

COMPANY REGISTRATION NUMBER: 06712030

**OpenBet Technologies Limited**  
**Annual Report and Consolidated Financial Statements**  
**For the Year Ended**  
**31 December 2020**



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**OpenBet Technologies Limited**  
**Officers and Professional Advisers**  
**For the year ended 31 December 2020**

**The Board of Directors**

J E Levin  
D J G May

**Company Secretary**

J E Levin

**Registered Office**

Fourth Floor  
Building 9, Chiswick Park  
566 Chiswick High Road  
London  
W4 5XT

**Auditor**

Deloitte LLP  
Statutory auditor  
1 City Square  
Leeds  
LS1 2AL

**OpenBet Technologies Limited**  
**Strategic Report**  
**For the year ended 31 December 2020**

The Directors presents their strategic report for the year ended 31 December 2020. The Group, as discussed within the Strategic Report and the rest of the financial statements, is formed of ten subsidiaries based in the UK and abroad. The subsidiaries of the Group have been presented in more detail within note 14 of the financial statements.

**Fair review of the business**

During the year, despite the impact of Covid-19, the Group continued to expand its development and enhancements of its OpenBet gambling platform along with other associated products. The group offers service based, computerised software solutions for the gambling industry, these are capable of providing scalability and flexibility of the most demanding operators and therefore it is pivotal that investment in the Group's offering is a priority to ensure it remains best in class. This was reflected by continued large intangibles spend of £14,634,000 (2019:£15,134,000).

The Group envisages these product enhancements to support new offerings over several years, complimenting existing products and aiding the continued shift in the Group's business model to a more service based offering.

The Directors regard continued investment in new products as a prerequisite for medium and long-term success. Research and development costs are considered part of the key operations of the Group, they have not been separately disclosed in this report as the Directors believe doing so would be prejudicial to the interests of the Group.

The Group's key financial and other performance indicators during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Revenue	74,346	74,015
Loss	(17,083)	(21,201)
Equity Shareholder's deficit	(128,729)	(111,503)
Average number of employees	898	845

Revenue has remained consistent with the prior year, which is a strong performance in the backdrop of the Covid-19 pandemic. The Group's customers, (as in all industries), reigned back in non-vital expenditure; it is testament to the strong service offering that revenues remained consistent year on year. In the medium-term, revenues are expected to grow as the Group expands into new territories and realises the investments it has made in its service offering.

In line with the policies of the wider Scientific Games Corporation Group to which Openbet Technologies Limited forms a part, a number of short-term cost cutting measures were implemented at the onset of the Coronavirus pandemic, these included the utilisation of the UK and Canadian governments furlough scheme in which the Group received £1.58m. Expenditure on fixed asset purchases and other non-essential ad-hoc costs was also scaled back. These short-term measures have together resulted in a small fall in total expenditure and loss before tax has slightly improved on the prior year.

Headcount has remained consistent year on year as recruitment to support the expansion was halted as part of the Covid-19 pandemic group wide measures, however this is expected to increase in the coming years.

The continued impact of Covid-19 pandemic is providing ongoing uncertainty and challenges; however the experience to date suggests that there will not be an ongoing material impact to the business. The Group does continue to generate losses, and currently has a shareholder deficit, but as it expands in the coming years, profits are expected to be generated in the medium term as it continues to expand in line with long-term trends.

**Important events since the year-end**

**Sale of business**

On 29 June 2021 the entity's parent company, Scientific Games Corporation announced as part of its strategic review that intends to divest its Sports Betting business. OpenBet Technologies Limited is part of this business unit for Scientific Games Corporation.

## **OpenBet Technologies Limited**

### **Strategic Report (*continued*)**

#### **For the year ended 31 December 2020**

##### **Important events since the year-end (*continued*)**

###### **Sale of business (*continued*)**

Following this on 27 September 2021 Scientific Games Corporation announced it had entered into a definitive agreement to sell its Sports Betting business to Endeavor Group Holdings, Inc. This agreement is subject to regulatory and shareholder approval.

In preparation for the divestiture, the Group has set a new subsidiary, SG Digital Holdco Limited, incorporated in the United Kingdom on September 14, 2021, with the intention that this entity is to act as a vehicle for the sale.

The Group has incorporated a new subsidiary in India – Openbet India Private Limited on August 25, 2021 as the Group looks ahead and investigates new ways of restructuring its back-office activities.

###### **Post year-end acquisitions**

On the 26 May 2021, the Openbet Technologies Limited group acquired an Australian company - Sportscast Pty Ltd for \$10.5m. The acquisition further reinforces the Group's sports betting offering. Sportscast is recognised throughout the industry as a company which offers pioneering player engagement technology including the BetBuilder product which enables players to bet across multiple markets in one place. The Director's believe the acquisition perfectly complements the Group's existing sports betting offering and enhances the services it can provide to customers. Further details of the acquisition can be found in note 27 of the financial statements.

###### **Brexit**

On the 31 December 2020, following long negotiations, the UK formally left the European Union. The Group is now operating in a post-Brexit environment; the experience since the balance sheet date suggests that the group is not heavily impacted; however, longer-term outcomes term cannot be predicted accurately. Management will continue to monitor the wider business environment impacts on Brexit and react accordingly.

###### **Principal risks and uncertainties**

The principal risk facing the Group is that its technologies will not be retained by its customers and that new technologies will not be accepted. The Directors intend to continue the ongoing development and innovation of both technology and content to provide a high quality product that will retain and grow our current customer base.

The Group provides business to business products and services to the betting and gaming industry. The Group does not provide any business to customer delivery. The Group's customers are subject to direct regulation in the jurisdictions in which they offer their services. This may involve the independent certification of the Group's hardware and software. The current regulations, which differ from jurisdiction to jurisdiction, and any future changes in such regulations, may affect the Group's ability to sell technologies and services related to betting and gaming.

Other risks impacting the Group related to cash flow risk, credit risk and liquidity risk.

###### **Cash flow risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. When necessary, the Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

###### **Credit risk**

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**OpenBet Technologies Limited**  
**Strategic Report (*continued*)**  
**For the year ended 31 December 2020**

***Liquidity risk***

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company utilises available resources provided within the Group. Effective cashflow forecasting allows for the provision of Group resources for any significant cash outflows that could not be covered by the Company individually.

**Section 172(1) statement**

In discharging their duty to promote the interests of the Company under section 172 of the Companies Act 2006, the Directors of the Company have regard to a number of factors and stakeholders interests. These are described below.

The Company supplies software, hardware and related services to the betting and gaming industry. It has continued to provide enhancements to the OpenBet platform and products that will deliver a service based, computerised software solution to the most demanding operators. The Company acts as both an intermediate holding company for the OpenBet Group, and it also carries out digital related gaming activities for a number of large licenced operators in the UK and overseas who have an online and retail presence. The duties of the Directors in promoting the interests of the Company are aligned with those of the Group as a whole.

***Long term consequences of business decisions and maintaining reputation for high standards of business conduct***

The Company and its subsidiaries operate in a highly regulated sector, which is characterised by a large number of buyers and sellers and in an environment where maintaining a reputation for high standards is deemed to be critical. A number of the Group's business relationship can last upwards of ten years, accordingly, consideration of long-term consequences are an inherent part of the Company's decision-making processes. As a privately owned company which is ultimately held by Scientific Games Corporation, the Directors considers that the interests of the Company and its ultimate owners are aligned in seeking sustainable value creation over the longer term through the Company's subsidiaries, promoting long term strategic decision-making.

