



AnglerGaming

Annual report and Audited Financial Statements 2018

Angler Gaming plc, reg. no. C55255, Malta

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About Angler Gaming plc

General

Angler Gaming plc ('Angler Gaming') is a Maltese holding company listed on the Swedish stock exchange, Spotlight Stock Market (ANGL) that invests in companies which provide gaming services over the internet.

Angler Gaming's core business is to own and administer shareholding in internet gambling companies which directly or through partners offer games to end users via Internet.

The focus is on investing in niche gaming companies and startups with larger flexibility and possibilities to manage the customer databases' values, then growing rapidly in various markets around the world.

Angler Gaming owns 100% in all of its subsidiaries and Angler Group (being Angler Gaming itself and its subsidiaries) is debt free.

History

- **2012 - Betsson decides to focus on one gaming platform and places some assets in a separate new company within Betsson Group - Angler Gaming plc. Angler Gaming is listed on AktieTorget (ANGL) (now Spotlight Stock Market) and is distributed to existing Betsson Group's shareholders.** Assets passed to Angler Gaming:
 - €3,000,000 in share capital;
 - A gaming platform based on the CasinoEuro platform, a successful business area within the Betsson Group; and
 - 30 customer databases of Betsson's non-core markets.
- **2014 - a year when things started to happen - Angler Gaming:**
 - Issues new shares (€1,700,000).
 - Acquired Casino Assets with shares.
 - Strikes a partnership with Vuetec, having mainly live casino customers.
- **2015 - August is the first profitable month.**
- **2016 - the first profitable year. Angler Gaming:**
 - Acquired Bingo Assets, with an earn out acquisition model;
 - Acquires, in December, assets from Vuetec, for cash and shares consideration.
 - Achieves, in Q4, a significant increase in profit (EBIT €577,000).
- **2017 - a strong year for Angler Gaming:**
 - Revenues increased by 78% year-on-year to €12,118,116.
 - EBIT increased by 290% to €4,481,862.
 - EBIT margin of 35.8%.
 - 35,540 Active Customers.
 - Dividend policy approved: 50-100% of Net Profit to be distributed to shareholders unless it is required to for acquisitions and/or to safeguard financial position of the Angler Group.
- **2018 - continued growth for Angler Group:**
 - Continued growth in 2018.
 - first dividends (€3,351,000 Euro) distributed to the shareholders on the basis of financial results of

2017.

- The subsidiary PremierGaming Ltd. obtained a gaming licence from the Malta Gaming Authority (MGA).

- Successful launch of ProntoCasino in the Northern Europe marketThe subsidiary PremierGaming Ltd. applied for a Swedish license in November 2018 (in January 2019 Premier Gaming was granted a full five year license to conduct online gaming in Sweden including offering Online Casino, Online Sportsbetting and Online Bingo).

Investment Case

When considering an investment in Angler Gaming plc you should also be aware of risks that are connected with the industry and the business. Angler Gaming operates in a global market and the online gaming industry is subject to different levels of regulations. The business is also exposed to exchange rate fluctuation, changing consumer behaviour and Angler Gaming's ability to operated in a highly competitive industry.

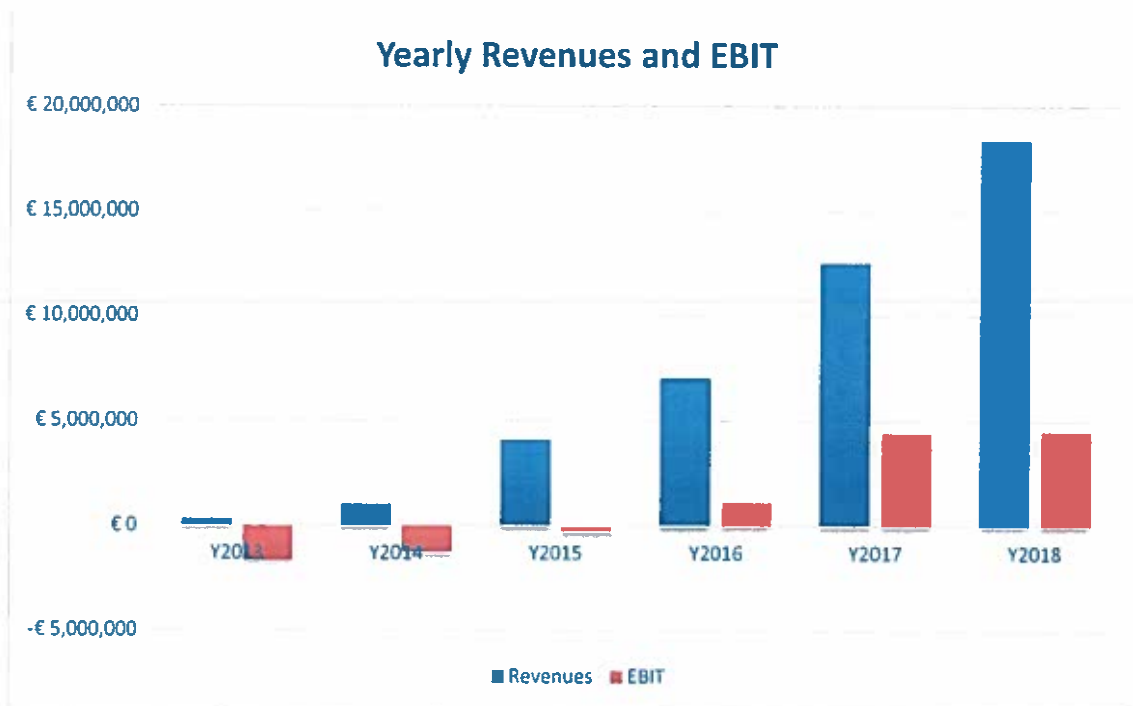
It is an exciting and fast growing industry where Angler Gaming work hard to become a bigger player.

