MT SECURETRADE LIMITED

Annual Report and Financial Statements
31 December 2019

Company Registration Number: C56545

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Principal activities and future developments

The Company's principal activity is the provision of online gaming services, primarily casino and sports.

As from January 1st 2019, a fellow subsidiary forming part of the GiG Group, Betit Operations Limited merged with MT Secure Trade Limited. Also, on the same date, Rizk.com has shifted from being a white label of the Company's sister Company, Zecure Gaming Ltd, to becoming an operator operating under the Company's MGA gambling license. As a result of the above, all B2C facing brands owned by the group (Rizk.com, Guts.com, Thrills.com, Betspin.com, Gutsxpress.com and Kaboo.com) operated under the Company's MGA gambling license during the year.

The Swedish market was re-regulated for online gambling applicable from 1st of January 2019. The Company together with one of its sister companies applied and were granted gambling licenses to operate in the Swedish market. Management's strategy to apply for two different licenses was to separate the operation of its own B2C brands from its white labels. As a result of this, the Swedish customer database of its B2C facing brands was migrated from the Company to its sister Company, whilst the Company kept operating in the Swedish market through its white labels.

Betspin.com was discontinued during May 2019.

During 2019, the Company entered into a lease agreement of a particular domain with a 3rd party whereby the Company will transfer this same domain by the end of the lease agreement if all terms and conditions of the contract are satisfied. Since certain conditions need to be satisfied in order for the domain to be transferred, the accounting policy of the group and therefore the Company consider this transaction to be an operating lease and is therefore recognised as such. During 2020, the payment terms of this agreement were amended, whilst retaining the same overall conditions.

The Board and the CEO of the Group have decided to conduct a strategic review of the Company to identify value-creating opportunities, reduce complexity and improve efficiency within the business. Towards the end of 2019, as part of this strategic review, the Board decided to initiate a process for disposal of its B2C segment, which it finalised in 2020. Due to this decision, the activity in relation to the B2C segment was classified as a discontinued operation.

The Company recognised in early 2019 that the regulation of unregulated markets, along with further restrictions imposed by regulated markets such as the UK and Sweden, effected the viability of the White Label model. In some markets, such as Spain and Italy, the upcoming regulation would prohibit the model altogether. The nature of the White Label model creates regulatory risks, in addition to further operational complexity, because the licence holder is responsible for all actions by the White Label in the said market. At the end of 2019 all White Labels received communication that the White Label model would not be supported post December 2020, except for SkyCity.

During Q3 2020, the Company has formally requested the Swedish Gambling Authority (SGA) and the UK Gambling Commission (UKGC) to surrender its respective business to customer licenses as it stopped supporting white labels in the Swedish and the UK market. The Company has received formal acceptance of the surrendering of its licenses from the SGA on the 7th of October 2020 and from the UKGC on the 31st of October 2020.

As a result of the above changes, the Company's future prospects is to operate its MGA licence for the SkyCity brand.

Directors' report – continued

Impact of COVID-19 on the Company's operations and financial information

The assessment of the impact on the operations was performed at a Gaming Innovation Group level.

The occurrence of extraordinary events, such as natural disasters, and the outbreak of disease epidemics, has an adverse impact on the global economy, and may lead to a global recession. In early 2020, the existence of a new virus, now known as COVID-19, was confirmed, and since this time COVID-19 has spread across the world. COVID-19 has caused disruption to businesses and economic activity, which has also adversely impacted global stock markets. The Group considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Group, or to provide a quantitative estimate of this impact. Management has however considered the potential impact, based on the known circumstances as at the date of reporting, and their assessment of potential future developments.

The Group closely monitored the progress of the Coronavirus (COVID-19) outbreak and introduced contingency measures to reduce the risk for its staff, and to ensure business continuity. The Group successfully deployed its Business Contingency Plan (BCP), and systems and operations continued to perform. The Group operates from various offices in several countries, and local measures have been adopted in line with recommendations made by the respective authorities.

The Group has a robust BCP to ensure continuity of operations and working from home is an integral part of day to day operations. Proactive steps were taken to advise employees to work from home prior to any announcements by governments. As part of the BCP, production environments require an extra level of approval to protect both the Group's business and its customers. COVID-19 did not result in disruption to the Group's operating model as a result of its agility.

Potential impact on Company outlook due to COVID-19

There is a risk that the prevailing unfavourable economic conditions due to the outbreak of COVID-19 could reduce online users' disposable incomes. Therefore, negative developments in the global economy dependent on external factors outside of the Company's control could adversely affect casino activity in the longer term. However, there could also be positive developments from a potential shift of gambling activity from offline brick and mortar casinos to online casinos.

This could affect revenues generated by the Company's business to customer clients which as a consequence affect the Company's revenues. Revenue for continued operations for the Company relate to casino operations, and therefore revenues were not impacted by Covid-19 during the period where sports activities were paused. Also, the consumer demand surge during covid-19 lockdowns for casino, together with an acceleration in the digital transformation of a new key customer, Skycity, have contributed towards contributing to a positive revenue impact during 2020.

Potential impact on asset value due to COVID-19

Management's assessment of the recoverable amount of intangible assets, including consideration of indicators of impairment relating to intangibles, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Such assessment did not therefore contemplate the impact of COVID-19, which only emerged in 2020. Management does not expect any impact on the carrying value of its intangibles as a result of COVID-19.

Directors' report – continued

Events after the reporting date

On 14 February 2020, the parent Company, Gaming Innovation Group p.l.c, signed a Share Purchase Agreement with Betsson Group for the divestment of its B2C assets, which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long term partner of GiG, generating revenues to GiG's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

In March 2020, as a result of this, the Company migrated the customer database of the operator brands mentioned above to Zecure Gaming Limited which was one of the companies being disposed to Betsson Group.

On 16 April 2020, the Group completed the sale of its B2C Assets to Betsson. GiG received €33 million as consideration, including an upfront cash payment of €22.3 million relating to the acquisition, a prepaid platform fee of €8.7 million, €2 million relating to GiG's Spanish casino license, but excluding working capital adjustments.

Although the Company's principal activities are unchanged in nature after this transaction, the number of B2C facing brands operated by the Company will diminish considerably due to the Company's de-risking strategy to sell its own brands and to stop supporting and offering white label licenses by end of 2020 except for a key customer Skycity. The Group will offer existing white label customers platform and back-office solutions as an alternative in a fellow subsidiary thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.

Going concern

The Company's future performance is intrinsically linked to the outlook for the Group that it forms part of, which currently faces liquidity pressures. Further, its statement of financial position includes significant receivables amounting to €19.5m, which are due from the GIG Group. The Company reported a loss of €1.4m from continuing operations in 2019 (2018: €5.2m).

GIG Group underwent a restructuring exercise during 2019, and as part of this process sold its B2C segment using the proceeds to settle a portion of its borrowings as described above. The Group expects its financial position to improve following the partial repayment of the bond, and several actions were taken during 2020 to improve profitability including rationalisation of costs and operations in line with the Group's new focus. At the same time, pressures on liquidity will continue to prevail, until actions emanating from the Group's strategic review are successfully implemented. The Group is also in the process of planning for the re-financing of the remaining bond of SEK400m, which becomes payable in June 2022, and various options are being considered.

