



Together Gaming solutions plc
The Burlington Business Complex
Level 1, Dragonara Road
St. Julians, STJ 3141
Malta

COMPANY ANNOUNCEMENT

Reference: (03/2021)

The following is a company announcement issued by Together Gaming Solutions p.l.c. (C 72231) (the "Company") pursuant to Listing Rule 5.16.21 of the Listing Rules issued by the Listing Authority.

Quote

Approval of the Annual Report and Audited Financial Statements for year ended 31 December 2020.

The Company announces that following Board meetings held on 28th April 2021, the Board of Directors considered and approved the Company's annual report and audited financial statements for the period ended 31 December 2020, a copy of which is attached to this announcement and can also be viewed on the Company's website at <https://www.togethergaming.com/relations>.

The Board resolved that the audited financial statements be submitted for shareholders' approval at an Annual General Meeting which will be scheduled in due course.

Unquote

By order of the Board.

A handwritten signature in black ink, appearing to read 'Edward Licari', written over a horizontal line.

Edward Licari
Company Secretary
28 April 2021

TOGETHER GAMING SOLUTIONS P.L.C.

Annual Report and Financial Statements
31 December 2020

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Directors' report

The board of directors present the audited financial statements of Together Gaming Solutions p.l.c. (the "**Company**") registration number C 72231 for the year ended 31 December 2020. The Company is a subsidiary of Gameday Group plc and is part of the broader group of companies of Gameday Group plc as the parent undertaking (the "**Group**").

The Company has its head office and registered address at The Burlington Complex, Level 1, Dragonara Road, St. Julians STJ3141, Malta.

Principal activities

The Company is the B2B service provider arm of the Group and owner of the Group's key intellectual property assets – the Bethard Brand (the "**Brand**") and the 'AleAcc' iGaming Platform (the "**Platform**") that it provides to its clients under a Malta Gaming Authority B2B Licence (the "**Intangible Assets**"). The Company licenses the Brand to other Group companies (operating under the Brand) and offers its iGaming Platform as a 'turnkey' solution to various licenced operators (including the Group's B2C licensed B2C iGaming operator). The Company (together with the Group's licensed B2C iGaming operators) also offers its iGaming platform to whitelabel iGaming Operators as part of a full-service 'whitelabel' solution for launching and operating online casino and sportsbook websites.

Review of the business

After going through a restructuring exercise in quarter two of 2019 wherein the Company acquired the Intangible Assets and related obligations, 2020 was the first full year that the Company managed and operated these Intangible Assets. The Company raised funding in the form of bonds on the local capital market in July 2019 to part finance the acquisition of the Intangible Assets.

On the 23rd July 2019, the Company issued €20,000,000 in bonds bearing an annual interest rate of 5.9%. On the 22nd of July 2020 the Company paid its first annual bond interest to the bondholders. Bethard Group Limited, a related party also wholly owned by the Gameday Group plc waived off its rights to receive the annual interest on the 82,370 bonds it owned.

During 2020, despite experiencing the extraordinary economic downturn and other challenges created by the COVID-19 pandemic, the Company that is very dependent on the gaming industry, demonstrated resilience during this period of uncertainty, the gaming industry appeared to have adapted well to the challenges and increase in regulation during these unprecedented times and the Company is generally looking ahead with confidence to a stronger and more sustainable market in the longer term as a result.

Financial Performance

Revenue is mainly generated from three different revenue streams: whitelabel services, licensing of the Brand and turnkey services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of directors that makes strategic decisions. The Board of directors considers the Company to consist of one single segment (2019: one segment), both from a business perspective and a geographical perspective in line with IFRS 8.

During the year under review, revenue totalled €15,882,468 (2019: €11,083,776). Net of directly attributable costs, revenue of the Company as disclosed in the financial statements amounted to €9,123,628 (2019: €6,898,839) corresponding to a year on year increase of 32%. Revenue was earned from the following revenue streams: i) revenue from the licensing of the Brand amounting to €5,803,910 (2019: €4,344,046), ii) revenues from the leasing of the platform amounting to €598,429 (2019: €451,442), and iii) revenues from whitelabel customers amounting to €2,721,289 (2019: €2,103,351).

Directors' report - continued

Financial Performance - continued

Cost of sales amounted to €6,685,922 (2019: €4,834,616) and mainly consisted of marketing costs relating to the Brand of €4,969,317 (2019: €3,566,090) and other direct costs (including platform costs) of €1,716,605 (2019: €1,268,526).

Other expenses amounted to €3,455,233 (2019: €2,150,725) and mainly consisted of depreciation and amortisation amounting to €2,309,193 (2019: €1,481,482) and employee benefit expenses (including director fees) amounting to €349,628 (2019: €486,777). The increase in personnel costs related to recruitment made during the year that was required to meet the Company's extended operational activity.

Financing costs amount to €639,554 (2019: €617,815) which mainly relate to the 5.9% interest on the bonds issued by the company in July 2019.

The Company registered a loss for the year amounting to €1,343,687 (2019 loss after tax: €787,274).

Notwithstanding the loss registered during the year, the directors envisage the Company's activities will become profitable in the foreseeable future.

Financial Position

As at 31 December 2020, the Company's total asset base stands at €46,633,014 (2019: €55,131,732). The main assets of the Company include the intangible assets that were acquired during 2019, specifically the Brand and the Platform stated at €25,000,000 (2019: €25,000,000), and at €12,332,841 (2019: €13,961,330) respectively, and trade and other receivables of €7,713,551 (2019: €14,800,396).

The Company's main liabilities are €20,000,000 (2019: €20,000,000) bonds issued to the public during the year 2019 and trade payables amounting to €8,234,878 (2019: €15,315,885).

During the year, the Company retained its share capital levels to €20,580,000 in line with 2019. The Company has a debt to total assets of less than 50% as at 31 December 2020 (2019: less than 50%) and a liquidity position that remains sufficient for the Company to continue to honour its liabilities for the foreseeable future.

Results and dividends

The financial results are set out in the statement of comprehensive income on page 24. During the year, the directors did not declare any dividend (2019: Nil).

Principal risks and uncertainties faced by the Company

The Company's main objective is to operate software and iGaming platforms and to provide related services to software and iGaming companies. The Company does not conduct any online gambling operations; however, it is dependent on the online gambling industry, which includes its primary client and the rest of its customers. The entire revenue stream of the Company is concentrated within the iGaming sector and is subject to this concentration risk and performance risk of this sector. The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty and restrictions. Laws and gaming regulations are constantly being introduced in various European and other countries thus prohibiting or restricting operations therein. Future changes to laws and regulations, could have a material adverse effect on the Group's business, financial condition and the results of its operations. The Company has been in operation for a limited number of years and its clients are in their majority still in an early growth stage. The Company's performance is highly dependent on the performance of one of its main clients, a related party, since a substantial part of its revenues are generated from the licensing of the Brand asset and its iGaming platform asset to this particular iGaming operator.

Directors' report - continued

Principal risks and uncertainties faced by the Company - continued

In addition to the above, the Directors also consider the following risks as being relevant to the Company:

- Compliance and regulatory risk, being the risk relating to regulation that could result in restrictions in its customers' operations and risks associated with unregulated markets;
- Credit risk, being the risk that customers do not pay for the services rendered;
- Impairment risk of intangible assets, being the risk that long term assets such as intangibles are particularly at risk of impairment due to the fact that the carrying value may be impacted by several unwarranted events and economic circumstances. Intangible assets having an indefinite useful life are tested for impairment on an annual basis to ensure the company's total asset value is not overstated on the balance sheet after taking into consideration events and economic circumstances that occur between annual impairment tests in order to determine if it is "more likely than not" that the market value of the indefinite useful life intangible asset has dropped below its carrying value;
- Technological and systems development; and
- Dependence on key individuals having technical expertise of iGaming software development and its associated technology.

The aforementioned risks are not an exhaustive list of potential risks and uncertainties faced by the Company. If any of the risks occur, the Company's business operations, financial condition and operating results may be adversely affected.

COVID-19 and financial and operational performance

The Company closely followed the global developments on COVID-19 pandemic and its potential impact on its business.

The Company's revenues are derived exclusively from the online gambling industry, which is affected by general economic and consumer trends outside the Company's control. The occurrence of extraordinary events such as the COVID-19 virus outbreak in early 2020, had an adverse impact on the global economy and in turn on the Company's business.

As the revenues of the Company are driven by the gambling activity of online users of its websites and its B2B clients' websites, which gambling activity is in turn driven by the online users' disposable incomes, the prevailing unfavourable economic conditions due to the outbreak of COVID-19 reduced online users' disposable incomes, the number of online users utilising online casino and sports betting websites and the amounts being deposited by online users. This scenario led to a decrease in revenues for the Company's main client when compared to Q4 2019 and January to mid-March 2020 which impacted negatively the Company's early year projected earnings and financial position.