Generic industry growth drivers:

- New Technology and local regulation drives growth.
- Continued shift from offline to online gaming.
- The gaming market in Europe is expected to grow by 5-10% annually 2018-2022.

Angler Gaming's positioning within the industry:

- Angler Gaming enters new markets and segments around the world.
- Angler Gaming is debt-free and has a positive cash flow.
- Angler Gaming has invested in a strong business model:
 - ✓ Fully owned and managed Gaming Platform updated with the latest functionality and technology gives low operational cost for both B2C and B2B business segments and enables multi-brand strategy, data driven marketing and CRM. Scalable to lower incremental cost.
 - ✓ Monitoring and actioning, on a daily basis, multiple Key Performance Indicators, such as Number of New Depositing Customers, Cost per New Depositing Customer and Customer Life Time Value per market, channel and product.
 - ✓ Easy, fast and cost efficient to launch of White Label Solutions (B2B) and inhouse brands (B2C).
 - ✓ Small and efficient organisation (EBIT per employee 2018: €180,000 Euro). An international Group with highly qualified employees from more than 10 Countries.
 - ✓ Proven model for buying and integrating customer databases and brand assets:
 - ✓ No need to take over staff
 - ✓ No need to increase staff
 - ✓ Time to market approximately 1 month after signed agreement.
 - ✓ Using affiliates as a marketing channel give low risk in acquisition of new customers.
 - ✓ Evaluating number of new customers and ARPU on a daily basis when using traditional marketing (TV-commercials, online banners, Google Adds etc) to acquire customers to minimize investment risk and boost growth.
 - ✓ Focusing on both B2C and B2B give us better understanding for customers and changes in customer behaviour.
 - ✓ Strong Casino Product both in Mobile and Desktop. SportsBook and Bingo also form part of the offer when applicable.
 - ✓ Active in 21 markets. Constantly evaluates new products, markets and acquisitions.



Annual General Meeting and reporting dates

The Annual General Meeting will be held on Friday the 7th June 2019 at 10.00 in Stockholm. The location will be disclosed later.

Q1 2019 report will be published on 9th of May 2019.

Q2 2019 report will be published on 8th of August 2019.

Q3 2019 report will be published on 7th November 2019.

Q4 and the annual report 2019 report will be published on 18th February 2020.

Financial performance in 2018 - all-time high in revenues and EBIT

2018 was yet another great year for Angler Gaming plc with all time high in revenues and EBIT:

All figures are compared to 1st January to 31st December 2017 if not explicitly stated otherwise

- Revenues increased by 46.94% to €18,394,136 (€12,518,116).
- EBIT increased by 0.72% to €4,513,995 (€4,481,862).
- EBIT Margin of 24.54% (35.80%).
- Customer deposits increased by 95.48% to €41,828,434 (€21,398,265).
- 33.43% increase in newly registered customers to 139,452 (104,517).
- 79,902 active customers (42,987)
- Earnings per share of €0.0583 (the 2017 earnings per share of €0.0855 included an extraordinary income of €2,080,030).

Proposed Dividend

The Board of Directors proposes distribution of €3,374,325 for 2018 (€3,351,000 was distributed in 2018) by way of a dividend to shareholders, which corresponds to €0.045 per share. Angler Gaming will not compensate for currency exchange costs.

CEO Message



Thomas Kalita, CEO Angler Gaming plc

“2018 was yet another record year in the Angler Gaming plc’s history both as regards revenues and EBIT. At the same time we have managed to continue to invest in an excellent gaming platform, new functions, suppliers and technology and also in a completely new start up, namely PremierGaming Ltd which through its brands ProntoCasino and PremierLiveCasino focus on the Northern Europe markets with mainly a ‘pay’n’play’ concept.”

It is a pleasure to be part of a Group with so many talented colleagues representing more than 10 nationalities. And the combined work of our experienced and dedicated co-workers continue to deliver great result - the Board of Directors recommended a dividend for the second year in a row, even though Angler Gaming is a relatively young company. The results speak for themselves. Simply another great year for Angler Gaming!

Both our B2B partners and our B2C brands continue to deliver, resulting in an all-time high revenues and EBIT for the Group. At the same time we continue to invest in an enhanced gaming experience for the benefit of all our customers in more than 20 markets. We have greatly improved the generic gaming platform which is fully owned by the Angler Group, and we have also added products from many third party suppliers to our offering during the year to further improve the user experience and offer a wide and competitive offering to our customers.





The year started a bit flat in terms of growth, but we worked hard to improve the existing operations, while at the same time starting up a completely new subsidiary (Premiergaming Ltd) that focused on Northern Europe and mainly the ‘pay’n’play’ concept. Premiergaming Ltd, which was launched in Q4, had an amazing growth, while keeping the marketing investment under control. We arranged our marketing investment in such a way that we could stop it at any time to make Premiergaming profitable, even though we decided to prioritize growth in Q4. The ‘old’ business started to show much better KPIs again in Q4, meaning all the efforts during the year by our incredible team started to pay off.

Board of Directors, Company Secretary and Auditor



Dr. James Scicluna,
Chairman (Independent)

James is an experienced lawyer, specialising in gambling regulation and licensing, commercial strategy in regulated markets, public affairs, intellectual property, joint ventures and M&As, amongst others areas. He is an experienced board member, having served as a director in a number of remote gaming companies. James is an independent director, owning no shares in Angler Gaming plc.