***The interests of the company's employees***

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the Company, has been continued through regular new updates in which employees have also been encouraged to present their suggestions and views on the Company's performance as well as any other matters that may be of interest. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the Company's profit sharing schemes.

***Identification of, and engagement with, stakeholder groups***

The Company recognises the importance of maintaining strong relationships with its stakeholders in order to create sustainable long-term value, and the Board encourages active dialogue and transparency with its stakeholder groups, particularly its customers and suppliers.

The Company and wider group has identified three main stakeholder across the group as a whole, which are relevant to the proper discharge of the duty of the Directors of relevant group companies under section 172(1) to promote the success of the company. These are:

- The Company's customers;
- The Company's employees and the wider community; and
- The Company's lenders and owners.

***Impact of the company's operations on the community and the environment***

The Company and wider group operates in the gambling sector and as such believes in customers using its products responsibly.

The Company and wider group support charitable initiatives and communities through a variety of programs, including direct financial donations and employee volunteer activities to ensure a proportion of business resources is allocated to improving the community in which it operates. Financial support is also offered to a number of responsible gaming organisations dedicated to problem gaming prevention and treatment.

**OpenBet Technologies Limited**  
**Strategic Report (*continued*)**  
**For the year ended 31 December 2020**

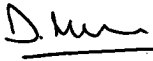
**Section 172(1) statement (*continued*)**

The Company and wider group aims to build environment sustainability into each business process and function. By making sustainability an integral part of the Group's business operations, value is created for stakeholders at the same time as protecting the environment.

*Need to act fairly as between members of the company*

The Company is wholly owned by NYX Gaming Group LLC and ultimately owned by Scientific Games Corporation. All decisions made by the Directors are fully aligned with the interests of these members.

Approved by the Board 29 November 2021 and signed on its behalf by:



D J G May  
Director

**OpenBet Technologies Limited**  
**Directors' Report**  
**For the year ended 31 December 2020**

The Directors present their annual report and the audited consolidated financial statements for year ended 31 December 2020 for OpenBet Technologies Limited (the "Company").

**Directors of the Company**

The Directors, who held office during the year and subsequently up to the date of this report except as noted, were as follows:

J E Levin (appointed 8 February 2019, resigned 1 March 2020, appointed 15 October 2021)  
M A Quartieri (appointed 28 February 2018, resigned 26 June 2020)  
P M Phillips (appointed 1 March 2020, resigned 31 July 2020)  
M C Eklund (appointed 26 June 2020, resigned 15 October 2021)  
D J G May (appointed 1 August 2020)

**Principal activity**

The principal activity of the Group is the development and supply of software and services for use as betting applications.

**Dividends**

The Directors have not recommended a final dividend payment in respect of the financial year ended 31 December 2020 (2019: *£nil*).

**Political donations**

The Group made no political donations during the year (2019: *£nil*).

**Charitable donations**

The Group made charitable donations of *£nil* during the year (2019: *£nil*).

**Going concern**

The Group has net current liabilities of £165,110,000 (2019: *£146,081,000*). Excluding amounts due to/from related parties the Group has net assets of £73,220,000 (2019: *£63,022,000*). The Directors have reviewed the forecast of the Group's activities for a period of at least 12 months from the signing of the Statement of Financial Position. Taking into account current market conditions, volatility and the impact of COVID-19 on the Group's activities, the Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future.

The Directors have also received a letter of support provided by the Group's ultimate parent undertaking. The Directors have reviewed forecasts, at both an entity and group level, and are satisfied of their ability to continue to support the Group.

However, due to the potential sale of the Sports Betting business as detailed in note 27, the intentions of future management are uncertain, including the amount of support, if any, the Group will receive and therefore the Directors are of the opinion that there is a material uncertainty which may cast significant doubt about of the Group's ability to continue as a going concern within one year from the date of signing these financial statements, meaning that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

**Principal risks and uncertainties**

This is detailed in the Strategic Report on page 5.

**OpenBet Technologies Limited**  
**Directors' Report (continued)**  
**For the year ended 31 December 2020**

**Employment of disabled persons**

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

**Employee involvement**

The Group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the Group, has been continued through regular new updates in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the Group's profit sharing schemes.

**SECR Disclosure**

**Carbon Reporting**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Openbet Group to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR-regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31<sup>st</sup> December 2020.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas, LPG and acetylene and business travel in company-owned vehicles and grey fleet. The table below details the regulated SECR energy and GHG emission sources for the current reporting period. As this is the first year of reporting, no comparison to previous years has been disclosed.

		<b>FY20</b>
<b>Energy (kWh)</b>		
Electricity		1,118,714
Natural Gas		729,363
Transport (Grey Fleet)		20,427
<b>Total energy</b>		<b>1,868,504</b>
<b>Emissions (tCO<sub>2</sub>e)</b>		
Scope 2 (LBM)	Electricity	261
Scope 2 (MBM)*	Electricity	224
Scope 1	Natural gas	134
Scope 3	Grey fleet	5
<b>Total SECR emissions</b>		<b>400</b>
<b>Emission intensity ratio</b>		
Intensity metric (£m turnover)		49
<b>Emissions intensity (tCO<sub>2</sub>e / £m turnover)</b>		<b>8</b>

\*Included for comparison only and reported in tCO<sub>2</sub>

**OpenBet Technologies Limited**  
**Directors' Report**  
**For the year ended 31 December 2020**

**SECR Disclosure (continued)**

**Carbon Reporting (continued)**

Openbet Ltd are committed to reducing our environmental impact through increased energy management, awareness campaigns and improvements to operational procedures. However, reduced site occupancy and business travel as a result of the COVID-19 pandemic has meant that no significant environmental initiatives have been implemented this year.

**Methodology**

Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices where available. For leased sites, energy consumption has been provided by the landlord via secondary data sources. Approximately 0.3% of total energy consumption has been estimated using adjacent invoices.

Energy data has been converted to equivalent GHG emissions using factors published by BEIS in 2020. Emissions associated with Scope 2 purchased electricity have been reported using both location-based and market-based methods. Emissions calculated using the location-based method have been carried into the total emissions figure market-based emissions have been disclosed for comparison only.

Disclosures associated with grey fleet business travel have been calculated from fuel and mileage expense claim records. Fuel costs have been converted into volumetric quantities using monthly fuel price factors as published by BEIS. Fuel volumes and mileage data have then been converted to equivalent energy and GHG emissions using BEIS' 2020 conversion factors.

Turnover and energy consumption of non-UK subsidiaries that form a part of the Openbet Technologies Limited Group are not included reflected within the metrics presented above.

**Future developments**

The Group intends to continue operating in the area of software development for gaming products, achieving synergies within the new Group structure and maximising the benefits of any market opportunities that arise.

**Disclosure of Information in the Strategic Report**

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out the Company's Strategic Report information required by Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 Sch.7 to be contained in the Directors' Report.

**Auditor**

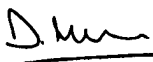
Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 29 November 2021 and signed on its behalf by:



D J G May  
Director

**OpenBet Technologies Limited**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 December 2020**

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 prepare group financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Finance Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 enable them to ensure that the financial statements comply with the Companies Act 2006 and International Finance Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). 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 responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

# Independent Auditor's Report to the Members of OpenBet Technologies Limited

## Report on the audit of the financial statements

### Opinion

In our opinion :

- the financial statements of Openbet Technologies Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Finance Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and International Finance Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### 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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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 3 in the financial statements, concerning the proposed plans to sell the Sports Betting Division which the Group is a part of and this will cast significant doubt on the Group's ability to continue as a going concern. Whilst the Directors consider that the Group is a going concern, the intentions of future management are uncertain, including the amount of support, if any, the Group will receive. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists 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.