Consequent to a significant shift from retail land-based gaming to online gaming and also from the fact that the sporting calendar returned to a busier schedule in Q3 2020 an increase in the Online gaming activity was experienced. As result of these circumstances, many gaming operators performed strongly in the last quarter of 2020. The Q2 2020 struggle during the suspension of live sporting events appears to be very much a thing of the past, with a new modus operandi having been established to ensure the (generally) uninterrupted organisation and continuation of such events. Sports betting and online gaming operators have similarly refined their operations to adapt to market developments, with further improvements expected during 2021.

Despite the extraordinary economic and other challenges created by the COVID-19 pandemic, the online gaming industry has demonstrated its resilience during this period of uncertainty. The industry also appears to have adapted well to the increase in regulation intended to safeguard player vulnerability especially during these unprecedented times and the Company is generally looking ahead with confidence to a stronger and more sustainable market in the longer term as a result.

Directors' report - continued

COVID-19 and financial and operational performance - continued

Sports Betting Revenues

The pandemic resulted in several sport events including major sports events and leagues across the globe being cancelled or postponed. As a result, iGaming operators faced major short-term losses in betting volumes. The Company's main client revenue exposure to sports betting was of 33% in 2019 and nearly 50% in Q1 2020. Sports revenue decreased significantly after mid-March 2020 due to the cancellation and postponement of sports events across the world. By June 2020, the Company's main client saw a drop of over 75% in the sports betting traffic when compared to the first two months of 2020 pushing down Sports revenues by circa 55% at end Q2 2020. Although the percentage of sports revenues decreased significantly after mid-March 2020 due to the cancellation and postponement of sports events across the world, sports revenues subsequently recovered well after July 2020 as sports activity resumed and remained rather stable in H2 2020. Notwithstanding the impact of the pandemic the Company's main client experienced only a slight overall decline in sports betting revenues in 2020 over 2019. Albeit the slightly lower results achieved in 2020 compared to 2019 the Company's main client continues to see sports betting as a core business area of its business and foresees no change to the long-term strategy in response to the COVID-19 outbreak. It believes that the lost sports revenues will recover to levels enjoyed in Q1 2020 once sports events revert to the normal modus operandi we were all accustomed to prior to the pandemic with fans physically returning to sport events.

Casino Revenues

Following the outbreak of COVID-19, the Company's main client did not foresee negative implications on casino revenues as a result of the pandemic and saw a slight increase in its online casino traffic in March 2020 with stable levels in April 2020. At the time it was thought that this positive trend in casino traffic development might partly offset the negative development within its sports betting vertical. Whilst the Company's main client experienced stable casino revenues during the first 3 months of the COVID-19 outbreak (April-June 2020), it did however experience a significant decline in casino revenues in July 2020 mainly due to the related introduction of temporary responsible gaming regulations within a number of licenced jurisdictions, mainly Spain and Sweden, the latter, being the main market in which the Company's main client operates. These temporary gaming regulations were initially effective until the end of the year keeping Casino revenues at depressed levels as at year end. Notwithstanding the pandemic, the Company's main client registered better Casino revenues in 2020 than in 2019, the latter being impacted negatively by the introduction of Swedish Gaming legislation. Such casino revenues for 2021 are expected to follow on Q4 2020 casino revenue. Furthermore, the Company's main client is closely monitoring regulatory developments that may have any impact on its operations to be a step ahead in aligning to the constant changing regulatory landscape. Regulatory risk remains an area of significant focus in the industry and for the Company. Management and the Board of Directors address regulatory and compliance matters with the help of legal experts.

Directors' report - continued

COVID-19 and financial and operational performance - continued

Performance and Liquidity

Notwithstanding the unfavourable economic conditions and challenges faced by the Company and its group (the "Group"), sound business performance was nevertheless achieved in 2020 generating over EUR 4.5M operational cash at Group level. At the inception of the pandemic the Group and the Company took drastic decision in reducing costs across the board and limiting marketing investments. The Group's and Company's response to the pandemic was based on an agile management culture that enabled a seamless shift to remote working conditions with stable productivity as well as a rapid adaption of its business model to cater to the unforeseen circumstances, primarily by controlling costs and its marketing investments to prioritise cashflows during these uncertain times. The Company and the Group can therefore look back at 2020 with satisfaction, both in terms of financial performance (given the circumstances) and its ability to swiftly adapt to changing market conditions. The Company and the Group shall remain cautious in terms of costs and investments until this pandemic persists in order to safeguard cashflows.

Going concern assessment

A baseline scenario of profitability and liquidity projections for the period 2021 to 2022 has been reset adopting prudent and cautious assumptions that take into account the disruptions being caused by the continuing COVID-19 pandemic and the restrictions and regulations arising therefrom. Assumptions factor ongoing disruption to operations over the short to medium term, partly offset by the increase in sports activity as from Q2 2021, as well as the mitigating measures taken by the Company. The prudent base case scenario anticipates continuing stable activity as described further above and a consistent cash flow with 2020.

The prudent base case assumptions adopted indicate that the Company will be able to honour its obligations as and when they fall due. Uncertainties in the industry and in the global economic environment may however result in the Company experiencing delays in fulfilling expected liquidity and profitability projections. These events or conditions may indicate the existence of a material uncertainty which may cast doubt about the Company's future ability to generate expected cashflows and budgeted profitability. Management and the Board are however confident that the Company is well positioned to achieve its targets set and that commitments in the next twelve months will be honoured in line with projections. Accordingly, the directors concur with the going concern assumption for the preparation of these financial statements. Reference should also be made to Note 1.1 to the financial statements.

Performance expectations 2021

In February 2021, the Group also extended its brand ambassador agreement with its world-renowned brand ambassador and Group shareholder Zlatan Ibrahimović for an additional three-year term until February 2024.

With the world experiencing unprecedented COVID-19 imposed lockdowns, the Company has also witnessed an acceleration in digital growth world-wide. In a sector where the majority of revenues are mainly derived from land-based casinos, these lockdowns have pushed such land-based operators to seek immediate alternatives to their loss in the retail business. Industry-wide discussion and increased M&A activity in the sector clearly indicate a move to online services as the primary solution in this regard. This trend could create opportunities for well-placed market participants such as the Group, which believes in continuously taking a pro-active approach to new possibilities. The Company and its Group are currently participating in strategic discussions along these lines with external investors.

Directors' report - continued

COVID-19 and financial and operational performance - continued

Although the Company recognises the prevailing volatile economic environment and the risk of unforeseen events impacting the Company and the Group going forward, it nevertheless expects the Company to be on course to achieve its performance expectations for 2021, which are presently expected to be better than the Company's performance for 2020. Q1 2021 has started positively and Company expects this positive performance to persist throughout the year for several reasons, including the following:

1. The unlikely hood that major sports events will experience a total shutdown;
2. It appears that COVID-19 related responsible gaming restrictions are likely to be lifted during the year;
3. The upcoming European football championship is expected to have a major positive seasonality effect on the Group's and the Company's revenues; and
4. The Group's flexible and cautious approach towards its marketing investment commitment and growth.

Directors

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

Mr Erik Johan Sebastian Skarp
Mr Benjamin Delsinger
Mr Edward Licari
Mr Etienne Borg Cardona
Mr Kari Pisani
Mr Michael Warrington

Mr Edward Licari also held the office of Company Secretary during the year.

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Statement of directors' responsibilities for the financial statements

The directors are required by the Companies Act (Cap. 386) to prepare financial statements which 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 directors are responsible for:

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

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act (Cap. 386). They 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.

Directors' report - continued

Statement of directors' responsibilities for the financial statements - continued

The financial statements of the Company for the year ended 31 December 2020 are included in the Annual Report 2020, which is made available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice 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.

Disclosure in terms of the Listing Rules

Going concern statement pursuant to Listing Rule 5.62

The Company leases its Intangible asset (Brand) and offers its iGaming Platform as a Turnkey solution to Licenced iGaming operators. The Company also offers its iGaming Platform to White Label iGaming Operators to host their iGaming Services while offering them a full-service 'white label' solution for launching and operating online casino and sportsbook websites. Given that the Company's revenues are driven by the gambling activity, there is a risk that the persistence of unfavourable economic conditions due to COVID-19 could impact adversely overall activity. This scenario may lead to a decrease in revenues for the Company and could have a negative impact on the Company's operations, earnings and financial position. Although the Company recognises the prevailing volatile economic environment and the risk of unforeseen events impacting the Company, it nevertheless expects a better performance during the 2021 based on several reasons mentioned above.