	<p>Michael is an experienced board member in gaming companies and a freelance writer. He has over 40 years senior management experience in both casinos and the online betting industry worldwide, covering the Far East, Australia, the Caribbean, Europe, Africa and the U.K , including in well-known casinos, such as the London Playboy Club, Wrest Point Casino, Adelaide Casino, Morula Sun and the Knightsbridge Sporting Club. During the 90's he served on the boards of some eighteen companies within the UK Ladbroke. He has worked exclusively in remote gaming since 2000.</p>
<p>Michael Bennett, Director</p>	<p>Michael owns 300,016 shares in Angler Gaming Plc</p>
	<p>As an iGaming consultant, Ralf Feldt started in the iGaming industry based in Costa Rica in 1999. Since then he has worked for several American and European iGaming companies, including BetCris, NetEnt, Cherry and Betsson. As a consultant, Ralf is helping start-up companies, affiliates and operators within the iGaming industry.</p>
<p>Ralf Feldt, Director</p>	<p>Ralf owns 90,000 shares in Angler Gaming plc.</p>
	<p>Thomas is 49 and has over 20 years' experience in leading positions within successful Internet-focused companies, including the last 12 years from his working in the iGaming industry based in Malta. Between 2007 and 2009 he was the CEO of Betsson AB's operational subsidiaries with overall responsibility for their financial performance for all the global brands and products, including Casino, Sportsbook, Poker, Financial Betting, Scratch Cards and other games, offered to many geographical markets around the world. Prior to that he worked as a Product Director and Marketing Director for Betsson AB's operational subsidiaries.</p>
<p>Thomas Kalita, CEO and Director</p>	<p>Thomas grew up in Sweden and holds a Master's Degree in Business Administration and Economics (specialisation in IT-Management) from Stockholm University. He spent the last 12 years working from Malta. Since 2009 he has been an entrepreneur and investor in the iGaming industry with many successful launches and investments.</p> <p>Through companies he controls, Thomas owns 8 901 603 shares in Angler Gaming plc corresponding to 11.87% of its issued shares.</p>
	<p>Olga is a lawyer, widely regarded for her knowledge of gambling and technology law, as well as corporate governance matters, in particular as applicable to listed and regulated companies.</p>
<p>Dr Olga Finkel, Company Secretary</p>	
<p>Walter Rizzo, Auditor</p>	<p>Walter Rizzo is a Certified Public Accountant and auditor</p>

PremierGaming Ltd – Angler Gaming’s latest investment

Angler Gaming plc has setup in early 2018 a new subsidiary, PremierGaming Ltd, to focus on and benefit from the possibilities in Northern Europe and the ‘Pay’N’Play’ concept. Marvin Abela, CEO of PremierGaming Ltd, comments:

‘I am very proud to be the CEO. of PremierGaming Ltd. We are a lean startup, but with our dynamic approach and energetic team we are already an important driver for the Angler Gaming Group.

PremierGaming started operating with an MGA licence only in October 2018, after Angler Gaming set up the company to grow the Group’s presence in the Northern Europe markets. These markets are very competitive, so our strategy is to invest in marketing, mainly TV commercials, so we have a total control of the marketing spend. Our strategy is to offer a simple and effective online casino that appeals to the customers who want to play as an entertainment, instead of trying to attract big spenders, high-rollers and VIPs.

Our customers come in, play a bit and leave to come back again later, so the ‘Pay’N’Play’ product from Trustly that we deploy fits perfectly with our targeted audience. ProntoCasino is the result of this strategy. ProntoCasino offers fast deposits and withdrawals and some of the best games out there. We are very proud that we have come up with the concept, build and launched on the market in a matter of just weeks. To be consistent with our strategy of targeting customers who come for some fun and entertainment, we don’t give any bonuses and do not send any promotions emails or SMS.

In mid-November, mere 6 weeks after launching ProntoCasino, encouraged by the potential in ProntoCasino and the results obtained in this short period of time in particular in Sweden, PremierGaming submitted the application to obtain a Swedish licence.

It would have been imprudent to apply for the Swedish licence earlier before seeing any actual results. Unfortunately this cautious approach resulted in PremierGaming obtaining the Swedish licence only on the 29th January 2019 instead of the beginning of the year, so we had to pause our Swedish offering during this short time. Once licence was granted, operations resumed into this newly regulated market.

PremierGaming is a startup within the group and didn’t contribute in profits during Q4, except for €86,068 in profits during December. PremierGaming in Q4 contributed to 40% of the total Game Win which are very encouraging numbers on build on in 2019.

The Audited Financial Statements For 2018

The audited Financial Statements for financial year ending 31 December 2018, approved by the Board of Directors, are enclosed with this report.

ANGLER GAMING PLC

Report and financial statements
for the year 1 January to 31 December 2018

Malta Company Registration Number: C55255

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Board of Directors and other Company Information

Directors

James Scicluna

Michael Daniel Bennett

Thomas Kalita

Ralf Feldt

Company Secretary

Oiga Finkel LL.D.

Independent Auditors

Walter Rizzo & Associates

30, Id-Dwejra,

Triq Il-Gejza,

Swieqi,

Malta - EU

Company Number

C55255

Registered Office

Office 1 / 3327,

Level G, Quantum House,

75 Abate Rigord Street,

Ta' Xbiex,

Malta - EU

Legal Advisers

WH Partners

Level 5, Quantum House,

75 Abate Rigord Street,

Ta' Xbiex,

Malta - EU

Report of the Board of Directors

The Directors present their seventh annual report together with the audited financial statements of the consolidated entity, being Angler Gaming plc ("the Company") and its controlled entities ("the Group") covering the year from 1 January 2018 up to 31 December 2018.

Principal activity of the holding company

The Company's principal activities are to invest and to hold shares, participations, investments, interests and debentures in related undertakings and to own manage and administer property of any kind belonging to it.

The Company, as parent company, is listed on the Spotlight Stock Market, Klarabergsviadukten 63, 9th floor, 101 23 Stockholm, Sweden. In May 2018, Aktietorget changed its name to Spotlight Stock Market ("Spotlight").

