

GiG CENTRAL SERVICES LTD

Interim Financial Statements (Unaudited)  
30 September 2021

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## Statement of financial position

	€'000 30 September 2021	€'000 30 September 2020	€'000 31 December 2020
Property, plant and equipment	9,863	13,539	11,917
Intangible assets	2,637	2,625	1,514
<b>Non-current assets</b>	<b>12,500</b>	<b>16,163</b>	<b>13,431</b>
	934	1,288	1,288
Trade and other receivables	5,156	-	-
	<b>6,090</b>	<b>1,288</b>	<b>9,220</b>
Cash and cash equivalents	1,044	359	359
<b>Total assets</b>	<b>19,634</b>	<b>17,810</b>	<b>23,196</b>
	-	-	-
Other liabilities	17,247	15,255	18,265
Amounts due from related parties	-	430	-
<b>Trade and other payables</b>	<b>17,247</b>	<b>15,685</b>	<b>18,265</b>
Share capital	1	1	1
Accumulated losses	(481)	(545)	2,256
Other reserves	2,867	2,669	2,674
Total equity	<b>2,387</b>	<b>2,125</b>	<b>4,931</b>
<b>Total equity and liabilities</b>	<b>19,634</b>	<b>17,810</b>	<b>23,196</b>

## Statement of comprehensive income

	€'000 30 September 2021	€'000 30 September 2020	€'000 31 December 2020
Net revenue	20,965	20,783	20,783
	(14,609)	(15,341)	(18,326)
	(2,961)	(3,647)	(5,949)
<b>Total operating expenses</b>	<b>(17,570)</b>	<b>(18,987)</b>	<b>(24,275)</b>
<b>EBITDA</b>	<b>3,394</b>	<b>1,796</b>	<b>6,120</b>
Depreciation and amortisation	(2,276)	(1,820)	(4,062)
<b>EBIT</b>	<b>1,118</b>	<b>(24)</b>	<b>2,058</b>
Financial income/expenses	313	(502)	-
<b>Profit before tax</b>	<b>1,431</b>	<b>(526)</b>	<b>2,058</b>
Tax expense	-	-	-
<b>Profit after tax</b>	<b>1,431</b>	<b>(526)</b>	<b>2,058</b>

## Statement of cash flows

	€'000 30 September 2021	€'000 30 September 2020	€'000 31 December 2020
<b>Cashflows from operating activities</b>			
Result before income taxes	1,431	(526)	2,425
Adjustment to reconcile result before tax to net cashflow:	0	0	0
Amortisation of intangible assets	1,279	186	350
Depreciation	2,275	2,415	3,344
Impairment	0	0	1,099
Sharebase options	0	0	(194)
Change in trade and other receivables	3,130	(76)	(8,782)
Change in trade and other payables	(6,000)	746	5,774
<b>Net cash (used in)/generated from operating activities</b>	<b>2,116</b>	<b>2,744</b>	<b>4,017</b>
<b>Cashflow from investing activities</b>			
Purchase of intangible assets	(1,589)	(1,005)	(430)
Purchase of property plant and equipment	(221)	(1,296)	(1,522)
Movement in Capital Reserves	193	(198)	0
<b>Net cash flows used in investing activities</b>	<b>(1,617)</b>	<b>(2,499)</b>	<b>(1,952)</b>
<b>Cashflows from financing activities</b>			
Lease liability principal payment	0	0	(1,635)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(1,635)</b>
<b>Net increase in cash and cash equivalents</b>	<b>498</b>	<b>244</b>	<b>431</b>
cash and cash equivalents at beginning of period	546	115	115
<b>Cash and cash equivalents at the end of the period</b>	<b>1,044</b>	<b>359</b>	<b>546</b>

## Selected notes to condensed financial statements as of and for the periods ending 30 September 2021 and 2020

### 1. General Information

GiG Central Services Ltd is a limited liability company and is incorporated in Malta.

The company's immediate parent company is Gaming Innovation Group plc, a company registered in Malta, with its registered address at @GiG Beach, Dragunara Street, St. Julians, STJ 3148 Malta. GiG Inc is the ultimate parent company whose registered office is 10700 Strigfellow Rd, Suite 10, Bokeelia, FL 33922, USA.

The Company's principal activity is to act as a cost centre for general costs and overheads which are incurred by the GiG Group.

#### 1.1 Basis of preparation

The condensed interim financial statements have been prepared in conformity with IAS 34 and do not include all the information required for full annual financial statements. The condensed interim financial statements for the periods ended 30 September 2021 and 2020 have not been audited by the Company's auditors.

These unaudited interim condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed financial statements report the six months of operations of both 2021 and 2020 of GiG Central Services Ltd.

The Company's condensed financial statements are presented in Euros (EUR), which is the presentation and functional currency of the Company.

### 2. Summary of significant accounting policies

#### Accounting policies

The accounting policies adopted and used in preparing the condensed financial statements as of and for the periods ended 30 September 2021 and 2020 are consistent with those used in preparing the Company's financial statements as of and for the year ended 31 December 2020.

#### Revenue Recognition Policy

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Company's activities. The Company recognizes 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 Company and when specific criteria have been met as described below.

#### 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

**3. Standards, Interpretations and Amendments to Published Standards Effective in 2021**

In 2021, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2021. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

In the opinion of management, there are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**4. Impairment of intangible assets**

The Company reviews the carrying amounts of its tangible and intangible assets on an annual basis (or more frequently if events or changes in circumstances indicate a potential impairment) to determine if there are any indications that the assets have decreased in value. If any such indications exist, the recoverable amount is set to determine the need to recognise an impairment. When calculating the recoverable amount, future cash flows are discounted to present value using a discount rate before tax. If the recoverable amount is determined to be lower than the carrying amount an impairment is recorded through a charge to the statement of operations. No impairments were noted during 2021 or 2020.

**5. Changes in equity**

As at 30 September 2021, 1,200 shares were outstanding, where of the Company owned no treasury shares.

**6. Borrowings**

In prior years, the Company made borrowing from its immediate parent company, Gaming Innovation Group plc, for purchasing marketing affiliate sites. As at 30 September 2021, the borrowings amounted to €48.7m. Borrowings from the immediate parent company are unsecured, carry an interest rate of 7.29% per annum which is revised annually and are repayable on demand.

The immediate parent company have undertaken not to request amounts due unless alternative funds are made available to the company.

**7. Litigation**

From time to time, the Company is involved in litigation brought by previous employees or other persons. The Company and its legal counsel believe that these claims are without merit.

**8. Related party transactions**

There were no material related party transactions in the first, second and third quarter 2021.

**9. Subsequent events**

There have been no material subsequent events after 30 September 2021.

**10. Alternative performance measures**

Certain financial measures and ratios related thereto in this interim report are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this report because they are amount the measures used by management and they are frequently used by other interested parties for valuation purposes. In addition, the Company provides information on certain costs in the income statement, as these are deemed to be significant from an industry perspective.

**EBIT:** Operating profit

**EBITDA:** Operating profit less depreciation and amortization

**Gross profit:** Operating revenue less cost of sales