a reasonable possible change in key assumptions could result in impairment, and concur with management's view that this component is less sensitive due to the level of headroom between the reported intangible assets and the respective value-in-use. On the other hand, the recoverable amount of the platform services CGU is very susceptible to the Group achieving the projected level of growth in revenue, and the projected improvement in EBITDA in the next four years. As part of our work, we considered the basis for the change in estimated useful lives of intangible assets subject to amortisation, which included sample testing of the underlying methodology and re-calculation of the impact of the change in estimate. The appropriateness of disclosures made in relation to the impairment assessment of the intangible assets, and the change in estimated useful lives, was also reviewed. Based on the work performed, we found the assessment of the recoverable amount of goodwill and other intangible assets and the related disclosures, to be consistent with the explanations and evidence obtained.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed audit procedures on the significant components, which are primarily based in Malta and subject to statutory local audit requirements. Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at the component level to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. We issued formal written instructions to the component auditor setting out the audit work to be performed and maintained regular communication with them throughout the audit cycle. Moreover, specified audit procedures were performed on certain account balances on foreign entities

The Group audit team performed all of its work by applying overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's or the Parent company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Chapter 16 Section 4a of the Swedish Securities Market Act

We have undertaken a reasonable assurance engagement in accordance with the requirements of ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information on the Annual Report and Consolidated Financial Statements of Gaming Innovation Group p.l.c. for the year ended 31 December 2021, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Report and Consolidated Financial Statements, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Chapter 16 Section 4a of the Swedish Securities Market Act, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Report and Consolidated Financial Statements, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ISAE 3000 (Revised).

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Report and Consolidated Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual Report and Consolidated Financial Statements and performing validations to determine whether the Annual Report and Consolidated Financial Statements has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Report and Consolidated Financial Statements to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Annual Report and Consolidated Financial Statements for the year ended 31 December 2021 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Other reporting requirements

The *Annual Report and Consolidated Financial Statements 2021* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

rea of the *Annual Report and Consolidated Financial Statements 2021* and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 23 November 2015. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 7 years. The company became listed on a regulated market on 26 March 2019.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Romina Soler
Partner

21 April 2022

DIRECTORS' DECLARATION
ON ESEF ANNUAL FINANCIAL REPORTS

This form of declaration shall be included in the Company Announcement wherein the publication of the ESEF AFR is announced and may be amended to reflect individual cases depending on the country of registration/incorporation.

We, Justin Psaila and Richard Brown, in our capacity as Directors of Gaming Innovation Group p.l.c. – C 44319, hereby certify:

i. That the Annual Financial Report for the year ended 31 December 2021 has been approved by the Board of Directors of the Company and is hereby being made available to the public.

ii. That the Annual Financial Report has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")[1] and the Swedish Securities Market Act.

iii. That the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.

iv. That the Annual Financial Report shall serve as the official document for the purposes of the Capital Markets Rules and the Companies Act (Chapter 386 of the Laws of Malta).

Signature
Director

Signature
Director

21 April 2022

[1] Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.