B90 HOLDINGS PLC

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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Company Information

Directors	Paul J. Duffen Marcel Noordeloos Mark Rosman Rainer Lauffs	Executive Chairman Chief Financial Officer Non-Executive Director Chief Operating Officer
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Auditors	Nexia Smith & Williamson Audit Limited 25 Moorgate London EC2R 6AY	
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Registered number	9029V	
Company Website	www.b90holdings.com	

Strategic Report

I hereby present the Annual Report for B90 Holdings plc (“B90” or the “Company”, together with its subsidiaries, the “Group”) for the financial year ended 31 December 2020.

Financial and operational highlights

Revenues from continuing operations:	€0.8 million (compared to €1.1 million in 2019)[(1)]
Operating result:	€2.2 million loss (€4.4 million loss in 2019)

Notes:

(1) Revenue derived from the Group’s marketing activities in the sportsbook and casino vertical and from the online operations from Bet90.

Operational review

During 2019 the Company entered into a heads of terms with Binbar GmbH to acquire the remaining 49% of Quasar Holdings Ltd ("Quasar") which was then completed in January 2020. Quasar wholly owns Bet90 Sports Ltd ("Bet90"), an online sportsbook and casino gaming company, the main focus of operations since the restructuring which started in 2018. Before the completion of this acquisition the Group owned 51% of the issued share capital of Quasar.

As part of the 49% acquisition in Quasar, the Directors decided to terminate the loss making land-based operations and focus completely on the online operations with effect from January 2020. The results of these land-based operations have been recorded as discontinued operations in the 2019 numbers. Although these operations generated reasonable gross revenues, the operating and franchising costs were high, resulting in a loss in relation to those activities of €0.9 million during the year ended 31 December 2019. As a result of the cancellation of the land-based operations, no further results were recorded during the year 2020.

The Group’s operational results were highly impacted as a result of the global COVID-19 pandamic, which caused a cancellation of the vast majority of sporting events globally from mid-March 2020. Only in June 2020, did some of the sporting events resume, and it was not until the end of the third quarter that most sporting events resumed. During this period the Company did not generate the revenues that it had expected to, and operating costs continued as normal. During the fourth quarter of 2020, operations showed signs of recovery from this negative impact, but overall still resulting in lower revenues for the year than expected.

In order to ensure sufficient funding to maintain operations, the Company announced a number of fundraises during the year:

- on 7 May 2020, that it had raised £450,000 (or approximately €515,000);
- on 11 September 2020, that it had raised €450,000; and
- on 8 December 2020, that it had raised €700,000.

These were all under the terms of a convertible loan note, which has a three year term and 5% annual coupon (payable in arrears at 30 June and 31 December) and convertible at a price of 5 pence per new Ordinary Share (the “Convertible Loan Note”). The Convertible Loan Note will automatically convert into new Ordinary Shares if the closing mid-price of an Ordinary Share is 10 pence or more for 25 consecutive business days.

Subsequent to the reported year-end, the Company announced further fundraises:

- on 16 March 2021, that it had raised €1,847,000 under the terms of the Convertible Loan Note and

- on 30 March 2021, that it had raised £1.1 million (or approximately €1,270,000, before expenses) through a subscription of 7,796,427 new Ordinary Shares at a price of 14 pence per Ordinary Share (the "Subscription").

Furthermore, on 23 April 2021, the Company announced that the outstanding amounts under the Convertible Loan Notes automatically converted into new Ordinary Shares, the Company's share price having been 10 pence or higher for more than 25 consecutive business days.

Financial review

The restructuring of the business, which began in in 2018, was continued in 2020 which was another challenging year for the Group. With the acquisition of the remaining 49% of Bet90, the Group's focus became the operations of the Bet90 sportsbook and casino brand.

Due to the impact of the global COVID-19 pandemic, the Group faced financial difficulties, but managed to continue operations by raising further funds from existing and new investors, via the Convertible Loan Note described above.

The net result for the year amounted to a loss of €2.4 million (2019: €5.2 million loss). The results for 2019 were materially impacted by the operational loss resulting from the Bet90 land-based operations. Due to the restructuring of the Group's cost structure, we were able to reduce salaries and general administrative expenses during 2020, but a decrease in revenue (mainly as a result of COVID-19) resulted in a loss for the year. Due to the strategic changes made in 2019 to focus on the online operations of Bet90, no further impairment charge was recorded on the intangible assets relating to Bet90 (2019: €0.8 million). Furthermore, during 2019, an impairment charge of €0.3 million was recorded relating to the T4U Marketing domain name (nil in 2020). Due to limited cash resources during the year, the Group was unable to further increase the Bet90 market spend during the reported period.

Whilst the Group raised additional funds by way of the issue of Convertible Loan Note and in equity since the 2020 year-end, amounting in aggregate to €3.1 million, it remains reliant, *inter alia*, on being able to manage its cash resources carefully and trading being in line with management's expectations.

Board changes

During the year, the Company made no changes to its Board and senior management.

The Company continues to seek a new CEO and an independent Non-executive Director in-line with the developments of the Company and further announcements will be made as and when appropriate.

Principal risks and uncertainties

The principal risks and uncertainties factors are included on page 11 of this report.

Current trading and outlook

The Company now has a much more stable financial platform from which to grow. The conversion of the Convertible Loan referred to above has removed the vast majority of the Group's indebtedness and together with the proceeds from our recent Subscription leaves the Company with a much improved financial position. The Board believes that after a difficult period, the Group now has a clear strategic plan to grow its operations and revenues in a targeted way, partnering with leading affiliates and investing further in marketing to expand both our core customer base and geographic reach.

Whilst trading during the first months of 2021 has been in line with the Board's revised expectations, the Group continues to operate at a loss, although management expects to become cash flow positive during the second half of 2021, executing on a revised strategic plan to grow the Group's operations and revenues in a targeted way, entering into strategic partnerships and investing in further marketing to expand the customer base and geographical reach.

As a result of the fundraises completed in March 2021 and conversion of the Convertible Loan Note in April 2021, the financial position of the Company has significantly improved. Total assets as per the Group's management accounts as per 30 April 2021 amount to €3.4 million.

Dividend
The Directors are not proposing a dividend for the year ended 31 December 2020.

Approved by the Board of Directors and signed on behalf of the Board.

Paul J Duffen (Jun 17, 2021 17:36 GMT+1)

Paul J Duffen
Executive Chairman, B90 Holdings plc
17 June 2021

Directors’ Report

The Directors present their report and consolidated financial statements for the year ended 31 December 2020.

Principal activities and review of the business

B90 Holdings plc is a company focused on sports betting operations and casinos games via its wholly owned Bet90 operation, as well as generating marketing leads and entering into marketing contracts for the activities of its partners in sports betting and casinos games. In January 2020, the Company acquired the remaining 49% of Quasar Holdings Ltd. The Group therefore owns 100% of the Bet90 operations. In conjunction with the full ownership of the Bet90 Sports Ltd operations, the Company terminated the loss-making land-based operations from 1 January 2020 and therefore have not recorded any revenues relating to that during 2020.

The principal activities from 1 January 2020 are therefore focused completely on operating the online Sportsbook and casino operation using the domain Bet90.com. Furthermore, the Group operates an affiliate platform, currently focusing on the German speaking territory, using the tippen4you.com domain, of which it owns 51%.

Results and dividends

The Group’s results for the year, after taxation, amounted to a loss of €2.4 million (2019: loss of €5.2 million). The Group’s 2020 results are impacted by the cancellation of the vast majority of global sporting events as a result of the global COVID-19 pandemic.

As a result of the above, the Directors are proposing not to pay a dividend for the year ended 31 December 2020.

Future developments

Future developments are discussed in the Strategic Report.

Financial Risk Management

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Capital risk management

The Company’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders.

Liquidity risk

Liquidity risk exists where the Group might encounter difficulties in meeting its financial obligations as they become due. The Group monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations.

Large wins by customers
Inherent to the business is that there is a risk that a few players and customers might win significant amounts of money during the same period thus reducing the earnings of the Group, in particular in regard to its sportsbook partner which has a higher concentration of VIP players. In respect of its marketing activities for its sportsbook partner, negative net revenues in any period are carried forward and netted off against positive net revenues in future periods on which commission might otherwise be payable to the Group. Whilst the Group would not have to cover any gaming or gambling losses in the existing marketing agreements, the percentage of earnings retained by the Group might be greatly reduced as a result of this.

Gaming or gambling losses within the Group's own Bet90 operations would though need to be covered by the Group as and when they occur. Under the regulation of the Malta Gaming Authority, the Company must at all times have sufficient cash balances available to cover liabilities to customers. In the case of a large win by a customer, the Company would need to move funds from its current account to the accounts that cover the liability to customers, which would immediately negatively impact the Company's working capital and its earnings for the period.

Currency risk
The Group is exposed to translation and transaction foreign exchange risk. As the majority of the Group's transactions are denominated in Euros, the Directors deem the Group's exposure to exchange rate fluctuations to be minimal.

Interest rate risk
The Group's exposure to upside interest rate risk is limited. The loans on the statement of financial position have a fixed interest rate. The Directors do not consider the impact of possible interest rate changes based on current market conditions to be material to the net result for the year or the equity position at the year-end for either the year ended 31 December 2020 or 31 December 2019. The loans on the Statement of financial position were all converted into equity subsequent to year end, in April 2021.

Credit risk
The Group's credit risk is primarily attributable to trade receivables. Trade receivables consist of:

- Payment service providers (PSPs). PSPs are third-party companies that facilitate deposits and withdrawals of funds to and from customers' virtual wallets with the Group. These are mainly intermediaries that transact on behalf of credit card companies.

The risk is that a customer or a PSP would fail to discharge its obligation with regard to the balance owed to the Group.

The Group reduces this credit risk by:

- Monitoring balances with customers on a regular basis;
- Monitoring balances with PSPs on a regular basis; and
- Arranging for the shortest possible cash settlement intervals in all cases.

The Group considers that based on the factors above and on past experience, the customers and PSP receivables used in the current businesses are of good credit quality and there is a low level of potential bad debt as at year-end.

An additional credit risk the Group faces relates to customers in its own operations disputing charges made to their credit cards ("chargebacks") or any other funding method they have used in respect of the services provided by the Group. Customers may fail to fulfil their obligation to pay, which will result in funds not being collected. These chargebacks and uncollected deposits, when occurring, will be deducted at source by the payment service providers from any amount due to the Group. The Group monitors the need for impairment provisions by considering all reasonable and supportable information, including that which is forward-looking. For the year ended 31 December 2020, the Group has not made any provision for this, as any provision would be immaterial.

Regulatory risk
Regulatory, legislative and fiscal regimes for betting and gaming in key markets can change, sometimes even at short notice. Such changes could benefit or have an adverse effect on the Group's operations and additional costs might be incurred in order to comply with any new laws or regulations in various jurisdictions.

The Group closely monitors regulatory, legislative and fiscal developments in key markets allowing the Group to assess, adapt and takes the necessary action where appropriate. Management takes external advice, which incorporates risk evaluation of individual territories. Regulatory updates are provided to the Board when changes are announced.