Management expects the Company's operating profit from continuing operations to improve in line with the forecast for 2020, and growth plans beyond that period, which include the de-risking strategy of moving away from offering the white label model. On this basis, the Directors continue to deem the Company's going concern basis of preparation of these financial statements to be appropriate. Having said that, there remains material uncertainty associated with the achievement of forecast earnings and cash flows when considering the Group's current liquidity pressures combined with the need to re-finance the Group's borrowings by June 2022, which may cast significant doubt on the Company's ability to continue as a going concern due to its operations being intrinsically linked to those of the Group.

Directors' report – continued

Financial statement presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the Maltese Companies Act (Cap.386). The accounting policies as adopted in the published results for the year ended 31 December 2019 have been consistently applied.

Overall Company performance

During the year, the Company experienced an increase in revenues from continued operations of 381% and a decrease in operating expenses of 63%.

During the year, the Company experienced an increase in revenues from discontinued operations of 645% and an increase in operating expenses of 630%.

During 2019, Rizk.com has shifted from being a white label of the Company's sister Company, Zecure Gaming Ltd, to becoming an operator operating under the Company's MGA gambling license. This greatly increased the Company's revenues and expenses which are part of the discontinued operations. EBITDA from continuing operations increased from a loss of EUR 4.9 million in 2018 to a loss of EUR 1.4 million. EBITDA from discontinued operations increased from EUR 1.2 million in 2018 to EUR 9.5 million. EBITDA is equivalent to operating loss before depreciation, amortisation and impairment losses. The merger is disclosed in Note 22.

Revenues

Revenues from continuing operations amounted to EUR 488,877 (2018: EUR 101,681), an increase of 381%.

Revenues from discontinuing operations in 2019 increased to EUR 46.5 million (2018: EUR 6.2 million) which is equivalent to an increase of 645%. The increase in revenues is mainly due to migration of Rizk.com to the Company as explained above.

Operating expenses

During 2019, for continued operations, operating expenses decreased when compared with the previous year to a total cost of EUR 1.9 million (2018: EUR 5.1 million). This includes depreciation and amortisation cost of nil (2018: EUR 44,227), and EUR 0.7 million (2018: EUR 1.4 million) of personnel expenses. Other operating expenses amounting to EUR 1.2m (2018: EUR 3.6m) is mostly in relation to exchange differences.

For discontinued operations, operating expenses increased when compared with the previous year to a total cost of EUR 39.1 million (2018: EUR 5.2 million). This, includes depreciation and amortisation cost of EUR 1.0 million (2018: EUR 0.1 million), EUR 6.3 million (2018: EUR 1.5 million) of personnel expenses, other operating expenses of EUR 30.7 million (2018: EUR 3.6 million) and impairment losses recognized due to discontinuation of the B2C business of EUR 1.1 million (2018: nil).

Gaming taxes for discontinued operations the full year 2019 amounted to EUR 4.7 million (2018: EUR 0.5 million). The increase in gaming taxes is driven by the merger and migrations described previously. The Company holds gaming licenses in the UK and Sweden as well as international gambling licenses in Malta, and pays betting duties in all markets in accordance with applicable local laws.

Platform and service provider fees for discontinued operations for the full year 2019 amounted to EUR 19.4 million (2018: EUR 1.6 million).

Loss/ profit from operations

Loss before tax for continuing operations amounted to EUR 1.4 million (2018: EUR 5.0 million).

Profit before tax for discontinuing operations for the year 2019 was EUR 7.3 million (2018: EUR 1.0 million).

Directors' report – continued

Statement of financial position

As at 31 December 2019, net current assets and net assets of the Company amounted to EUR 5.2 million and EUR 25.4 million respectively (excluding assets held for sale). The Company's net equity has strengthened following the merger as disclosed in Note 22.

Trade and other receivables increased to EUR 10.4 million (excluding assets held for sale) from EUR 10.6 million in 2018 and trade and other payables decreased to EUR 8.7 million from EUR 13.3 million in 2018.

Amounts due from payment providers decreased from EUR 10.1 million in 2018 to EUR 7.5 million in 2019. Cash at bank and other intermediaries decreased from EUR 10.5 million in 2018 to EUR 3.5 million in 2019. Significant liabilities on the balance sheet include players accounts amounting to EUR 2.3 million (2018: EUR 5.2 million), jackpot balances amounting to EUR 0.7 million (2018: EUR 1.7 million) and indirect taxation of EUR 2.4 million (2018: EUR 2.2 million).

The assets which are in relation to the B2C segment which was sold as described above is classified separately in the Statement of Financial Position, as assets and liabilities held for sale.

Significant risks and uncertainties

The Company operates on the basis of its international license in Malta and other territory specific licenses.

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, would be closed due to legal restrictions being imposed. In some 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, GIG expects to be less directly exposed to legal and compliance risks associated with gaming operations. As part of its de-risking strategy, the Group has also reviewed its white label model, and will no longer offer white label licensing by the end of 2020. The Group will offer existing customers platform and back-office solutions as an alternative. The aim is for B2C gaming licenses to be relinquished, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.

The majority of the Company's revenue is derived from markets within the European Union, meaning that their domestic regulations are subject to EU law principles, such as free movement of services. Member States are permitted to impose local license requirements as a condition for companies offering online gaming services to consumers residing in respective states only insofar as the licenses are granted based on objective, transparent, non-discriminatory and proportionate criteria. Whereas national regulation liberalising the gaming market is generally compliant with EU law, the imposition of restrictions, especially protectionist approaches, is often challenged in European courts causing doubt until a final decision is published.

Where such local licensing regime is in place, it is the Company's policy not to offer gaming services to consumers residing in such state, unless it is in possession of a valid license. Regulation of online gaming in European markets is generally a positive development, as it reduces uncertainty and enables long term business planning and usually also increases the marketing channels available for the Company in such countries.

Directors' report – continued

Significant risks and uncertainties - continued

Outside the European Union the regulatory frameworks are more fragmented. Regulatory developments in the online gaming sector and their implications for the Company are uncertain and government authorities could make assessments and decisions that differ from the Company's understanding or interpretation.

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 will continue to apply to past exposures on B2C and white labelling lines of business, for as long as related warranties may continue to apply, and until white label licenses are terminated.

Pledged securities

The Company has pledged its issued share capital with a nominal value of EUR0.01 which is owned by the immediate parent and this has been pledged to Nordic Trustee AS, acting as the agent on behalf of bond holders.

Results and dividends

The financial results are set out on page 13. The directors did not declare a dividend during the current and preceding financial years.

Financial risk management

Information on the Company's financial risk management is disclosed in Note 2 of the financial statements.

Directors

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

- Mr Justin Psaila (appointed on 8 May 2019)
- Richard Brown (appointed on 18 December 2019)
- Mr Robin Eirik Reed (resigned on 24 December 2019)
- Mr Jan Mikael Angman (appointed on 20 February 2018 and resigned on 8 May 2019)

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 Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the director is 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 Company will continue in business as a going concern.

Directors' report – continued

Statement of directors' responsibilities for the financial statements - continued

The directors are also responsible for designing, implementing and maintaining 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, and that comply with the Maltese Companies Act (Cap. 386). The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The financial statements for MT SecureTrade Limited for the year ended 31 December 2019 are included in the Annual Report 2019 which is published in hard-copy printed form and may be available on the Company'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 Company'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.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Mr Richard Brown
Director

Mr Justin Psaila
Director

Registered office:
@GiG Beach
Dragunara Road
St. Julians, STJ 3148
Malta

12 November 2020

Independent auditor's report

To the Shareholders of MT Securetrade Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- MT Securetrade Limited 's financial statements give a true and fair view of the company's financial position as at 31 December 2019, and of the 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).