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.

## **Independent Auditor's Report to the Members of OpenBet Technologies Limited**

### **Material uncertainty related to going concern (continued)**

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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, 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 and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

## **Independent Auditor's Report to the Members of OpenBet Technologies Limited**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included GDPR, Health & Safety at Work Act, Employment Rights Act, Employment law and Anti-Money Laundering, Bribery and Corruption.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- revenue recognition specifically around the accuracy of accrued income given the judgement in determining the balance. The procedures to address the risk included testing a sample of year end accrued income balances to assess whether the samples were recorded in the appropriate period based on inspection of contract terms, evidence of work performed to date and other audit evidence as deemed necessary.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## **Independent Auditor's Report to the Members of OpenBet Technologies Limited**

### **Report on other legal and regulatory requirements (continued)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hughes BSc (Hons) A.C.A. (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

29 November 2021

**OpenBet Technologies Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
<b>Revenue</b>	5	74,346	74,015
Cost of sales		<u>(17,606)</u>	<u>(22,946)</u>
<b>Gross profit</b>		56,740	51,069
Administrative expenses		(74,877)	(71,619)
Government grants - Furlough		<u>1,580</u>	<u>—</u>
<b>Operating loss</b>		(16,557)	(20,550)
Interest payable and similar charges	9	<u>(526)</u>	<u>(651)</u>
<b>Loss before taxation</b>		(17,083)	(21,201)
Tax on loss	10	<u>(39)</u>	<u>(1,652)</u>
<b>Loss for the year</b>		<u><u>(17,122)</u></u>	<u><u>(22,853)</u></u>

The above results were derived from continuing operations.

There were no recognised gains or losses for the year other than those included in the Statement of Comprehensive Income.

**OpenBet Technologies Limited**  
**Consolidated Statement of Financial Position**  
**For the year ended 31 December 2020**

		2020	2019
		£ 000	£ 000
	Note		
<b>Non-current assets</b>			
Goodwill	11	8,575	8,575
Intangible assets	12	22,290	19,529
Tangible assets	13	3,412	4,541
Right of use assets	14	8,835	10,566
Deferred tax asset	17	673	691
		<u>43,785</u>	<u>43,902</u>
<b>Current assets</b>			
Trade and other receivables	16	148,100	97,357
Cash at bank balances		12,489	3,408
		<u>160,589</u>	<u>100,765</u>
<b>Total assets</b>		<u>204,374</u>	<u>144,667</u>
<b>Current liabilities</b>			
Trade and other payables	18	(322,834)	(242,480)
Right of use liabilities	14	(1,931)	(1,827)
Current tax liabilities		(56)	(601)
Deferred revenue	23	(878)	(1,938)
<b>Total current liabilities</b>		<u>(325,699)</u>	<u>(246,846)</u>
<b>Total assets less current liabilities</b>		<u>(121,325)</u>	<u>(102,179)</u>
<b>Non current liabilities</b>			
Right of use liabilities	14	(7,404)	(9,324)
<b>Net liabilities</b>		<u>(128,729)</u>	<u>(111,503)</u>
<b>Equity</b>			
Share capital	20	18,500	18,500
Share premium account	21	1	1
Merger reserves		(163,892)	(163,892)
Capital contribution reserve		14,267	14,267
Retained earnings		2,395	19,621
<b>Net Deficit</b>		<u>(128,729)</u>	<u>(111,503)</u>

These financial statements were approved by the Board and authorised for issue on 29 November 2021 and are signed on behalf on its behalf by:



D J G May  
 Director

**OpenBet Technologies Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2020**

	Note	Share Capital £ 000	Share Premium Account £ 000	Merger Reserve £ 000	Capital Contribution Reserve £ 000	Profit and loss account £ 000	Total £ 000
<b>Balance at 1 January 2019</b>	22	18,500	1	(163,892)	14,267	42,395	(88,729)
Loss for the year		—	—	—	—	(22,853)	(22,853)
Total comprehensive expense for the year		—	—	—	—	(22,853)	(22,853)
Foreign exchange differences arising on consolidation		—	—	—	—	79	79
<b>Balance as at 31 December 2019</b>		<b>18,500</b>	<b>1</b>	<b>(163,892)</b>	<b>14,267</b>	<b>19,621</b>	<b>(111,503)</b>
Loss for the year		—	—	—	—	(17,122)	(17,122)
Total comprehensive expense for the year		—	—	—	—	(17,122)	(17,122)
Foreign exchange differences arising on consolidation		—	—	—	—	(104)	(104)
<b>Balance as at 31 December 2020</b>		<b>18,500</b>	<b>1</b>	<b>(163,892)</b>	<b>14,267</b>	<b>2,395</b>	<b>(128,729)</b>

**OpenBet Technologies Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2020**

		<b>2020</b>	<b>2019</b>
		<b>£ 000</b>	<b>£ 000</b>
	<b>Note</b>		
<b>Net cash from operating activities</b>	22	26,089	17,758
<b>Investing activities</b>			
Purchase of property, plant and equipment		(28)	(1,331)
Capitalised intangible assets		(14,634)	(15,134)
<b>Net cash used in investing activities</b>		<u>(14,662)</u>	<u>(16,465)</u>
<b>Financing activities</b>			
Payment of obligations under right of use assets		(2,346)	(2,381)
<b>Net cash used in financing activities</b>		<u>(2,346)</u>	<u>(2,381)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		9,081	(1,088)
<b>Cash and cash equivalents at the beginning of year</b>		3,408	4,496
<b>Cash and cash equivalents at end of year</b>		<u><u>12,489</u></u>	<u><u>3,408</u></u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**1. General Information**

The company is a private company limited by share capital incorporated and domiciled in England and Wales, United Kingdom.

The address of its registered office is:

Fourth Floor  
Building 9, Chiswick Park  
566 Chiswick High Road  
London  
W4 5XT

**2. Adoption of new and revised Standards**

At the date of authorisation of these financial statements, The Group has applied the following new and revised IFRS that has been issued and is now effective:

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to References to the *Amendments to References to the Conceptual Framework in IFRS Standards*  
Conceptual Framework in IFRS  
Standards

IAS 1 and IAS 8 (amendments)	<i>Definition of material</i>
Annual amendments to IFRS Standards 2018-2020	<i>Annual amendments to IFRS Standards 2018-2020</i>
IAS 1 (amendments)	<i>Classification of liabilities as current or non-current</i>
IAS 1 (amendments)	<i>Classification of liabilities as current or non-current - Deferral of effective date</i>
IAS 1 and IFRS Practice Statement 2 (amendments)	<i>Disclosure of accounting policies</i>
IAS 8 (amendments)	<i>Definition of accounting estimates</i>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Finance Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs).

For the year ended 31 December 2020 the following subsidiaries of the Group were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

SUBSIDIARY NAME	COMPANIES HOUSE REGISTRATION NUMBER
OpenBet Limited	03134634
OpenBet Retail Limited	02730742
SG Digital Limited	05184120
NT Media Limited	03408275

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

**Going concern**

The Group has net current liabilities of £165,110,000 (2019: £146,081,000). Excluding amounts due to/from related parties the Group has net assets of £73,220,000 (2019: £63,022,000). The Directors have reviewed the forecast of the Group's activities for a period of at least 12 months from the signing of the Statement of Financial Position. Taking into account current market conditions, volatility and the impact of COVID-19 on the Group's activities, the Directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future.