The Company's executive management have re-evaluated the performance for the Company for 2021 on a hopeful yet cautious basis, assuming at minimum that its main client and other clients will experience a stable sports betting environment for most of 2021, in view that all 2020 major sports events which were previously postponed in 2020 appear to be taking place in 2021, thus having a major positive seasonality on the revenues of its major client. Furthermore, it evaluated its clients' casino-related revenues and assumed that they will maintain the current reduced post COVID-19 levels with an expectation that COVID-19 related responsible gaming restrictions are likely to be lifted during the course of the year. This evaluation also excluded any further potential growth of the Company's white label business. Additionally, the evaluation considered that the Group of which the Company forms part will retain their approach of operational cost-cutting measures and will adopt a flexible and cautious approach to its marketing investment commitment to ensure a balance between stable revenues and positive cashflows. Management acknowledges that the full impact of COVID-19 on the global markets and their business is still uncertain as a consequence of the pandemic's persistence. Based on this evaluation the directors reasonably expect that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

At the same time, management acknowledges that the impact of COVID-19, gives rise to an uncertain environment that is dependent on external factors outside of the control of the Company and its Group.

Pursuant to Listing Rule 5.70.1

The Company had an agreement with Bethard Group Limited, a related party, for the sharing of the lease of office space leased from a third party which was terminated during the year. The Company agreed to enter into a new lease agreement with a new third party to lease office space as from 1st January 2021.

Directors' report - continued

Statement by the directors on the financial statements and other information included in the annual report

The directors declare that to the best of their knowledge, the financial statements included in the Annual Report are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit of the Company and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the board



Mr Erik Johan Sebastian Skarp
Director



Mr Etienne Borg Cardona
Director

Together Gaming Solutions p.l.c
The Burlington Complex, Level 1
Dragonara Road, Paceville
St. Julians STJ 3141
Malta

28 April 2021

Corporate Governance - Statement of Compliance

The Listing Rules issued by the Listing Authority of the Malta Financial Services Authority, require listed companies to observe The Code of Principles of Good Corporate Governance (the "**Code**"). Although the adoption of the Code is not obligatory, companies with securities that are listed on a 'regulated market' (and are subject to the Listing Rules) are required to include, among other things, in their Annual Report, a corporate governance statement and a statement by the directors on a company's compliance with the Code of Principles of Good Corporate Governance, accompanied by a report of the auditors thereon. Companies that do not have any listed equity securities, including Together Gaming Solutions p.l.c. (the "**Company**"), are exempt from certain requirements relating to the contents of this corporate governance statement.

Compliance

The Company's Board of Directors (the "**Board**") believe in the principles espoused by and the adoption of the Code and the Company has endorsed them to the extent that they are considered complementary to the size, nature, and operations of the Company. In particular, the Board believes that, due to the Company's size, operations and particular circumstances, it is not necessary for the Board to establish the remuneration, nomination and board performance evaluation committees (and the related supporting principles and Code Provisions) that are suggested in the Code, and that the function of these can efficiently be undertaken by the board itself. However, the Board in any case undertakes, on an annual basis, a review of the remuneration paid to the directors and carries out an evaluation of their performance. The shareholders approve the remuneration paid to the directors at the annual general meeting.

The Board

The Board is responsible for devising a strategy, setting policies and the management of the Company. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company. The Board is also responsible for decisions relating to the redemption of the Bond, and for monitoring that its operations are in conformity with all relevant rules and regulations.

Directors meet regularly, mainly to review the operational and financial performance of the Company, any significant matters arising, and to review internal control processes. The Board met formally, remotely twenty times during the year under review. Save for two exceptions, all meetings were attended by the full Board. Board members are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting documents, which are circulated in advance of the meeting. All the directors have access to independent professional advice at the Company's expense should they so require and frequently make use of this facility on various issues.

Throughout the period under review, the Board has regularly reviewed management performance. The Company has in place systems whereby the directors obtain timely information from the Managing Director and other members of the executive management team, not only at meetings of the Board but at regular intervals or when the need arises.

The Board is composed of one executive, two non-executive and three independent non-executive directors, as listed below:

Mr Benjamin Delsinger (Managing Director)
Mr Erik Johan Sebastian Skarp (Chairman and Non-Executive Director)
Mr Edward Licari (Non-Executive Director)
Mr Michael Warrington (Independent Non-Executive Director)
Mr Etienne Borg Cardona (Independent Non-Executive Director)
Mr Kari Pisani (Independent Non-Executive Director)

The Company Secretary of the Company is Edward Licari.

Corporate Governance - Statement of Compliance - continued

The Board - continued

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association require each director to retire from office at least once every three years, with retiring directors eligible for re-election.

Internal controls & risk management in relation to financial reporting

The Board is generally responsible for the Company's system of internal controls and risk management system in relation to the financial reporting and for reviewing its effectiveness. The monitoring of these controls and systems has been delegated to the Audit Committee (as described below). Such a system is designed to achieve business objectives while managing, rather than eliminating, the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses or fraud.

Authority to manage the Company is delegated to the Managing Director and the rest of the executive management within the limits set by the Board. Systems and procedures are in place for the Company to control, report, monitor and assess risks and their financial implications, and to take timely corrective actions where necessary. The Group's finance department carries out the monthly bank, creditors and debtor reconciliations, performs monthly debtor settlement reports, manages employee payroll, manages and administers the accounting and finance functions, prepares monthly management accounts and other data reporting and trend analysis. A policy was put in place during the initial Board meetings held by the current Board that lays down the minimum required reports that should be made available to the Board in order to keep it informed in a structured and systematic manner on the operational and financial performance of the Company. Regular financial budgets and strategic plans are prepared, and performance against these plans is actively monitored and reported to the directors on a regular basis.

The Board and Audit Committee are satisfied with the effectiveness of the Company's system of internal controls.

Audit Committee

The Board established an Audit Committee (the "Committee") in 2019 to assist the Board in fulfilling its supervisory and monitoring responsibilities. The Committee operates according to detailed terms of reference established by the Board that reflect the requirements of the Listing Rules as well as current good corporate governance best practices. These terms of reference establish its composition, role, responsibilities and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Committee, which meets at least four times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

The primary purpose of the Committee is to assist the Directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. Among other responsibilities, the Committee is responsible for monitoring the financial reporting process and monitoring of the effectiveness of the Issuer's internal quality control and risk managements system in relation to the financial reporting of the Issuer.

The Audit Committee is composed entirely of independent non-executive Directors (each of which satisfies the independence criteria set out in the Listing Rules). In accordance with the Listing Rules, the members of the Audit Committee who are designated as competent in auditing and/or accounting are Mr Etienne Borg Cardona and Mr Michael Warrington. Unless otherwise decided by the Board from time to time, the Board shall appoint a new Audit Committee Chairman for each financial year. Mr. Etienne Borg Cardona was appointed as new Audit Committee Chairman during 2020 replacing Mr Michael Warrington who had been appointed as the first Audit Committee Chairman in 2019.

Corporate Governance - Statement of Compliance - continued

Audit Committee - continued

The Members of the Audit Committee are:

Etienne Borg Cardona (Chairman)
Michael Warrington (Member)
Kari Pisani (Member)

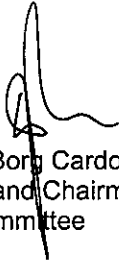
Relations with bondholders and the market

The Company publishes interim and annual financial statements, and when required, company announcements. The Board feels these provide the market with adequate information about its activities.

Conflicts of Interest

On joining the Board and regularly thereafter, directors and officers of the Company are informed and reminded of their obligations on dealing in securities of the Company within the parameters of law and Listing Rules. The Company has also set reporting procedures in line with the Listing Rules, Code of Principles, and internal code of dealing.

Signed on behalf of the Board of Directors on 28 April 2021 by:



Etienne Borg Cardona
Director and Chairman of the
Audit Committee



Michael Warrington
Director and member of the
Audit Committee



Independent auditor's report

To the Shareholders of Together Gaming Solutions p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of Together Gaming Solutions p.l.c. (the Company) as at 31 December 2020, 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).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Together Gaming Solutions p.l.c.'s financial statements, set out on pages 23 to 54, comprise:

- the statement of financial position as at 31 December 2020;
- 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 significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

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

The non-audit services that we have provided to the company, in the period from 1 January 2020 to 31 December 2020, are disclosed in note 14 to the financial statements.

Material uncertainty relating to going concern

We draw attention to Note 1.1 to these financial statements, which describes the uncertainties impacting the business operations of the Company, its financial position and its ability to meet its forecasts. These events or conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

Overview



- Overall materiality: €91,000, which represents 1% of revenue.