What we have audited

MT Securetrade Limited 's financial statements, set out on pages 12 to 45, comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

Independent auditor's report - *continued*

To the Shareholders of MT Securetrade Limited

Material uncertainty relating to going concern

We draw attention to Note 1.1 to these financial statements, which indicates that the Group which the Company forms part of currently faces liquidity pressures. The directors describe that the Company's ability to continue as a going concern depends on the Group's and the Company's achievement of forecast earnings and cash flows, as well as the success of the re-financing of the Group. These conditions, along with other matters explained in Note 1.1 to the financial statements, indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Director's 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, including the directors' report.

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.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, 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).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information. We have nothing to report in this regard.

Independent auditor's report *- continued*

To the Shareholders of MT Securetrade Limited

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 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 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 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 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 company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the company's trade, customers and suppliers, and the disruption to its business and the overall economy. 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.

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.

Report on other legal and regulatory requirements

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 that 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 we require for our audit.

We have nothing to report to you in respect of these responsibilities.

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

Romina Soler
Partner

12 November 2020

Statement of financial position

	Notes	As at 31 December 2019 €	2018 €
ASSETS			
Non-current assets			
Intangible assets	4	**212,228**	254,414
Property, plant and equipment	5	**48,805**	97,878
Investments in subsidiaries	7	**6,000**	6,000
Other receivables	8	**19,497,916**	-
Deferred income tax assets	20	**12,919**	12,919
Total non-current assets		**19,777,868**	371,211
Current assets			
Trade and other receivables	8	**10,383,273**	10,592,161
Cash and cash equivalents	9	**3,531,390**	10,520,133
Total current assets		**13,914,663**	21,112,294
Assets classified as held for sale	6	**5,306,981**	-
Total assets		**38,999,512**	21,483,505
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	10	**1,739**	1,739
Share premium	10	**1,461,551**	1,461,551
Capital reserves	11	**16,533,195**	16,875,432
Merger reserve	12	**9,444,610**	(2,149,248)
Other reserves	13	**3,653**	3,653
Accumulated losses		**(2,013,738)**	(7,968,252)
Total equity		**25,431,010**	8,224,875
Current liabilities			
Trade and other payables	15	**8,731,166**	13,258,630
Total liabilities		**8,731,166**	13,258,630
Liabilities directly associated with assets classified as held for sale	6	**4,837,336**	-
Total equity and liabilities		**38,999,512**	**21,483,505**

The notes on pages 16 to 45 are an integral part of these financial statements.

The financial statements on pages 12 to 45 were authorised for issue by the directors on 12 November 2020 and were signed by:

Mr Richard Brown
Director

Mr Justin Psaila
Director

Statement of comprehensive income

	Notes	Year ended 31 December 2019 €	2018 €
Net revenue		**488,877**	101,681
Operating expenses			
Personnel expenses	17	**(666,953)**	(1,404,879)
Depreciation and amortisation	4, 5	-	(44,227)
Other operating expenses	16	**(1,206,223)**	(3,630,026)
Total operating expenses		**(1,873,176)**	(5,079,132)
Operating loss		**(1,384,299)**	(4,977,451)
Finance income	18	**42**	615
Loss before tax		**(1,384,257)**	(4,976,836)
Income tax expense	19	**(43)**	(183,265)
Loss for the year from continuing operations		**(1,384,300)**	(5,160,101)
Profit from discontinued operations	6	**7,338,814**	1,019,666
Profit/(loss) for the year		**5,954,514**	(4,140,435)

The notes on pages 16 to 45 are an integral part of these financial statements.

Statement of changes in equity

	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €
Balance at 1 January 2018		1,739	1,461,551	1,656,555	-	3,653	(3,827,817)	(704,319)
Comprehensive income								
Loss for the year - total comprehensive income		-	-	-	-	-	(4,140,435)	(4,140,435)
Transactions with owners								
Value of employee services	11	-	-	(12,285)	-	-	-	(12,285)
Waiver of loans and amounts payable	11	-	-	15,231,162	-	-	-	15,231,162
Merger reserve created upon business combinations	12	-	-	-	(2,149,248)	-	-	(2,149,248)
Balance at 31 December 2018		**1,739**	**1,461,551**	**16,875,432**	**(2,149,248)**	**3,653**	**(7,968,252)**	**8,224,875**
Comprehensive income								
Profit for the year - total comprehensive income		-	-	-	-	-	5,954,514	5,954,514
Transactions with owners								
Value of employee services	11	-	-	(42,583)	-	-	-	(42,583)
Deemed distribution	11	-	-	(299,654)	-	-	-	(299,654)
Merger reserve created upon business combinations	12	-	-	-	11,593,858	-	-	11,593,858
Balance at 31 December 2019		**1,739**	**1,461,551**	**16,533,195**	**9,444,610**	**3,653**	**(2,013,738)**	**25,431,010**

The notes on pages 16 to 45 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December 2019 €	2018 €
Cash flows from operating activities			
Cash generated (used in)/from operations	21	**(2,845,720)**	2,670,796
Interest received		**42**	615
Tax paid		**(43)**	(69)
Net cash (used in)/generated from operating activities		**(2,845,721)**	2,671,342
Cash flows from investing activities			
Purchases of intangible assets	4	**(996,528)**	(204,639)
Net cash used in investing activities		**(996,528)**	(204,639)
Cash flows from financing activities			
Borrowings from parent company		-	(136,715)
Net cash used in financing activities		-	(136,715)
Net movement in cash and cash equivalents		**(3,842,249)**	2,329,988
Cash and cash equivalents at beginning of year		**3,732,467**	1,384,080
Cash and cash equivalents received upon business combinations	22	**1,250,208**	18,399
Cash and cash equivalents at end of year	9	**1,140,426**	3,732,467

The notes on pages 16 to 45 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 the financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). A parent (Note 25) prepares consolidated financial statements in a manner equivalent to that required by the Maltese Companies Act (Cap. 386), and these are delivered to the Registrar of Companies in Malta. Accordingly, MT SecureTrade Limited is exempt from the preparation of consolidation financial statements by virtue of Section 174 of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, as modified by the revaluation of financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

Going concern

The Company's future performance is intrinsically linked to the outlook for the Group that it forms part of, which currently faces liquidity pressures. Further, its statement of financial position includes significant receivables amounting to €19.5m, which are due from the GIG Group. The Company reported a loss of €1.4m from continuing operations in 2019 (2018: €5.2m).

GIG Group underwent a restructuring exercise during 2019, and as part of this process sold its B2C segment using the proceeds to settle a portion of its borrowings as described above. The Group expects its financial position to improve following the partial repayment of the bond, and several actions were taken during 2020 to improve profitability including rationalisation of costs and operations in line with the Group's new focus. At the same time, pressures on liquidity will continue to prevail, until actions emanating from the Group's strategic review are successfully implemented. The Group is also in the process of planning for the re-financing of the remaining bond of SEK400m, which becomes payable in June 2022, and various options are being considered.

