

IGAMINGCLOUD N.V. Curaçao

Interim Financial Statements (Unaudited)  
30 September 2021

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## Statement of financial position

	€'000	€'000	€'000
	30 September 2021	30 September 2020	31 December 2020
Property, plant and equipment	-	-	-
Intangible assets	-	-	-
Financial assets	-	-	-
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade and other receivables	397	100	25,837
Amounts due from related parties	938	1,242	-
	<b>1,335</b>	<b>1,342</b>	<b>25,837</b>
Cash and cash equivalents	-	-	-
<b>Total assets</b>	<b>1,335</b>	<b>1,342</b>	<b>25,837</b>
	-	-	-
Other liabilities	99	0	24,469
<b>Trade and other payables</b>	<b>99</b>	<b>0</b>	<b>24,469</b>
Share capital	6	6	6
Accumulated losses	1,230	1,336	1,362
Other reserves	-	-	-
<b>Total equity</b>	<b>1,236</b>	<b>1,342</b>	<b>1,368</b>
<b>Total equity and liabilities</b>	<b>1,335</b>	<b>1,342</b>	<b>25,837</b>

## Statement of comprehensive income

	€'000	€'000	€'000
	30 September 2021	30 September 2020	31 December 2020
Net revenue	157	250	37
	-	-	-
Personnel expenses	(2)	(49)	(13)
<b>Total operating expenses</b>	<b>(2)</b>	<b>(49)</b>	<b>(13)</b>
<b>EBITDA</b>	<b>155</b>	<b>201</b>	<b>25</b>
Depreciation and amortisation	-	-	-
<b>EBIT</b>	<b>155</b>	<b>201</b>	<b>25</b>
Financial income/expenses	(26)	35	(22)
<b>Profit before tax</b>	<b>129</b>	<b>237</b>	<b>3</b>
Tax expense	-	(3)	(3)
<b>Profit after tax</b>	<b>129</b>	<b>233</b>	<b>(1)</b>

## Statement of Cashflows

	€'000	€'000	€'000
	30 September 2021	30 September 2020	31 December 2020
<b>Cashflows from operating activities</b>			
Result before income taxes	129	237	3
<i>Adjustment to reconcile result before tax to net cashflow:</i>			
Amortisation of intangible assets			
Depreciation			
Impairment			
Tax paid		(3)	(3)
Change in trade and other receivables	(25,440)	(40,505)	(14,768)
Change in trade and other payables	25,311	40,272	14,769
<b>Net cash (used in)/generated from operating activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cashflow from investing activities</b>			
Purchase of intangible assets			
Purchase of property plant and equipment			
Acquisition of a subsidiary			
<b>Net cash flows used in investing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cashflows from financing activities</b>			
<b>Net cash flows used in financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	-	-	-
cash and cash equivalents at beginning of period	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>-</u>	<u>-</u>	<u>-</u>

## **Selected notes to condensed financial statements as of and for the periods ending 30 September 2021 and 2019**

### **1. General Information**

IGamingCloud N.V Curaçao is a limited liability company and is incorporated in Curaçao.

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

The company's principal activity is to carry on the business of developing, setting up, maintaining, managing, supporting, running, hosting, licensing and otherwise exploiting gaming platforms for remote gaming, including software and hardware components of such platforms whether for casinos, sportsbook poker or other games, whether to be operated through internet, mobile or other interactive media, in accordance with such permits or licences as may be required by applicable law. The Company also provides B2B services, including platform services. During 2018, related group undertakings have been merged into the company to the financial statements. As a result, the Company operates an eco-system where multiple odds providers and services can be integrated and where operators can choose to use the full service or part of the offering to match their specific, customised needs. The Company has also obtained a B2B licence under the Malta Gaming Authority through one of the mergers.

Revenue is made up of white label recharges and revenue arising from the provision of software.

#### **1.1 Basis of preparation**

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

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

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

### **2. Summary of significant accounting policies**

#### **Accounting policies**

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

#### **Revenue Recognition Policy**

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

**2. Summary of significant accounting policies – continued**

**GiG Platform Services**

In contracting with white label operators, the Company considers that it is acting as an intermediary between the third party platform and the related service providers. On this basis revenue is recognised net of payments made to service providers.

Costs that are not reported as part of the net gain or loss within revenue include inter alia bank charges, fees paid to platform and payment providers and certain gaming taxes.

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

The uncertainty on the amount of revenue to be received is resolved at each calendar month end since the contracts are such that the amounts reset to zero on a monthly basis. Accordingly, it is appropriate for the Company to recognise the monthly amounts invoiced in the P&L.

The only difference between accounting for such arrangements under the previous revenue standard and IFRS 15 pertains to the set-up fees. Under IAS 18, the set-up fees were deferred over a period of (generally) six months until the go-live date. In accordance with IFRS 15, the set-up is not seen as a distinct PO as the customer cannot benefit from the set-up itself but for the agreement as a whole. Accordingly, the set-up fee is simply seen as being part of the consideration receivable for the software as a service (SAAS) agreement and should therefore be deferred over the period of the agreement.

Management performed a detailed analysis of such impact and concluded that this has an immaterial affect for the Company.

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

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

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

**4. Impairment of intangible assets**

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

**5. Changes in equity**

As at 30 September 2021, 6,000 shares were outstanding, where of the Company owned no treasury shares.

**6. Litigation**

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

**7. Related party transactions**

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

**8. Subsequent events**

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

**9. Alternative performance measures**

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

**EBIT:** Operating profit

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

**Gaming tax:** Taxes paid on revenues in regulated markets

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