- Impairment assessment relating to the value of intangibles with an indefinite useful life

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

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



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Materiality

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

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

Overall materiality	€91,000
How we determined it	1% of revenue
Rationale for the materiality benchmark applied	Together Gaming Solutions p.l.c. commenced its B2B operations in Q3 2019 and the year ended 31 December 2020 therefore represents a second period of operations. The Company has a growth strategy in the initial years which places particular focus on top line revenues. Revenue is a generally accepted benchmark and is therefore considered as a relevant benchmark for our materiality assessment. We chose 1% which is based on professional judgement, noting that it is also within the range of commonly accepted revenue related benchmarks.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €9,100 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *'Material uncertainty relating to going concern'* section, we have determined the matter described below to be the key audit matter to be communicated in our report:



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Key audit matter

Impairment assessment relating to the value of intangibles with an indefinite useful life

Refer to note 1.1 (Basis of preparation), note 3 (Critical accounting estimates & judgements) and note 4 (Intangible assets).

IAS 36 'Impairment of Assets' requires that intangible assets with an indefinite useful life are subject to an impairment review at least annually, or more frequently when there is evidence of a trigger event. IAS 36 also requires a number of specific disclosures in respect of the impairment assessment.

The Company has a total intangible asset value with an indefinite useful life of €25m as at 31 December 2020, which asset was acquired in 2019 from the Bethard Group Limited, a related party. The annual impairment review was performed at the lowest level at which the Company could allocate such value – this is referred to as a cash generating unit ("CGU"). Management considers that the Company operates one CGU covering intangibles with an indefinite useful life being the revenue generated from the brand.

When performing the annual impairment review of the above mentioned intangible as at 31 December 2020, management determined that the carrying value of the brand was fully recoverable and that there were no indicators of impairment. An external valuation was also obtained from an independent third party supporting the brand valuation as at 31 December 2020.

Further detail on the inputs applied in arriving at the valuation of the brand (which has an indefinite useful life) and the related sensitivity disclosures are included in note 4.

In performing our audit, we have focused on this area as the preparation of the assessment involves a significant degree of estimation, in particular in respect to the cash flow forecasts, growth rates and discount rate.

How our audit addressed the Key audit matter

We evaluated the suitability and appropriateness of the impairment methodology applied, and the discounted cash flow model prepared by management. We also took into account the external valuation prepared by an independent third party supporting the brand valuation as at 31 December 2020.

The calculations underlying the impairment model were re-performed in order to check the model's accuracy. Due focus was given to the basis for determination of the CGU, including enquiry of the Board and management.

Management's cash flow forecasts were critically assessed and agreed to the business plan approved by the Board of Directors. Our independent valuation experts assessed the discount rate and long-term growth rate assumptions by benchmarking the underlying inputs in the calculation to the Company's historical results and to market data. We concluded that these parameters applied by the Company are reasonable.

We have considered management's sensitivity analysis and assessed whether or not a reasonable possible change in key assumptions could result in impairment of the value of the intangible with an indefinite useful life reflected in the financial statements as at 31 December 2020. The recoverable amount and impairment assessment for the brand are highly sensitive to changes in key assumptions. We also considered the appropriateness of disclosures made in relation to the impairment assessment.

Based on the work performed, we found the carrying value, and the related disclosures, to be consistent with the explanations and evidence obtained.



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Other information

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

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

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

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

Responsibilities of the directors and those charged with governance 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

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

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



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

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



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2020* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

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

Area of the Annual Report and Financial Statements 2020 and the related Directors' responsibilities	Our responsibilities	Our reporting
<p>Directors' report (on pages 1 to 8)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> 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). <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Area of the Annual Report and Financial Statements 2020 and the related Directors' responsibilities	Our responsibilities	Our reporting
<p>Corporate Governance – Statement of Compliance (on pages 9 to 11)</p> <p>The Listing Rules issued by the Malta Listing Authority require the directors to prepare and include in the Annual Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Listing Rules. The Statement's required minimum contents are determined by reference to Listing Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.</p>	<p>We are required to report on the Statement of Compliance by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any material misstatements with respect to the information referred to in Listing Rules 5.97.4 and 5.97.5, giving an indication of the nature of any such misstatements.</p> <p>We are also required to assess whether the Statement of Compliance includes all the other information required to be presented as per Listing Rule 5.97.</p> <p>We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.</p>	<p>In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.</p> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

<i>Area of the Annual Report and Financial Statements 2020 and the related Directors' responsibilities</i>	Our responsibilities	Our reporting
	<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none">• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.• the financial statements are not in agreement with the accounting records and returns.• we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. <p>We also have responsibilities under the Listing Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.</p>	<p>We have nothing to report to you in respect of these responsibilities.</p>



Independent auditor's report - continued

To the Shareholders of Together Gaming Solutions p.l.c.

Other matter – use of this report

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

Appointment

We were first appointed as auditors of the Company on 24 January 2020 for the year ended 31 December 2019. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 2 years.

PricewaterhouseCoopers

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

A handwritten signature in blue ink, appearing to read 'Stephen Mamo', is written over the printed name and title.

Stephen Mamo
Partner

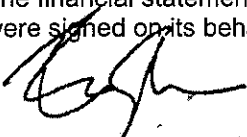
28 April 2021


Statement of financial position

		Year ended 31 December	
		2020	2019
		€	€
	Notes		
ASSETS			
Non-current assets			
Intangible assets	4	37,332,841	38,961,330
Right-of-use assets	5	-	157,833
Property, plant and equipment	6	10,696	6,940
Deferred tax asset	11	1,040,371	423,908
Total non-current assets		38,383,908	39,550,011
Current assets			
Trade and other receivables	7	7,713,551	14,800,396
Cash and cash equivalents	8	535,555	781,325
Total current assets		8,249,106	15,581,721
Total assets		46,633,014	55,131,732
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	20,580,000	20,580,000
Accumulated losses		(1,946,349)	(602,662)
Total equity		18,633,651	19,977,338
Non-current liabilities			
Borrowings	10	19,764,485	19,678,113
Lease liabilities	5	-	76,385
Total non-current liabilities		19,764,485	19,754,498
Current liabilities			
Trade and other payables	12	8,234,878	15,315,885
Lease liabilities	5	-	84,011
Current tax liabilities		-	-
Total current liabilities		8,234,878	15,399,896
Total liabilities		27,999,363	35,154,394
Total equity and liabilities		46,633,014	55,131,732

The notes on pages 27 to 54 are an integral part of these financial statements.

The financial statements on pages 23 to 54 were authorised for issue by the board on 28 April 2021 and were signed on its behalf by:


Mr Erik Johan Sebastian Skarp
Director


Mr Etienne Borg Cardona
Director

Statement of comprehensive income

		Year ended 31 December	
		2020	2019
		€	€
	Notes		
Revenue	13	9,123,628	6,898,839
Cost of sales	14	(6,685,922)	(4,834,616)
Gross profit		2,437,706	2,064,223
Administrative expenses	14	(3,455,233)	(2,150,725)
Net impairment losses on financial and contract assets	2b	(303,069)	(506,865)
Operating loss		(1,320,596)	(593,367)
Finance costs	16	(639,554)	(617,815)
Loss before tax		(1,960,150)	(1,211,182)
Tax credit	17	616,463	423,908
Loss for the year – Total comprehensive income		(1,343,687)	(787,274)

The notes on pages 27 to 54 are an integral part of these financial statements.

Statement of changes in equity

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2019	1,500	184,612	186,112
Comprehensive income			
Loss for the year	-	(787,274)	(787,274)
Total comprehensive income	-	(787,274)	(787,274)
Transactions with owners			
Issue of share capital	20,578,500	-	20,578,500
Total transactions with owners	20,578,500	-	20,578,500
Balance at 31 December 2019	20,580,000	(602,662)	19,977,338
Balance at 1 January 2020	20,580,000	(602,662)	19,977,338
Comprehensive income			
Loss for the year	-	(1,343,687)	(1,343,687)
Total comprehensive income	-	(1,343,687)	(1,343,687)
Balance at 31 December 2020	20,580,000	(1,946,349)	18,633,651

The notes on pages 27 to 54 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2020 €	2019 €
Cash flows from operating activities			
Loss before tax		(1,960,150)	(1,211,182)
<i>Adjustments for:</i>			
Depreciation and amortisation	4,5,6	2,309,193	1,481,482
Finance costs	16	639,554	617,815
		988,597	888,115
<i>Change in operating assets and liabilities:</i>			
Movement in trade and other receivables		6,783,773	(868,173)
Net impairment losses on financial and contract assets	2b	303,069	506,865
Movement in trade and other payables		(6,936,570)	837,321
		1,138,869	1,364,128
Net cash generated from operating activities			
Cash flows from investing activities			
Payments for the acquisition of intangible assets	4	(616,459)	(413,848)
Payments for property, plant and equipment	6	(6,693)	(7,164)
		(623,152)	(421,012)
Net cash used in investing activities			
Cash flows from financing activities			
Issue of share capital	9	-	78,500
Borrowing costs	10	-	(403,021)
Principal elements of lease payments	5	(67,523)	(29,433)
Bond interest payments	16	(693,964)	-
		(761,487)	(353,954)
Net cash used in financing activities			
Net movement in cash and cash equivalents			
		(245,770)	589,162
Cash and cash equivalents at beginning of year		781,325	192,163
Cash and cash equivalents at end of year	8	535,555	781,325

Non-cash investing and financing activities are disclosed in Note 8.