Group structure and other activities within the group

The Company has four subsidiary undertaking companies, namely, Starfish Media N.V. ("Starfish"), Starpay Limited ("Starpay"), Delta Services Limited ("Delta") and Premiergaming Ltd ("Premier").

Starfish holds a Curaçao gaming licence authorising it to provide internet gaming, services and products. Starfish is licensed by a sub-licence from Curaçao eGaming, a company registered in Curaçao holder of Master Gaming License #1668/JAZ, to provide online gambling services. The company has an agreement with Curaçao eGaming outlining the sublicensing which in turn is regulated by the licensing authority in Curaçao. The Sole Director of Starfish is responsible for, and ensures, the compliance of the Group with the requirements of the licensing authority in Curaçao and other related laws and regulations.

Starfish has its own subsidiary company, Starpay which is a Maltese registered company, that primarily carries out the business of facilitating and assisting the parent company in processing of payments through gateways for and on behalf of its parent company, Starfish.

Delta was incorporated in Malta in 2015 and provides the Group with managerial and administrative support services as well as consultancy services.

Premier was incorporated in Malta in 2017, is licensed and regulated by the Malta Gaming Authority ("MGA") and is authorised to offer casino games. This licence was issued on 1 August 2018 under licence number MGA/CL1/1450/2017. Premier launched its new brand ProntoCasino on 1 October 2018, initially focused on the Northern European market and promoted mainly through TV commercials and other traditional marketing, online marketing and via affiliates. The successful launch of the ProntoCasino in Sweden initiated a process for applying for the Swedish gaming license, which was submitted on 16 November 2018. Since Swedish regulatory regime became applicable on 1 January 2019 and on that date the licence was not yet issued, to remain compliant with applicable legislation the Company temporarily paused its Swedish gaming offering until the licence was obtained, which took place on 29 January 2019.

Report of the Board of Directors (continued)

Review of the business

In the year under review, Group registered a profit on ordinary activities before taxation of EUR 4,478,967 as compared to EUR 4,404,446 in 2017. Profit after taxation was EUR 4,373,318 whereas in 2017 a profit of EUR 6,351,301 was registered, which amount, however, was after the effects of a reorganisation between Group entities in 2017 as a result of which the non-refundable shareholder contribution of EUR 2,080,030 previously reported under capital and reserves in the Consolidated Statement of Financial Position was re-classified as extraordinary income. The total assets of the Group were EUR 9,024,129 (2017: EUR 7,309,350) and the net assets were EUR 7,440,045 (2017: EUR 6,310,077).

The financial position, development and performance of the Company and the Group as presented in these financial statements show that 2018 has seen a continued improvement in figures. The group revenues in 2018 increased over 2017 reaching EUR 18,394,136 (2017: EUR 12,487,075) and resulting in another improvement in gross profits at EUR 7,993,790 (2017: EUR 6,188,779) in absolute terms. Operating results remained in the same levels 2018: EUR 4,513,996 and 2017: EUR 4,481,872.

Future developments

The Board of Directors' main objective remains continuing to expand the business model, strategy and tactics. The Board has evaluated this current growth against recent registered performance and concluded that it is proving to be effective. At the same time, the Group will continue growing its business and investing in the widening of its product offering.

The Board in particular underlines that on 29 January 2019 Premiargaming Ltd received a full five years license to conduct online gaming in Sweden, including offering Online Casino, Online Sportsbetting and Online Bingo.

The Sweden license covers the company's brands and domains, namely: Prontocasino.com, Prontocasino.se, Premierlivecasino.com, Premierlivecasino.se, Prontobingo.com, Prontobingo.se, Prontodds.com and Prontodds.se.

Dividend

The consolidated and parent results for the year are set out on page 12. The Board of Directors recommends the payment of a final gross ordinary dividend of EUR 3,374,325 (2017: EUR 3,351,000) to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Report of the Board of Directors (continued)

Share Capital

Share capital information of the Group and the Company is disclosed in Note 17 to the financial statements. Each share gives the right to one vote and shares shall rank pari passu for all intents and purposes of the law.

	Number of Ordinary Shares	Total Shares EUR
Authorised		
Ordinary shares of EUR 0.01 each, as at 1 January 2017	76,498,570	764,986
Increase in Ordinary shares of EUR 0.01 each Ordinary shares of EUR 0.01 each, as at 31 December 2018	8,000,000	80,000
	84,498,570	844,986
Issued and fully paid up		
Ordinary shares of EUR 0.01 each, as at 1 January 2017	72,994,995	729,949
Issued and fully paid up		
on 12 January 2017 – non-cash consideration for the acquisition of the Vuetec assets	1,000,000	10,000
on 20 January 2017 – share options exercised	75,000	750
on 26 January 2017 – share options exercised	100,000	1,000
on 20 March 2017 – share options exercised	150,000	1,500
on 25 April 2017 – share options exercised	30,000	300
on 25 April 2017 – share options exercised	100,000	1,000
on 25 April 2017 – share options exercised	15,000	150
Ordinary shares of EUR 0.01 each, as at 31 December 2017	74,464,995	744,649
Issued and fully paid up		
on 16 February 2018 – share options exercised	225,000	2,250
on 28 May 2018 – share options exercised	295,000	2,950
Ordinary shares of EUR 0.01 each, as at 31 December 2018	74,984,995	749,849

The Board of Directors was given authority to issue the additional authorised 8,000,000 ordinary shares to person(s) and/or entity(ies) that can contribute valuable assets to, make a material positive impact on, or are positioned to provide material contribution to company group's business overall. These shares remain unissued as of 31 December 2018.