Management expects the Company's operating profit from continuing operations to improve in line with the forecast for 2020, and growth plans beyond that period, which include the de-risking strategy of moving away from offering the white label model. On this basis, the Directors continue to deem the Company's going concern basis of preparation of these financial statements to be appropriate. Having said that, there remains material uncertainty associated with the achievement of forecast earnings and cash flows when considering the Group's current liquidity pressures combined with the need to re-finance the Group's borrowings by June 2022, which may cast significant doubt on the Company's ability to continue as a going concern due to its operations being intrinsically linked to those of the Group.

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

Merger of legal entities

During the current financial year, a related company forming part of the GiG Plc. Group has been merged into the Company (as further described in Note 22 to the financial statements). During 2019, documents were drawn up by the directors in accordance with and for the purposes of Article 358 of the Maltese Companies Act (Cap. 386), which documents were delivered to the Registrar of Companies on 2 December 2019. Under the terms of the merger, the transactions of the amalgamated company have been treated for accounting purposes as being those of the acquiring Company with effect from 1 January 2019.

The companies involved in this merger are deemed to be entities under common control. The key feature of a transaction among entities under common control is that there is no change in the ultimate ownership of the entities involved as a result of the transaction. For the purposes of preparing these financial statements, MT SecureTrade Limited applied the predecessor method of accounting to reflect the transactions referred to above (refer to accounting policy 1.2 ‘Business combinations between entities under common control’).

Standards, interpretations and amendments to published standards effective in 2019

The Company adopted IFRS 16 ‘Leases’ and made retrospective adjustments with effect from 1 January 2019. The impact of the adoption of these standards and the new accounting policies are disclosed in Note 1.17 below. The other standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company’s accounting period beginning after 1 January 2019. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Company’s Directors are of the opinion that there are no requirements that will have a possible significant impact on the Company’s financial statements on the period of initial application.

1. Summary of significant accounting policies - continued

1.1 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

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in euro which is the Company's functional and presentation currency.

(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 Company's accounting policy is to present all exchange differences within finance income or finance costs including exchange differences arising on cash and cash equivalents and amounts due from payment providers.

1. Summary of significant accounting policies - continued

1.4 Investments in subsidiaries

Investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. 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 the subsidiaries are reflected in the 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.

1.5 Intangible assets

(a) Domains and licenses

Separately acquired
s and licenses are shown at historical cost. The majority of separately acquired domains have an indefinite useful life. The useful life of domains that had a finite useful life, which comprise a small number of domains acquired in the past, was 3 years. The useful life of licenses is determined in relation to the term of the license agreement, which is three years. Amortisation is calculated using the straight-line method to allocate the cost of domains over their estimated useful lives.

(b) Computer software

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 3 years or, in the case of computer software, over the term of the license agreement, if different.

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 three years or, in the case of computer software, over the term of the licence agreement, if different.

- 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

1.6 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company 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 using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Computer equipment	3
Plant and office equipment	3-6
Installations and improvements to leasehold premises	3-4

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 1.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.7 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.

1.8 Financial assets

1.8.1 Classification

The Company 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.

1. Summary of significant accounting policies - continued

1.8 Financial assets - continued

1.8.1 Classification - continued

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

1.8.2 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 Company has transferred substantially all the risks and rewards of ownership.

1.8.3 Measurement

At initial recognition, the Company 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 Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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 a separate line item in the statement of profit or loss.

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company'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 Company's right to receive payments is established.

1. Summary of significant accounting policies - continued

1.8.4 Impairment

The Company 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 Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 2.1 for further details.

1.9 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 1.8.4). 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.

1.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks and e-wallets.

Cash and cash equivalents exclude balances held on behalf of customers, which are held separately and distinct from the funds of the Company, and whose use is restricted.

1.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company'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 Company 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. Summary of significant accounting policies - continued

1.13 Trade and other payables

Trade payables comprise 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.

1.14 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

1.15 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. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

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 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.16 Share-based payments

The Company's ultimate parent operates a number of equity-settled, share-based compensation plans, under which the Company receives services from employees and consultants as consideration for equity instruments (options) of the ultimate parent Company. The fair value of the employee services received in exchange for the grant of the options is recognised by the Company as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specific period of time).

1. Summary of significant accounting policies - continued

1.16 Share-based payments - continued

The Company's ultimate parent operates a number of equity-settled, share-based compensation plans, under which the Company receives services from employees and consultants as consideration for equity instruments (options) of the ultimate parent Company. The fair value of the employee services received in exchange for the grant of the options is recognised by the Company as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specific period of time).

At the end of each reporting period, the ultimate parent Company 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 ultimate parent Company, or another entity at the request of the ultimate parent Company, transfers shares to the employees.

The grant by the ultimate parent Company of options over its equity instruments to the employees of the Company is treated as a capital contribution. 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.

1.17 Leases

As explained in note 1.1 above, the Company has adopted IFRS 16 for leases where the Company is the lessor. During the year the Company has entered into a contract whereby the Group will be leasing out one of its domains which will be transferred to the counterparty at the end of the agreement if all the terms of the agreement are met. The Group will receive 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 are satisfied. The first payment is due in April 2020. Based on the conditions of the agreement, management has classified this lease as an operating lease.

Income in relation to operating leases are receivable as follows:	2019 €	2018 €
Less than one year	**1,125,000**	-
Between one and three years	**3,025,000**	-
	4,150,000	-

1. Summary of significant accounting policies - continued

1.18 Revenue recognition

In contracting with white label operators, the Company considers that it is acting as principal as it is responsible for all interactions with the third-party platform and the related service providers. On this basis revenue is recognised gross as included below.

Gaming transactions that are not deemed to be financial instruments, where the Company 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 Company's performance obligation in this service is the provision of the poker game to the individual players. The performance obligation is satisfied and the Company is entitled to its share of the pot (i.e. the rake) once each poker hand is complete. In this respect, revenue recognition under IFRS 15 should remain consistent with that under IAS 18 (i.e. to recognise revenue as each hand is complete).

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, are 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 Company 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 position against players, such as poker, is recognised when players place wagers in a pool.

Shared conduct of business arrangements are all contractual agreements whereby two or more parties jointly undertake an economic activity. In respect of its interest in such arrangements, the Company recognises the assets that it controls, the expenses and liabilities that it incurs and its share of the income that it earns from the sale of goods or services through the shared conduct of business arrangements.

Other income is recognised as it accrues unless collectability is in doubt.

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.

1.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the obligation to pay a dividend is established.

2. Financial risk management

2.1 Financial risk factors

The Company's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The management of the Company's financial risk is based on a financial policy approved by the ultimate parent's Board of directors, and exposes the Company to a low level of risk. Risk management is coordinated at a group level in respect of all companies of which Gaming Innovation Group Inc. is the ultimate parent. The 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

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 Company operates in various countries with various currency exposures, such as Norwegian krone, New Zealand dollar, Canadian dollar, Swedish kronor, GB pound and US dollar. The Company's operations partially result in a natural hedge of operating currency risks since customer deposits and customer withdrawals, as far as practicable, are transacted in the original currency.