Whilst changing regulatory and tax regimes can offer opportunities to the Group as well as posing risks, a significant adverse change in jurisdictions in which the Group operates could have a significant impact on the Groups future profitability and cash generation.

Going concern
The Group continued to experience significant difficulties during 2020, especially after the impact of the global COVID-19 pandemic, which cancelled the vast majority of global sporting events.

As a result of this, the Group achieved a net loss of €2.4 million for the year ended 31 December 2020 Furthermore, the Group had a negative cash flow from operations of €1.6 million for the year ended 31 December 2020 and the Group expects to report a loss for the six months ending 30 June 2021. Furthermore, as per 31 December 2020, the Group shows net current liabilities of €4.4 million.

Whilst trading during the first months of 2021 has been in line with the Board's revised expectations, the Group continues to operate at a loss, although management expects the Group to become cash flow positive during the second half of 2021, executing on a revised strategic plan to grow the Group's operations and revenues in a targeted way, entering into strategic partnerships and investing in further marketing to expand the customer base and geographical reach. Furthermore, as a result of the recent fundraises, completed in March 2021, and the subsequent conversion of the full outstanding amount of the convertible loan, the Company has improved its statement of financial position significantly.

Whilst the Group raised additional funds by way of the issue of convertible loan note and in equity since the 2020 year-end, amounting in aggregate to €3.1 million, it remains reliant, *inter alia*, on being able to manage its cash resources carefully and trading being in line with management's expectations. Should trading not be in line with mangement's expectations going forward, the Group's ability to meet its liabilities may be impacted, in which case the Group will need to raise further funding. In the circumstance that this is needed and whilst the directors are confident of being able to raise such funding if required, there is no certainty that such funding will be available and/or the terms of such funding. These conditions are necessarily considered to represent a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Whilst acknowledging this uncertainty, the Directors remain confident that the recent fundraise will allow the Group to expand its operations and generate a positive operational cash flow within a reasonable time or, if needed, be able to raise additional funding when required, therefore the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Subsequent events

On 16 March 2021, the Company announced that it had raised €1,847,000 (or approximately £1,585,000) pursuant to subscriptions for Convertible Loan Notes, at the same date resuming trading of its shares on the London Stock Exchange, which was suspended after the Directors announced significant uncertainties surrounding the Company's financial position on 17 March 2020, at the time global sporting events were cancelled as a result of the global COVID-19 pandemic.

On 30 March 2021, the Company announced that it had raised a further £1.1 million (before expenses) through a subscription of 7,796,427 new Ordinary Shares of no par value at a price of 14p per share. In addition, the Company announced that it had entered into two new affiliate agreements with RB Journalism SIA (trading as Oddsen.nu) and E2 Communications Ltd, to access potential new customers and drive additional traffic to the Bet90 platform. The Company issued 3.5 million and 1.6 million shares respectively to the affiliates as a prepayment of affiliate fees amounting to €200,000 and €100,000 respectively.

Also on 30 March 2021, the Company announced that it had received three conversion notices from holders of the outstanding Convertible Loan Notes. The notes converted at the agreed price of 5p are in respect of €300,000 subscribed on 16 September 2019 and a total of €260,000 subscribed on 17 March 2021. The accrued interest amounts to €22,725 and forms part of the conversion as per the terms of conversion, resulting in the issuance of 9,963,530 new Ordinary Shares .

On 23 April 2021, the Company announced that the issued Convertible Loan had automatically converted at a price of 5p per ordinary share of no par value in the capital of the Company, in accordance with the terms of the Convertible Loan Note. The amount outstanding as per 23 April 2021 under the Convertible Loan amounted to €3,838,500 (approximately £3,328,500), plus accrued interest amounting to €102,161 (approximately £88,836) which resulted in an issuance of 68,346,716 new Ordinary Shares. As a result, the Company entered into a much more stable financial platform from which to grow. The conversion of the Convertible Loan removed the vast majority of the Group's indebtedness and together with the proceeds from the Subscription completed 30 March 2021, leaving the Company in a much improved financial position.

Directors and their interest

The following Directors held shares and share options as at 31 December 2020:

	Number of shares held	Number of options	Exercise Price (£)	Date of grant of options	Vesting period of options
Paul Duffen	2,800,000	1,000,000	0.15	14 February 2019	1-4 Years
Marcel Noordeloos	3,659,954	750,000	0.25	30 June 2016	1-4 years
Marcel Noordeloos	-	550,000	0.15	14 February 2019	1-4 years
Mark Rosman	2,983,798	400,000	0.25	30 June 2016	1-4 years
Mark Rosman	-	550,000	0.15	14 February 2019	1-4 years
Rainer Lauffs	-	250,000	0.15	14 February 2019	1-4 Years

The Group announced on 17 March 2021 that the above options were cancelled and the same time a total of 6,215,000 options were granted all at a price of 5p per share. Out of this, a total of 5,700,000 options were granted to directors and 515,000 to other employees.

Directors who served during the year

	Appointed
Paul Duffen	30 January 2019
Mark Rosman	19 March 2014
Marcel Noordeloos	30 June 2016
Rainer Lauffs	26 March 2018

Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to keep reliable accounting records which allow financial statements to be prepared. In addition, the Directors have elected to prepare group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and prepare financial statements. 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.

The Directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors of the Group are Nexia Smith & Williamson, Chartered Accountants, who were reappointed at the 2019 Annual General Meeting and will be proposed to be reappointed during the 2020 Annual General Meeting.

Principal risks and uncertainties

The Board evaluates the operational risks facing the Group on an ongoing basis to monitor for changes in risks and risk impact and to set guidelines for risk mitigation. The most significant risks identified by the Board are listed below.

Gambling laws and regulations are constantly evolving and increasing
The regulatory framework of online gaming is dynamic and complex. Change in the regulatory regime in a specific jurisdiction can have a material adverse effect on business volume and financial performance in that jurisdiction. In addition, a number of jurisdictions have regulated online gaming, and in several of those jurisdictions the Group, or its operating partner, either holds a licence or is planning to obtain one, if the market is considered commercially viable. However, in some cases, lack of clarity in the regulations, or conflicting legislative and regulatory developments, mean that the Group may risk failing to obtain an appropriate licence, having existing licences adversely affected, or being subject to other regulatory sanctions, including internet service providers blocking, blocking options to make deposits, black-listing the Company and fines.

The Group is managing this risk by consulting with legal advisers in various jurisdictions where its services are marketed or which generate, or may generate, significant revenue for the Group. Furthermore, the Group obtains regular updates regarding changes in the law that may be applicable to its operations, working with local counsel to assess the impact of any changes on its operations. Furthermore, the Group's owned operations Bet90, blocks players from certain "blocked jurisdictions" using multiple technological methods as appropriate.

Reliance on VIP players
Although the focus of the Company is primarily on the operations of its own brand Bet90, a large percentage of the commission based revenue from the Group's marketing activities in the sportsbook and casino vertical is generated by a small group of high net worth players, described as "VIP Players". These are loyal players that regularly deposit high amounts on the websites. The Group knows these players and makes them feel valued, in efforts to remain an active player. A VIP player (or also a non-VIP player) can have large winnings, in either the sportsbook or the casino, in a certain period, which can significantly impact the revenues on a monthly basis. A loss of any of the VIP Players could significantly adversely affect the Group's business, financial condition, results or future operations.

In respect of its own sportsbook and casino brand, Bet90, any large wins by VIP players could potentially lead to recording a loss in such cases. The Company has Terms & Conditions in place to limit the daily win of a single player to mitigate such a risk.

Imposition of additional gaming or other indirect taxes
Revenues earned from customers located in a particular jurisdiction may give rise to further taxes in that jurisdiction. If additional taxes are levied, this may have a material adverse effect on the amount of tax payable by the Group. Further taxes may include value added tax (VAT) or other indirect taxes. The Company may be subject to VAT or similar taxes on transactions, which have previously been treated as exempt.
The Company seeks to include geographical diversity in its operations. In order to mitigate the risks that arise, the Company actively identifies, evaluates, manages and monitors its tax risks and the geographies in which it operates. The Company works with external local tax advisers to assist them in this process.

COVID-19 Pandemic

During 2020, the Company's business was negatively impacted by the cancellation of the vast majority of sporting events in its target markets as a result of the global COVID-19 pandemic. Whereas the majority of the global sporting events have continued since the summer of 2020, there is no guarantee that a future cancellation of some sporting events in the Group's key markets will not occur, either related to the COVID-19 pandemic, or any new pandemic. In that situation, revenue of the Group may be significantly impacted without a proportionate reduction (if at all) in costs.To mitigate this risk, the Group has been more actively in promoting the casino offering and is looking for external opportunities to expand its offering to its customers.

Corporate Governance Report

As an AIM-quoted company, B90 and its subsidiaries (together, the "Group") are required to apply a recognised corporate governance code, demonstrating how the Group complies with such corporate governance code and where it departs from it.

The Board of Directors of the Company ("Directors" or "Board") have adopted the QCA Corporate Governance Code (the "QCA Code"). The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders, without stifling the entrepreneurial spirit in which small to medium sized companies, such as B90, have been created.

Application of the QCA Code

In the spirit of the QCA Code it is the Board's job to ensure that the Group is managed for the long-term benefit of all shareholders and other stakeholders with effective and efficient decision-making. Corporate governance is an important part of that job, reducing risk and adding value to the Group. The Board will continue to monitor the governance framework of the Group as it grows.

B90 is an online marketing and operating company that seeks to grow shareholder value through organic growth and acquisitions. B90's aim is to build a portfolio of gaming brands through a combination of strong organic growth as well as strategic acquisitions that complement the current business.

The Board aims to achieve these objectives through the adoption of best working practices and by leveraging its industry knowledge and expertise. We believe that the senior management team as well as the Board, together with their industry leading partners and networks, have the necessary capabilities to achieve organic and external growth in the future, as demonstrated, for example, by the acquisition in 2017 of the 51% interest in online sportsbook and casino gaming company, Bet90. The Company acquired the remaining 49% in January 2020 and therefore now owns 100% of the operations.

In accordance with the AIM Rules, B90 applies (and in some cases departs from) the QCA Code in the following way:

Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

B90 is an online marketing and operating company in the gaming sector that seeks to grow shareholder value through organic growth and acquisitions, key aspects of which are ensuring customer satisfaction on both a B2B and B2C basis and strengthening the B90 brand (see also page 6, Principal activities and review of the business)

Principle 2 – Seek to understand and meet shareholder needs and expectations.

B90 has engaged in active dialogue with shareholders through regular communication and the Company's Annual General Meeting and one-on-one discussions. New information is released via the regulatory news service (RNS) before anywhere else and the website is update accordingly (see also page 3-4, Strategic report).