The Directors have also received a letter of support provided by the Group's ultimate parent undertaking. The Directors have reviewed forecasts, at both an entity and group level, and are satisfied of their ability to continue to support the Group.

However, due to the potential sale of the Sports Betting business as detailed in note 27, the intentions of future management are uncertain, including the amount of support, if any, the Group will receive and therefore the Directors are of the opinion that there is a material uncertainty which may cast significant doubt about of the Group's ability to continue as a going concern within one year from the date of signing these financial statements, meaning that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

**Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments.

**Goodwill**

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The Group does not have multiple cash generating units and impairment reviews on goodwill are performed following an assessment of the recoverable amount of the assets of the Group as a whole. Recoverable amounts are based on forecasts of future earnings over a five-year period using a value in use model; which are based on future expectations and past results. These forecasts are extrapolated to a terminal position over the longer term using an assumed growth rate to reflect a prudent view of the average growth rate of the sector in which the Group is placed.

Key assumptions are considered to be a 2.5% growth in long term profitability and a weighted average cost of capital of 11%. These assumptions reflect recent and expected future performance of the wider Group, current borrowing rates in the wider Group as well as the conditions management believe will prevail in the future

**Revenue**

Determination of performance obligations and timing of transfer of control vary based on the nature of the contract. Contracts can contain multiple promises, including the following: (i) implementation of customised software solution and the associated software licence ii) Support services iii) professional development services

*Implementation of Software and Software Licence Revenue Recognition*

Licence fees are recognised once all the relevant acceptance criteria have been met and the performance obligations are deemed to have transferred to the customer. Licences are generally provided up-front on the outset of the contract are therefore recognised as revenue immediately, where licence fees are for a specific term, or the Group is required to provide further functionality over a specific period, revenue is recognised ratably over the time the functionality is provided to the customer.

In some instances, the Group earns licence revenue calculated as a percentage of the customer's incremental revenues earned from deploying the Group's applications (a revenue-share arrangement). Revenue in such instances is recognised ratably in proportion to the total expected incremental revenues.

In instances where the Group has obligations to pay a third party under a revenue-share arrangement, consideration is given as to whether to show the revenue and costs gross or net. In making this assessment, the Company considers whether, in substance, it is acting as principal or as agent in the relationship.

*Support and Maintenance and Hardware Rental*

Support and Maintenance is generally contracted on an annual basis and contracts for hardware rental are usually multi-year contracts. Support services and hardware rental are considered stand-ready obligations, therefore control transfers and revenue is recognised over time as the service is delivered.

*Software Development*

Software Development provides customers with enhanced and/or specific functionality in addition to the core licensed products. These services generally relate to post-go live development, and control transfers and revenue is recognised over time as services are rendered.

Where the Group is contracted on a 'time and materials' basis and no material performance obligations still exist, revenue is recognised as the incremental services are delivered. In the case of fixed price contracts, revenue is recognised over time as services are provided, where services rendered cannot be reliably estimated, revenue is deferred until such time as they can.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies ( continued)**

*Professional Services*

Professional Services (e.g. consulting, project management and training) are generally provided alongside Software Development. Where the Group is contracted on a 'time and materials' basis and no material performance obligations still exist, revenue is recognised as the incremental services are delivered.

In the case of fixed price contracts, revenue is recognised over time as services are provided, where services rendered cannot be reliably estimated; revenue is deferred until such time as they can.

*Interest revenue*

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable:

- Any lease payments made at or before the commencement date net of any lease incentives received,
- Any initial direct costs incurred, and,
- Impairment in respect of onerous leases
- Dilapidation provisions to be incurred for restoring the site or asset back to its original position.

The Group elects not to recognise right of use assets and corresponding liabilities for short-term leases with terms of twelve months or less, and low value leases. Lease payments on these assets are expensed on a straight-line basis to the profit and loss account.

**Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using a standard discount rate. Lease payments are formed of either fixed payments as stipulated within the lease agreement or variable lease payments as stipulated by the lease agreement if dependent on an index or a rate. Variable lease payments that do not depend on an index or rate are expensed in the period in which they are incurred directly to the profit and loss account.

**Government grants**

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit and loss in the period in which they become receivable. This includes the Canadian and United Kingdom government Coronavirus job retention schemes ("Furlough"). The Group has not directly benefited from any other forms of government assistance.

**Foreign currencies**

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

**Foreign currencies (continued)**

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the date of transactions.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**Defined contribution pension obligation**

The Group makes contributions for the benefit of employees to defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or as prepayments in the balance sheet.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

**Deferred tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Property, plant and equipment**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. They are depreciated on a straight-line basis over their expected useful economic lives or anticipated length of use by the Group. Leasehold improvements are depreciated over the lesser of their useful life or period of the lease. The expected useful life of equipment and furniture is between three and five years.

**Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	Straight line over 120 months
Furniture, fittings and equipment	Straight line over 36 months to 60 months

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

**Internally-generated intangible assets – research and development expenditure (continued)**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets are amortised on a straight-line basis from the date they are available for use over three years.

**Intangibles amortisation policy**

Amortisation is charged to administrative expenses within the Consolidated Statement of Comprehensive Income.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**Impairment of tangible and intangible assets excluding goodwill**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (*continued*)**

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

If the transaction price differs from fair at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit or loss); and
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information. Depending on the type of financial instrument, the Group can adopt one of the following policies for the amortisation of day 1 gain or loss:

- calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information; or
- release the day 1 gain or loss in a reasonable fashion based on the facts and circumstances (i.e. using either straight-line or non-linear amortisation).

***Financial assets***

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in profit or loss..

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

***Loans and receivables***

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

***Derecognition of financial assets***

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**3. Significant accounting policies (continued)**

***Derecognition of financial assets (continued)***

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

***Financial liabilities and equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

***Financial liabilities***

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Groups financial statements for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management consider there to be no key sources of estimation uncertainty.

**Critical Judgement**

***Critical judgements in applying the group's accounting policies***

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the director has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

***Revenue recognition***

The Directors are required to use their judgement in determining the timing of certain performance obligations. An assessment as to whether revenue is recognised over either time or a point in time needs to be made for all new contracts. Where revenue is recognised at a point in time, judgement as to which point in time the performance obligation is transferred to the customer must be made.

***Agency and principal relationship***

The Directors have exercised their judgement in assessing whether the relationships the Group and its subsidiaries form an agency or principal relationship with customers.

***Investments in subsidiaries***

A review of the indicators of impairment in the Company's investments is performed annually, if indications of impairment are discovered, a full impairment review by comparing the fair value of the investment to its carrying value is performed.

The fair value is calculated by estimating the future cash flows expected to arise within the investment and a suitable discount rate in order to calculate present value. In the event that the carrying value exceeds the fair value, an impairment charge is recorded in the operating income. See note 29 for further details.