The table below summarises the Company's main exposure to foreign currencies other than the functional currency:

	Assets	Liabilities	Net exposure
	€	€	€
As at 31 December 2019			
CAD to EUR	912,450	(174,893)	737,557
GBP to EUR	1,351,665	(1,706,985)	(355,320)
SEK to EUR	1,181,031	(529,645)	651,386
NZD to EUR	945,533	(146,937)	798,596
NOK to EUR	680,318	(718,760)	(38,442)
USD to EUR	835,209	(103,748)	731,461
	5,906,206	**(3,380,968)**	**2,525,238**

	Assets	Liabilities	Net exposure
	€	€	€
As at 31 December 2018			
CAD to EUR	1,011,017	(198,180)	812,837
GBP to EUR	1,402,775	(1,586,853)	(184,078)
SEK to EUR	1,319,667	(718,604)	601,063
NZD to EUR	2,192,467	(79,658)	2,112,809
NOK to EUR	5,311,426	(596,114)	4,715,312
	11,237,352	**(3,179,409)**	**8,057,943**

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been effected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary since the exposure is not deemed to be significant.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Price risk

Management does not consider the Company to be exposed to significant market risk in terms of its online casino since the outcome of wagers is based on a fixed winnings percentage.

The Company is exposed to market risk due to the possibility of an unfavourable outcome on events on which the Company has accepted bets. The Company has adopted risk management policies to mitigate this risk. Management monitors the odds real time to determine the appropriate risk levels for certain events and where possible reacts to large risks by, inter-alia, not accepting bets that exceed the maximum risk limit on an individual bet or by closing the event that was offered as a bet. The risk is spread across a larger number of events and sports. The Company's exposure to open bets was not significant at 31 December 2019 and 2018 and on this basis, management considers the potential impact on profit or loss of a shift in odds that is reasonably possible at the end of the reporting period to be immaterial.

(b) Credit risk

Credit risk mainly arises on cash at bank and other intermediaries, receivables from payment providers, amounts due from fellow subsidiaries, related parties and other receivables as follows:

	2019	2018
	€	€
Financial assets at amortised cost:		
Cash at bank and other intermediaries (Note 9)	**3,531,390**	10,520,133
Receivables from payment providers (Note 8)	**7,048,064**	10,076,153
Amounts due from fellow subsidiaries (Note 8)	-	581
Amounts due from related parties (Note 8)	**100,231**	4,401
Other receivables (Note 8)	**840,471**	350,090
Net exposure	**11,520,156**	20,951,358

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Company does not hold any collateral as security in this respect. The Company deals only with financial institutions or payment intermediaries with quality standing and does not consider that there was any material credit risk at the end of the reporting period.

The Company seeks to manage credit risk by only undertaking transactions with counterparties which include financial institutions or intermediaries and 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 2019 and 2018.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

	2019	2018
	€	€
A+	**2,917,160**	2,216,593
BBB+	-	892,710
BBB	**363,415**	755,524
BB+	**20,919**	153,445
Below BB or not rated	**5,536,877**	6,501,863
	8,838,371	10,520,135

Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- other receivables
- other financial assets carried at amortised cost

While cash and cash equivalents and payment providers are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company is expecting to recover other receivables which is in relation to the domain it has leased out as included in note 1.17; management have assessed the counterparty and any expected loss is immaterial.

The Company monitors intra-group exposures at individual entity level on a regular basis and ensures timely performance of these assets in context of its overall liquidity management. The loss allowance for these financial assets are based on default risk assumptions and expected loss rates. As in included in note 1.1, the Group is facing liquidity pressures however, based on the appropriate recovery strategies that were in place the credit loss allowance charge required is deemed immaterial.

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities which include players' accounts of EUR 5,393,920 (2018: EUR 5,235,588), trade payables of EUR 332,516 (2018: EUR 557,444), amounts due to fellow subsidiaries of EUR nil (2018: EUR 1,547,426), other payables of EUR 1,319,305 (2018: EUR 23,450) and indirect taxation and social security of EUR 2,392,179 (2018: EUR 2,159,938).

Liquidity risk is monitored at a group level by ensuring that sufficient funds are available to each subsidiary within the Group. Refer to note 1.1 for the liquidity pressures which the GiG Group are facing.

2. Financial risk management - continued

2.2 Capital risk management

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company's objectives when managing capital are to safeguard the Company'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.

The Company's capital structure (including the additional paid-in capital) is monitored at a Group level with appropriate reference to subsidiaries' financial conditions and prospects.

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

2.3 Fair values of financial instruments

At 31 December 2019 and 2018 the carrying amounts of cash at bank, receivables, payables and accrued expenses, 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.

3. Critical accounting estimates and judgements

(a) 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.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1, other than significant uncertainty associated with the legal environment that the Company operates in as referred to in Note 24 to these financial statements and the matters addressed below.

(b) The Company as a lessor

During the year the Company has entered into a contract whereby the Company will be leasing out one of its domains which will be transferred to the counterparty at the end of the agreement if all the terms of the agreement are met. The Company will receive monthly fixed payments as well as variable payments based on the performance of the domain for a minimum of 4 years and until the terms of the agreement are satisfied. The first payment is due in April 2020. Based on the conditions of the agreement, management has classified this lease as an operating lease.

4. Intangible assets

	Domains	Licences	Computer software	Total
	€	€	€	€
Cost				
As at 1 January 2018	118,110	232,023	65,565	415,698
Acqusitions upon merger	19,850	-	-	19,850
Additions	-	103,123	101,516	204,639
As at 31 December 2018	137,960	335,146	167,081	640,187
As at 1 January 2019	137,960	335,146	167,081	640,187
Acquisitions upon merger (Note 22)	300,000	-	1,222,654	1,522,654
Additions	-	12,608	983,920	996,528
As at 31 December 2019	**437,960**	**347,754**	**2,373,655**	**3,159,369**
Accumulated amortisation				
As at 1 January 2018	117,020	113,021	19,494	249,535
Amortisation charge	7,316	70,016	58,906	136,238
As at 31 December 2018	124,336	183,037	78,400	385,773
As at 1 January 2019	124,336	183,037	78,400	385,773
Amortisation charge attributable to discontinued operations	87,772	57,813	799,571	945,156
Accumulated depreciation upon merger (Note 22)	-	-	532,559	532,559
Impairment loss attributed to discontinued operations	13,624	106,904	963,125	1,083,653
As at 31 December 2019	**225,732**	**347,754**	**2,373,655**	**2,947,141**
Carrying amount				
As at 1 January 2018	1,090	119,002	46,071	166,163
As at 31 December 2018	13,624	152,109	88,681	254,414
As at 31 December 2019	**212,228**	-	-	**212,228**

Domain with a carrying amount of €212,228 was leased out as an operating lease during the financial year.

During the year, the company recognised an impairment of €1,083,653 as a result of the sale of the B2C business which led to the segment being discontinued.