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of its wider stakeholders – employees, contractors, suppliers, customers, regulators and advisors – to its long-term success. The Board has established expectations that these key resources and relationships are valued and monitored. In particular, the Company's business model of outsourcing some its key activities requires reliable dialogue with contractors to ensure the successful pursuit of its long-term strategic objectives. Furthermore, the Board intends to actively seek to engage regularly with its corporate advisers to ensure proactive communication regarding the Company's activities. In doing so, the Company is able to take any feedback into account and adjust its actions accordingly to ensure it stays focused on long-term performance. The Board recognises that the Company operates within a competitive and fast changing industry and strives to remain alert to developments in a wider industry/society context.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

B90 operates within a complex business environment and an industry that is fundamentally driven by regulatory processes. The Board has set out its understanding of the principal risks and uncertainties in its Annual Report (see page 11 for details, going concern statement on page 8 and post year-end fundraises on page 9) and regularly reviews its strategies for minimising any adverse impact to the Company or its investors.

The Directors acknowledge their responsibility for the Group's system of internal control, which is designed to ensure adherence to the Group's policies whilst safeguarding the assets of the Group, in addition to ensuring the completeness and accuracy of the accounting records. Responsibility for implementing a system of internal financial control is delegated to the CFO.

The essential elements of the Group's internal financial control procedures involve:

- *Strategic business planning*
  The Board regularly reviews and discusses the Group's performance and strategic objectives.
- *Performance review*
  The Directors monitor the Group's performance through the preparation and consideration of monthly management accounts and daily through KPIs and regular reviews of its expenditure and projections. In addition, detailed financial projections for each financial year are prepared and are subject to formal and regular review against actual trading by the Board.

Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board comprises four Directors of which three are Executives and one is a Non-executive, reflecting a blend of different experience and backgrounds. Considering the 2020 fundraises, in which the Group's Non-excutive Director Mark Rosman has participated, the Board considers, at this moment, none of the Directors to be completely independent as a Director in terms of the QCA guidelines. Accordingly, the composition of the Board does currently not satisfy the QCA recommendation that there are at least two independent Non-executive Directors on the Board.

The Board meets throughout the year and all major decisions are taken by the Board as a whole. The Group's day-to-day operations are managed by the Executive Directors. All Directors have access to the Company information and any Director needing independent professional advice in the furtherance of his/her duties may obtain this advice at the expense of the Group.

Although the Board is satisfied that it has a suitable balance of knowledge of the Group, experience and skills to enable it to discharge its duties and responsibilities effectively, and that all Directors have adequate time to fill their roles, the Group intends to appoint an independent Non-Executive Director in due course and we will make further announcements as and when appropriate.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Group. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance.

Our Non-executive director is expected to devote as much time as is necessary for the proper performance of his duties. Executive directors are full-time employees or services providers and expected to devote as much time as is necessary for the proper performance of their duties.

During 2020 the Board held six (6) formal meetings either in person or by call, all of which were attended by all Directors. The Board also passed 6 (6) unanimous written resolutions.

Principle 6 – Ensure that between them the directors have the necessary up to-date experience, skills and capabilities

The Board considers its current composition to be appropriate and suitable with the adequate and up-to-date experience, skills and capabilities to make informed decisions. Each member of the Board brings a different set of skills, expertise and experience, making the Board a diverse unit equipped with the necessary set of skills required to create maximum value for the Company.

The Board is fully committed to ensuring its members have the right skills. Members of the Board must be re-elected by the shareholders of the Company if they have not been re-elected at the previous two annual general meetings in accordance with the Company's Articles of Association, thereby providing shareholders the ability to decide on the election of the Company's Board.

The biographical details of the Directors are:

Paul J Duffen, Executive Chairman, aged 62, brings over 35 years in management experience in various industries and being an entrepreneur. Paul was co-founder and Chief Executive Officer (until 2006) of Catalyst Media Group plc, which specialised in the sports, media and entertainment sectors, including motor racing in the USA and Horse Racing in the UK. He subsequently served as Executive Chairman of Hull City Football Club, securing their first promotion to the Premier League in 2008 and Chairman of Newsdesk Media Ltd, an international publishing Group. He currently serves as a Director of Greenacre Capital Ltd, a property investment company and as a non-executive Director of Animus Associates Ltd, a business intelligence consultancy.

Marcel Noordeloos, Chief Financial Officer, aged 52, was Group Finance Director at Playlogic International NV between 2006 and 2009 and Chief Financial Officer at Playlogic Entertainment Inc from March 2009 until December 2010 prior to becoming Chief Financial Officer at the Company. Marcel has held several management positions with among others Nike EMEA (2002-2006) and PwC (1992-2001). Marcel holds an RA Degree (Registered Accountant) from the University of Amsterdam.

Rainer Lauffs, Chief Operating Officer, aged 48, is a business graduate from Philipps University of Marburg (Germany) and has been working in the online gaming world since 2006. Among other projects, he was significantly involved in building up PartyGaming's business in German and Dutch territories.

Mark Rosman, Non-Executive Director, aged 53, has over 15 years of experience advising on private equity investments and managing private equity portfolios. Mark worked for Galladio Capital Management B.V. for eleven years and held the role of chief operating officer from 2006 until his departure in 2010. Since leaving Galladio, Mark has served as chief executive officer of The Nestegg B.V., a private equity management and advisory firm that advises high net worth individuals on the structuring and management of investments. Mark is a law graduate from VU University Amsterdam and has an MBA from Rotterdam School of Management.

Due to the size of the Group, the Group has not adopted a formal diversity policy, other than looking at educational and professional backgrounds.

The Board also consults with external advisers, such as it Nominated Adviser and the Company's lawyers, and with executives of the Company on various matters as deemed necessary and appropriate by the Board.

Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

B90's Board is small and extremely focussed on implementing the Group's strategy. However, given the size and nature of the Group, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code. The Board will closely monitor the situation as it grows.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

We are committed to acting ethically and with integrity. We expect all employees, officers, directors and other persons associated with us to conduct their day-to-day business activities in a fair, honest and ethical manner.

For that purpose, we have adopted a Code of Business Conduct and Ethics ("Code") which applies to all our workforce personnel. Pursuant to the Code, employees, directors and other relevant stakeholders are required to comply with all laws, rules and regulations applicable to us. These include, without limitation, laws covering anti-bribery, copyrights, trademarks and trade secrets, data privacy, insider trading, illegal political contributions, antitrust prohibitions, rules regarding the offering or receiving of gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. The Code also includes provisions for disclosing, identifying and resolving conflicts of interest of the employees and Board members.

The Code includes provisions requiring all employees to report any known or suspected violation and ensures that all reports of violations of the Code will be handled sensitively and with discretion. We also recognise the benefits of a diverse workforce and are committed to providing a working environment that is free from discrimination.

We have also adopted a share dealing code, regulating trading and confidentiality of inside information by persons discharging managerial responsibility and persons closely associated with them ("PDMRs").

We take all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of the dealing code.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Corporate Governance Committees
The Board has established two committees, of which the composition is as follows:

Audit committee
Mark Rosman (Chairman)
Paul J Duffen

Remuneration committee
Mark Rosman (Chairman)
Paul J Duffen

The Audit Committee
The Audit Committee meets three times during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below.

The terms of reference of the Audit Committee are to assist all the Directors in discharging their individual and collective legal responsibilities and during the meetings to ensure that:

- The Group's financial and accounting systems provide accurate and up-to-date information on its current financial position, including all significant issues and going concern;
- The integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgments contained therein are monitored;
- The Group's published financial statements represent a true and fair reflection of this position; and taken as a whole are balanced and understandable, providing the information necessary for shareholders to assess the Group's performance, business model and strategy;
- The external audit is conducted in an independent, objective, thorough, efficient and effective manner, through discussions with management and the external auditor; and
- A recommendation is made to the Board for it to put to shareholders at a general meeting, in relation to the reappointment, appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.

The Audit Committee does not consider there is a need for an internal audit function given the size and nature of the Group.

Significant issues considered by the Audit Committee during the year have been the Principal Risks and Uncertainties (which are set out in the this annual report) and their effect on the financial statements. The Audit Committee tracked the Principal Risks and Uncertainties through the year and kept in contact with the Group's Management, External Service Providers and Advisers and received regular updates. The Audit Committee is satisfied that there has been appropriate focus and challenge on the high-risk areas.

Nexia Smith & Williamson, our external auditors, have been in office since 2013.

The external auditors are invited to attend the Audit Committee meeting to present their findings and this provides them with a direct line of communication to the Non-executive Director.

The Remuneration Committee

The terms of reference of the Remuneration Committee are to:

- recommend to the Board a framework for rewarding senior management, including Executive Directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group; and
- ensure that the elements of the remuneration package are competitive and help in underpinning the performance-driven culture of the Group.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication with its shareholders and in promoting effective dialogue regarding the Group's strategic objectives and performance. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback via meetings with the Company. The Annual General Meeting and any other General Meetings that are held throughout the year are for shareholders to attend and question the Directors on the Company's performance. Regular progress reports are also made via RNS announcements and the point of contacts are Paul J. Duffen, Executive Chairman and Marcel Noordeloos, CFO.

Our Audit Committee Report is included on pages 19 to 20 of this Annual Report. Our Remuneration Committee Report is included on page 21 of this Annual Report.

This report was authorised for issue by the Board on 17 June 2021.

Paul J Duffen (Jun 17, 2021 17:36 GMT+1)

Paul J Duffen

Executive Chairman, B90 Holdings plc

17 June 2021

Audit Committee Report

General and Composition of the Audit Committee

The Audit Committee is a sub-committee of the Board. The Audit Committee chairman reports formally to the Board on all matters within the Committee's duties and responsibilities and on how the Audit Committee discharges its responsibilities.

The Audit Committee consists of two members, Mark Rosman (Chairman) and Paul Duffen. Mark Rosman is considered to be independent.

The biographies of the Audit Committee members are on pages 15-16 under principle six, as well as on the Company's website at www.b90holdings.com/corporate-info .

The Audit Committee meets at twice a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit Committee also meets regularly with the Company's external auditors.

Purpose and Responsibilities of Audit Committee

The purpose of the Audit Committee is to assist the Board to carry out the following functions more efficiently and fully:

- Oversight of the integrity of the Group's formal reports, statements and announcements relating to the Group's financial performance; and
- Reviewing compliance with internal guidelines, policies and procedures and other prescribed internal standards of behaviour.

To achieve such purposes, the Audit Committee has been assigned with the following responsibilities:

- Reviewing the half-year and full-year financial statements with management and with the external auditors as necessary prior to their approval by the Board;
- Reviewing financial results announcements of the Group and any other formal announcements relating to the Group's financial performance and recommending them to the Board for approval;
- Reviewing recommendations from the CFO and the external auditors on the key financial and accounting principles to be adopted by the Group in the preparation of the financial statements;
- Reviewing the Group's systems for internal financial control;
- Considering and making recommendations to the Board, to put to shareholders for approval at the AGM, the appointment, re-appointment and removal of the Company's external auditors and oversee the relationship with the external auditors;
- Reviewing and approving the external audit plan and regularly monitoring the progress of implementation of the plan;
- Determining and monitoring the effectiveness and independence of the external auditors.