The notes on pages 27 to 54 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the Company's accounting policies (see Note 3 – Critical accounting estimates and judgments).

Going concern

The Company leases its Intangible asset (Brand) and offers its iGaming Platform as a Turnkey solution to Licenced iGaming operators. The Company also offers its iGaming Platform to White Label iGaming Operators to host their iGaming Services while offering them a full-service 'white label' solution for launching and operating online casino and sportsbook websites. Given that the Company's revenues are driven by the gambling activity, there is a risk that the persistence of unfavourable economic conditions, also due to COVID-19, could impact adversely overall activity. This scenario may lead to prolonging of the Company to achieve the projected growth, and could have a negative impact on the Company's operations, earnings and financial position.

Despite the extraordinary economic and other challenges created by the COVID-19 pandemic, the online gaming industry has demonstrated its resilience during this period of uncertainty. The industry also appears to have adapted well to the increase in regulation intended to safeguard player vulnerability especially during these unprecedented times and the Company is generally looking ahead with confidence to a stronger and more sustainable market in the longer term as a result.

The Company's executive management have re-evaluated the performance for the Company for 2021 on a hopeful yet cautious basis, assuming at minimum that its main client and other clients will experience a stable sports betting environment for most of 2021, in view that all 2020 major sports events which were previously postponed in 2020 appear to be taking place in 2021, thus having a major positive seasonality on the revenues of its major client. Furthermore, it evaluated its clients' casino-related revenues and assumed that they will maintain the current reduced post COVID-19 levels with an expectation that COVID-19 related responsible gaming restrictions are likely to be lifted during the course of the year. Regulatory risk remains an area of significant focus in the industry and for the Company's clients. The overall evaluation also excludes any further potential growth of the Company's white label business. Additionally, the evaluation considered that the Group of which the Company forms part will retain their approach of operational cost-cutting measures and will adopt a flexible and cautious approach to its marketing investment commitment to ensure a balance between stable revenues and positive cashflows. Management acknowledges that the full impact of COVID-19 on the global markets and their business is still uncertain as consequence of the pandemic's persistence.

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

A baseline scenario of profitability and liquidity projections for the period 2021 to 2022 has been reset adopting prudent and cautious assumptions that take into account the disruptions being caused by the continuing COVID-19 pandemic and the restrictions and regulations arising therefrom. Assumptions factor into ongoing disruption to operations over the short to medium term, partly offset by the increase in sports activity as from Q2 2021, as well as the mitigating measures taken by the Company. The prudent base case scenario anticipates a stable activity as described further above and a consistent cash flow with 2020.

The prudent base case assumptions adopted indicate that the Company will be able to honour its obligations as and when they fall due. Uncertainties in the industry and in the global economic environment may however result in the Company experiencing delays in fulfilling expected liquidity and profitability projections. These events or conditions may indicate the existence of a material uncertainty which may cast doubt about the Company's future ability to generate expected cashflows and budgeted profitability. Management and the Board are however confident that the Company is well positioned to achieve its targets set and that commitments in the next twelve months will be honoured in line with projections. Accordingly, the directors concur with the going concern assumption for the preparation of these financial statements.

Based on the evaluation described above, the directors reasonably expect that the Company has adequate resources to continue its operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

Standards, amendments and interpretations to published standards effective in 2020

In 2020, the Company has adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning 1 January 2020. None of these amendments have had any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the board of directors that makes strategic decisions. The board of directors considers the Company to consist of one single segment (2019: one segment), both from a business perspective and a geographical perspective in line with IFRS 8.

1. Summary of significant accounting policies - continued

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Euro 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 on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the statement of comprehensive income on a net basis.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

1.4 Intangible assets

(a) Recognition, measurement and de-recognition

The Company's intangibles are analysed between brand and platform (computer software).

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Costs associated with maintaining the platform are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the platform include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

1. Summary of significant accounting policies - continued

1.4 Intangible assets - continued

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

(b) Amortisation of intangible assets

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The estimated useful lives of intangible assets are as follows:

	Useful life
Brand	Indefinite
Platform (Computer software)	7 years

The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment. Commencing from that date, the asset is amortised systematically over its useful life.

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 1.5).

1.5 Impairment of non-financial assets

Non-financial assets with indefinite useful lives, such as the brand, are reviewed at each reporting date to determine whether there is any impairment trigger. The carrying amounts of the Company's non-financial assets with finite useful lives, as well as those with indefinite useful lives, are reviewed for impairment whenever there is an indication that the asset may be impaired. The asset's recoverable amount is estimated annually for intangible assets with indefinite useful lives and is also estimated for all non-financial assets if an indication of impairment exists.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had previously been recognised.

1. Summary of significant accounting policies - continued

1.6 Property, plant and equipment

(a) Recognition, measurement and de-recognition

All property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. They are initially measured at cost, that includes expenditure that is directly attributable to the acquisition of the asset. 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 the statement of comprehensive income during the financial period in which they are incurred.

Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with carrying amount and are recognised within 'other income/(expense)' in the statement of comprehensive income in the period of derecognition.

(b) Depreciation of property, plant and equipment

All property, plant and equipment are depreciated over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, or, in the case of leasehold improvements, the shorter lease term, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Their estimated useful lives are as follows:

(c) Depreciation of property, plant and equipment

	Years
Computer equipment	4
Furniture and fixtures	10

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.

1.7 Financial assets

1.7.1 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. For assets measured at fair value, gains and losses will be recorded in either profit or loss or OCI. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

1. Summary of significant accounting policies - continued

1.7 Financial assets - continued

1.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. 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.

1.7.3 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. The Company classifies its debt instruments as follows:

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

The Company does not hold any financial assets that are classified into any of the other IFRS 9 categories of financial assets.

1.7.4 Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. 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 2b for further details. For cash and cash equivalents, the Company considers to have low credit risk since the credit risk rating of the banking institution it banks with is equivalent to the globally-understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

1. Summary of significant accounting policies - continued

1.8 Trade and other receivables

Trade receivables are presented as current assets unless collection is expected after more than one year. 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 loss allowance. 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.

1.9 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 comprise deposits held at call with banks.

1.10 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.

1.11 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 in the following categories: at fair value through profit or loss and 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.

1.12 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.

1.13 Offsetting financial instruments

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

1. Summary of significant accounting policies - continued

1.14 Borrowings

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

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

1.15 Current and deferred tax

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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; 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 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations under trade and other payables in the statement of financial position.

1. Summary of significant accounting policies - continued

1.17 Revenue recognition

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

Royalty fees arising from the licensing of the Brand

Such revenue is calculated as a fixed percentage of the underlying gross gaming revenue generated by Bethard Group Limited, a related party, offset by the brand related expenses incurred by the Company, subject to certain minimum thresholds. This revenue stream falls in scope of IFRS 15.

Provision of platform services

In contracting with own license operators (operators that own their own licences) in offering them the use of the Platform, the Company generates revenue by entering into a revenue share or a fixed arrangement where such revenue is apportioned on an accrual basis over the whole term of the contract. This revenue stream falls in scope of IFRS 15.

Revenue from whitelabel services

In contracting with whitelabel customers (operators that are rebranded under another name), the Company is using its B2B licence and combining this with Bethard Group Limited's B2C licence in offering the whitelabel service to the third party. Revenue earned by the Company from whitelabel services is stated net of direct related costs.

The consideration for such services generally also includes an initial setup fee. In accordance with IFRS 15, the set-up is not seen as a distinct performance obligation as the customer cannot benefit from the set-up itself but for the agreement as a whole. Accordingly, the set-up fee is being deferred over the period of the agreement.

All revenue generated from the various revenue streams is being treated as one revenue segment in line with internal management reporting.

1.18 Leases

1.18.1 Company's leasing activities and how these are accounted for

The Company has entered into non-cancellable lease arrangements for the use of immovable properties. These rental contracts are typically made for fixed periods but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

1. Summary of significant accounting policies - continued

1.18 Leases - continued

1.18.1 Company's leasing activities and how these are accounted for - continued

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Company's long term lease agreement was terminated on 30 September 2020, hence IFRS 16 is no longer applicable. Refer to note 5 for further details.