5. Property, plant and equipment

	Installations and improvements to leasehold premises €	Plant and office equipment €	Computer equipment €	Total €
Cost				
As at 1 January 2018 (restated)	23,245	198,159	292,965	514,369
Acqusitions upon merger	-	12,428	2,427	14,855
As at 31 December 2018	23,245	210,587	295,392	529,224
As at 1 January 2019	23,245	210,587	295,392	529,224
Acquisitions upon merger (Note 22)	171,853	110,313	135,406	417,572
As at 31 December 2019	**195,098**	**320,900**	**430,798**	**946,796**
Accumulated depreciation				
As at 1 January 2018 (restated)	15,497	125,519	237,946	378,962
Depreciation charge	3,874	21,224	27,287	52,385
As at 31 December 2018	19,371	146,743	265,233	431,347
As at 1 January 2019	19,371	146,743	265,233	431,347
Depreciation charge attributable to discontinued operations	15,292	34,210	33,815	83,317
Accumulated depreciation upon merger (Note 22)	160,488	101,501	121,338	383,327
As at 31 December 2019	**195,098**	**282,454**	**420,386**	**897,991**
Net book value				
As at 1 January 2018	7,748	72,640	55,019	135,407
As at 31 December 2018	3,874	63,844	30,160	97,878
As at 31 December 2019	-	**38,393**	**10,412**	**48,805**

6. Discontinued operations

On 14 February 2020, the Company's immediate parent, Gaming Innovation Group Plc. signed a Share Purchase Agreement with Betsson Group for the divestment of its B2C assets, which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long term partner of GiG, generating revenues to GiG's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

On 16 April 2020, the Group completed the sale of its B2C Assets to Betsson. GiG received €33 million as consideration, including an upfront cash payment of €22.3 million relating to the acquisition, a prepaid platform fee of €8.7 million, €2 million relating to GiG's Spanish casino license, but excluding working capital adjustments. On 22 April 2020, GiG used part of these proceeds to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1m for extending the maturity date of such bond from 6 March 2020 to 22 April 2020.

6. Discontinued operations – continued

(a) Financial performance and cash flow information

	Year ended 31 December	
	2019	2018
	€	€
Net revenue	**46,463,546**	6,235,246
Expenses	**(38,041,079)**	(5,215,580)
Impairment losses	**(1,083,653)**	-
Operating profit	**7,338,814**	1,019,666
Income tax expense	-	-
Operating profit from discontinued operations	**7,338,814**	1,019,666
Net cash inflow from operating activities	**8,921,753**	1,019,936
Net cash outflow from investing activities	**(1,011,849)**	(323,790)
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash generated by discontinued operations	**7,909,904**	696,146

(b) Assets and liabilities of disposal Group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2019:

	As at 31 December	
	2019	2018
	€	€
Assets classified as held for sale		
Cash and cash equivalents	**5,306,981**	-
Total assets of disposal group held for sale	**5,306,981**	
Liabilities directly associated with assets classified as held for sale		
Players liability	**(3,052,472)**	-
Jackpot liability	**(1,784,864)**	-
Total liabilities of disposal group held for sale	**(4,837,336)**	-

7. Investment in subsidiary

	€
Years ended 31 December 2019 and 2018	
Opening and closing net book amount	**6,000**

Subsidiary	Country of incorporation	Class of shares held	Percentage of voting rights held directly by parent 2019	2018
			%	%
NV SecureTrade	Curacao	Ordinary shares	**100**	100
Mavrix Services Limited*	Spain	Ordinary shares	**100**	100

*Subsidiary was transferred after year end as part of the Group's divestment of its B2C assets.

8. Trade and other receivables

	2019	2018
	€	€
Non-current		
Amounts due from fellow subsidiaries	**19,497,916**	-
Trade receivables	**2,328**	-
Amounts due from payment providers	**7,048,064**	10,076,153
Amounts due from fellow subsidiaries	-	581
Amounts due from related parties	**100,231**	4,401
Indirect taxation	**1,901,690**	-
Other receivables	**840,471**	350,090
Prepayments and accrued income	**490,489**	160,936
	10,383,273	10,592,161

Amounts from fellow subsidiaries and related parties are unsecured, interest free and repayable on demand. However, the Company does not expect to receive such amounts within 12 months and as a result has classified them as non-current.

9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019	2018
	€	€
Cash at bank and other intermediaries	**3,531,390**	10,520,133
Less: restricted cash	**(2,860,609)**	(6,787,666)
Cash and cash equivalents	**670,781**	3,732,467

At 31 December 2019 EUR 2,860,609 (2018: EUR 6,787,666) was held in a fiduciary capacity and represented customer monies whose use is restricted in terms of the Malta Gaming Act 2018 and the UK Gambling Act, 2005.

9. Cash and cash equivalents – continued

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019 €	2018 €
Cash at bank and other intermediaries	**3,531,390**	10,520,133
Cash at bank and other intermediaries attributable to discontinued operations (Note 6)	**5,306,981**	-
Less: restricted cash	**(2,860,609)**	(6,787,666)
Less: restricted cash attributable to discontinued operations (Note 6)	**(4,837,336)**	-
Cash and cash equivalents	**1,140,426**	3,732,467

10. Share capital and share premium

	Number of ordinary shares	Ordinary shares €	Share premium €	Total €
Authorised share capital				
Ordinary A shares				
At 1 January and 31 December 2018	176,680	1,767	-	1,767
At 1 January and 31 December 2019	**176,680**	**1,767**	**-**	**1,767**
Ordinary B shares				
At 1 January and 31 December 2018	100	1	-	1
At 1 January and 31 December 2019	**100**	**1**	**-**	**1**

The ordinary ‘B’ shares shall not carry a right to receive dividends and are not entitled to any assets upon dissolution or winding up of the Company, but in all other matters shall rank pari passu with the ordinary ‘A’ shares.

	Number of ordinary shares	Ordinary shares €	Share premium €	Total €
Issued and fully paid				
Ordinary A shares				
As at 1 January and 31 December 2018	173,847	1,738	1,461,551	1,463,289
As at 1 January and 31 December 2019	**173,847**	**1,738**	**1,461,551**	**1,463,289**
Ordinary B shares				
At 1 January 2018 and 31 December 2018	100	1	-	1
At 1 January 2019 and 31 December 2019	**100**	**1**	**-**	**1**

11. Capital contribution reserves

	2019 €	2018 €
At 1 January	**16,875,432**	1,656,555
Capital contribution arising on granting of share options by the ultimate parent company	**(42,583)**	(12,285)
Waiver of loans payable	-	15,231,162
Deemed distribution	**(299,654)**	-
At 31 December	**16,533,195**	16,875,432

During the year, the Company has waived amounts due to it by the ultimate parent company amounting to EUR 299,654 which is regarded as a deemed distribution. During the prior year, the, ultimate parent and immediate parent companies have waived amounts due to them by the Company amounting to EUR 5,112,000 and EUR 10,119,162 respectively, which have been converted to a capital reserve.

12. Merger reserve

	2019 €	2018 €
At 1 January	(2,149,248)	-
Reserve created upon business combination	11,593,858	(2,149,248)
At 31 December	**9,444,610**	(2,149,248)

During the year, a merger has been carried out as disclosed in Note 22.

13. Other reserves

	Currency translation reserve €
At 1 January 2019 and 31 December 2019	**3,653**

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.

14. Share based payments

a. Employee share option plan

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 of service (the vesting period); certain options are also conditional on the Group achieving certain earnings targets. The options are exercisable starting between 1 and 6 years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

14. Share based payments - continued

b. Share options granted as consideration for employee services

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2019 Average exercise price in € per option	**2019** Options	2018 Average Exercise price in € per option	2018 Options
Share options which were granted or converted into options of GIG Inc.				
At 1 January	**2.99**	**90,797**	1.10	611,551
At 31 December	**3.54**	**65,000**	2.99	90,797
Share options which were granted or converted into options of GIG Inc.				
Granted	**3.00**	**30,000**	-	-
Exercised	-	**(59,225)**	-	(275,331)
Tranferred from another subsidiary company within group	**0.12**	**53,428**	-	-
Tranferred to another subsidiary company within group	-	-	-	(165,151)
Forfeited during the year	**4.00**	**(50,000)**	1.13	(80,272)

Out of the 65,000 (2018: 90,797) outstanding options which were granted or converted into options of GIG Inc., 17,500 (2018: 12,000) were exercisable.