Main Activities in 2020 and 2021

On 16 March 2021 the Audit Committee reviewed the financial statements for year end 31 December 2019.

On 16 March 2021 the Audit Committee reviewed the financial results of the Company for the six months ended 30 June 2020.

External Auditors

The external auditors of the Company are Nexia Smith & Williamson (“NS&W”). The appointment of NS&W as auditors by the Audit Committee was based on their performance during past years. The Audit Committee review of the external auditors confirmed the appropriateness of their reappointment and included assessment of their independence, qualification, expertise and resources, and effectiveness of their audit process.

Both the Board and the external auditors have safeguards in place to avoid the possibility that the auditors’ objectivity and independence could be compromised. The services provided by the external auditors include the Audit-related services. In recognition of public concern over the effect of consulting services on auditors’ independence, the external auditors are not invited to general consulting work which can affect their independence as external auditors.

The total remuneration of the external auditors for 2020 and for 2019 was as listed in the table below:

	2020	**2019**
Audit services	€105,000	€89,000
Review of FPPP *	€35,000	-

**FPPP: Financial Position & Prospects Procedures Report*

The Audit Committee remains mindful of the attitude investors have to the auditors performing non-audit services. The Committee has clear policies relating to the auditors undertaking non-audit work and monitors the appointment of the auditors for any non-audit work, with a view to ensuring that non-audit work does not compromise the Company’s auditors objectiveness and independence.

The Audit Committee and the auditors found that the external audit plan for 2020, the audit work of the external auditors for 2020 and the remuneration of the external auditors for 2020 did not undermine the independence of the external auditors.

Financial Reporting

The Group’s trading performance is monitored on an ongoing basis. An annual budget is prepared, and specific objectives and targets are set. The budget is reviewed and approved by the Board. The key trading aspects of the business are monitored daily and internal management and financial accounts are prepared monthly. The results are compared to budget and prior year performance.

The Audit Committee has taken and will continue to take further steps to ensure the Group’s control environment is working effectively and efficiently.

Mark Rosman

Mark Rosman (Jun 17, 2021 18:45 GMT+2)

Mark Rosman

Chairman of the Audit Committee

Remuneration Committee Report

General

The Remuneration Committee is responsible for determining and recommending to the Board the framework for the remuneration of the Board chairman, executive directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards.

The Remuneration Committee consists of two members, Mark Rosman (Chairman) and Paul Duffen. Mark Rosman is considered independent. The Remuneration Committee meets at least once a year and otherwise as required.

Key elements in Remuneration

As an AIM-quoted company, the Company is not required to comply with the remuneration reporting requirements applicable to fully listed companies in the UK. However, set out below are certain disclosures relating to directors' remuneration:

- The remuneration of executive directors and certain other senior executives is set by comparison to market rates at levels aimed to attract, retain and motivate the best staff, recognising that they are key to the ongoing success of the business.
- The remuneration of non-executive directors is a matter for the Chairman and the executive directors to determine.
- No Director is involved in any decision as to his or her own remuneration.
- The remuneration of senior management includes equity-based payments (stock options) vested over time to retain their employment.

Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee include the below and other responsibilities as set forth in the Charter of the Committee:

- Setting the remuneration policy for all executive directors. Paul Duffen is not involved in setting his own remuneration, this is determined by Mark Rosman only;
- Recommending and monitoring the level and structure of remuneration for senior management personnel;
- Reviewing the design of all share incentive plans for approval by the Board and shareholders.

Share option scheme

On 17 May 2016, the Company adopted a "long term incentive senior management and Directors' stock option plan" ("the Plan"). Options granted under the Plan will entitle the participant to acquire Ordinary Shares at a price determined in accordance with the rules of the Plan.

The Directors' interests in the Company's share options for the year ended 31 December 2020 are shown on page 9.

The Committee remains committed to a fair and responsible approach to executive pay whilst ensuring it remains in line with best practice and appropriately incentivises executive directors over the longer term to deliver the Group's strategy.

Mark Rosman
Mark Rosman (Jun 17, 2021 18:45 GMT+2)

Mark Rosman, *Chairman of the Remuneration Committee*

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B90 HOLDINGS PLC

Opinion

We have audited the financial statements of B90 Holdings plc (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2020 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that at 31 December 2020 the Group is only able to continue as a going concern if it receives sufficient positive cash flows from its existing operations as projected by the Directors. This is contingent on future marketing activity being successful. If projected revenues are not achieved in quantum or timing, then the Group will need to raise equity or debt in order to meet its liabilities as they fall due.

The Group has made a net loss for the year of €2.3m, has net current liabilities of €4.3m as at 31 December 2020, has cash outflow of €0.1m in 2020 and is projected to make losses for the 6 month period ending 30 June 2021. The business has raised €1.6m in convertible loan finance during the year ended 31 December 2020, and a further €3.1m in convertible loan finance after the year ended 31 December 2020 to fund the operations of the business. These have subsequently been converted to equity in April 2021.

In any event, the Directors consider that no further funding is likely to be required for working capital purposes should the business develop as anticipated. If the business continues to make trading losses, further funds may be required, the other intangible assets held by the Group at €0.17m and the goodwill held at €1.4m may be impaired, additional liabilities may arise and assets and liabilities currently classified as non-current may become current.

These conditions represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Notwithstanding the above, in auditing the financial statements we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- We challenged and reviewed management's sensitivity analysis in their forecasts, made up to December 2022, looking at cash generation and key assumptions such as revenue generation from major sporting events. Where appropriate we used third party data to review and, where necessary, challenge their inputs;
- We reviewed and challenged the disclosures in the Annual Report and Accounts surrounding Going Concern;
- We compared the forecast results to those actually achieved in the 2021 financial period so far;
- We reviewed bank statements to monitor the cash position of the group post year end, and obtained an understanding of significant expected cash outflows (such as marketing expenditure) in the forthcoming 12-month period; and
- We considered the group's funding position and requirements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

We identified the key audit matters described below as those that were of most significance in the audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

In addressing these matters, we have performed the procedures below which were designed to address the matters in the context of the financial statements as a whole and in forming our opinion thereon. Consequently, we do not provide a separate opinion on these individual matters.

Key audit matter	Description of risk	How the matter was addressed in the audit
Revenue Recognition	Under International Standards on Auditing there is a presumption that there are risks of material misstatement due to fraud in relation to revenue recognition. Where it is assessed that a material risk of fraud exists, that class of transaction must be assessed as significant risk. Revenue is a key performance indicator of the Group. Revenue based targets may place pressure on management to distort revenue recognition. This may result in overstatement to assist in meeting current targets or expectations.	We reviewed the Group's accounting policy for revenue recognition and assessed whether it is in line with industry and international financial reporting standards ("IFRS"). We evaluated the design and implementation of relevant internal controls that the Group uses to ensure the completeness, accuracy and timing of revenue recognised. We performed substantive testing which: • Reviewed material revenue contracts with customers; • Tested the compliance with IFRS 15 • Performed detailed testing on a sample of revenue transactions, including agreement to third party reports;

		• Where cash has been received, we agreed to bank statements and remittance; and • We reviewed the disclosures made by the directors in the financial statements.
Carrying value of other intangible assets	Other intangible assets should be held at the lower of amortised cost or their recoverable amount. Where there is an indicator of impairment such as a loss being made in the financial statements, an impairment review is undertaken. Significant judgment is needed in order to assess the appropriateness of the carrying value of these assets, in particular with reference to cash flows, growth rates, discount rates and sensitivity assumptions.	We reviewed management's accounting policy for impairment and assessed whether it is in line with IAS 36. We evaluated the design and implementation of relevant internal controls surrounding the review process of impairment models. We performed substantive testing which: • Considered historical trading performance by comparing both revenue and operating profit of the Group's trading platforms with projected revenues and operating profits; • We assessed and challenged the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against latest market expectations; • We compared the forecast to the 2021 results to date which is particularly relevant as trading conditions are evolving due to COVID-19; • We challenged and evaluated the directors' assertions about the Group's future utilisation of assets by cash generating unit; and • We challenged and evaluated management's sensitivity analysis of the key variables included within the value in use calculations. In performing and to support our procedures, we used our internal valuation specialists and third-party evidence.

Carrying value of Goodwill	The Group holds Goodwill with a net book value of €1.4m relating to the acquisition of Bet90 Sports Limited. An annual impairment review is required to be undertaken. Significant judgment is needed in order to assess the appropriateness of the carrying value of the Goodwill, in particular with reference to cash flows, growth rates, discount rates and sensitivity assumptions.	We reviewed management's accounting policy for impairment and assessed whether it is in line with IAS 36. We have evaluated the design and implementation of relevant internal controls surrounding the review process of impairment models. We performed substantive testing which: • Considered the implications of the Company's market capital for the carrying value of goodwill; • Considered historical trading performance by comparing both revenue and operating profit of the Group's Bet90 Sports and Casino activity; • We assessed and challenged the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against latest market expectations; • We compared the forecast to the 2021 results to date which is particularly relevant as trading conditions are evolving due to COVID-19; • We challenged and evaluated the directors' assertions about the Group's future utilisation of assets by cash generating unit; and • We challenged and evaluated management's sensitivity analysis of the key variables included within the value in use calculations. In performing and to support our procedures, we used our internal valuation specialists and third-party evidence.

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at €50,000 (2019: €79,000). This has been determined with reference to the benchmark of the group's gross assets, which we consider to be one of the principal considerations for members of the Group in assessing the Group's performance. FS materiality represents 2.5% of the group's gross assets (2019: 2%% group revenue from both continuing and discontinued operations) as presented on the face of the consolidated Statement of Financial Position (2019: consolidated Statement of Total Comprehensive Income). Due to the lack of sporting events during parts of 2020 as a result of the global pandemic, we have changed our benchmark to gross assets as the Group was focused on obtaining funding in order to continue as a going concern therefore giving additional emphasis to the Statement of Financial Position.

Performance materiality for the group financial statements was set at €40,000, being 80% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It was set at 80% to reflect the few areas of accounting estimates and judgments required within the Financial Statements.

An overview of the scope of the audit

Of the group's 14 (2019: 14) reporting components, we subjected 14 (2019: 14) to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of the Group.

The components within the scope of our work covered 100% of group revenue, 100% of group loss before tax, and 100% of group assets.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Group's legal and regulatory framework through inquiry of management concerning:

- their understanding of relevant laws and regulations;
- the entity's policies and procedures regarding compliance; and
- how they identify, evaluate and account for litigation claims.

We also drew on our existing understanding of the Group's industry and regulation. We understand that the Group complies with the framework through:

- Maintaining an active licence through the Malta Gaming Authority ("MGA") by submitting monthly returns to the MGA and maintaining records subject to random audits from the MGA.

In the context of the audit, we considered those laws and regulations:

- which determine the form and content of the financial statements;
- which are central to the Group's ability to conduct its business; and
- where failure to comply could result in material penalties.

We identified the following laws and regulations as being of significance in the context of the Group:

- Maltese gambling laws; and
- IFRS in respect of the preparation and presentation of the financial statements.