1. Summary of significant accounting policies - continued

1.18 Leases - continued

1.18.2 Extension and termination options

Extension and termination options are included in the leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable by the Company.

1.19 Finance costs

The Company's finance costs include interest payable on borrowings and lease liabilities. Interest expense is recognised using the effective interest method.

1.20 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 dividends are approved by the Company's shareholders.

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 cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding financial years. The Board of Directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity.

(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 Company's functional currency. The Company has no significant currency risk since substantially all assets and liabilities are denominated in Euro.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on fair values of financial assets and liabilities and future cash flows.

As at the reporting date, the Company has fixed rate interest-bearing debt (Note 10). Accordingly, its revenue and operating cash flows are substantially independent of changes in market interest rates. In this respect, the Company is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

As at the statement of financial position date, the Company's exposure to changes in interest rates on bank accounts held with financial institutions was limited and the directors consider any defined shift in interest rates to have an immaterial effect on the Company and its operations.

(b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk at the end of the reporting period is analysed as follows:

	2020 €	2019 €
Trade receivables - gross (Note 7)	162,684	155,005
Amounts due from related parties (Note 7)	7,049,361	3,850,727
Cash at bank (Note 8)	539,672	781,325
Maximum exposure to credit risk	<u>7,751,717</u>	<u>4,787,057</u>

2. Financial risk management

2.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets

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

- trade receivables; and
- debt investments carried at amortised cost.

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

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales generated in sixteen months and monitored over a period of sixteen months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance as at 31 December 2020 for trade receivables was determined to be €50,384 (2019: €31,244).

The loss allowance for trade receivables as at 31 December 2020 and 2019 reconcile to the opening loss allowances as follows:

	2020 €	2019 €
Opening loss allowance as at 1 January	31,244	-
Increase in loss allowance recognised in profit or loss during the year	164,860	168,507
Receivables written off during the year as uncollectible	(145,720)	(137,263)
Closing loss allowance at 31 December	50,384	31,244

Debt investments carried at amortised cost

The Company's debt investments carried at amortised cost primarily relate to amounts due from related parties forming part of the Gameday Group (Note 7). For amounts due from related parties, the Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The directors consider both historical analysis and forward-looking information in determining any expected credit loss. At 31 December 2020, the directors consider that related party balances are held with counterparties with an average rating based on the Company's internal rating scale. The directors consider that there may exist a probability of default taking into account the financial standing of the relevant counterparties and their ability to meet their contractual obligations. As a result, an additional loss allowance of €138,209 (2019: €338,358) has been recognised as at 31 December 2020 based on the 12-month expected credit losses.

2. Financial risk management

2.1 Financial risk factors - continued

(b) Credit risk - continued

Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2020	2019
	€	€
Increase in loss allowance recognised in profit or loss during the year	(19,140)	(31,244)
Receivables written off during the year as uncollectible	(145,720)	(137,263)
Impairment losses on other financial assets	(138,209)	(338,358)
Net impairment losses on financial and contract assets	(303,069)	(506,865)

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings and trade and other payables (refer to Notes 10 and 12). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

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

	On Demand	Due within one year	Between 1 and 2 Years	Between 2 and 7 Years	Total
	€	€	€	€	€
31 December 2020					
Borrowings (Note 10)	-	1,042,000	1,180,000	24,720,000	26,942,000
Trade and other payables (Note 12)	52,591	8,182,287	-	-	8,234,878
Total	52,591	9,224,287	1,180,000	24,720,000	35,176,878
31 December 2019					
Borrowings (Note 10)	-	1,180,000	1,180,000	25,900,000	28,260,000
Trade and other payables (Note 12)	9,833,918	5,481,967	-	-	15,315,885
Lease liabilities (Note 5)	-	84,011	76,385	-	160,396
Total	9,833,918	6,745,978	1,256,385	25,900,000	43,736,281

The Company continues to assess its funding requirements to ensure that adequate funds are in place to meet its financial liabilities when they fall due.

2. Financial risk management - continued

2.2 Fair value estimation

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Significant unobservable inputs and valuation adjustments are regularly reviewed.

At 31 December 2020 and 2019, the carrying amounts of other financial instruments, comprising cash at bank, receivables, payables, borrowings 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.

2.3 Capital risk management

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;
- to maintain an optimal capital structure to reduce the cost of capital; and
- to comply with requirements of the Prospectus issued in relation to the 5.9% bonds (Note 10).

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets. The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

3. Critical accounting estimates and judgments

Estimates and judgments 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. Revisions to estimates are recognised prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. 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 except for impairment of intangible assets with an indefinite useful life. For further detail about intangibles assigned a definite useful life refer to Note 4.

Impairment of intangible assets with an indefinite useful life

IAS 36 requires management to undertake an annual test for impairment of intangible assets with an indefinite useful life. Impairment testing is an area involving management judgement. It requires assessments as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain estimates are required to be made in respect of highly uncertain matters, including management's expectation of growth in revenues. These estimates are considered to be critical particularly in light of current market circumstances.

The directors evaluate the Brand, representing the Intangible asset with an indefinite useful life, for impairment on a yearly basis, and as at 31 December 2020 are of the view that the carrying amount, after also obtaining an independent external valuation from experts in the field of intangible valuations, is recoverable. The recoverable amount of the acquired Brand was assessed on the basis of value-in-use calculations (through the discounted cash flow approach, specifically the Relief from Royalty method), and a detailed assessment was performed at the end of the reporting period. Further disclosures on key assumptions are included in Note 4.

4. Intangible assets

	Total €	Platform €	Brand €
Year ended 31 December 2019			
Opening net book amount	-	-	-
Additions	40,413,848	15,413,848	25,000,000
Amortisation charge	(1,452,518)	(1,452,518)	-
Closing net book amount	38,961,330	13,961,330	25,000,000
As at 31 December 2019			
Cost	40,413,848	15,413,848	25,000,000
Accumulated amortisation	(1,452,518)	(1,452,518)	-
Closing net book amount	38,961,330	13,961,330	25,000,000
Year ended 31 December 2020			
Opening net book amount	38,961,330	13,961,330	25,000,000
Additions	616,459	616,459	-
Amortisation charge	(2,244,948)	(2,244,948)	-
Closing net book amount	37,332,841	12,332,841	25,000,000
As at 31 December 2020			
Cost	41,030,307	16,030,307	25,000,000
Accumulated amortisation	(3,697,466)	(3,697,466)	-
Closing net book amount	37,332,841	12,332,841	25,000,000

Additions to the platform of €616,459 are capitalised costs based on services received from unrelated third parties.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use, is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Management has concluded that the Brand and Platform form part of two separate and distinct cash-generating units or businesses for the purposes of IAS 36. This conclusion is based on the fact that the performance and cash flows each CGU or business are independent from those generated by other assets and the Company monitors and manages its operations as two separate units.

Having considered the constant development of the Company's Platform, the Company's future plans and the fact that this component of intangibles has been assigned a definite useful life and is being accordingly amortised, management considers that the Platform CGU is not demonstrating any impairment triggers. The directors have evaluated the Brand CGU for impairment as at 31 December 2020 and are of the view that the carrying amount, after also obtaining an independent external valuation from experts in the field of intangible asset valuations, amounting to €25,000,000 (2019: €25,000,000) is recoverable. The recoverable amount of the acquired Brand was assessed on the basis of value-in-use calculations (through the discounted cash flow approach, specifically the Relief from Royalty method), and a detailed assessment was performed at the end of the reporting period.

4. Intangible assets - continued

During 2020 the Group decided to assign two new domains to the Company from a related party. The two additional domains were added to the existing Brand Cash-Generating-Unit. Both domains will as from 2021 be managed together operationally and will also be driven by the same strategy as the existing domain that is currently driving licencing and royalty fees to the Company from the related entity. The Company's conclusion is that the recoverable amount computed using the Value-In-Use calculation capturing revenue streams and EBITDA of the three domains covers the carrying amount of the Brand as disclosed above and therefore no impairment is required as at 31 December 2020. The recoverable amount was based on:

- Net cash flows for 2021 reflecting actual net cash flows for 2020;
- Expected net cash flows from the three domains for 2022 increasing by €700k compared with those for 2021 and increasing by an average of 21% for the period 2023 to 2025 (amounts undiscounted);
- a perpetual growth rate of 2% in net cash flows beyond 2025; and
- a post-tax discount rate of 16.9%.

The discount rate is based on the Company's post-tax weighted average cost of capital. Management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the risk-adjusted performance of the market. The directors are satisfied that the judgements made are appropriate to the circumstances relevant to the CGU and its cash-generation.