Report of the Board of Directors (continued)

Memorandum and Articles of Association

During the year 2018, a change to the Memorandum of Association of the Company was registered at the Malta Registry of Companies on one occasion which involved an increase of the Company's authorised share capital by 8,000,000 Ordinary shares of a nominal value of EUR 0.01 each, as was approved by the shareholders. There were no changes to the Articles of Association of the Company during the year 2018.

The rules governing the appointment or election of directors are contained in Articles 51 to 56 of the Articles of Association. An extraordinary resolution approved by the shareholders in the general meeting is required to amend the Articles of Association.

The powers of Directors are outlined in Articles 69 to 74 of the Company's Articles of Association.

Board of Directors

The Board of Directors of the Company who held office throughout the year 2018, were:

James Scicluna	Chairman – Director
Michael Daniel Bennett	Director
Ralf Feldt	Director

and David Michael Gray, who passed away on 18 February 2019

Appointed in 2019

Thomas Kalita (appointed on 12 April 2019)	Chief Executive Officer – Director
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The Articles of Association require Directors to retire after one year in office, but they are eligible for re-appointment.

Directors' interests in shares

The beneficial interests of each of the Directors in the ordinary share capital of the company as of 31 December 2018 are shown below:

	Number of issued ordinary shares of EUR 0.01 each
David Michael Gray	225,000
Michael Daniel Bennett	325,042
Ralf Feldt	90,000
Thomas Kalita (through a company he controls)	8,901,603

Directors' interests in contracts

The directors are aware that their primary responsibility is always to act in the interest of the Company and its shareholders as a whole. The directors are also aware that acting in the interest of the Company includes an obligation to avoid conflicts of interest. No director had a material interest in any contract, other than an employment contract, that was significant in relation to the Group's business at any time during the year.

Report of the Board of Directors (continued)

Share option scheme

In line with previous authorisation by the shareholders, the Company put in place the share option scheme for persons engaged with the Company and its controlled entities ('the Group') who make valuable contributions to the business of the Group. Each share option entitles the option holder to receive, upon exercise of the option, one ordinary share in the Company of EUR 0.01 at the pre-determined strike price.

The following members of the Board had been granted and have exercised their options during the years 2016, 2017 and 2018, as follows:

	Number of exercised share options
David Michael Gray	225,000
Michael Daniel Bennett	450,000
Ralf Feldt	90,000

At the date of approval for issue of the financial statements by the Board of Directors under the share options scheme of 1,485,000 options, 1,460,000 have been exercised and 25,000 lapsed. There are no more share options available to the Directors.

Going Concern

At the time of approving the financial statements, the Board of Directors determined that there is reasonable expectation that the Group and the Company has adequate resources to continue operating for the foreseeable future. In considering going concern and liquidity risk, the directors have reviewed the Group's future cash requirements and earnings prospects and have also considered the impact of a range of potential changes to trading performance. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

Report of the Board of Directors (continued)

Events after the Reporting Period

The values of assets and liabilities at the year-end are adjusted if there is evidence that subsequent adjusting events warrant a modification of these values. These adjustments are made up to the date of approval of the financial statements by the Board of Directors.

At the date of approval for issue the financial statements by the Board of Directors, the Group had no subsequent events which either warrant a modification of the values of assets and liabilities at the year-end or any additional disclosure.

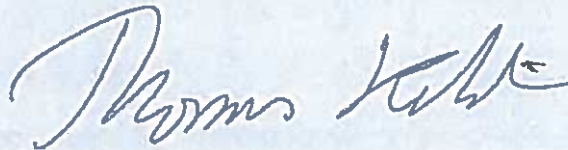
Auditors

Walter Rizzo & Associates have expressed their willingness to continue in office and a resolution for their appointment will be proposed at the Annual General Meeting.

On behalf of the Board



James Scicluna
Chairman - Director



Thomas Kalita
Chief Executive Officer - Director

Registered office:

Office 1 / 3327, Level G, Quantum House, 75 Abata Rigord Street, Ta' Xbiex, Malta - EU

Date: 29 April 2019

Statement of Directors' Responsibilities

Angler Gaming plc has to abide by the Companies Act, 1995 (CAP 386 of the Laws of Malta) and the rules associated with a listing on Spotlight Stock Market. The Group/Company will also operate in compliance with the rules and regulations listed in the Articles of Association. These are available on the Company's website.

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the group and the parent at the end of each financial period and of its profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- Ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances;
- Ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group/Company will continue in business as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the parent and to enable them to ensure that the financial statements comply with the Companies Act. The directors are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with assurance that the assets of the group and the parent are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

The financial statements of Angler Gaming plc for the year ended 31 December 2018 are included in the Annual Report and Statutory Financial Statements, which is published in hard copy printed form and available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Angler Gaming plc

Report on the Audit of the Consolidated Financial Statements

We have audited the consolidated and stand-alone parent company financial statements of Angler Gaming plc and its subsidiaries ("the Group"), which comprise the consolidated and parent company statement of financial position as at 31 December 2018, and the consolidated and parent company statement of comprehensive income, consolidated and parent company statement of changes in equity and consolidated and parent company statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying Group financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

The directors are responsible for the Other Information. The Other Information comprises all the information in the 2018 annual report other than the Group financial statements and our auditor's report thereon ("the Other Information"). Our opinion on the financial statements does not cover this information, including the directors' report. In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
 To the Shareholders of Angler Gaming plc

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Angler Gaming plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.