We evaluated potential non-compliance with these laws and regulations by:

- Reviewing current Maltese gaming service licences and monthly returns in relation to those licences; and
- Reviewing board minutes for evidence of non-compliance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue and early recognition of revenue, via fraudulent journal entries.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on revenue (see above KAM); and
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts including unexpected entries.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Group's members, as a body, in accordance with our engagement letter dated 15 June 2021. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY
17 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2020 €	Year ended 31 December 2019 €
Continuing operations			
Revenue	4	813,011	1,065,612
Salary expense		(1,024,362)	(1,347,425)
Marketing and selling expense		(381,950)	(931,978)
General administrative expense		(1,564,866)	(1,981,041)
Depreciation, amortisation and impairment expense	10,11,13	(82,467)	(1,181,601)
Total administrative expenses		(3,053,645)	(5,442,046)
Operating loss		(2,240,634)	(4,376,434)
Finance expense		(140,820)	(26,454)
Loss before tax	6	(2,381,454)	(4,402,888)
Taxation	7	-	104,150
Loss for the period from continuing operations		**(2,381,454)**	**(4,298,738)**
Discontinued operations			
Loss for the period from discontinued operations	4	-	(907,418)
Loss and total comprehensive loss for the period		**(2,381,454)**	**(5,206,156)**
Attributable to:			
Equity holders of the Company		(2,368,712)	(3,799,744)
Non-controlling interests		(12,742)	(1,406,412)
		(2,381,454)	**(5,206,156)**
Loss per share attributable to equity holders of the Company			
- Basic (in €)	8	(0.0248)	(0.0472)
- Diluted (in €)	8	(0.0248)	(0.0472)
Loss per shares on continuing operations, attributable to equity holders of the Company			
- Basic (in €)	8	(0.0248)	(0.0414)
- Diluted (in €)	8	(0.0248)	(0.0414)
Loss per shares on discontinued operations, attributable to equity holders of the Company			
- Basic (in €)	8	-	(0.0058)
- Diluted (in €)	8	-	(0.0058)

The Notes on pages 32 to 54 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2020 €	31 December 2019 €
Non-current assets			
Goodwill	9	1,410,931	1,410,931
Other intangible assets	10	169,095	251,563
Total non-current assets		1,580,026	1,662,494
Current assets			
Trade and other receivables	12	27,496	130,883
Cash and cash equivalents	13	320,525	430,626
Total current assets		348,021	561,509
Total assets		1,928,047	2,224,003
Equity and liabilities			
Share capital	14	-	-
Additional paid-in capital	15	15,466,741	15,162,647
Reverse asset acquisition reserve	16	(6,046,908)	(6,046,908)
Equity portion Convertible Bond	19	429,770	149,836
Retained earnings	17	(14,907,070)	(8,910,238)
Equity attributable to owners of the parent		(5,057,467)	355,337
Non-controlling interests		35,856	(2,817,990)
Total shareholders' equity		(5,021,611)	(2,462,653)
Non-current liabilities			
Borrowings	19	2,199,839	774,891
Total non-current liabilities		2,199,839	774,891
Current liabilities			
Trade and other payables	20	4,725,597	3,887,543
Corporate income tax payable		24,222	24,222
Total current liabilities		4,749,819	3,911,765
Total equity and liabilities		1,928,047	2,224,003

Approved by the board on 17 June 2021 and signed on its behalf by:

Paul J Duffen (Jun 17, 2021 17:36 GMT+1)

Paul Duffen
Chairman

The Notes on pages 32 to 54 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid in capital	Equity portion convertible Loan Note	Other reserves - Reverse asset acquisition reserve	Retained earnings	Total	Non-controlling interest	Total Equity
	€	€	€	€	€	€	€	€
Balance as at 1 January 2019	-	14,344,702	-	(6,046,908)	(5,262,378)	3,035,416	(1,411,578)	1,623,838
Loss for the financial period	-	-	-	-	(3,799,744)	(3,799,744)	(1,406,412)	(5,206,156)
Convertible loan note	-	-	149,836	-	-	149,836	-	149,836
Share based payments	-	-	-	-	151,884	151,884	-	151,884
Issue of share capital	-	817,945	-	-	-	817,945	-	817,945
Balance as at 31 December 2019	-	15,162,647	149,836	(6,046,908)	(8,910,238)	355,337	(2,817,990)	(2,462,653)
Loss for the financial period	-	-	-	-	(2,368,712)	(2,368,712)	(12,742)	(2,381,454)
Convertible loan note	-	-	279,934	-	-	279,934	-	279,934
Acquisition of non-controlling interest (see Note 24)	-	304,094	-	-	(3,670,682)	(3,366,588)	2,866,588	(500,000)
Share based payments	-	-	-	-	42,562	42,562	-	42,562
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	-	15,466,741	429,770	(6,046,908)	(14,907,070)	(5,057,467)	35,856	(5,021,611)

The Notes on pages 32 to 54 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2020 €	*31 December* *2019* €
Cash flows from operating activities		
Operating (loss)/profit	(2,240,634)	(5,283,852)
Adjustments for:		
Share based payments	42,562	151,884
Depreciation	-	1,238
Amortisation of intangibles	82,467	137,697
Impairment of intangibles	-	1,042,665
Cash flow from operations before working capital changes	**(2,115,605)**	**(3,950,368)**
Decrease in trade and other receivables	103,389	723,329
Increase in trade and other payables	437,115	935,022
Cash flow from operations	**(1,575,101)**	**(2,292,017)**
Tax (paid)/received	-	-
Cash flow from operating activities	**(1,575,101)**	**(2,292,017)**
Cash flow from investing activities		
Acquisitions of non-controlling interest	(200,000)	-
Net cash outflow from investing activities	**(200,000)**	**-**
Cash flow from financing activities		
Proceeds of issue of new shares	-	300,000
Receipts from loans	1,665,000	1,391,572
Net cash inflow from financing activities	**1,665,000**	**1,691,572**
Net decrease in cash and cash equivalents	(110,101)	(600,445)
Cash and cash equivalents at start of period	430,626	1,031,071
Cash and cash equivalents at end of period	**320,525**	**430,626**

The Notes on pages 32 to 54 form part of these financial statements

Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

Note 1: General Information

Company descriptions and activities

B90 Holdings plc (the "Company") and its subsidiaries (together the "Group") was founded in 2012 in the Isle of Man (Company number 9029V). In July 2013, the Company listed on the AIM market of the London Stock Exchange and completed a reverse merger in June 2016.

The Company was named Veltyco Group plc until a name change to B90 Holdings plc was executed on 3 February 2020.

The Group is focused on the operation of its own online Sportsbook and Casino product (Bet90 Sports Ltd) as well as marketing activities for other online gaming companies.

Significant accounting policies

The principal accounting policies as adopted by the Group in the preparation of its consolidated financial statements for the year ended 31 December 2020 are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation
The Consolidated Financial Statements have been prepared in accordance International financial reporting standards (''IFRS") in conformity with the requirements of the EU. The Consolidated Financial Statements have been prepared under the historical cost convention and on a going concern basis.

Basis of consolidation
The Consolidated Financial Statements incorporate the results of B90 Holdings plc (the "Company") and entities controlled by the Company (its subsidiaries) (collectively the "Group"). Control is achieved where the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The results of subsidiaries disposed of are included in the consolidated statement of comprehensive income to the effective date of loss of control and those acquired from the date on which control is transferred to the Group.

Going concern
The Group continued to experience significant difficulties during 2020, especially after the impact of the global COVID-19 pandemic, which cancelled the vast majority of global sporting events.

As a result of this, the Group achieved a net loss of €2.4 million for the year ended 31 December 2020 Furthermore, the Group had a negative cash flow from operations of €1.6 million for the year ended 31 December 2020 and the Group expects to report a loss for the six months ending 30 June 2021. Furthermore, as per 31 December 2020, the Group shows net current liabilities of €4.4 million.

Whilst trading during the first months of 2021 has been in line with the Board's revised expectations, the Group continues to operate at a loss, although management expects to become cash flow positive during the second half of 2021, executing on a revised strategic plan to grow the Group's operations and revenues in a targeted way, entering into strategic partnerships and investing in further marketing to expand the customer base and geographical reach. Furthermore, as a result of the recent fundraises, completed in March 2021, and the subsequent conversion of the full outstanding amount of the convertible loan, the Company has improved its statement of financial position significantly.

Whilst the Group raised additional funds by way of the issue of convertible loan note and in equity since the 2020 year-end, amounting in aggregate to €3.1 million, it remains reliant, *inter alia*, on being able to manage its cash resources carefully and trading being in line with management's expectations. Should trading not be in line with mangement's expectations going forward, the Group's ability to meet its liabilities may be impacted, in which case the Group will need to raise further funding. In the circumstance that this is needed and whilst the directors are confident of being able to raise such funding if required, there is no certainty that such funding will be available and/or the terms of such funding. These conditions are necessarily considered to represent a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Whilst acknowledging this uncertainty, the Directors remain confident that the recent fundraise will allow the Group to expand its operations and generate a positive operational cash flow within a reasonable time or, if needed, be able to raise additional funding when required, therefore the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Note 2: Critical accounting policies, estimates and judgements

The preparation of the Consolidated Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Key areas of estimation uncertainty

Impairment of Goodwill and other intangible fixed assets
Determining whether goodwill and other intangible fixed assets with a definite or indefinite useful life are impaired requires an estimation of the value-in-use of the cash-generating units. Goodwill was recorded following the acquisition of 51% in Quasar Holdings Ltd in 2017. The balance per 31 December 2020 amount to €1,410,931. The directors have used various estimates, revenue forecasts and expected future cash flows. The recently completed fundraises allow the Group to invest in marketing and the Directors believe this will grow the Bet90 operations to support the carrying value of goodwill. If some of the expectations are not met, impairment of the goodwill balance may be necessary in the future.

Other areas of estimation

Convertible Bond Note
The Company issued a €300,000 (in September 2019), a £500,000 (€591,200 in December 2019), a €515,000 (in May 2020), a €450,000 (in September 2020) and a €700,000 (in December 2020), secured convertible bonds of 5%. Interest payable twice a year or accrued at the request of the lender. The bonds are repayable three years from their issue date, they can be converted at any time into shares at a price of 5p per New Ordinary Share ("Conversion Price") at request of the holder. An automatic conversion is triggered when the Company's shares are trading above 10p for 25 consecutive dealing days.

Under IAS 32, the convertible bonds are accounted for as a compound financial instrument. For the calculation of the fair value of the loan component, the Company has reviewed the market interest rates for a comparable unsecured loan, with a 3 year term. The market interest rate used in the calculations is 12%.

Share-Based Payments
Certain employees (including Directors and senior Executives) of the Company receive remuneration in the form of share-based payment transactions.

The fair value is determined using the Black-Scholes valuation model. The Directors believe this is appropriate considering the effects of the vesting conditions, expected exercise period and the dividend policy of the Company.

Due to limited trading history, the expected volatility has been based on the 5-year historical volatility of a mix of share prices from other companies in the same industry, as well as the overall market volatility.