***Internally generated intangible assets***

The Directors have exercised their judgement when determining whether research and development expenditure meet the conditions of internally generated intangible fixed assets that have been presented on page 23 of the financial statements. Expenditure that is judged to meet the criteria is capitalised and amortised over a three year-period, expenditure that is not judged to meet the criteria is expensed directly to the Statement of Comprehensive Income.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**5. Revenue**

An analysis of the group's revenue is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Rendering of services	72,967	69,251
Sale and installation of hardware	1,379	4,764
	<u>74,346</u>	<u>74,015</u>

The analysis of the company's turnover for the year by market is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
UK	37,498	33,377
Europe	12,346	17,654
Rest of world	24,502	22,984
	<u>74,346</u>	<u>74,015</u>

**6. Loss for the year**

Loss for the year has been arrived at after charging/(crediting):

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Net foreign exchange losses/ (gains)	5,820	(82)
Depreciation expense - Right of use assets	1,940	1,912
Depreciation expense - Tangible assets	1,286	1,450
Amortisation expense	11,873	8,668
Staff costs (see note 8)	53,138	51,750
Government grants - Furlough	<u>(1,580)</u>	<u>—</u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**7. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditor and their associates for the audit of the Group's annual financial statements	190	207
Non-audit fees	19	19
	<u>209</u>	<u>226</u>

There was no fee for the audit of the subsidiaries in both 2020 and 2019.

**8. Staff costs**

The aggregate payroll costs (including Directors' remuneration) were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	44,295	43,863
Social security costs	6,717	6,007
Pension costs, defined contribution scheme	2,126	1,880
	<u>53,138</u>	<u>51,750</u>

The monthly average number of persons employed by the company (including Directors) during the year, analysed by category was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Administration and support	99	108
Sales, marketing and distribution	67	63
Other departments	732	674
	<u>898</u>	<u>845</u>

There are no direct staff in OpenBet Technologies. The above relate to other group companies.

**9. Interest payable and similar charges**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest (income) / expense on group loans	(4)	67
Interest expense on lease liability	530	584
	<u>526</u>	<u>651</u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**10. Tax**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Corporation tax:		
Current year	21	618
Adjustment in respect of prior period	—	752
Deferred tax	18	282
	39	1,652

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2018) and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. However, in March 2020 budget it was announced that the cut in the rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As this has not been enacted by the statement of financial position date, balances as at 31 December 2019 continue to be measured at 17%. In addition, the March 2021 Budget announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023.

The charge for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Loss before tax	(17,083)	(21,201)
Tax at the UK corporation tax rate of 19% (2019: 19%)	(3,246)	(4,028)
Tax effect of utilisation of tax losses not previously recognised	(61)	11
Group relief	3,617	4,883
Origination and reversal of temporary differences	18	282
Utilisation of losses brought forward	(114)	(121)
Adjustment in respect of prior period	—	752
Capital allowances in excess of depreciation	(175)	(127)
Tax charge for the year	39	1,652

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**11. Goodwill**

	<b>£000</b>
<b>Cost</b>	
At 1 January 2020	<u>14,000</u>
At 31 December 2020	<u>14,000</u>
<b>Accumulated impairment losses</b>	
At 1 January 2020	<u>5,425</u>
At 31 December 2020	<u>5,425</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>8,575</u>
At 31 December 2019	<u>8,575</u>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The Group does not have multiple cash generating units and impairment reviews on goodwill are performed following an assessment of the recoverable amount of the assets of the Group as a whole. Recoverable amounts are based on forecasts of future earnings in the medium term, which are based on future expectations and past results. These forecasts are then extrapolated over the longer term which is currently assumed to be 2.5% growth in profitability and discounted at the Groups weighted average cost of capital, which is currently 11%.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**12. Intangible assets**

	<b>Intellectual property £ 000</b>	<b>Customer relationships £ 000</b>	<b>Internally generated software development costs £ 000</b>	<b>Software intangible assets £ 000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 January 2019	4,065	6,346	28,840	175	39,426
Additions	—	—	15,135	—	15,135
<b>At 31 December 2019</b>	<b>4,065</b>	<b>6,346</b>	<b>43,975</b>	<b>175</b>	<b>54,561</b>
Additions	—	—	14,634	—	14,634
<b>At 31 December 2020</b>	<b>4,065</b>	<b>6,346</b>	<b>58,609</b>	<b>175</b>	<b>69,195</b>
<b>Amortisation</b>					
At 1 January 2019	4,065	6,346	15,778	175	26,364
Charge for the year	—	—	8,668	—	8,668
<b>At 31 December 2019</b>	<b>4,065</b>	<b>6,346</b>	<b>24,446</b>	<b>175</b>	<b>35,032</b>
Charge for the year	—	—	11,873	—	11,873
<b>At 31 December 2020</b>	<b>4,065</b>	<b>6,346</b>	<b>36,319</b>	<b>175</b>	<b>46,905</b>
<b>Carrying amount</b>					
At 31 December 2019	—	—	19,529	—	19,529
At 31 December 2020	—	—	22,290	—	22,290

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**13. Tangible assets**

	Leasehold improvements £000	Furniture, fittings and equipment £000	Total £000
<b>Cost</b>			
At 1 January 2019	3,153	7,666	10,819
Additions	225	1,106	1,331
<b>At 31 December 2019</b>	<b>3,378</b>	<b>8,772</b>	<b>12,150</b>
Additions	15	13	28
Foreign exchange	79	50	129
<b>At 31 December 2020</b>	<b>3,472</b>	<b>8,835</b>	<b>12,307</b>
<b>Accumulated depreciation</b>			
At 1 January 2019	1,488	4,671	6,159
Charge for the year	393	1,057	1,450
<b>At 31 December 2019</b>	<b>1,881</b>	<b>5,728</b>	<b>7,609</b>
Charge for the year	353	933	1,286
<b>At 31 December 2020</b>	<b>2,234</b>	<b>6,661</b>	<b>8,895</b>
<b>Carrying amount</b>			
At 31 December 2019	1,497	3,044	4,541
At 31 December 2020	1,238	2,174	3,412

**14. Right of use assets/liabilities**

Leased assets	Land & Buildings £000
<b>Cost</b>	
At 1 January 2019	12,478
At 31 December 2019	12,478
Foreign exchange	209
At 31 December 2020	12,687
<b>Accumulated depreciation</b>	
At 1 January 2019	—
Charge for the year	1,912
At 31 December 2019	1,912
Charge for the year	1,940
At 31 December 2020	3,852
<b>Carrying amount</b>	
At 31 December 2019	10,566
At 31 December 2020	8,835

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**14. Right of use assets/liabilities (continued)**

**Leased assets (continued)**

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received.

An impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease assets that is impaired.

**Lease liabilities**

The lease liability is measured at the present value of the fixed and variable lease payments net of cash lease incentives that are not paid at the statement of financial position date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability. Lease payments for buildings exclude service fees for cleaning and other costs.

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Current lease liabilities	1,931	1,827
Non-current lease liabilities	7,404	9,324
<b>Total 31 December</b>	9,335	11,151

**Maturity analysis - contractual undiscounted cash flows**

Less than one year	2,469	2,424
One to five years	7,533	9,143
Over five years	1,111	1,744
<b>Total 31 December</b>	11,113	13,311

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**15. Subsidiaries**

The Group consists of a parent company, OpenBet Technologies Limited, incorporated in the UK, and a number of subsidiaries held directly by OpenBet Technologies Limited,

The company has the following direct and indirect subsidiaries at 31 December 2020;

