



BRAGG GAMING GROUP INC.

INTERIM UNAUDITED CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS

Three-month periods ended March 31, 2020
and March 31, 2019

Presented in Euros (Thousands)

Notice for National Instrument 51-102

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements; they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

		Three Months Ended March 31,	
	Note	2020	2019
Revenue	3	8,784	6,084
Cost of revenue		(4,817)	(3,201)
Gross Profit		3,967	2,883
Selling, general and administrative expenses	3	(4,079)	(3,720)
Loss on remeasurement of deferred and contingent consideration	7	(4,968)	-
Operating Loss		(5,080)	(837)
Net interest expense and other financing charges	3	(61)	(473)
Loss Before Income Taxes	3	(5,141)	(1,310)
Income taxes		(243)	(220)
Net Loss from Continuing Operations		(5,384)	(1,530)
Net loss from discontinued operations after tax	4	(316)	(331)
Net Loss		(5,700)	(1,861)
Cumulative translation adjustment - continuing operations		38	(141)
Cumulative translation adjustment - discontinued operations		(11)	23
Net Comprehensive Loss		(5,673)	(1,979)
Basic and Diluted Loss Per Share			
Continuing operations		(0.07)	(0.03)
Discontinued operations		(0.00)	(0.01)
		(0.07)	(0.03)
		Millions	Millions
Weighted average number of shares		79.9	55.9

Certain comparative figures have been reclassified to conform with current year presentation (Note 1).
See accompanying notes to the interim unaudited condensed consolidated financial statements.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

	Note	As at March 31 2020	As at December 31 2019
Cash and cash equivalents	9	2,487	682
Accounts receivable	10	7,087	6,180
Prepaid expenses and other assets		326	333
Assets held for sale	4	711	1,142
Total Current Assets		10,611	8,337
Property and equipment		150	163
Right-of-use assets		789	843
Intangible assets	8	14,204	14,561
Goodwill		19,938	19,938
Other assets		31	38
Total Assets		45,723	43,880
Trade payables and other liabilities	11	11,594	8,857
Income taxes payable		1,005	778
Lease liabilities		154	185
Deferred and contingent consideration	7	9,179	9,482
Liabilities held for sale	4	1,072	1,499
Total Current Liabilities		23,004	20,801
Deferred income taxes		1,511	1,539
Lease liabilities		639	674
Deferred and contingent consideration	7	19,575	14,250
Total Liabilities		44,729	37,264
Share capital	5	40,204	40,204
Warrants	6	1,565	1,565
Special warrants - compensation options	6	660	660
Contributed surplus		11,115	11,064
Deficit		(52,365)	(46,665)
Accumulated other comprehensive loss		(185)	(212)
Total Equity		994	6,616
Total Liabilities and Equity		45,723	43,880
Going Concern	1		

Certain comparative figures have been reclassified to conform with current year presentation (Note 1).
See accompanying notes to the interim unaudited condensed consolidated financial statements.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
PRESENTED IN EUROS (THOUSANDS, EXCEPT SHARE AMOUNTS)**

	Note	Share capital	Warrants	Special warrants	Special warrants - broker compensation options	Special warrants - compensation options	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total Equity
Balance as at January 1, 2019		32,892	579	7,641	660	-	8,838	(34,675)	(39)	15,896
Impact of adoption of IFRS 16		-	-	-	-	-	-	(43)	-	(43)
Conversion of special warrants	5, 6	6,076	1,565	(7,641)	-	-	-	-	-	-
Conversion of special warrants - broker compensation options	6	-	-	-	(660)	660	-	-	-	-
Share-based compensation		-	-	-	-	-	745	-	-	745
Net loss for the period		-	-	-	-	-	-	(1,861)	-	(1,861)
Other comprehensive loss		-	-	-	-	-	-	-	(118)	(13,743)
Balance as at March 31, 2019		38,968	2,144	-	-	660	9,583	(36,579)	(157)	994
Balance as at January 1, 2020		40,204	1,565	-	-	660	11,064	(46,665)	(212)	6,616
Share-based compensation		-	-	-	-	-	51	-	-	51
Net loss for the period		-	-	-	-	-	-	(5,700)	-	(5,700)
Other comprehensive loss		-	-	-	-	-	-	-	27	27
Balance as at March 31, 2020		40,204	1,565	-	-	660	11,115	(52,365)	(185)	994

Certain comparative figures have been reclassified to conform with current year presentation (Note 1).
See accompanying notes to the interim unaudited condensed consolidated financial statements.