New Standards, interpretations and amendments adopted by the Group
From 1 January 2020 the Group has applied, for the first time, certain standards, interpretations and amendments. The adoption of the following standards and amendments to standards did not have a material impact on the current period or any prior period upon transition:

- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors; amendments to the definition of "material",
- IAS 39 Financial Instruments; amendments as a result of interest rate benchmark reform
- IFRS 3 Business Combinations; amendments to the definition of a business,
- IFRS 7 Financial Instruments: Disclosures; amendments as a result of interest rate benchmark reform, and
- IFRS 9 Financial Instruments: Recognition and Measurement; amendments as a result of interest rate benchmark reform.

New Standards that have not been adopted by the group as they were not effective for the year
The standards and interpretations that are issued, but not yet effective, excluding those relating to annual improvements, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. None of these are expected to have a significant effect on the consolidated financial statements of the Group as set out below:

- IAS 1 Presentation of Financial Statements Amendments to the classification of liabilities as current or non-current 1 January 2023
- IAS 16 Property, Plant and Equipment Amendments to the definition of sales proceeds and related costs 1 January 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Amendments to the definition of costs to fulfil an onerous contract 1 January 2022
- IAS 41 Agriculture Amendments to the measurement techniques for biological assets 1 January 2022
- IFRS 1 First-time adoption of IFRS Annual improvements to IFRS Standards 2018–2020 cycle 1 January 2022
- IFRS 3 Business Combinations Updating a reference to the Conceptual Framework 1 January 2022
- IFRS 17 Insurance Contracts Original issue 1 January 2021

Note 3: Significant accounting policies

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

Revenue

Revenue from contracts with customers is recognised when the control over the services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms.

In determining the amount of revenue from contracts with customers, the Group evaluates whether it is a principal or an agent in the arrangement. The Group is principal when the Group controls the promised services before transferring them to the customer. In these circumstances, the Group recognises revenue for the gross amount of the consideration. When the Group is an agent, it recognises revenue for the net amount of the consideration, after deducting the amount due to the principal. The Group does not record revenue when there is uncertainty around the collection of the receivable.

Sportsbook and casino revenue
Revenue is recognised provided that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the transactions occurred and after adding the fees and charges applied to customer accounts, and is measured at the fair value of the consideration received or receivable.

Revenue consists of income from activities and income generated on customer deposit and withdrawals and account fees.

Revenue from these activities comprises:

Sportsbook
Sport online gaming revenue comprises bets placed less pay-outs to customers, adjusted for the fair value of open betting positions, adjusted for the fair value of certain promotional bonuses granted to customers.
Landbased revenue comprises of the bets placed less pay-outs to customers. Commissions paid to the shop owners are recorded as cost of sale.

Casino
Casino and Bingo online gaming revenue is represented by the difference between the amounts of bets placed by customers less amounts won, adjusted for the fair value of certain promotional bonuses granted to customers.

The Company acts as the principal in sportsbook and casino operations.

Marketing commission revenue
In its operations which generate marketing commissions, the Company acts as the agent. Revenue from marketing contracts with customers is recognised when the reports are received from the customers on which the Company is basing the amounts to be invoiced. The transaction price is the commission amount of the consideration that is expected to be received based on the contract terms. The performance obligation of a revenue contract is satisfied at the point a player's losses are incurred. Operators typically pay a month in arrears. This gives rise to contract assets on a short term basis.

Administrative expenses
Administrative expenses consist primarily of staff costs (including contractors), corporate professional expenses, and depreciation and amortisation. All expenses are recognised on an accruals' basis.

Foreign currencies

The Group's functional and presentation currency is EURO. Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Any gains or losses arising on translation are taken to the profit and loss.

Taxation

Current tax

Current tax for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, if the deferred tax arises from the 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, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted (or substantively enacted) by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

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

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit and loss, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Intangible fixed assets

Acquired intangible assets

Intangible assets acquired separately consist of domain names and customer lists and are capitalised at cost. Those acquired as part of a business combination are recognised separately from goodwill if the fair value can be measured reliably. These intangible assets are amortised over the useful life of the assets, which for domain names is ten years. The useful life of customer lists is 1 to 8 years.

The cost of intangible assets acquired in a business combination is the fair value at acquisition date. The valuation methodology used for each type of identifiable asset category is detailed below:

Asset category	Valuation methodology	Useful life
Customer relationship	Excess earnings	1-8 years
Domain names	Relief from royalty	20 years
Licenses	Cost approach	3 years

Goodwill

Goodwill represents the excess of the fair value of the consideration in a business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Consideration comprises the fair value of any assets transferred, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss and not subsequently reversed. Where the fair values of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the profit and loss on the acquisition. Changes in the fair value of the contingent consideration are charged or credited to the profit and loss. In addition, the direct costs of acquisition are charged immediately to the profit and loss.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination except where any non-controlling interests have been acquired by the Group. At this point any share of gains or losses are transferred to the Group's retained earnings. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Accounting for acquisition of non controlling interests

When the Group acquires a minority interest of an entity over which the Group already has control, the excess consideration over the fair value of the minority interest is taken to equity reserves.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually and where applicable an impairment loss is recognised immediately in the profit and loss. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (being the higher of value in use and fair value less costs to sell), the asset is written down accordingly through the profit and loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets to which the asset belongs for which there are separately identifiable and largely independent cash inflows).

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value. Nomimal value per share is nil.
- "Additional paid in capital" represents amounts subscribed for share capital in excess of nominal value.
- The "Reverse asset acquisition reserve" represents the difference in carrying value between the Additional paid in capital of Veltyco Group plc (currently named B90 Holdings plc) and the Share capital of Sheltyco on the acquisition date (June 2016).
- The "Equity portion of the convertible loan note" represents the difference between the fair value of the entire instrument and the fair value of the liability component at initial recognition.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.

Financial instruments

Trade and other receivables

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

Cash and cash equivalents, and finance income

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Finance income is recognised on bank balances as and when it is receivable.

Trade payables

Trade payables, including customer balances, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortised cost. The Group determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest and other revenues and finance costs.

Borrowings and finance costs

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the Statement of Financial Position.

Convertible Bond Note

The proceeds received on issue of the Group's convertible bond note are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The balance of the proceeds is allocated to the equity conversion option and is recognised in the 'Equity portion of the convertible loan note' within shareholders' equity, net of income tax effects. Issue costs incurred are allocated between liability and equity in proportion to the value of each component.

Note 4: Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. In accordance with IFRS 8, the chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board considers that the business comprises a single activity, being the marketing and promotion of gaming websites, lottery and online financial trading. Therefore, the Group is organised into one operating segment and there is one primary reporting segment. The segment information is the same as that set out in the Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows.

Revenue originates from:

	2020	2019
	€	€
British Virgin Islands	-	195,790
Malta	813,011	869,822
Total	813,011	1,065,612

The Board evaluates the operations based on the revenues metric. Revenues consist of invoiced commissions for the marketing and player acquisition services provided mainly via the BVI entity, with none recognised in 2020, as well as revenues generated from own operations, based in Malta. B90 operates an integrated business model and, therefore, does not allocate operating expenses, assets and liabilities to any of the originating countries.

During 2019 the Group operated both an online as well as offline sportsbook and casino. At the completion of the 49% acquisition of Quasar Holdings Ltd in January 2020, the Group also terminated operations of the (loss making) offline sportsbook operations.

The land-based operations of the Group were discontinued with effect from 31 December 2019. The results of these discontinued operations were as follows:

	2020	2019
	€	€
Revenue	-	2,896,012
Net operation costs	-	(3,803,430)
Loss from operations	-	(907,418)

During the year the discontinued operations contributed €nil (2019: € 907,418 negative) to the Group's net operating cash flows. No contributions to the Group's investing and financing activities for both 2019 and 2020.

Note 5: Key management remuneration

Key management remuneration for each period was as follows:

	Cash based salary €	*Share based payments* €	*Total Remuneration 2020* €	*Total Remuneration 2019* €
Paul Duffen	104,000	2,753	106,753	134,182
Marcel Noordeloos	144,000	3,472	147,472	149,563
Mark Rosman	37,800	2,558	40,358	54,440
Rainer Lauffs	156,000	2,646	158,646	160,309
Total	441,800	11,429	453,229	498,494

Note 6: Profit for the year

Profit before taxation is stated after charging/(crediting):

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
Depreciation of property, plant and equipment	-	1,238
Amortisation of intangibles	82,467	137,698
Impairment of intangibles	-	1,042,665
Short term lease expense	-	3,734
Share based payment charge	42,562	151,884
Foreign exchange (gains)	(823)	2,698

Note 7: Taxation

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
Loss before tax	(2,381,454)	(4,402,888)
Profit before tax multiplied by the standard rate of corporation tax in Isle of Man of 0%	-	-
Adjustments to tax charge in respect of previous periods	-	(104,150)
Effect of different tax rates in other countries		-
	-	
Tax credit	-	(104,150)

Note 8: Earnings per share (basic and diluted)

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being net profit after tax attributable to equity shareholders		
- Continuing operations	(2,368,712)	(3,336,960)
- Discontinued operations	-	(462,783)
- Continuing and discontinued operations	(2,368,712)	(3,799,744)
Number of shares		
Weighted average number of ordinary shares for the purposes of:		
Basic earnings per share	95,681,159	80,528,381
Diluted earnings per share	95,681,159	80,528,381
Basic loss per share (in €)	(0.0248)	(0.0472)
Diluted loss per share (in €)	(0.0248)	(0.0472)
Loss per share from continuing operations		
Basic loss per share (in €)	(0.0248)	(0.0414)
Diluted loss per share (in €)	(0.0248)	(0.0414)
Loss per share from discontinued operations		
Basic loss per share (in €)		
Diluted loss per share (in €)	-	(0.0058)
	-	(0.0058)

The Group has granted share options in respect of equity shares to be issued, the details of which are disclosed in Note 18. Share options and warrants outstanding are anti dilutive due to the losses incurred in each period.

Note 9: Goodwill

	Goodwill
	€
Cost	
At 1 January 2019	1,410,931
Additions	-
Impairments	-
At 31 December 2019	1,410,931
Additions	-
Impairments	-
At 31 December 2020	1,410,931
Net Book Value	
At 1 January 2019	1,410,931
At 31 December 2019	1,410,931
At 31 December 2020	1,410,931

Goodwill
Goodwill arose following the acquisition of 51% in Quasar Holdings Ltd in 2017.

Key assumptions and inputs used
Cash flow projections have been prepared for a five-year period, following which a long-term growth rate has been assumed. Underlying growth rates have been applied to revenue and are based on past experience, including the results between 2017 and 2020. Key assumptions in preparing these cash flow projections include significant growth in revenue, a stable level of costs per customer acquisition and the expectation that the Group will continue to operate in the countries currently being covered. The growth anticipated would see revenues rise significantly in the second half of 2021. If the Directors' forecasts are not met, a material impairment of goodwill may be necessary.