This copy of the audit report has been signed by
Walter Rizzo (Partner) for and on behalf of
WALTER RIZZO & ASSOCIATES
Certified Public Accountants

30, Id-Dwejra,
Triq il-Gejza,
Swieqi,
Malta - EU

Date: 29 April 2019

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2018**

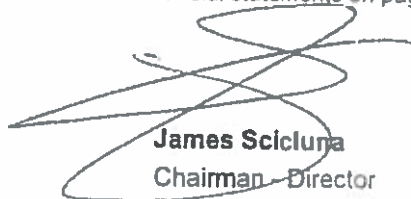
	Note	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Revenue	6	18,394,136	6,518,409	12,487,075	-
Direct costs		(10,400,346)	-	(6,298,296)	-
Gross profit		7,993,790	6,518,409	6,188,779	-
Direct wages costs	7	(695,404)	(18,116)	(542,861)	-
Administrative expenses		(916,693)	(312,280)	(718,184)	(243,029)
ICT & Hosting Expenses		(57,804)	-	(51,997)	-
Marketing and sales expenses		(1,691,251)	(34,171)	(214,416)	(31,929)
Depreciation		(118,642)	(95)	(179,449)	(328)
Operating profit/(loss)	8	4,513,996	6,153,747	4,481,872	(275,286)
Reorganisation extraordinary income	19	-	-	2,080,030	-
Finance costs	9	(39,264)	(2,204)	(77,905)	(53,486)
Finance income	9	4,235	-	479	53,000
Profit/(loss) before taxation		4,478,967	6,151,543	6,484,476	(275,772)
Taxation	10	(105,649)	-	(133,175)	-
Profit/(loss) and total comprehensive income for the financial year		4,373,318	6,151,543	6,351,301	(275,772)
Basic and diluted earnings per share based on net results for the year	11	0.0584	0.0822	0.0857	(0.0037)
Basic and diluted earnings per share excluding extraordinary item arising	11	0.0584	0.0822	0.0577	(0.0037)

The accounting policies and explanatory notes on pages 16 to 35 are an integral part of these financial statements.

**Consolidated Statement of Financial Position
at 31 December 2018**

	Note	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Assets					
Non-current assets					
Investments in subsidiaries	12	-	101,997	-	3,162
Intangible assets	13	1,236,331	-	1,350,739	-
Property, plant and equipment	14	19,886	388	21,204	483
Total non-current assets		1,256,217	102,385	1,371,943	3,645
Current assets					
Trade and other receivables	15	4,914,677	6,770,442	2,210,706	740,898
Cash and cash equivalents	16	2,853,235	21,544	3,726,701	93,480
Total current assets		7,767,912	6,791,986	5,937,407	834,378
Total assets		9,024,129	6,894,371	7,309,350	838,023
Equity and liabilities					
Capital and reserves					
Paid up capital	17	749,849	749,849	744,649	744,649
Share premium	18	1,815,803	1,815,803	1,713,353	1,713,353
Non-refundable shareholder contribution	19	177,088	-	177,088	-
Retained earnings		4,697,305	1,125,187	3,674,987	(1,675,356)
		7,440,045	3,690,839	6,310,077	782,646
Current liabilities					
Trade and other payables	20	1,478,435	3,203,532	866,169	55,377
Taxation	10	105,649	-	133,104	-
Total liabilities		1,584,084	3,203,532	999,273	55,377
Total equity and liabilities		9,024,129	6,894,371	7,309,350	838,023

The financial statements on pages 12 to 35 were approved and signed by the Directors on 29 April 2019:


James Scicluna
 Chairman – Director


Thomas Kalita
 Chief Executive Officer – Director

The accounting policies and explanatory notes on pages 16 to 35 are an integral part of these financial statements.

**Consolidated Statement of changes in equity
for the year ended 31 December 2018**

	Share capital EUR	Retained earnings EUR	Share premium EUR	Group Total EUR
Balance at 1 January 2017	729,949	(2,676,314)	1,640,629	(305,736)
Cash Issue for shares	10,000	-	-	10,000
Issue for shares – options exercised	4,700	-	72,724	77,424
Profit and total comprehensive income for the financial year	-	6,351,301	-	6,351,301
Balance at 31 December 2017	744,649	3,674,987	1,713,353	6,132,989
Balance at 1 January 2018	744,649	3,674,987	1,713,353	6,132,989
Issue for shares – options exercised	5,200	-	102,450	107,650
Profit and total comprehensive income for the financial year	-	4,373,318	-	4,373,318
Dividend paid on equity shares	-	(3,351,000)	-	(3,351,000)
Balance at 31 December 2018	749,849	4,697,305	1,815,803	7,262,957

The accounting policies and explanatory notes on pages 16 to 35 are an integral part of these financial statements.

**Statement of Cash Flows
for the year ended 31 December 2018**

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Cash flows from operating activities				
Profit/(loss) before taxation	4,478,967	6,151,543	6,484,476	(275,772)
Reconciliation to cash generated from/ (used in) operations:				
Taxation	(133,104)	-	(71)	-
Depreciation	118,642	95	179,449	328
Reorganisation extraordinary income	-	-	(2,502,942)	-
Operating profit/(loss) before working capital changes	4,464,505	6,151,638	4,160,912	(275,444)
Movement in debtors	(2,703,971)	18,585	(391,995)	(19,666)
Movement in creditors	612,266	26,495	177,298	6,735
Net cash generated from/(used in) operating activities	2,372,800	6,196,718	3,946,215	(288,375)
Cash flows from investing activities				
Cash Issue for shares	107,650	107,650	87,424	87,424
Investment in subsidiary	-	(98,835)	-	(1,165)
Tangible fixed assets	(2,916)	-	(3,347)	-
Net cash (absorbed by)/generated from investing activities	104,734	8,815	84,077	86,259
Cash flows from financing activities				
Dividend paid on equity shares	(3,351,000)	(3,351,000)	-	-
Short term loans	-	-	(900,000)	(900,000)
Intra-group finance	-	(2,926,469)	-	1,146,169
Net cash generated from financing activities	(3,351,000)	(6,277,469)	(900,000)	246,169
Net movement in cash and cash equivalents in the year	(873,466)	(71,936)	3,130,292	44,053
Cash and cash equivalents at beginning of year	3,726,701	93,480	596,409	49,427
Cash and cash equivalents at end of year (Note 16)	2,853,235	21,544	3,726,701	93,480

The accounting policies and explanatory notes on pages 16 to 35 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

Angler Gaming plc was incorporated in Malta on 8 February 2012 as a public limited liability company in accordance with the provisions of the Companies Law of Malta, 1995. The registered office of the company is Office 1 / 3327, Level G, Quantum House, 75 Abate Rigord Street, Ta' Xbiex, Malta - EU. These consolidated and stand-alone parent company financial statements were approved for issue by the Board of Directors on 29 April 2019.