Options which were converted into GIG Inc. shares, and exercised in 2019 resulted in 59,225 shares (2018: 275,331) being issued at a weighted average price of nil (2018: nil). The related weighted average share price at the time of exercise was EUR 2.01 (2018: EUR 5.52) per share.

Share options which were granted or converted into options of GIG Inc, outstanding at the end of the year, have the following expiry dates and exercise prices:

14. Share based payments - continued

c. Share options granted as consideration for employee services - continued

Grant dates (range)	Vest dates (range)	Expiry dates (range)	Exercise prices in option (range) €	Share options 2019	2018
2014-2015	2016-2019	January 2018- January 2019	Nil	-	30,796
2017	2018-2020	December 2022	4.50 - 4.80	35,000	60,000
2019	2020-2022	March 2025	3.00 - 4.00	30,000	-
				65,000	**90,796**

There were no share options which were not converted into options of GIG Inc, outstanding at the end of the current and prior periods.

d. Valuation of share options for the year ended 31 December 2019

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was €0.13 (2018: €1.98) per option. The significant inputs into the model were weighted average share price of €1.29 (2018: €6.02) at the grant date, exercise price shown above, volatility of 55% (2018: 75%), dividend yield of 0% (2018: 0%), an expected option life of 2 (2018: 6) years and an annual risk-free interest rate of 1.36% (2018: 1.40%). 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.

15. Trade and other payables

	2019 €	2018 €
Trade payables	**332,516**	557,444
Players' accounts	**2,341,448**	5,235,588
Jackpot balances	**655,776**	1,655,569
Amounts due to fellow subsidiaries	-	1,547,426
Amounts due to immediate parent company	**240,000**	-
Other payables	**1,182,690**	23,450
Indirect taxation and social security	**2,392,179**	2,159,938
Accruals and deferred income	**1,586,557**	2,079,215
	8,731,166	13,258,630

Amounts due to immediate parent company and in the preceding year amounts due to subsidiaries are unsecured, interest free and repayable on demand.

16. Other operating expenses

	2019	2018
	€	€
Platform and service provider fees	**20,970**	1,011,448
Gaming taxes	**982**	388,075
Consultancy fees	**94,342**	73,244
Office expenses	**1,337**	80,953
Fines and penalties	-	704,000
Foreign exchange differences	**737,123**	950,048
Other operating expenses	**351,469**	422,258
	1,206,223	3,630,026

Fees charged by the auditor for services rendered during the financial period ended 31 December 2019 and 2018 (exclusive of VAT) are shown in the table below.

	2019	2018
	€	€
Tax advisory and compliance services	**1,500**	1,400
Other	**130**	130
	1,630	1,530

In the current and preceding year, the audit fees were borne by a fellow subsidiary.

17. Employee benefit expense

	2019	2018
	€	€
Gross wages and salaries	**695,835**	1,336,995
Less: employee costs capitalised as part of software	**(25,299)**	(27,726)
Net wages and salaries, including other benefits	**670,536**	1,309,269
Social security costs	**15,522**	65,284
Share options granted to employees	**(19,105)**	30,326
	666,953	1,404,879

17. Employee benefit expense - continued

The average number of persons employed during the year:

	2019	2018
Managerial	1	1
Administrative	49	22
	50	23

Director's remuneration

	2019 €	2018 €
Remuneration and other emoluments	141,164	150,603

18. Finance income

	2019 €	2018 €
Interest income on bank deposits	-	469
Other interest income	42	146
	42	615

19. Tax expense

	2019 €	2018 €
Deferred tax expense	-	(183,196)
Current tax expense	(43)	(69)
	(43)	(183,265)

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2019 €	2018 €
Profit/(loss) before tax	5,954,557	(3,957,170)
Tax at 35%	2,084,095	(1,385,010)
Tax effect of:		
Disallowed expenses	149,507	393,737
Unrecognised deferred tax movement	(2,233,645)	991,233
Deferred tax asset acquired upon merger, written off during the year	-	(183,196)
Income subject to reduced rates of tax, and other movements	-	(29)
Tax expense	(43)	(183,265)

19. Tax expense - continued

As at 31 December 2019, the Company had unutilised trading losses amounting to EUR 2,365,040 (2018: EUR 4,961,793), capital allowances amounting to nil (2018: EUR 277,252) and net taxable temporary difference arising on intangible assets and plant and equipment amounting to EUR 241,558 (2018: EUR 42,404). The related net deferred tax asset was not recognised.

20. Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2018: 35%). The movement on the deferred tax is as follows:

	2019	2018
	€	€
As at 1 January	**12,919**	12,919
Deferred tax asset acquired upon merger	-	183,196
Deferred tax liability on temporary differences - recognised in profit or loss	-	(183,196)
As at 31 December	**12,919**	12,919

The amounts disclosed in the table above are recognised in the statement of comprehensive income.

The balance as at 31 December represents:

	2019	2018
	€	€
Exchange variances	**(5,299)**	(5,299)
Difference between the tax base and carrying amounts of intangible and tangible assets	**5,138**	5,138
Capital allowances and tax losses	**13,080**	13,080
	12,919	12,919

The recognised deferred tax asset is expected to be realised principally after more than twelve months. Unrecognised temporary differences are disclosed in Note 19 to the financial statements.

21. Cash (used in)/generated from operations

(a) Reconciliation of operating profit/(loss) to cash used in operations:

	2019	2018
	€	€
Operating profit(loss) from:		
Loss from continuing operations	**(1,384,299)**	(4,977,451)
Profit from discontinued operations	**7,338,814**	**1,019,666**
Adjustments for:		
Amortisation of intangible assets (Note 4)	**945,156**	136,238
Depreciation of property, plant and equipment (Note 5)	**83,317**	52,385
Share-based payment	**(42,583)**	(12,285)
Impairment losses (Note 4)	**1,083,653**	-
Changes in working capital:		
Trade and other receivables	**(6,654,368)**	74,808,212
Trade and other payables	**(3,305,131)**	(65,838,706)
Restricted cash	**(910,279)**	(2,517,263)
Cash (used in)/generated from operations	**(2,845,720)**	2,670,796

During the year, the Company has waived amounts due to it by the ultimate parent company amounting to EUR 299,654 which is a deemed distribution. In prior year the year, the ultimate and immediate parent companies have waived amounts due to them by the Company amounting to EUR10,119,162, which have been converted to a capital reserve. In addition, in prior year an exercise was carried out to offset intercompany balances, the result of which has resulted in a movement in trade and other receivables and trade and other payables.

(b) Reconciliation of financial liabilities

	Loan from group parent
	€
Balance as at 1 Janaury 2018	4,304,228
Transferred upon business combinations	944,487
Cash flows	(136,715)
Waiver of amounts due to ultimate parent company	(5,112,000)
Balance as at 31 December 2018	-
Balance as at 1 and 31 December 2019	-

22. Business combinations

The merger referred to in Note 1 'Basis of preparation' that impacted the results and balance sheet of the Company was the merger of Betit Operations Limited, a subsidiary of the Company's immediate parent (Gaming Innovation Group p.l.c.) which was acquired by the Company.