**INTERIM UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

	Three Months Ended March 31,	
Note	2020	2019
Operating Activities		
Net loss from continuing operations	(5,384)	(1,530)
Add:		
Net interest expense and other financing charges	61	473
Depreciation and amortization	784	487
Share based payments	51	745
Loss on remeasurement of deferred and contingent consideration	4,968	-
Deferred income tax recovery	(28)	(28)
	452	147
Change in non-cash working capital	1,861	(3,115)
Change in income taxes payable	227	231
Cash Flows From (Used In) Operating Activities	2,540	(2,737)
Investing Activities		
Purchases of property and equipment	(11)	(41)
Additions in intangible assets	(351)	(212)
Deferred consideration payments	-	(639)
Cash Flows Used in Investing Activities	(362)	(892)
Financing Activities		
Repayment of lease liability - interest	(6)	(3)
Repayment of lease liability - principle	(30)	(21)
Interest income	8	-
Interest and financing fees	(15)	(13)
Cash Flows Used in Financing Activities	(43)	(37)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(14)	281
Net cash flow used in discontinued operations	4 (316)	(267)
Change in Cash and Cash Equivalents	1,805	(3,652)
Cash and cash equivalents at beginning of period	682	5,480
Cash and Cash Equivalents at end of period	2,487	1,828

Certain comparative figures have been reclassified to conform with current year presentation (Note 1).
See accompanying notes to the interim unaudited condensed consolidated financial statements.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

1 BASIS OF PRESENTATION AND GOING CONCERN

Nature of operations

Bragg Gaming Group Inc. and its subsidiaries ("Bragg", "BGG", the "Company" or the "Group") is primarily a B2B online gaming technology platform and casino content aggregator through its acquisition of Oryx Gaming International LLC ("Oryx" or "Oryx Gaming") in 2018.

The registered and head office of the Company is located at 130 King Street West, Suite 1955, Toronto, Ontario, Canada M5X 1K6.

Oryx Gaming

Oryx Gaming is a B2B gaming solution provider. Oryx offers a turnkey solution, including an omni-channel retail, online and mobile iGaming platform, as well as an advanced content aggregator, sportsbook, lottery, marketing, and operational services. Oryx is incorporated in the State of Delaware and headquartered in Las Vegas. Its primary operations are provided through its wholly owned subsidiaries in Malta, Cyprus and Slovenia.

Classification of online media business unit as held for sale and discontinued operations

During 2019, the Company decided to discontinue its online media business unit. The associated assets and liabilities within the disposal group are presented as held for sale and the net loss attributable as discontinued operations in the interim unaudited condensed consolidated financial statements ("interim financial statements"). The Company completed the sale of its online media business unit on May 7, 2020 (Note 17).

Statement of compliance and basis of presentation

The accompanying interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The interim financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019.

These interim financial statements were, at the recommendation of the audit committee, approved and authorized for issuance by the Company's Board of Directors on June 30, 2020.

The interim financial statements are prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss ("FVTPL") which are measured at fair value. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended December 31, 2019.

Reclassification of comparative figures

Comparative figures have been reclassified to conform with current year presentation as follows:

- Long-term security deposits for leases are now disclosed as other assets. Previously, these deposits had been categorized as current assets within prepaid expenses and other assets. The reclassification has no effect on the net assets nor loss for the current or prior periods.
- In line with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the comparatives within the interim financial statements have been reclassified to separately report on discontinued operations that in prior periods had been considered continuing operations. The reclassification has no effect on the net assets nor on the loss and comprehensive loss and change in cash and cash equivalents for prior periods.