Parent Company and its subsidiaries

The Company, as parent company, and all of its subsidiary undertakings, is listed on Spotlight Stock Market, Klarabergsviadukten 63, 9th floor, 101 23 Stockholm, Sweden. (stock symbol: ANGL) In May 2018, Aktietorget changed its name to Spotlight Stock Market.

At the end of the reporting period the Companies forming part of Angler Gaming plc group, being herein consolidated, were:

Name	Shareholding
Starfish Media N.V.	100%
Starpay Limited	100%
Delta Services Limited	100%
Premiergaming Ltd	100%

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation and statement of compliance

The financial statements are prepared under the historical cost convention and are in accordance with:

- International Financial Reporting Standards (IFRSs) as adopted by the EU;
- Companies Act, 1995 (CAP 386 of the Laws of Malta) and
- the requirements of the Spotlight Stock Market Connection Agreement.

Initial application of a new International Financial Reporting Standard and International Financial Reporting Standards (IFRSs) as adopted by the EU in issue but not yet effective

The directors anticipate that the adoption of International Financial Reporting Standards (IFRSs) as adopted by the EU that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the company in the period of initial application.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Basis of consolidation

(i) Subsidiaries

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 December 2018. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. All subsidiaries have a reporting date of 31 December.

(ii) Transactions eliminated on consolidation

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Revenue recognition

Revenues earned by the Group are recognised on the following bases:

(i) Casino Revenue

Casino gaming revenue represents bet - win - jackpot contribution - bonus cost - loyalty points - manual adjustments user balances. Cost of sales includes payment processing fees to payment suppliers, affiliate expenses, gaming license fees for products, software licence fees and affiliate costs. Prior year classifications have been updated with this definition of Revenue and Cost of Services Sold for easier comparison. Certain prior year comparatives have been reclassified to conform to the current year's presentation.

(ii) Dividend income

Dividend income is recognized when the right to receive payment is established.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'euro currency' (€), which is the Group's presentation currency.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment comprise mainly computer equipment. This is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Company and the Group do not have title to other property, plant and equipment.

Intangible assets – computer software

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

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

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

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned having regard to their residual value. The annual rates used for this purpose, which are applied consistently, are:

	Useful life	%
Computer equipment	48 months	25.00
Office furniture	120 months	10.00
Furniture and fittings	120 months	10.00

Intangible assets amortisation

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

	Useful life	%
Software	72 months	16.67

Vuetec Player Database 36 months 33.33
 With effect from 1 January 2017 based on assessment made by the Board of Directors in line with Group policy on value allocation for acquired assets.

Bingo Assets 36 months 33.33
 With effect from 2016 based on assessment made by the Board of Directors in line with Group policy on value allocation for acquired assets.

Employee benefits

Contributions towards the state pension are made in accordance with local legislation. The only obligation is to make the required contributions. Costs are expensed in the period in which they are incurred.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders. Interim dividends are approved by the directors and recognised when paid.

Non-refundable shareholder contribution

The previous shareholding company contributed a non-refundable financial amount before the company was listed on Spotlight Stock Market. This amount is free from any security, obligation, or repayment.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, it is more likely that not an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Cash and cash equivalents

Cash and cash equivalents include cash and deposits held at call banks.

Earnings per share

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period.

3 Financial risk management

Financial risk factors

The company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The company did not make use of derivative financial instruments to hedge certain risk exposures during the current financial period.

The risk management policies employed by the Company to manage these risks are discussed below:

Market Risk

(i) Foreign exchange risk

The company's operating revenues, operating expenditure and financing are mainly denominated in euro. Accordingly, the company's exposure to foreign exchange risk is not significant and a sensitivity analysis for foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

As the company has no significant interest-bearing assets and liabilities, the Company's income and operating cash flows are not dependent of changes in market interest rates.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

Notes to the financial statements (continued)

3 Financial risk management (continued)

Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the end of the reporting period in respect of the mentioned financial assets is equivalent to their carrying amount. The company does not hold any collateral as security in this respect. The company banks only with financial institutions with high quality standing or rating.

Liquidity risk

The company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligation.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. In general, the company seeks to maintain its financial assets and financial liabilities in each of the foreign currencies at a reasonably comparable level, thereby providing a natural hedge against foreign exchange risk.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Notes to the financial statements (continued)

4 Fair value estimation

The fair value of financial instruments traded in active markets, such as publicly traded financial assets at fair value through profit or loss and available-for-sale financial assets is based on quoted market prices as at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at the end of the reporting period.

The carrying value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

5 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions are not expected to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In the opinion of management, the accounting estimates, judgements and assumptions made in the course of preparing these financial statements are not difficult, subjective, or complex to a degree which would warrant their description as 'critical' in terms of IAS 1 (revised) 'Presentation of Financial Statements'.