<b>Entity Name</b>	<b>Direct/Indirect Subsidiary</b>	<b>Address of registered office and principal business address</b>	<b>Identity and proportion of shares held (ordinary shares unless otherwise stated)</b>	<b>Principal activity</b>
OpenBet Singapore Pte Limited	Direct	6 Raffles Quay, #33-03, Singapore 048581	100%	Distribution of digital sports and casino gaming
OpenBet New Zealand Limited	Direct	Level 12, 55 Shortland Street, Auckland, 1010 New Zealand	100%	Distribution of digital sports and casino gaming
OpenBet Limited	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
OpenBet North America Corporation	Direct	199 Bay Street, Suite 4000, Commerce Court West, Toronto, ON M5L 1A9, Canada	100%	Distribution of digital sports and casino gaming
OpenBet Retail Limited	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
SG Digital Limited (formerly Electracade Limited)	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
OpenBet Asia Pacific Pty Limited	Direct	Tower Two Collins Square Level 3, 6727 Collins Street, Docklands VIC 3008	100%	Distribution of digital sports and casino gaming
OpenBet Hellas S.A.	Direct	7 Fragkoklisis Street, Marousi 15125, Athens, Greece	100%	Content studio
NYX Gaming (Krakow) sp z.o.o	Direct	Al. 29 Listopada 20, 31-401, Krakow	100%	Content studio
NT Media Limited	Indirect	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Intermediate holding company

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**16. Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amount receivable for the sale of goods	10,348	12,910
Allowance for doubtful debts	(105)	(18)
Net trade receivables	<u>10,243</u>	<u>12,892</u>
Amounts owed by other Group companies	102,686	51,438
Amounts owed by immediate parent company	8,501	8,583
Accrued income	23,557	19,180
Tax receivable	1,421	3,752
Prepayments	1,692	1,512
	<u>148,100</u>	<u>97,357</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts due from related parties are interest free, unsecured and repayable on demand.

The average credit period taken on sales of goods and services is 30 days.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired receivables

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
31-60 days	151	2,667
61-90 days	144	132
91-120 days	42	299
121 days +	352	129
Total	<u>689</u>	<u>3,227</u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**16. Trade and other receivables (continued)**

Movement in the allowance for doubtful debts

	2020	2019
	£000	£000
Balance at the beginning of the year	(18)	(41)
Impairment losses recognised	(87)	—
Provision utilised	—	23
Balance at the end of the year	<u>(105)</u>	<u>(18)</u>

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

**17. Deferred tax asset**

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting year.

	Accelerated tax depreciation £000	Onerous rent provision £000	Total £000
At 1 January 2020	625	66	691
Origination and reversal of temporary differences	(7)	(11)	(18)
At 31 December 2020	<u>618</u>	<u>55</u>	<u>673</u>

	Accelerated tax depreciation £000	Onerous rent provision £000	Total £000
At 1 January 2019	896	77	973
Origination and reversal of temporary differences	(271)	(11)	(282)
At 31 December 2019	<u>625</u>	<u>66</u>	<u>691</u>

Deferred tax assets not recognised on brought forward losses during 2020 was £1,772,000 (2019: £1,578,000).  
Deferred tax recognised relates to timing differences on fixed asset and intangibles asset acquisitions.

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**18. Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,254	1,734
Accrued expenses	5,422	4,404
Amounts owed to other Group companies	313,136	234,546
Social security and other taxes	2,627	1,738
Other current financial liabilities	395	58
	<u>322,834</u>	<u>242,480</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs associated with the day to day administration costs that the entity incurs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Amounts due to related parties are interest free, unsecured and repayable on demand.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

**19. Lease liability interest**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest expense on lease liabilities	530	584
	<u>530</u>	<u>584</u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (*continued*)**  
**For the year ended 31 December 2020**

**20. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Issued, authorised and fully paid:		
185,000,001 'A' Ordinary Shares of £0.10 each	18,500	18,500
9,687 'B' Ordinary Shares of £0.01 each	—	—
313 'C' Ordinary Shares of £0.01 each	—	—
	<u>18,500</u>	<u>18,500</u>

The Company has three classes of ordinary shares which carry no right to fixed income. The A, B and C Ordinary Shares rank equally in all regards.

**21. Share premium account**

	<b>Share premium</b>
	<b>£000</b>
Balance at 31 December 2020 and 31 December 2019	<u>1</u>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**22. Notes to the cash flow statement**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Operating loss for the year	(16,557)	(20,550)
Depreciation of property, plant and equipment and right of use assets	3,226	3,362
Amortisation of intangible assets	11,873	8,668
Decrease in provisions	—	(400)
Operating cash flows before movement in working capital	(1,458)	(8,920)
Decrease in inventories	—	48
Increase in receivables	(50,637)	(55,279)
Increase in payables	79,197	83,779
Cash generated by operations	27,102	19,628
Income taxes paid	(1,013)	(1,870)
Net cash from operating activities	26,089	17,758

**Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	12,489	3,408

	1 January 2020	Cashflows	Non-cash changes	Transfer to short term	31 December 2020
<i>Group</i>	£000	£000	£000	£000	£000
<b>Current</b>					
Lease liability	1,827	(2,346)	530	1,920	1,931
<b>Non-current</b>					—
Lease liability	9,324	—	—	(1,920)	7,404
	11,151	(2,346)	530	—	9,335

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

<i>Group</i>	1 January 2019	IFRS 16 transition	Cashflows	Non-cash changes	Transfer to short term	31 December 2019
	£000	£000	£000	£000	£000	£000
<b>Current</b>						
Lease liability	—	1,727	(2,381)	653	1,828	1,827
<b>Non-current</b>						
Lease liability	—	11,152	—	—	(1,828)	9,324
	—	12,879	(2,381)	653	—	11,151

**23. Deferred revenue**

	2020	2019
	£000	£000
Arising from the rendering of services	878	1,938
Current	878	1,938

**24. Financial instruments**

**Foreign currency risk management**

The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
	£000	£000	£000	£000
Sterling	149,988	67,859	79,663	49,227
Euro	3,445	1,140	61,519	34,634
Australian Dollar	2,512	247	1,135	1,316
Canadian Dollar	377	288	6,223	6,421
Danish Kroner	—	—	683	355
Singapore Dollar	124	107	998	229
US Dollar	168,215	180,723	10,467	17,949
Polish Zloty	23	24	—	(6)
New Zealand Dollar	115	66	103	143
<b>Total</b>	<b>324,799</b>	<b>250,454</b>	<b>160,791</b>	<b>110,268</b>

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**24. Financial instruments (continued)**

**Foreign currency sensitivity analysis**

The Group is mainly exposed to the currency of Australia (Australian dollar currency), U.S.A (US dollar currency) and the currency of Canada (Canadian dollar currency).

The following table details the Group's sensitivity to a 10 per cent increase and decrease in sterling against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10 per cent change in foreign currency rates. A positive number below indicates an increase in profit and other equity where sterling strengthens 10 per cent against the relevant currency. For a 10 per cent weakening of sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Australian Dollars		US Dollars		Canadian Dollars	
	2020	2019	2020	2019	2020	2019
	£000	£000	£000	£000	£000	£000
<b>Profit or loss</b>	39	(87)	—	(14,786)	418	(535)
<b>Other equity</b>	(154)	(10)	(14,341)	(12)	55	(22)
	<u>(115)</u>	<u>(97)</u>	<u>(14,341)</u>	<u>(14,798)</u>	<u>473</u>	<u>(557)</u>

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults, this policy is unchanged from prior years.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas and are analysed using a credit loss model using a "simplified approach". Expenses are recognised in the statement of comprehensive income upon consideration of past, current and expected credit conditions to assess the probability of default or partial default of the debt.

**Capital risk management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The group considers equity as shown in the statement of changes in equity and the amount owed to related parties which is shown in note 17 as the capital it has under management. The Company's overall strategy remains unchanged from 2018.

The company is not subject to externally imposed capital requirements.