During 2019, the Company changed its presentation currency from Canadian dollars to Euros to better align the functional currency and presentation currency of its main operating business. As a result, the interim financial statements are presented in Euros ("EUR") for the first time. Such interim financial statements for prior periods had been reported in Canadian dollars.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)****1 BASIS OF PRESENTATION AND GOING CONCERN (continued)****Going concern**

The interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the interim financial statements. If the going concern assumption is not appropriate, material adjustments to the interim financial statements could be required.

As at March 31, 2020, the Company had current assets of EUR 10,611 (December 31, 2019: EUR 8,337) and current liabilities of EUR 23,004 (December 31, 2019: EUR 20,801). The Company has a cumulative deficit of EUR 52,365 (December 31, 2019: EUR 46,665). These events or conditions, along with other matters as set forth herein indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continued existence is dependent upon the achievement of profitable operations and generating positive cash flows from operations. To date, management has been successful in raising capital through equity or debt financings, however the Company cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

The Company has entered into an amending agreement with K.A.V.O. Holdings Limited, as vendor (the "Oryx Vendor"), and Matevž Mazij, pursuant to which, among other things, the earn-out payment otherwise due to the Oryx Vendor on June 30, 2020 has been extended to September 30, 2020. The Company has engaged Canaccord Genuity Corp. to, among other things, provide financial advisory services in connection with financing the earn-out payment due to the Oryx Vendor on September 30, 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended December 31, 2019 and which are available at www.sedar.com. They were prepared using the same critical estimates and judgments in applying the accounting policies as those of the audited consolidated financial statements for the year ended December 31, 2019.

The presentation currency of the Company is the Euro, whilst the functional currencies are Euro, Canadian dollar and British pound sterling due to primary location of individual entities within the Group. The presentation currency of the Euro has been selected as it best represents the majority of the Company's economic inflows, outflows as well as its assets and liabilities.

The assets and liabilities of operations that have a functional currency different from that of the Company's reporting currency, including goodwill and fair value adjustments arising on acquisition, are translated into Euros at the foreign currency exchange rate in effect at the balance sheet date. The resulting foreign currency exchange gains or losses are recognized in the foreign currency translation adjustment as part of other comprehensive income. When such foreign operation is disposed of, the related foreign currency translation reserve is recognized in net earnings as part of the gain or loss on disposal.

Revenues and expenses of foreign operations are translated into Euros at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are transacted.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

3 LOSS BEFORE INCOME TAXES CLASSIFIED BY NATURE

The loss before income taxes is classified as follows:

		Three Months Ended March 31,	
	Note	2020	2019
Games and content		5,050	3,266
Software platform licensing		3,078	2,152
Turnkey and management services		376	500
Other revenue		280	166
Revenue		8,784	6,084
Third-party content		(4,817)	(3,201)
Gross Profit		3,967	2,883
Salaries and subcontractors		(2,441)	(1,809)
Share based payments		(51)	(745)
Total employee costs		(2,492)	(2,554)
- Capitalized as deferred development costs		325	286
Depreciation and amortization		(784)	(487)
IT and hosting		(320)	(286)
Professional fees		(242)	(125)
Corporate costs		(71)	(197)
Sales and marketing		(92)	(105)
Bad debt write off		(89)	-
Travel and entertainment		(108)	(110)
Transaction and acquisition costs		(37)	-
Other operational costs		(169)	(142)
Selling, General and Administrative Expenses		(4,079)	(3,720)
Loss on remeasurement of deferred and contingent consideration	7	(4,968)	-
Operating Loss		(5,080)	(837)
Interest income		8	-
Accretion on liabilities	7	(54)	(460)
Interest and financing fees		(15)	(13)
Net Interest Expense and Other Financing Charges		(61)	(473)
Loss Before Income Taxes		(5,141)	(1,310)

NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)

4 DISCONTINUED OPERATIONS

Effect of reclassification on the interim unaudited condensed consolidated financial statements