The Value-In-Use calculation that the Company applies for testing impairment triggers for the Brand is highly sensitive to changes in key assumptions. The principal assumptions used in the impairment assessment relate to net cashflows and discount rate. If the projected net cashflows for the cash-generating unit had been 10% lower than management's estimates, the Brand CGU would require an impairment of around €2.8m as at 31 December 2020. If the post-tax discount rate used in the discounted net cash flows for the cash-generating unit had been 17.9% rather than 16.9%, all other things being equal, the Brand CGU would require an impairment of around €2.2m as at 31 December 2020.

5. Leases

The Company did not have any operating lease commitments as of 31 December 2020. On the 30 September 2020, the Company terminated the lease agreement which was entered into for the rental of office premises. The below table shows the right-of-use assets and corresponding lease liabilities position as of 31 December 2020. All recognised right-of-use assets relating to the Company's premises were nil as at year end.

	2020	2019
	€	€
Rights-of-use assets - premises	-	157,833
Lease liabilities:		
Current	-	84,011
Non-current	-	76,385
	-	160,396

No additions to the right-of-use assets took place during the 2020 (2019: €186,573) financial year. The statement of profit or loss shows the following amounts relating to leases:

5. Leases - continued

	2020 €	2019 €
Depreciation charge of right-of-use assets		
Premises	61,308	28,740
Interest expense (included in net finance expense) (Note 16)	3,652	3,256

The cash outflow in 2020 relating to the principal elements of lease payments captured by IFRS 16 amounted to 2020: €67,523 (2019: €29,433).

6. Property, plant and equipment

	Total €	Office Equipment €	Furniture & Fittings €
Year ended 31 December 2019			
Opening net book amount	-	-	-
Additions	7,164	4,914	2,250
Depreciation charge	(224)	(205)	(19)
Closing net book amount	6,940	4,709	2,231
As at 31 December 2019			
Cost	7,164	4,914	2,250
Accumulated depreciation	(224)	(205)	(19)
Closing net book amount	6,940	4,709	2,231
Year ended 31 December 2020			
Opening net book amount	6,940	4,709	2,231
Additions	6,693	6,439	254
Depreciation charge	(2,937)	(2,704)	(233)
Closing net book amount	10,696	8,444	2,252
As at 31 December 2020			
Cost	13,857	11,353	2,504
Accumulated depreciation	(3,161)	(2,909)	(252)
Closing net book amount	10,696	8,444	2,252

7. Trade and other receivables

	2020 €	2019 €
Trade receivables from contracts with customers	162,684	155,005
Less: Loss allowance on trade receivables	(50,384)	(31,244)
	112,300	123,761
Trade receivables, net of loss allowance		
Amounts due from related parties, net of loss allowance (Note 18)	6,576,910	3,512,369
Indirect taxation	590,940	8,170,522
Prepayments and accrued income	433,401	2,993,744
	7,713,551	14,800,396

Subsequent to the year end, a fellow subsidiary settled part of the amount due as at 31 December 2020. Refer to note 18 in relation to indirect taxation balance movements.

Amounts due from related parties as at 31 December 2020 are net of a loss allowance of €472,451 (2019: €338,358). These amounts are unsecured, interest free and repayable on demand.

8. Cash and cash equivalents

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

	2020 €	2019 €
Cash at bank and in hand	535,555	781,325
	535,555	781,325

Non-cash transactions

During the comparative year to 31 December 2019, the Brand and Platform amounting to €40,000,000 (as disclosed in Note 4) were transferred to the Company from a related party for non-cash consideration predominantly made up of: i) assumed borrowings of €20,000,000 (as disclosed in Note 10), ii) the contribution from a related party by way of new shares amounting to €20,500,000, iii) the taking on of prepayments amounting to €2,300,000 linked to an existing marketing agreement offset by the extinguishment of other amounts due to related parties of €1,800,000. The above transaction gave rise to VAT considerations as disclosed in Note 18. In view of the pending set-off request, this transaction was also represented as non-cash transaction.

During the year 31 December 2020, there were no non-cash transactions.

8. Cash and cash equivalents - continued

Net debt reconciliation

The following is an analysis of net debt and the movements in net debt for each of the periods presented:

	2020 €	2019 €
Borrowings (including bond issue costs) (Note 10)	(19,764,485)	(19,678,113)
Lease liabilities (Note 5)	-	(160,396)
Cash and cash equivalents	535,555	781,325
Net debt	(19,228,930)	(19,057,184)

As disclosed in Note 10, borrowings are subject to a fixed rate of interest and non-cash movements relate to the amortisation of bond issuance costs and the accrual of bond interest costs.

9. Share capital

	2020 €	2019 €
Authorised		
30,000,000 (2019: 30,000,000) ordinary shares of €1 each	30,000,000	30,000,000
Issued and fully paid		
20,580,000 (2019: 20,580,000) ordinary shares of €1 each	20,580,000	20,580,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

10. Borrowings

	2020 €	2019 €
Non-current		
5.9% 2024-2026 Bonds	19,764,485	19,678,113
	2020 €	2019 €
Principal bonds outstanding	20,000,000	20,000,000
Gross amount of bond issue costs	(403,061)	(403,021)
Amortisation of bond issue costs to 31 December	167,546	81,134
Amortised cost and closing carrying amount	19,764,485	19,678,113

Interest on the 5.9% 2024-2026 Bonds is payable annually in arrears, on 22 July of each year. As at 31 December 2020, the Bonds were trading at slightly below par at €98.99 with the most recent trading price of €100.20 as at 23 April 2021.

Accrued interest as at 31 December 2020 amounts to €388,951 (2019: €533,425) as disclosed in Note 12.

11. Deferred tax

Deferred taxes are calculated on temporary differences under the liability method using a principal tax rate of 35% (2019: 35%). The deferred tax liabilities are mainly considered to be of a non-current nature.

Movement in temporary differences during the year:

	2020 €	2019 €
Year ended 31 December		
At beginning of year	423,908	-
Unabsorbed tax losses	595,043	294,475
Deferred tax on financial assets	21,420	129,361
Other	-	72
At 31 December	1,040,371	423,908

	2020 €	2019 €
Unabsorbed tax losses	595,043	294,473
Temporary difference on loss allowance for financial assets	21,420	129,361
Other	-	72
At 31 December	616,463	423,908

All amounts listed in the above table are recognised in profit and loss. At year-end the Company holds €8,207,705 (2019: €4,206,568) of unrecognised tax losses which may be availed of in future years.

12. Trade and other payables

	2020 €	2019 €
Trade and other payables	7,116,040	233,991
Amount owed to related parties (Note 18)	52,591	9,833,918
Accruals and deferred income	677,296	4,714,551
Accrued interest on bonds	388,951	533,425
	8,234,878	15,315,885

Amounts owed to related parties is interest free, unsecured and repayable on demand.

Included within trade and other payables as at 31 December 2020 is an amount of €6,976,072 equivalent to SEK 70,000,000, linked to marketing accruals due to a third party holding a minority share in the ultimate parent Company resulting in a minority indirect shareholding in the Company. Subsequent to the year end, the aforementioned balance was settled in total on the 10 February 2021.

13. Revenue

	2020	2019
	€	€
Income generated from related parties	8,548,328	6,336,525
Income generated from third parties	575,300	562,314
	9,123,628	6,898,839

The Company generates revenues in the form of turnkey fees and royalties from the licensing of the Brand and platform fees charged to licensed operators, additionally it generates revenue from white label services offered to white label customers. The Company's revenue in 2020 and 2019 was therefore split as follows:

	2020	2019
	€	€
White label services	2,721,289	2,103,351
Royalties – licensing of the Brand	5,803,910	4,344,046
Turnkey fees	598,429	451,442
Revenue	9,123,628	6,898,839

All revenue generated from the various revenue streams is being treated as one revenue segment in line with internal management reporting.

14. Expenses by nature

	2020	2019
	€	€
<i>Cost of sales</i>		
Brand awareness marketing	4,969,317	3,566,090
Other direct costs (including platform costs)	1,716,605	1,268,526
Total cost of sales	6,685,922	4,834,616
<i>Administrative expenses</i>		
Employee benefit expense (Note 15)	349,628	486,777
Management fees	150,000	100,000
Professional fees	269,541	70,682
Depreciation and amortisation (Notes 4, 5, 6)	2,309,193	1,481,482
Bank charges & exchange differences	202,404	5,625
Other operating expenses	174,467	6,159
Total administrative expenses	3,455,233	2,150,725

14. Expenses by nature - continued

Auditor's fees

Fees charged by the auditor for services rendered during the financial year ended 31 December relate to the following:

	2020	2019
	€	€
Annual statutory audit	45,000	35,000
Other non-audit services	2,008	135,000
Tax compliance services	-	1,400
	47,008	171,400

During 2019, other non-audit services related to assisting the Company during the listing process. Such services were provided prior to PwC's appointment as auditor of the Company which took place on 24 January 2020 for the 2019 financial year end audit. During 2020, other non-audit services fees mainly related to assistance in review of interim financial statements.