The Directors have performed an impairment review at the end of the year. This is done based on the discounted cash flow growth methodology, using the 2017 to 2020 results as the basis for the review, for which a weighted average cost of capital ("WACC") rate was used of 26% and a 2% long term growth rate after 5 years was used for the Bet90 operations. Whereas the Directors believe the WACC rate is conservative, an increase in WACC rate to 45%, combined with a 50% sensitivity on profit forecast, would produce a material impairment of goodwill.

The annual impairment review showed that no impairment was needed for the years 2020 and 2019.

In assessing for impairment, the recoverable amount has been based on value in use.

Note 10: Other intangible assets

	Customer database €	*Brand and domain names* €	*Licences and other* €	*Total* €
Cost				
At 1 January 2019	4,061,742	4,570,103	105,000	8,736,845
Additions[(1)]	-	-	-	-
Disposals	(4,000,000)	-	-	(4,000,000)
At 31 December 2019	61,742	4,570,103	-	4,736,845
Disposals	-	-	-	-
At 31 December 2020	61,742	4,570,103	105,000	4,736,845
Amortisation				
At 1 January 2019	(4,042,569)	(3,197,039)	(65,312)	(7,304,920)
Charge for the period	(19,173)	(86,024)	(32,500)	(137,697)
Impairment	-	(1,042,665)	-	(1,042,665)
Disposals	4,000,000	-	-	4,000,000
At 31 December 2019	(61,742)	(4,325,728)	(97,812)	(4,485,282)
Charge for the period	-	(75,280)	(7,188)	(82,468)
Impairment	-	-	-	-
At 31 December 2020	(61,742)	(4,401,008)	(105,000)	(4,567,748)
Net Book Value				
At 1 January 2019	19,173	1,373,064	39,688	1,431,925
At 31 December 2019	-	244,375	7,188	251,563
At 31 December 2020	-	169,095	-	169,095

The brand and domain names relate to the acquisition of Quasar Holdings Ltd and T4U Marketing ltd in 2017.

The database acquired in 2018 contained data from financial trading operations and considering current operations and GDPR rules it will be unusable for the current sportsbook operations and was therefore destroyed in 2019.

The Directors have performed an impairment review at the end of the year, including sensitivity analyses. This is done based on the “relief from royalty” methodology, using the previous years results as the basis for the review, for which a weighted average cost of capital (“WACC”) rate was used of 26% and a growth rate of 2%. A royalty rate of 2.5% was used for the impairment review of Quasar Holdings ltd and a 12.5% royalty rate for T4U marketing ltd.

The impairment review resulted in an impairment to brand and domainnames of €259,864 for the year 2019 for T4U Marketing Ltd. For the year 2019, an impairment of €782,801 was recorded for the domainname Bet90.com, resulting in a total impairment charge for the year 2019 of €1,042,665.

No impairment charge is recorded for the year 2020.

Note 11: Property, plant & equipment

	Furniture & equipment	*Computers*	*Total*
	€	€	€
Cost			
At 1 January 2019	4,500	1,005	5,505
Additions	-	-	-
Disposals	-	-	-
At 31 December 2019	4,500	1,005	5,505
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	4,500	1,005	5,505
Depreciation			
At 1 January 2019	(3,262)	(1,005)	(4,267)
Charge for the period	(1,238)	-	(1,238)
Disposals	-	-	-
At 31 December 2019	(4,500)	(1,005)	(5,505)
Charge for the period	-	-	-
Disposals	-	-	-
At 31 December 2020	(4,500)	(1,005)	(5,505)
Net Book Value			
At 1 January 2019	1,238	-	1,238
At 31 December 2019	-	-	-
At 31 December 2020	-	-	-

Note 12: Trade and other receivables

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
VAT receivables	27,496	59,333
Other receivables and prepayments	-	71,550
Total	27,496	130,883

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that provision of services is made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Due to the nature of the Group's operations the Group only has a few customers.

Impairment
A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default. No impairment charge was recorded during the year ended 31 December 2019 and 31 December 2020.

Note 13: Cash and cash equivalents

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
Cash held in current accounts	320,525	384,346
Restricted cash	-	46,280
Total	320,525	430,626

The restricted cash related to a regulatory amount to cover liabilities to players at year-end.

Note 14: Share capital

	Year ended 31 December 2020 €	*Year ended 31 December 2019* €
Allotted, called up and fully paid		
95,889,492 (2018: 90,889,492) Ordinary shares	-	-
Par value of the shares	nil	nil

On 17 January 2020, the Company issued 5,000,000 new Ordinary Shares pursuant to the 49% in Quasar Holdings ltd not owned at that time.

Note 15: Additional paid in capital

Additional paid in capital represents amounts subscribed for share capital in excess of nominal value. Details of additions are described in Note 14 above.

Note 16: Reverse asset acquisition reserve

The reverse acquisition completed on 30 June 2016 has been accounted for as a share-based payment transaction in accordance with IFRS 2. On the basis of the guidance in paragraph 13A of IFRS 2, the difference in the fair value of the consideration shares and the fair value of the identifiable net assets should be considered to be payment for the services to transition to a public company.

Note 17: Retained earnings

Retained earnings represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income and other transactions with equity holders.

Note 18: Share based payments

Equity-settled share option scheme
On 17 May 2016, the Company adopted a "long term incentive senior management and Directors' stock option plan" ("the Plan"). Options granted under the Plan will entitle the participant to acquire Ordinary Shares at a price determined in accordance with the rules of the Plan.

As at 31 December 2020, the following options have been granted under the Plan:

A total of 4,150,000 share options have a grant date of 30 June 2016, with an exercise price of £0.25 for all of the options. These options expire on its 5th anniversary on 30 June 2021. Further to this, 800,000 options have a grant date of 22 May 2017, with an exercise price of £0.25 for all of the options. These 800,000 options expire on its 5th anniversary on 22 May 2022. These options vest over 4 equal yearly instalments starting 1 year after grant date provided that the participant remains a Director or employee of the Company during this period.

During 2017, a total of 262,500 of these options were exercised, all with an exercise price of £0.25 per share, for which the Company issued new Ordinary Shares. Furthermore, during 2018, a total of 437,500 options have been exercised, all with an exercise price of £0.25 per share, for which the Company issued new Ordinary Shares. Also, during those years a total of 1,025,000 options were cancelled due to employees or directors leaving the Company.

On 22 May 2017, the Board granted 800,000 share options to key employees with an exercise price of £0.25 for all of the options. These options expire on its 5th anniversary on 22 May 2022. All options vest over 4 equal yearly instalments starting 1 year after the grant date.

On 14 February 2019, the Board granted 2,420,000 share options to Directors and key employees with an exercise price of £0.15 for all of the options. These options expire on its 5th anniversary on 14 February 2024. All options vest over 4 equal yearly instalments starting 1 year after the grant date provided that the participant remains a Director or employee of the company during this period

As a result of the above the total of 5,645,000 options are outstanding at 31 December 2020.

Warrants
On 30 June 2016, the Company issued new Ordinary Shares in relation to funds raised and loans converted as part of the reverse merger and re-admission of the Group. As part of this fundraise and conversion, the Company issued 1 warrant for every 5 new Ordinary Share allotted pursuant to the conversion and subscription agreements, exercisable at £0.31 per warrant at any time during the period from the date of issue until the 5th anniversary of issue.

As a result of this a total of 758,221 warrants were issued on 30 June 2016. On 2 September 2016, the Company issued a further 175,798 warrants at the same conditions as part of completion of the subscription agreements in relation to the reverse merger.

Furthermore, on 30 June 2016, 500,000 existing warrants were converted into 20,000 warrants as part of the 25 to 1 consolidation of shares. These warrants have an exercise price of £0.75. These warrants had an end-date of until 17 February 2019, were not exercised and have therefore lapsed.

On 4 October 2017, the Company issued 109,846 warrants to Strand Hanson Limited, on their appointment of being Nominated Adviser for the Company on 4 October 2017. These warrants have an exercise price of £0.895 per warrant and can be exercised during the period from the date of issue until the 5th anniversary. During 2019, the Company agreed to reprice these options to an exercise price of £0.15 per warrant. The other conditions have not changed.

During 2017, a total of 733,521 warrants with an exercise price of £0.31 per share were exercised, for which the Company issued new Ordinary Shares.

No warrants have been exercised during 2019 and 2020.

As a result of the above a total of 310,344 warrants are outstanding at 31 December 2020.

Details of the share options and warrants outstanding during the period are as follows:

	Number of share options and warrants	*Weighted average exercise price (£)*
Outstanding as at 1 January 2018	5,767,844	0.314
Exercisable as at 1 January 2018	957,999	0.264
Options exercised on 16 February 2018	(250,000)	0.250
Options exercised on 19 July 2018	(187,500)	0.250
Outstanding as at 31 December 2018	5,330,344	0.335
Exercisable as at 31 December 2018	1,850,000	0.326
Options granted on 14 February 2019	2,420,000	0.150
Cancelled on 14 February 2019	(900,000)	0.650
Forfeited during 2019	(875,000)	0.250
Warrants lapsed on 17 February 2019	(20,000)	0.750
Outstanding as at 31 December 2019	5,955,344	0.210
Exercisable as at 31 December 2019	2,585,344	0.250

Outstanding as at 31 December 2020	5,955,344	0.210
Exercisable as at 31 December 2020	3,940,344	0.235

The options outstanding as at 31 December 2020 had a weighted average remaining contractual life of 1.1 years. The value of the options has been derived by using a Black Scholes pricing model for the options granted on 22 May 2017 and granted on 14 February 2019. The inputs into the pricing models were as follows:

	Options granted on 22 May 2017	*Options granted on 5 July 2017*	*Warrants granted on 14 February 2019*
Share price at grant date	£0.52	£0.62	£0.0725
Exercise price	£0.25	£0.65	£0.15
Volatility	34.3%	34.3%	34.3%
Expected life	5 years	5 years	5 years
Risk free rate	2.51%	2.51%	1.4%
Expected dividend yield	0%	0%	0%

As the Company has only been trading since 30 June 2016, the expected volatility for all options was determined by taking the average the Company's share price and the historical volatility of a peer group over a 5-year period.

The total value of the options granted on 30 June 2016 is €173,129. Of this amount, €9,789 has been charged in the financial statements for the year ended 31 December 2020 (2019: €16,315). There is no remaining balance at the end of the year 2020.

The total value of the options granted on 22 May 2017 is €287,272. Of this amount, €26,333 has been charged in the financial statements for the year ended 31 December 2020 (2019: €56,935). The remaining balance of €7,900 will be charged in the financial statements of the year ending 31 December 2021.

The total value of the options granted on 5 July 2017 is €276,712. These options were cancelled per 14 February 2019. The unamortised balance amounting to €68,806 was charged to the income statement for the year ended 31 December 2019.

The total value of the options granted on 14 February 2019 is €22,250. Of this amount, €6,469 has been charged in the financial statements for the year ended 31 December 2020 (2019: €9,828). The remaining balance of €5,952 will be charged in the financial statements of the years ending 31 December 2021 and 2022.