Interim unaudited condensed consolidated statements of financial position

	As at March 31 2020	As at December 31 2019
Accounts receivable	98	469
Prepaid expenses and other assets	34	20
Property and equipment	37	44
Right-of-use assets	458	522
Other assets	84	87
Assets held for sale	711	1,142
Trade payables and other liabilities	479	923
Deferred revenue	38	21
Lease liabilities	555	555
Liabilities held for sale	1,072	1,499

Interim unaudited condensed consolidated statements of loss and comprehensive loss

	Three Months Ended March 31,	
	2020	2019
Revenue	478	802
Cost of revenue	(156)	(466)
Gross Profit	322	336
Selling, general and administrative expenses	(606)	(651)
Operating Loss	(284)	(315)
Net interest expense and other financing charges	(32)	(16)
Loss Before Income Taxes	(316)	(331)
Income taxes	-	-
Net Loss	(316)	(331)
Cumulative translation adjustment	(11)	23
Net Comprehensive Loss	(327)	(308)

NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)

4 DISCONTINUED OPERATIONS (CONTINUED)

Effect of reclassification on the Interim unaudited condensed consolidated statements (continued)

Interim unaudited condensed consolidated statements of cash flows

	Three Months Ended March 31,	
	2020	2019
Net cash used in operating activities	(253)	(190)
Net cash used in financing activities	(63)	(77)
Net cash flows for the period	(316)	(267)

5 SHARE CAPITAL

Authorized - Unlimited common shares, fully paid

The following is a continuity of the Company's share capital:

		Note	Number	Value
January 1, 2019	Balance		50,805,049	32,892
March 14, 2019	Conversion of special warrants	6	27,058,802	6,076
March 31, 2019	Balance		77,863,851	38,968
January 1, 2020 and				
March 31, 2020	Balance		79,863,851	40,204

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

6 WARRANTS

The following are continuities of the Company's warrants:

Number Of Units	Warrants	Special warrants	Special warrants - broker compensation options	Special warrants - compensation options
January 1, 2019 Balance	756,250	27,058,802	1,601,784	-
Deemed exercise of				
March 14, 2019 - special warrants to common share and Warrants	27,058,802	(27,058,802)	-	-
March 14, 2019 - special warrants - broker compensation options	-	-	(1,601,784)	1,601,784
March 31, 2019 Balance	27,815,052	-	-	1,601,784
January 1, 2020 and				
March 31, 2020 Balance	27,058,802	-	-	1,601,784

Each unit consists of the following characteristics:

	Warrants	Special warrants	Special warrants - broker compensation options	Special warrants - compensation options
Number of shares	1	1	1	1
Number of Warrants		1	1	1
Exercise price of unit (CAD)	0.76	0.76	0.76	0.51

On March 14, 2019, the Special Warrants were converted to Warrants. This resulted in an issuance of 27,058,802 shares, an increase in share capital of EUR 6,076 (Note 5) and an increase in the fair value of warrants of EUR 1,565.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

7 DEFERRED AND CONTINGENT CONSIDERATION

The following is a continuity of the Company's deferred and contingent consideration:

As at December 31, 2019	23,732
Accretion expense	54
Loss on remeasurement of deferred and contingent consideration	<u>4,968</u>
As at March 31, 2020	<u>28,754</u>

Deferred and contingent consideration is disclosed on the consolidated statement of financial position as follows:

	March 31	December 31
	2020	2019
Current liabilities	9,179	9,482
Non-current liabilities	<u>19,575</u>	<u>14,250</u>
Deferred and Contingent Consideration	<u>28,754</u>	<u>23,732</u>

The Company has entered into an amending agreement with K.A.V.O. Holdings Limited, as vendor (the "Oryx Vendor"), and Matevž Mazij, whereby the earn-out payment otherwise due to the Oryx Vendor on June 30, 2020 has been extended to September 30, 2020.

Amounts presented in non-current liabilities are due to be settled in full to the Oryx Vendor on June 30, 2021. All deferred and contingent consideration payable from June 30, 2020 will therefore be presented in current liabilities.

NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)

8 INTANGIBLE ASSETS

	Intellectual Property	Deferred Development Costs	Customer Relationships	Brands	Other	Total
Cost						
As at December 31, 2018	8,596	-	4,903	1,357	-	14,856
Additions	205	1,222	-	-	128	1,555
As at December 31, 2019	8,801	1,222	4,903	1,357	128	16,411
Additions	-	325	-	-	26	351
As at March 31, 2020	8,801	1,547	4,903	1,357	154	16,762
Accumulated Amortization						
As at December 31, 2018	31	-	14	4	-	49
Amortization - continuing operations	1,088	76	490	136	11	1,801
As at December 31, 2019	1,119	76	504	140	11	1,850
Amortization - continuing operations	286	260	123	34	6	708
As at March 31, 2020	1,405	336	627	174	17	2,558
Carrying Amount						
As at December 31, 2018	8,565	-	4,889	1,353	-	14,807
As at December 31, 2019	7,682	1,146	4,399	1,217	117	14,561
As at March 31, 2020	7,396	1,212	4,276	1,183	137	14,204

During the three months to March 31, 2019 an amortization charge of EUR 435 within continuing operations was recognised.

9 CASH AND CASH EQUIVALENTS

As at March 31, 2020 and December 31, 2019, cash and cash equivalents comprised of cash held in banks, marketable investments with an original maturity date of 90 days or less from the date of acquisition, and prepaid credit cards.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

10 ACCOUNTS RECEIVABLE

The following is an aging of the Company's accounts receivable:

	As at March 31 2020	As at December 31 2019
Less than one month	6,266	5,452
Between two and three months	857	253
Greater than three months	1,002	1,416
	8,125	7,121
Provision for expected credit losses	(1,038)	(941)
Accounts Receivable	7,087	6,180

The following is a continuity of the Company's provision for expected credit losses related to accounts receivable:

As at December 31, 2018	1,771
Reclassified as assets held for sale	(442)
Bad debt written-off	(762)
Net additional provision for the year	283
Effect of movements in exchange rates	91
As at December 31, 2019	941
Net additional provision for the year	89
Effect of movements in exchange rates	8
As at March 31, 2020	1,038

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

11 TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities comprises:

	As at March 31 2020	As at December 31 2019
Trade payables	6,122	5,146
Accrued liabilities	4,636	2,048
Other liabilities	836	1,663
Trade Payables and Other Liabilities	11,594	8,857

12 RELATED PARTY TRANSACTIONS

The Company's policy is to conduct all transactions and settle all balances with related parties on market terms and conditions for those in the normal course of business. Transactions between the Company and its consolidated entities have been eliminated on consolidation and are not disclosed in this note.

Key Management Personnel

The Company's key management personnel are comprised of members of the Board and the executive team. Two key management employees are also shareholders in the Company. Transactions and balances between the Company and its key management personnel are as follows:

- Total compensation for salaries, director fees, share-based payments and short-term employee benefits for the three months to March 31, 2020 totalled EUR 438 (March 31, 2019: EUR 681)
- Loss on remeasurement of deferred and contingent consideration for the three months to March 31, 2020 totalled EUR 4,968 (March 31, 2019: Nil)
- During the three months to March 31, 2020 nil payments were made for deferred consideration (March 31, 2019: EUR 639)
- As at March 31, 2020 EUR 100 of prepaid expenses and other assets was receivable (December 31, 2019: EUR 98)
- As at March 31, 2020 EUR 251 of trade payables and other liabilities was due (December 31, 2019: EUR 278)
- As at March 31, 2020 EUR 28,754 of deferred and contingent consideration (note 7) was payable (December 31, 2019: EUR 23,732)

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

13 FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group are summarised below:

Financial Assets

	Financial assets as subsequently measured at amortised cost	
	March 31	December 31
	2020	2019
Cash and cash equivalents	2,487	682
Accounts receivable	7,087	6,180
	9,574	6,862

Financial Liabilities

	Financial liabilities as subsequently measured at amortised cost	
	March 31	December 31
	2020	2019
Trade payables	6,122	5,146
Accrued liabilities	4,636	2,048
Other liabilities	836	1,663
	11,594	8,857

The carrying values of the financial instruments approximate their fair values.