The net assets acquired by the Company upon the merger noted above are reflected below:

	€
Intangible assets	990,095
Property, plant and equipment	34,245
Trade and other receivables	12,934,313
Cash at bank and other intermediaries	1,250,208
Trade and other payables	(3,375,003)
Net assets acquired	**11,833,858**
Consideration	(240,000)
Adjustment to equity	**11,593,858**

Any amounts between the acquired companies and the Company have been eliminated upon reflecting the accounting impact of the merger.

23. Related party transactions

All companies forming part of the Gaming Innovation Group are considered by the directors to be related parties as these companies are also ultimately owned by Gaming Innovation Group Inc.

MT SecureTrade Limited and a fellow subsidiary entered into an agreement for the purpose of sharing the conduct of their business for the pursuit of common business goals whereby MT SecureTrade Limited is engaged in the operation of the licensed activity whilst the fellow subsidiary provides ancillary services. The revenue share payable in terms of the joint venture operations is EUR 27,247,754 (2018: EUR 7,570,536).

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in Note 17.

(a) Year-end balances arising from amounts due and loans from related parties and other transactions, including cash advances.

	2019	2018
	€	€
Other receivables from related parties (Note 8)		
fellow subsidiaries	**19,497,916**	581
related parties	**100,231**	4,401
Other payables to related parties (Note 15)		
immediate parent company	**240,000**	-
fellow subsidiaries	-	1,547,426
Loans from ultimate parent entity (Note 16)	-	-
Recharges from fellow subsidiary attributable to discontinued operations:		
Administrative expenses	**3,285,768**	-
Personnel expenses	**1,731,675**	-

24. Significant risks and uncertainties

The Company operates on the basis of its international license in Malta and other territory specific licenses.

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, would be closed due to legal restrictions being imposed. In some 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, GIG expects to be less directly exposed to legal and compliance risks associated with gaming operations. As part of its de-risking strategy, the Group has also reviewed its white label model, and will no longer offer white label licensing by the end of 2020. The Group will offer existing customers platform and back-office solutions as an alternative. The aim is for B2C gaming licenses to be relinquished, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.

The majority of the Company's revenue is derived from markets within the European Union, meaning that their domestic regulations are subject to EU law principles, such as free movement of services. Member States are permitted to impose local license requirements as a condition for companies offering online gaming services to consumers residing in respective states only insofar as the licenses are granted based on objective, transparent, non-discriminatory and proportionate criteria. Whereas national regulation liberalising the gaming market is generally compliant with EU law, the imposition of restrictions, especially protectionist approaches, is often challenged in European courts causing doubt until a final decision is published.

Where such local licensing regime is in place, it is the Company's policy not to offer gaming services to consumers residing in such state, unless it is in possession of a valid license. Regulation of online gaming in European markets is generally a positive development, as it reduces uncertainty and enables long term business planning and usually also increases the marketing channels available for the Company in such countries.

Outside the European Union the regulatory frameworks are more fragmented. Regulatory developments in the online gaming sector and their implications for the Company are uncertain and government authorities could make assessments and decisions that differ from the Company's understanding or interpretation.

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 will continue to apply to past exposures on B2C and white labelling lines of business, for as long as related warranties may continue to apply, and until white label licenses are terminated.

25. Event after the reporting date

Impact of COVID-19 on the Company's operations and financial information

The assessment of the impact on the operations was performed at a Gaming Innovation Group level.

The occurrence of extraordinary events, such as natural disasters, and the outbreak of disease epidemics, has an adverse impact on the global economy, and may lead to a global recession. In early 2020, the existence of a new virus, now known as COVID-19, was confirmed, and since this time COVID-19 has spread across the world. COVID-19 has caused disruption to businesses and economic activity, which has also adversely impacted global stock markets. The Group considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Group, or to provide a quantitative estimate of this impact. Management has however considered the potential impact, based on the known circumstances as at the date of reporting, and their assessment of potential future developments.

The Group closely monitored the progress of the Coronavirus (COVID-19) outbreak and introduced contingency measures to reduce the risk for its staff, and to ensure business continuity. The Group successfully deployed its Business Contingency Plan (BCP), and systems and operations continued to perform. The Group operates from various offices in several countries, and local measures have been adopted in line with recommendations made by the respective authorities.

The Group has a robust BCP to ensure continuity of operations and working from home is an integral part of day to day operations. Proactive steps were taken to advise employees to work from home prior to any announcements by governments. As part of the BCP, production environments require an extra level of approval to protect both the Group's business and its customers. COVID-19 did not result in disruption to the Group's operating model as a result of its agility.

Potential impact on Company outlook due to COVID-19

There is a risk that the prevailing unfavourable economic conditions due to the outbreak of COVID-19 could reduce online users' disposable incomes. Therefore, negative developments in the global economy dependent on external factors outside of the Company's control could adversely affect casino activity in the longer term. However, there could also be positive developments from a potential shift of gambling activity from offline brick and mortar casinos to online casinos.

This could affect revenues generated by the Company's business to customer clients which as a consequence affect the Company's revenues. Revenue for continued operations for the Company relate to casino operations, and therefore revenues were not impacted by Covid-19 during the period where sports activities were paused. Also, the consumer demand surge during covid-19 lockdowns for casino, together with an acceleration in the digital transformation of a new key customer, Skycity, have contributed towards contributing to a positive revenue impact during 2020.

Potential impact on asset value due to COVID-19

Management's assessment of the recoverable amount of intangible assets, including consideration of indicators of impairment relating to intangibles, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Such assessment did not therefore contemplate the impact of COVID-19, which only emerged in 2020. Management does not expect any impact on the carrying value of its intangibles as a result of COVID-19.

25. Event after the reporting date - continued

On 14 February 2020, the parent Company, Gaming Innovation Group p.l.c, signed a Share Purchase Agreement with Betsson Group for the divestment of its B2C assets, which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long term partner of GiG, generating revenues to GiG's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

In March 2020, as a result of this, the Company migrated the customer database of the operator brands mentioned above to Zecure Gaming Limited which was one of the companies being disposed to Betsson Group.

On 16 April 2020, the Group completed the sale of its B2C Assets to Betsson. GiG received €33 million as consideration, including an upfront cash payment of €22.3 million relating to the acquisition, a prepaid platform fee of €8.7 million, €2 million relating to GiG's Spanish casino license, but excluding working capital adjustments.

Although the Company's principal activities are unchanged in nature after this transaction, the number of B2C facing brands operated by the Company will diminish considerably due to the Company's de-risking strategy to sell its own brands and to stop supporting and offering white label licenses by end of 2020 except for a key customer Skycity. The Group will offer existing white label customers platform and back-office solutions as an alternative in a fellow subsidiary thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.

26. Statutory information

MT SecureTrade Limited is a limited liability Company and is incorporated in Malta.

The Company's immediate parent Company is Gaming Innovation Group p.l.c., a Company registered in Malta, with its registered address at @GiG Beach, Dragunara Road, St. Julians, Malta. GIG Inc is the ultimate parent Company whose registered office is 10700 Strigfellow Rd, Suite 10, Bokeelia, FL 33922, USA.

Gaming Innovation Group p.l.c. prepares consolidated financial statements which are available at the registered office of MT SecureTrade Limited.

27. Comparative information

Comparative information was restated in some instances, however this did not result in any material adjustments that would affect any economic decisions.