**25. Related party transactions**

Balances and transactions between the company and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note. The Company's transactions and balances with related parties during the year ended and as at 31 December 2020 are as follows:

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**25. Related party transactions (continued)**

	Statement of comprehensive income income / (expense) 2020 £000	Statement of comprehensive income income / (expense) 2019 £000	Statement of financial position (due to) / due from 2020 £000	Statement of financial position (due to) / due from 2019 £000
<b>Scientific Games Corporation</b> (Fellow subsidiary, unsecured) Insurance recharges	—	9,023	(29,776)	(30,176)
<b>Scientific Gaming Inc (WMS)</b> (Fellow subsidiary, unsecured) Management fees	—	—	(252)	(206)
<b>NextGen Gaming USA LLC</b> (Fellow subsidiary, unsecured) Management fees	—	(1,451)	(254)	(93,534)
<b>NYX Digital Gaming LLC</b> (Fellow subsidiary, unsecured) Management fees	10,147	(5,662)	(129,933)	(139,786)
<b>Les Studios Side City Inc.</b> (Fellow subsidiary, unsecured) Royalty fees	(261)	63	(1,401)	98
<b>NYX Digital Gaming Alberta</b> (Fellow subsidiary, unsecured) Management fees	2,415	1,070	1,982	(498)
<b>NYX Digital Gaming Malta Limited</b> (Fellow subsidiary, unsecured) Support services	21,681	(10,065)	31,646	9,359
<b>NYX Digital Gaming (Services) Limited</b> (Fellow subsidiary, unsecured) Support services	21,203	(3,066)	(376)	(231)
<b>NYX Interactive AB</b> (Fellow subsidiary, unsecured) Management fees	(68,635)	19,220	(129,684)	(53,143)
<b>Red7Mobile Limited</b> (Fellow subsidiary, unsecured) Support services	(486)	1,955	(4,721)	(3,487)
<b>NYX Digital Gaming (Alderney) Limited</b> (Fellow subsidiary, unsecured) Management fees	(342)	(1,547)	2,629	2,971
<b>SG Digital (Gibraltar) Limited</b> (Fellow subsidiary, unsecured) Support services	14,732	(11,150)	37,848	13,312

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**25. Related party transactions (continued)**

	Statement of comprehensive income income / (expense) 2020 £000	Statement of comprehensive income income / (expense) 2019 £000	Statement of financial position (due to) / due from 2020 £000	Statement of financial position (due to) / due from 2019 £000
<b>Scientific Games Limited US Lottery Systems</b>	—	—	(724)	(437)
<b>(Scientific Games International)</b> (Fellow subsidiary, unsecured) Management fees	—	—	(2)	—
<b>Scientific Gaming Inc (Bally)</b> (Fellow subsidiary, unsecured) Management fees	(574)	—	(4,679)	(112)
<b>NYX Gaming Group LLC</b> (Fellow subsidiary, unsecured) Management fees	—	—	8,501	8,583
<b>Bally Gaming Canada Limited</b> (Fellow subsidiary, unsecured) Support services	—	—	(374)	(287)
<b>NextGen Gaming Pty Limited</b> (Fellow subsidiary, unsecured) Management fees	(2,304)	—	(2,279)	627
<b>Scientific Games Worldwide Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	11	12
<b>Game 360 SRL</b> (Fellow subsidiary, unsecured) Management fees	—	—	16	10
<b>SG Lottery Services KFT (Hungary)</b> (Fellow subsidiary, unsecured) Management fees	—	—	2,780	711
<b>NYX Interactive Malta Limited</b> (Fellow subsidiary, unsecured) Management fees	717	(19,376)	25,148	23,574
<b>SG International GmbH (Austria)</b> (Fellow subsidiary, unsecure) Management Fees	—	—	(16)	—
<b>NYX Digital Gaming International Limited</b> (Fellow subsidiary, unsecured) Management fees	(458)	—	(296)	142
<b>SG Ukraine LLC</b> (Fellow subsidiary, unsecured) Management fees	(170)	—	(136)	—

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**25. Related party transactions (continued)**

	Statement of comprehensive income income / (expense) 2020 £000	Statement of comprehensive income income / (expense) 2019 £000	Statement of financial position (due to) / due from 2020 £000	Statement of financial position (due to) / due from 2019 £000
<b>Global Draw Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	(1,999)	(1,790)
<b>Barcrest Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	(2,767)	(2,824)
<b>Scientific Games Gibraltar Limited</b> (Fellow subsidiary, unsecured) Management fees	229	457	(465)	85
<b>NYX Digital Gaming (Guernsey) Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	1	4
<b>BetDigital Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	(1,932)	(1,388)
<b>SG Digital UK Holdings Limited</b> (Fellow subsidiary, unsecured) Management fees	—	—	—	3
<b>BetDigital Holdings Limited</b> (Fellow subsidiary, unsecured) Support services	—	—	626	570
<b>Shuffle Master Australia Pty Ltd</b> (Fellow subsidiary, unsecured) Management fees	—	—	—	—
<b>NYX Digital Gaming (USA) LLC</b> (Fellow subsidiary, unsecured) Management fees	—	—	—	—
<b>NYX Digital Gaming (Gibraltar II) Ltd</b> (Fellow subsidiary, unsecured) Management fees	(72)	—	(72)	—
<b>SG Gaming Interactive</b> (Fellow subsidiary, unsecured) Management Fees	—	—	(998)	1
<b>WMS Interactive LLC</b> (Fellow subsidiary, unsecured) Management fees	—	—	—	(1)

**OpenBet Technologies Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2020**

**26. Remuneration of key management personnel**

Directors were paid by other companies within the Group and are disclosed in the financial statements of those companies. It is not possible to determine the element of their remuneration which relates solely to their services of Directors of this Company. Key management personnel had total remuneration of £1,128,077 (2019: £1,331,000).

**27. Non-adjusting subsequent event**

**Sale of business**

On 29 June 2021 the entity's parent company, Scientific Games Corporation announced as part of its strategic review that intends to divest its Sports Betting business. OpenBet Technologies Limited is part of this business unit for Scientific Games Corporation.

Following this on September 27, 2021 Scientific Games Corporation announced it had entered into a definitive agreement to sell its Sports Betting business to Endeavor Group Holdings, Inc. This agreement is subject to regulatory and shareholder approval.

In preparation for the divestiture, the Group has set a new subsidiary, SG Digital Holdco Limited, incorporated in the United Kingdom on September 14, 2021, with the intention that this entity is to act as a vehicle for the sale.

The Group has incorporated a new subsidiary in India – Openbet India Private Limited on August 25, 2021 as the Group looks ahead and investigates new ways of restructuring its back-office activities.

**Post year-end Acquisitions**

"On 26 May 2021, the Group acquired 100% of the share capital of Sportscast Pty, Limited, a sports betting software provider, including their BetBuilder solution which enables bets across multiple markets on a single game with instant pricing. The acquisition forms part of the Group's core growth strategy.

Management have evaluated subsequent events through to the date of the signing of the financial statement, as outlined below:

In August 2020, concurrent with extending a line of credit, a one-year option agreement to acquire Sportscast Pty, Limited (the "Sportscast Option") was obtained. In May of 2021, the Sportscast Option was exercised and completed the acquisition of Sportscast Pty, Limited (the "Sportscast Acquisition"). At close of the acquisition, £5m of cash was transferred to the sellers and a contingent consideration liability to the sellers was assumed based on reaching certain earnings-based metrics within the twelve-month period post close, which has maximum pay-out of £7.4 million.