15. Employee benefit expenses

	2020	2019
	€	€
Wages and salaries	325,673	447,303
Social security costs	23,955	39,474
	349,628	486,777

The average number of employees employed during the year to 31 December 2020 amounted to 5 employees (2019: 9 employees).

Included in the total employee benefit expense is an amount of €149,929 (2019: €156,804) relating to directors' fees, € 61,250 (2019: €62,038) relating to non-executive directors and €88,679 (2019: €94,766) relate to fees paid to an executive director.

16. Finance costs

	2020 €	2019 €
Interest payable on bonds	468,356	533,425
Amortisation of transaction costs	167,546	81,134
Lease interest and finance charges	3,652	3,256
	639,554	617,815

Interest payable on bonds falls due on the 22 July of each financial year for the bond duration. The first interest payment fell due on the 22 July 2020. The amount of interest payable was €1,180,000.00.

A related party owning 82,379 bonds waived off its right to receive the interest, consequently the amount of interest paid to the remaining bond holders on the 22 July 2020 was €693,964.

The amount of accumulated interest due from 22nd July 2020 to 31 December 2020 amounted to €526,958. Following a further waiver of interest amounting to €138,007 by a related party as noted above, which as at year end owned 52,379 bonds, the total interest payable to the remaining bond holders is €388,951 as at 31 December 2020.

17. Tax credit

	2020 €	2019 €
Deferred tax credit (Note 11)	(616,463)	(423,908)
Tax credit for the year	(616,463)	(423,908)

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

	2020 €	2019 €
Loss before tax	(1,960,150)	(1,211,182)
Tax at 35%	(686,052)	(423,913)
Tax effect of: Disallowed expenses & other differences	69,589	5
	(616,463)	(423,908)

18. Related parties

The companies forming part of Gameday Group plc are considered by the directors to be related parties as these companies are ultimately owned by the same ultimate beneficiaries.

The Company is a subsidiary of Gameday Group plc which is the ultimate parent company. The registered office of both companies is situated at Level 1, Burlington Court, Dragonara Road, St Julians STJ3143, Malta.

Gameday Group plc prepares the consolidated financial statements of the Group, of which Together Gaming Solutions p.l.c. forms part. These financial statements are filed and available for public inspection at the Registrar of Companies in Malta.

The companies forming part of Gameday Group plc include Bethard Group Limited and World Class Entertainment Limited. Together Gaming Solutions p.l.c. carried out related party transactions with both subsidiary companies of Gameday Group plc and also with its parent Company.

The following transactions were carried out with related parties:

- (1) During 2019, Together Gaming Solutions p.l.c. and Bethard Group Limited entered into an intangible asset assignment agreement, pursuant to which Together Gaming Solutions p.l.c. acquired the Bethard Brand, an iGaming software platform and the rights over a prepaid amount to a third party service provider from Bethard Group Limited for a total consideration of €42,300,000;
- (2) The intangible asset assignment effected during 2019 for a total consideration of €42,300,000 which triggered Value Added Tax ("VAT") of €7,615,000 being 18% VAT on the total consideration. During 2020 the amount of VAT €7,615,000 receivable consequent to this transaction which was subject to a set off exercise at the VAT department against the output VAT due by Bethard Group Limited was successfully concluded.
- (3) On 2 May 2019, Gameday Group plc subscribed to €20,500,000 ordinary Shares in Together Gaming Solutions p.l.c. for a non-cash consideration in settlement of amounts due by Together Gaming Solutions p.l.c. to Gameday Group plc;
- (4) On 22 July 2019 Together Gaming Solutions p.l.c. issued €20,000,000 5.9% Unsecured Callable Bonds Due 2024-2026. Bethard Group Limited subscribed, on 19 July 2019, to 8,237,900 5.9% Unsecured Callable Bonds issued by Together Gaming Solutions p.l.c., in respect of which a subscription payment of €8,237,900 became due by the Bethard Group Limited to Together Gaming Solutions p.l.c. Upon the subscription payment becoming due as described above, the Company and Bethard Group Limited became mutual debtors, as a result of which an automatic set off took place in accordance with Article 1196 of the Civil Code (Chapter 16 of the laws of Malta), which extinguished the subscription payment obligation of the Bethard Group Limited and the obligation of Together Gaming Solutions p.l.c. to pay the corresponding amount of €8,237,900 to Bethard Group Limited;
- (5) On 25 July 2019, Together Gaming Solutions p.l.c. requested the stockbroker who collected the bond proceeds on its behalf to effect a direct payment of all the net bond proceeds of €11,595,654 to Bethard Group Limited resulting in an outstanding balance of €1,966,446 owing to Bethard Group Limited by Together Gaming Solutions p.l.c.;

18. Related parties - continued

- (6) During 2020, Bethard Group limited waived interest amounting to €486,036 receivable from the 82,379 bonds owned. As at 22 July 2020 Bethard group limited waived further interest receivable amounting to €138,007 from the 52,379 bonds that it owned as at year end.
- (7) During the year, Together Gaming Solutions p.l.c. retained the following trading agreements and carried out related party trading transactions in line with these agreements:
- a business development services agreement with Worldclass Services Limited allowing for the recharging of expenses including the share attributable to white label customers (refer to Note 13).
 - an intangible asset licence agreement with Worldclass Services Limited giving rise to revenues earned from related parties (refer to Note 13).
 - an agreement with Bethard Group Limited for the sharing of office space leased (refer to Note 5). The lease agreement was terminated in September 2020.
 - and a management services agreement (refer to Note 14).

Related party balances at year end where as follows:

	2020 €	2019 €
Amounts due from fellow subsidiary	7,049,361	3,850,727
	2020 €	2019 €
Amounts owed to the immediate parent	(33,000)	(33,000)
Amounts owed to fellow subsidiaries	(19,591)	(9,800,918)
	(52,591)	(9,833,918)

19. Commitments

The Company entered into marketing agreements through which it is committed to future cash outflows of €2,240,250 (2019: €2,466,072) which are not provided for in these financial statements and fall due as follows:

	2020 €	2019 €
Within one year	746,750	2,466,072
Within two to three years	1,493,500	-
Total	2,240,250	2,466,072

20. Significant risks and uncertainties

The Company and its fellow subsidiaries operate in the online gaming industry. 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. Legislation concerning internet betting is under investigation in many jurisdictions. As at today certain EU countries have regulated their market by means of country specific licenses whilst at present discussions are in progress on the liberalisation of a number of other markets in Europe.

20. Significant risks and uncertainties - continued

The Company monitors the legal situation within EU and in certain jurisdictions outside the EU, and if any of its key markets were to regulate, the Company and its fellow subsidiaries if feasible would obtain the required licenses to be in a position to continue operating in that jurisdiction. The Rest of World geographic area includes geographies with unclear gambling laws, which over time may affect the Company's revenue, earnings and expansion opportunities, depending on what legal changes may take place.

Future developments and their consequences for the online gaming market are uncertain. The Company's assessment is that both regulations, and the introduction of legislation, both within and outside the EU, or changes in national legislation regarding, inter alia, stakes, marketing, restrictions regarding online gaming or taxes, etc., in jurisdictions in which the Company's services could be made available could result in a material adverse impact on the Company's operations, financial position and earnings. Violations of existing legislation could lead to significant fines or tax exposures that have not been provided for. The legal and technical solutions, as well as restraints on marketing, that the Company may apply in order to limit users' access in certain jurisdictions may prove to be insufficient. This could pose both a risk and an opportunity to the Company.

Covid-19 has brought added risk in the form of temporary responsible gaming restrictions as well as a number of further gambling measures put in place by the regulators, cancellation of global and worldwide sports events and general reduction in disposable incomes which could all have a risk of negatively impacting gaming revenues. These risks may persist depending on the length of the pandemic.

21. Comparative financial information

Certain comparative figures disclosed is the main components of these separate financial statements have been reclassified to conform with the current year's presentation for the purpose of fairer presentation.

22. Statutory information

Together Solutions p.l.c. is a public liability company and is incorporated in Malta, with its place of business at The Burlington Complex, Level 1, Dragonara Road, St. Julians STJ3141, Malta. The immediate and ultimate parent company is Gameday Group plc, a limited liability company incorporated and domiciled in Malta, whose company registered address is The Burlington Complex, Level 1, Dragonara Road, St. Julians STJ3141, Malta.