Fair Value Hierarchy

The following table presents the fair values and fair value hierarchy of the Company's financial instruments.

	March 31, 2020			December 31, 2019		
	Level 1	Level 3	Total	Level 1	Level 3	Total
Financial assets						
Fair value through profit and loss:						
Cash and cash equivalents	2,487	-	2,487	682	-	682
Financial liabilities						
Fair value through profit and loss:						
Deferred and contingent consideration	-	28,754	28,754	-	23,732	23,732

There were no transfers between the levels of the fair value hierarchy during the periods.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

13 FINANCIAL INSTRUMENTS (CONTINUED)

During three months ended March 31, 2020, a loss of EUR 4,968 (three months ended March 31, 2019: Nil) was recognized in operating loss on financial instruments designated as FVTPL (note 7). A key estimate involved is forecasted EBITDA for fiscal 2020. A change of five percentage in EBITDA will result in an increase or decrease in contingent consideration in the amount of EUR 979.

As a result of holding and issuing financial instruments, the Company is exposed to certain risks. The following is a description of those risks and how the exposures are managed:

Liquidity risk

The following are the undiscounted contractual maturities of significant financial liabilities and the total contractual obligations of the Company as at March 31, 2020:

	2020	2021	2022	2023	Thereafter	Total
Trade payables and other liabilities	11,594	-	-	-	-	11,594
Lease liabilities	128	155	153	153	184	773
Deferred and contingent consideration	9,621	21,551	-	-	-	31,172

Foreign currency exchange risk

The Company's interim financial statements are presented in EUR, however a portion of the Company's net assets and operations are denominated in other currencies, particularly the Canadian dollar. Such net assets are translated into EUR at the foreign currency exchange rate in effect at the reporting date, and operations at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. As a result, the Company is exposed to foreign currency translation gains and losses, which are recorded in accumulated other comprehensive loss.

The Company estimates that an appreciation of the EUR of 10% relative to other currencies would result in a nominal decrease in earnings of EUR 7 in earnings before income taxes while a depreciating EUR will have the opposite impact.

The Company has no derivative instruments in the form of futures contracts and forward contracts to manage its current and anticipated exposure to fluctuations in EUR exchange rates.

Credit risk

The Company is exposed to credit risk resulting from the possibility that counterparties could default on their financial obligations to the Company including cash and cash equivalents, other assets and accounts receivable. Failure to manage credit risk could adversely affect the financial performance of the Company.

The risk related to cash and cash equivalents is reduced by policies and guidelines that require that the Company enters into transactions only with counterparties or issuers that have a minimum long term "BBB" credit rating from a recognized credit rating agency.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

13 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

The Company mitigates the risk of credit loss relating to accounts receivable by evaluating the creditworthiness of new customers and establishes a provision for expected credit losses. The Company applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all accounts receivable. The expected credit loss provision is based on the Company's historical collections and loss experience and incorporates forward-looking factors, where appropriate.

The provision matrix below shows the expected credit loss rate for each aging category of accounts receivable as at March 31, 2020:

	Note	Aging (months)			Total
		<1	1 - 3	>3	
Gross accounts receivable	10	6,266	857	1,002	8,125
Expected loss rate		0.64%	9.57%	91.42%	12.78%
Expected Loss Provision	10	40	82	916	1,038

The provision matrix below shows the expected credit loss rate for each aging category of accounts receivable as at December 31, 2019:

	Note	Aging (months)			Total
		<1	1 - 3	>3	
Gross accounts receivable	10	5,452	253	1,416	7,121
Expected loss rate		1.69%	10.28%	58.12%	13.21%
Expected Loss Provision	10	92	26	823	941

Concentration risk

For the three months ended March 31, 2020 two customers (three months ended March 31, 2019: three customers) contributed more than 10% each to the Company's revenues. Aggregate revenues from these customers totalled EUR 2,032 (three months ended March 31, 2019: EUR 3,201).