The acquisition will be accounted for using the acquisition method of accounting. The purchase price will be determined as the aggregate of the cash payments plus the fair values of the Sportscast Option, which will be material to the financial statements, and the contingent acquisition consideration on the acquisition date. The purchase price will be allocated to acquired tangible and intangible assets and assumed liabilities based on estimated fair values. The fair value determination of the Sportscast Option, the contingent consideration, and the acquired assets and assumed liabilities requires significant judgements and estimates. The purchase price and the allocation thereof have not yet been finalised due to the time and effort required to complete the requisite fair value analysis. It is anticipated that material goodwill and intangible assets will be recorded when the purchase price allocation is complete."

**Brexit**

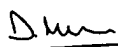
On the 31 December 2020, following long negotiations, the UK formally left the European Union. The group is now operating in a post-Brexit environment; the experience since the balance sheet date suggests that the group is not heavily impacted; however, longer-term outcomes term cannot be predicted accurately. Management will continue to monitor the wider business environment impacts on Brexit and react accordingly.

**OpenBet Technologies Limited**  
**Company Statement of Financial Position**  
**For the year ended 31 December 2020**

		2020	2019
		£ 000	£ 000
	<b>Note</b>		
<b>Non-current assets</b>			
Investment in subsidiaries	30	81,759	81,759
		<u>81,759</u>	<u>81,759</u>
<b>Current assets</b>			
Trade and other receivables	32	60,266	47,240
Cash at bank balances		4,217	1,095
		<u>64,483</u>	<u>48,335</u>
<b>Total assets</b>		<u><u>146,242</u></u>	<u><u>130,094</u></u>
<b>Current liabilities</b>			
Trade and other payables	33	(185,529)	(186,656)
Current Tax Liabilities		(885)	(885)
<b>Total assets less current liabilities</b>		<u>(40,172)</u>	<u>(57,447)</u>
<b>Net liabilities</b>		<u><u>(40,172)</u></u>	<u><u>(57,447)</u></u>
<b>Equity</b>			
Share capital		18,500	18,500
Share premium account		1	1
Capital contribution reserve		13,846	13,846
Retained earnings		(72,519)	(89,794)
<b>Deficit attributable to owners of the Company</b>		<u>(40,172)</u>	<u>(57,447)</u>

The Company reported a profit for the financial year ended 31 December 2020 of £17,275,000 (2019: loss of £2,745,000).

The financial statements of OpenBet Technologies Limited (registered number 06712030) were approved by the Board and authorised for issue on 29 November 2021 and signed on its behalf by:



D J G May  
Director

**OpenBet Technologies Limited**  
**Company Statement of Changes in Equity**  
**For the year ended 31 December 2020**

	Share Capital £000	Share Premium Account £000	Capital Contribution Reserve £000	Retained earnings £000	Total £000
<b>Balance at 1 January 2019</b>	18,500	1	13,846	(87,050)	(54,703)
Loss for the year	—	—	—	(2,745)	(2,745)
<b>Total comprehensive expense for the year</b>	—	—	—	(2,745)	(2,745)
<b>Balance as at 31 December 2019</b>	<u>18,500</u>	<u>1</u>	<u>13,846</u>	<u>(89,794)</u>	<u>(57,447)</u>
Income for the year	—	—	—	17,275	17,275
<b>Total comprehensive income for the year</b>	—	—	—	17,275	17,275
<b>Balance as at 31 December 2020</b>	<u>18,500</u>	<u>1</u>	<u>13,846</u>	<u>(72,519)</u>	<u>(40,172)</u>

**OpenBet Technologies Limited**  
**Notes to the Company Financial Statements**  
**For the year ended 31 December 2020**

**28. Significant accounting policies**

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2019 the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) *Reduced Disclosure Framework* as issued by the Financial Reporting Council incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and July 2016.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the re measurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

**29. Profit for the year**

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or statement of other comprehensive income for the year. The Profit attributable to the Company is disclosed in the footnote to the Company's Statement of Financial Position.

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

**30. Investment in subsidiaries**

	<b>£000</b>
<b>Cost</b>	
At 1 January 2020	199,930
At 31 December 2020	<u>199,930</u>
<b>Provisions for impairment</b>	
At 1 January 2020	118,171
Charge	<u>—</u>
At 31 December 2020	<u>118,171</u>
<b>Net book value at 31 December 2020</b>	<u>81,759</u>
Net book value at 31 December 2019	<u>81,759</u>

**OpenBet Technologies Limited**  
**Notes to the Company Financial Statements (continued)**  
**For the year ended 31 December 2020**

**31. Company subsidiaries**

The Company has the following direct and indirect subsidiaries at 31 December 2020:

Entity Name	Direct/Indirect Subsidiary	Address of registered office and principal business address	Identity and proportion of shares held (ordinary shares unless otherwise stated)	Principal activity
OpenBet Singapore Pte Limited	Direct	6 Raffles Quay, #33-03, Singapore 048581	100%	Distribution of digital sports and casino gaming
OpenBet New Zealand Limited	Direct	Level 12, 55 Shortland Street, Auckland, 1010 New Zealand	100%	Distribution of digital sports and casino gaming
OpenBet Limited	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
OpenBet North America Corporation	Direct	199 Bay Street, Suite 4000, Commerce Court West, Toronto, ON M5L 1A9, Canada	100%	Distribution of digital sports and casino gaming
OpenBet Retail Limited	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
SG Digital Limited (formerly Electracade Limited)	Direct	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Distribution of digital sports and casino gaming
OpenBet Asia Pacific Pty Limited	Direct	Tower Two Collins Square Level 3, 6727 Collins Street, Docklands VIC 3008	100%	Distribution of digital sports and casino gaming
OpenBet Hellas S.A.	Direct	7 Fragkoklisias Street, Marousi 15125, Athens, Greece	100%	Content studio
NYX Gaming (Krakow) sp z.o.o	Direct	Al. 29 Listopada 20, 31-401, Krakow	100%	Content studio
NT Media Limited	Indirect	4th Floor, Building 9, Chiswick Park, 566 Chiswick High Road, London W4 5XT	100%	Intermediate holding company

The investments in subsidiaries are all stated at cost less provision for impairments.

**OpenBet Technologies Limited**  
**Notes to the Company Financial Statements (continued)**  
**For the year ended 31 December 2020**

**32. Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade Receivables	2,412	3,858
Other debtors	905	1,689
Accrued income	11,352	10,938
Amounts owed by other group companies	645	586
Amounts owed by subsidiaries	44,597	30,103
Prepayments	355	66
	60,266	47,240

Amounts due to related parties are interest free, unsecured and repayable on demand.

**33. Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade payables	207	347
Accrued expenses	875	722
Deferred income	26	914
Amounts owed to group companies	149,957	148,862
Amounts owed to subsidiaries	34,464	35,811
	185,529	186,656

Amounts due to related parties are interest free, unsecured and repayable on demand.

**34. Parent and ultimate parent undertaking**

The Company is a wholly owned subsidiary of NYX Gaming Group LLC which is incorporated in the United States of America and registered in Nevada. The ultimate controlling party is Scientific Games Corporation, a company incorporated and domiciled in the United States of America with a registered office located at 6601 Bermuda Road, Las Vegas, NV 89118, USA.

The smallest group in which the result of the Company are consolidated is Openbet Technologies Limited, accounts which are presented within these financial statements, the largest group in which the result of the Company are consolidated at the year end date is that headed by Scientific Games Corporation. Copies of the financial statements of Scientific Games Corporation in which the Group's results are consolidated can be obtained from Scientific Games Corporation, 6601 Bermuda Road, Las Vegas, NV 89119, U.S.A..