Note 19: Borrowings

	31 December 2020 €	*31 December 2019* €
Convertible loan[1]	2,199,839	746,661
Loan from a shareholder	-	28,230
	2,199,839	774,891

(1) The Convertible Loan has a 3 year term, bears a 5% coupon, which is payable in arrears at 30 June and 31 December (with the first payment due on 30 June 2020). The Loan can be converted by the note holder at any time and will automatically convert into new Ordinary Shares when the share price exceeds 10p for 25 consecutive days. The Convertible Loan is unsecured and will be repaid in full on its third year anniversary if not converted by this date.

The Company issued the following unsecured convertible bonds of 5%:

- In September 2019 an amount of€300,000
- In December 2019 an amount of €591,200 (or £500,000)
- In May 2020 an amount of €515,000
- In September 2020 an amount of €450,000, and
- In Decmember 2020 and amount of €700,000

Interest on this convertible bond was payable twice a year or accrued at the request of the lender. The bonds are repayable three years from their issue date, they can be converted at any time into shares at a price of 5p per New Ordinary Share ("Conversion Price") at request of the holder. An automatic conversion is triggered when the Company's shares are trading above 10p for 25 consecutive dealing days.

Under IAS 32, the convertible bonds are accounted for as a compound financial instrument. The value of the liability component and the equity conversion component were determined at the date the instrument was issued. The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent instrument without conversion option with the balance recorded as shares to be issued.

The value of the liability is held on the Statement of financial position at amortised cost. This value will increase to its principal value of €2,515,000 over the life of the instrument, with interest costs being taken to the Consolidated Statement of Comprehensive Income on an monthly basis.

Note 20: Trade and other payables

	31 December 2020 €	*31 December 2019* €
Trade payables	1,823,794	1,649,049
Accrued expenses	676,764	553,406
Liabilities to customers	295,620	191,729
Other creditors	1,927,419	1,493,359
	4,725,597	3,887,543

Note 21: Capital commitments

At 31 December 2020 and 31 December 2019 there were no capital commitments.

Note 22: Contingent assets and liabilities

The Group has a contingent receivable amounting to approximately €200,000 relating to the affiliate operations during the years 2019 and 2020. The Group has involved legal assistance to recover those funds.

There were no contingent liabilities at 31 December 2020 or 31 December 2019.

Note 23: Financial instruments – Fair Value and Risk Management

The Group is exposed through its operations to risks that arise from use of its financial instruments. The Board approves specific policies and procedures in order to mitigate these risks.

The main financial instruments used by the Group, on which financial risk arises, are as follows:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables; and
- Customer deposits in case of the Bet90 operations.

Detailed analysis of these financial instruments is as follows:

Financial assets	**2020** **€**	**2019** **€**
Trade and other receivables (Note 12)	27,496	130,883
Cash and cash equivalents (Note 13)	320,525	430,626
Total	348,021	561,509

In accordance with IFRS 9, all financial assets are held at amortised cost.

Financial liabilities	**2020** **€**	**2019** **€**
Trade and other payables[1] (Note 20)	3,074,010	2,551,828
Payable to directors	258,775	61,500
Compliance tax payable	716,048	720,809
Accrued liabilities	676,764	553,406
Borrowings (Note 19)	2,199,839	774,891
Total	6,925,436	4,662,434

[1]Excludes taxes payable.

In accordance with IFRS 9, all financial liabilities are held at amortised cost.

Capital

The capital employed by the Group is composed of equity attributable to shareholders. The primary objective of the Group is maximising shareholders' value, which, from the capital perspective, is achieved by maintaining the capital structure most suited to the Group's size, strategy, and underlying business risk. There are no demands or restrictions on the Group's capital.

The main financial risk areas are as follows:

Credit risk

Trade receivables

For the Group's operations in Bet90, the credit risk relates to customers disputing charges made to their credit cards ("chargebacks") or any other funding method they have used in respect of the services provided by the Group. Customers may fail to fulfil their obligation to pay, which will result in funds not being collected. These chargebacks and uncollected deposits, when occurring, will be deducted at source by the payment service providers from any amount due to the Group. The risk for the year 2020 has been assessed by the Board to being immaterial.

Financial assets which are past due but not impaired

2020	Not yet overdue €	Up to 3 months over due €	Up to 12 months over due €	Over 1 year over due €	Total €
Other receivables	27,496	-	-	-	27,496
Total	27,496	-	-	-	27,496

2019	Not yet overdue €	Up to 3 months over due €	Up to 12 months over due €	Over 1 year over due €	Total €
Trade receivables	-	-	-	-	-
Accrued income	-	-	-	-	-
Other receivables	60,287	-	-	70,597	130,883
Total	60,287	-	-	70,597	130,883

The amount over 1 year overdue relate to funds held by SATA bank in Malta. SATA bank has lost its banking licenses and are currently under investigation with the European Central Bank ("ECB"). Funds have been secured by the ECB and will be released in due course, although timing is still unsure.

Liquidity risk

Liquidity risk exists where the Group might encounter difficulties in meeting its financial obligations as they become due. The Group monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations.

The following table details the contractual maturity analysis of the Group's financial liabilities:

2020	On demand €	In 3 months €	Between 3 months and 1 year €	More than 1 year €	Total €
Trade and other payables[1]	4,048,833	-	-	-	4,048,833
Accrued liabilities	-	676,764	-	-	676,764
Borrowings	-	-	-	2,199,839	2,199,839
Total	4,048,833	676,764	-	2,199,839	6,925,436

[1]Excludes taxes payable.

	2019				
	On demand	In 3 months	Between 3 months and 1 year	More than 1 year	Total
	€	€	€	€	€
Trade and other payables[1]	3,334,137	-	-	-	3,334,137
Accrued liabilities	-	553,406	-	-	553,406
Borrowings	-	-	-	774,891	774,891
Total	3,334,137	553,406	-	774,891	4,662,434

[1]Excludes taxes payable.

Note 24: List of subsidiaries

The Company held the issued shares of the following subsidiary undertakings as at 31 December 2020:

Name of subsidiary	**Place of Incorporation**	**Proportion of ownership and voting power**	**Ownership**
B90 Ventures Ltd	Isle of Man	100%	Direct
B90 Services BV	The Netherlands	100%	Direct
Sheltyco Enterprises Group Ltd	British Virgin Islands	100%	Direct
Sheltyco Enterprises Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Sheltyco Enterprises Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Silkline Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Tunegames Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Tunegames Holding Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
T4U Marketing Ltd	Cyprus	51%	Indirect, through Sheltyco Enterprises Group Ltd
Marsovia Holding ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Quasar Holdings Ltd *	Malta	100%	Indirect, through B90 Ventures Ltd
Bet90 Sports Ltd	Malta	100%	Indirect, through Quasar Holdings Ltd
B90 Operations Ltd	Bulgaria	100%	Indirect, through B90 Ventures Ltd
Veltyco Licensing Ltd	Malta	100%	Indirect, through B90 Ventures Ltd

* On 17 January 2020 the Company announced that it had completed the acquisition of the 49% of Quasar Holdings Ltd ("Quasar") not owned by the Company from Binbar GmbH. Quasar wholly owns Bet90 Sports Ltd, the online sportsbook and casino gaming company.

Note 25: Reconciliation of debt

The Group had the following movement in the borrowings:

	At 1 January 2020	Cash	Other settlements	At 31 December 2020
	€	€	€	
Borrowings	774,891	1,424,948	-	2,199,839
	774,891	1,424,948	-	2,199,839

	At 1 January 2019	Cash	Interest Charged	Converted to equity	Other settlements	At 31 December 2019
	€	€	€	€	€	
Borrowings	27,858	891,572	10,612	(149,836)	(5,315)	774,891
Loans from directors	-	500,000	17,945	(517,945)	-	-
	27,858	1,391,572	28,557	(667,781)	(5,315)	774,891

Note 26: Related party transactions

Remuneration of Directors and key employees
Remuneration of Directors and key employees is disclosed in Note 5.

Loan from Directors
On 1 April 2019, the Company entered into separate loan agreements with three of its Directors (Mark Rosman, Paul Duffen and Marcel Noordeloos), raising a total of €500,000. This loan amount, including accrued interest of €17,945, was converted into 8,400,000 New Ordinary Shares on 19 December 2019.

During the year one of the Directors, Mark Rosman, subscribed to the 5p Convertible Loan Note. The balance due amounted to €650,000 as per 31 December 2020. This amount, including the accrued interest was converted into 11,435,541 new ordinary shares on 23 April 2021.

Other related party transactions
Included within other creditors, the Group has accrued for unpaid salaries with its Directors, amounting to €258,775 at 31 December 2020 (2019: €61,500).

Payables to related parties
The Group had the following amounts payable to related parties:

	Year ended 31 December 2020	Year ended 31 December 2019
	€	€
Unpaid salaries and fees to Directors	258,775	61,500
Total	258,775	61,500

The Directors have agreed to accept settlement of the unpaid salaries and fees over a 6 month period between March and August 2021.

Intra group transactions
Transactions between Group companies have not been disclosed as these have all been eliminated in the preparation of the Consolidated Financial Statements.

Note 27: Ultimate controlling party

As at 31 December 2020 the Directors do not believe there to be any single controlling party.

Note 28: Subsequent events

On 16 March 2021, the Company announced that it had raised €1,847,000 (or approximately £1,585,000) pursuant to subscriptions for Convertible Loan Notes, at the same date resuming trading of its shares on the London Stock Exchange.

On 30 March 2021, the Company announced that it had raised a further £1.1 million (before expenses) through a subscription of 7,796,427 new ordinary shares of no par value at a price of 14p per share. In addition, the Company announced that it had entered into two new affiliate agreements with RB Journalism SIA (trading as Oddsen.nu) and E2 Communications Ltd, to access potential new customers and drive additional traffic to the Bet90 platform. The Company issued 3.5 million and 1.6 million Ordinary Shares respectively to the affiliates as a prepayment of affiliate fees amounting to €200,000 and €100,000 respectively.

Also on 30 March 2021, the Company announced that it had received three conversion notices from holders of the outstanding Convertible Loan Notes. The notes converted at the agreed price of 5p are in respect of €300,000 subscribed on 16 September 2019 and a total of €260,000 subscribed on 17 March 2021. The accrued interest amounts to €22,725 and forms part of the conversion as per the terms of conversion, resulting in the issuance of 9,963,530 new Ordinary Shares .

On 23 April 2021, the Company announced that the issued Convertible Loan had automatically converted at a price of 5p per ordinary share of no par value in the capital of the Company, in accordance with the terms of the Convertible Loan Note. The remaining amount outstanding under the Convertible Loan amounted to €3,838,500 (approximately £3,328,500), plus accrued interest amounting to €102,161 (approximately £88,836) which resulted in an issuance of 68,346,716 new Ordinary Shares. As a result, the Company entered into a much more stable financial platform to grow from. The conversion of the Convertible Loan removed the vast majority of the Group's indebtedness and together with the proceeds from the Subscription completed 30 March 2021, leaving the Company with a much improved financial position. Total assets as per the Groups management accounts as per 30 April 2021 amount to €3.4 million.