As at March 31, 2020 two customers (December 31, 2019: two customers) constituted more than 10% each to the Company's accounts receivable. Balances owed by these customers totalled EUR 1,497 (December 31, 2019: EUR 1,700).

The Company continues to expand its customer base to reduce the concentration risk.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

14 SEGMENT INFORMATION

Operating

The Company has one reportable operating segment in its continuing operations, B2B Online Gaming, and one in discontinued operations, the online media business unit.

The accounting policies of the reportable operating segments are the same as those described in the Company's summary of significant accounting policies (see note 2). The Company measures each reportable operating segment's performance based on adjusted EBITDA. No reportable operating segment is reliant on any single external customer.

Intersegment charges have been eliminated on consolidation.

Geography – Revenue

Revenue for continuing operations was generated from the following jurisdictions:

	Three Months Ended March 31,	
	2020	2019
Malta	5,936	3,332
Curaçao	1,742	966
Germany	45	1,080
Croatia	286	262
Other	775	706
Revenue	8,784	6,084

This segmentation is not correlated to the geographical location of the Company's worldwide end-user base.

Geography – Non-Current Assets

Non-current assets are held in the following jurisdictions:

	As at	As at
	March 31	December 31
	2020	2019
United States	34,015	34,367
Other	1,097	1,176
Non-Current Assets	35,112	35,543

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

15 SUPPLEMENTARY CASHFLOW INFORMATION

Cash flows arising from changes in non-cash working capital:

	Three Months Ended March 31,	
	2020	2019
Cash flows arising from movement in:		
Accounts receivable	(902)	853
Prepaid expenses and other assets	1	131
Trade payables and other liabilities	2,762	(4,099)
Cash Flows from Changes in Non-Cash Working Capital	1,861	(3,115)

16 CONTINGENT LIABILITIES

In the ordinary course of business, the Company is involved in and potentially subject to, legal actions and proceedings. In addition, the Company is subject to tax audits from various tax authorities on an ongoing basis. As a result, from time to time, tax authorities may disagree with the positions and conclusions taken by the Company in its tax filings or legislation could be amended or interpretations of current legislation could change, any of which events could lead to reassessments.

There are no known contingent liabilities of the Company not disclosed and there are no legal, administrative, or other proceedings pending, or to the knowledge of the Board threatened, against the Company which would materially affect its financial condition.

**NOTES TO THE INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND MARCH 31, 2019
PRESENTED IN EUROS (THOUSANDS, EXCEPT PER SHARE AMOUNTS)****17 SUBSEQUENT EVENTS****COVID-19**

In December 2019, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the national, provincial and municipal governments around the world regarding travel, business operations and isolation and quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company in the long term as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, quarantine and isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

However, the Company derives the majority of its revenue from online casino gaming. This sector has largely benefited from the various international "lock downs", requiring people to stay at home. As a result, such forms of entertainment have prevailed in a similar fashion to the various streaming businesses such as Netflix. Furthermore, the Company has limited exposure to sports betting revenues that have obviously been impacted by the lack of professional sports.

As at the time of release of these interim financial statements, the Company's financial performance, financial position and cash flow had not been adversely impacted. Management is of the opinion that any adverse effects to its ongoing operations will be immaterial during the remainder of fiscal 2020 and has determined no impairment of its goodwill is required.

Sale of GIVEMESPORT business

On May 7, 2020, the Company sold the majority its discontinued operations for a total consideration of up to EUR 500 contingent on future revenue share.

Contingent consideration payable to Oryx Vendor

On May 13, 2020, the Company has entered into an amending agreement with K.A.V.O. Holdings Limited, as vendor (the "Oryx Vendor"), and Matevž Mazij, pursuant to which, among other things, the earn-out payment otherwise due to the Oryx Vendor on June 30, 2020 has been extended to September 30, 2020. The Company has engaged Canaccord Genuity Corp. to, among other things, provide financial advisory services in connection with financing the earn-out payment due to the Oryx Vendor on September 30, 2020.