6 Revenue

	Group	Company	Group	Company
	2018	2018	2017	2017
	EUR	EUR	EUR	EUR
Casino revenue	18,394,136	-	12,487,075	-
Dividend received	-	6,518,409	-	-

Notes to the financial statements (continued)

7 Employee benefit expense

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Wages and salaries	644,546	18,094	504,283	-
Malta Social Security costs	44,099	-	34,527	-
Other employee related expenses	6,759	22	4,051	-
	695,404	18,116	542,861	-

The average number of employees employed by the Group during the year was:

	Group 2018	Company 2018	Group 2017	Company 2017
Management and administration	4	1	5	-
Software development and customer support	26	-	18	-
	30	1	23	-

8 Operating profit/(loss)

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Operating profit/(loss) for the financial year is stated after charging:				
Directors' remuneration and other emoluments:				
to the directors of the parent company	136,437	136,437	106,501	106,501
to the directors of the subsidiaries including for company management and administration services	180,064	-	147,325	-
Fees payable to the group's auditors:				
for the annual statutory audit	10,000	7,000	8,750	7,000
for other assurance services	6,750	-	6,750	-

Notes to the financial statements (continued)

9 Finance (Costs)/Income

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Finance (costs)/income arising as follows:				
Interest paid to banks	-	-	-	-
Other interest paid	-	-	(52,078)	(52,078)
Bank charges	(39,264)	(2,204)	(25,682)	(1,408)
Realised gains and losses on exchange	-	-	(145)	-
	(39,264)	(2,204)	(77,905)	(53,486)
Interest received from banks	4,235	-	479	-
Other interest received	-	-	-	53,000
	(35,029)	(2,204)	(77,426)	(486)

10 Income tax

	2018 EUR	2017 EUR
Current tax:		
Taxation at domestic income tax rates for company profits	105,649	133,175

Angler Gaming plc

Angler Gaming plc is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source.

Starpay Limited

Starpay Limited is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source.

Notes to the financial statements (continued)

10 Income tax (continued)

Delta Services Limited

Delta Services Limited is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source. No provision for Malta Income Tax has been made in its individual financial statements in view that there was no chargeable income.

Premiergaming Ltd

Premiergaming Ltd is tax resident in Malta and is subject to taxation at the rate of 35% based on company taxable profits, except for certain bank interest receivable which is taxed at 15%, withheld at source. No provision for Malta Income Tax has been made in its individual financial statements in view that there was no chargeable income.

Starfish Media N.V.

Starfish Media N.V. enjoys incentives available under E-zone legislation in Curaçao that offers tax advantages to e-commerce companies and trading companies with an e-strategy that locate their activities in Curaçao but direct the trading or services towards companies or persons located outside Curaçao.

Profit tax is calculated on the basis of reported profit. The profit of E-Zone companies will be taxed at 2%.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

11 Earnings per share

The basic earnings per share for the group has been calculated on the results attributable to shareholders as recognised in the consolidated statement of comprehensive income divided by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year amounted to 74,836,406 (2017: 74,342,735).

There is no significant difference between the basic and diluted earnings per share.

Notes to the financial statements (continued)

12 Investments in subsidiaries

In the separate financial statements shares in subsidiary undertakings are accounted for at cost.

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Cost and net book value				
At 1 January	-	3,162	-	1,997
Addition	-	98,835	-	1,165
At 31 December	-	101,997	-	3,162

The carrying amount for the investment in controlled entities reflects the value of the investment by the ultimate parent, Angler Gaming plc. The Directors are of the opinion that based on future cashflows of the controlled entities, the value in use is equal or exceeds the carrying amount in the financial statements as at 31 December 2018. To this end no impairment provision on the value of investment in the controlled entities is included in these financial statements

The group financial statements consolidate the results and position of the following subsidiary undertakings which all have same year ends with that of the holding company:

	Country of Incorporation	Class of Shares held	Proportion ownership interest
2018 and 2017			
Starfish Media N.V. (Curaçao Co. Reg. No. 125528)	Curaçao	Ordinary	100%
Starpay Limited (Malta Co. Reg. No. C56562)	Malta	Ordinary	100%
Delta Services Limited (Malta Co. Reg. No. C69559)	Malta	Ordinary	100%
Premiergaming Ltd (Malta Co. Reg. No. C82415)	Malta	Ordinary	100%

The registered office of the subsidiary undertakings is:

Starfish Media N.V.:
Kaya Richard J. Beaujon z/n, Landhuis Joonchie II, Curaçao

Starpay Limited, Delta Services Limited and Premiergaming Ltd:
Office 1 / 3327, Level G, Quantum House, 75 Abate Rigord Street, Ta' Xbiex, Malta - EU

Notes to the financial statements (continued)

13 Intangible assets

Details of intangible assets and their carrying amount are as follows:

	Software EUR
Gross carrying amount	
At 1 January and 31 December 2017	<u>2,101,533</u>
Amortisation and impairment	
At 1 January 2017	(575,174)
Amortisation	(175,620)
Impairment losses	-
At 31 December 2017	<u>(750,794)</u>
Carrying amount at 31 December 2017	<u>1,350,739</u>
Gross carrying amount	
At 1 January and 31 December 2018	<u>2,101,533</u>
Amortisation and impairment	
At 1 January 2018	(750,794)
Amortisation	(114,408)
Impairment losses	-
At 31 December 2018	<u>(865,202)</u>
Carrying amount at 31 December 2018	<u>1,236,331</u>

Notes to the financial statements (continued)

14 Property, plant and equipment

Details of property, plant and equipment, which mainly consist of computer technical equipment, server, switches and IT storage devices, and their carrying amount are as follows:

	Group EUR	Company EUR
Gross carrying amount		
At 1 January 2017	161,405	1,882
Additions	3,347	-
At 31 December 2017	<u>164,752</u>	<u>1,882</u>
Depreciation and impairment		
At 1 January 2017	(139,719)	(1,071)
Depreciation	(3,829)	(328)
Impairment losses	-	-
At 31 December 2017	<u>(143,548)</u>	<u>(1,399)</u>
Carrying amount at 31 December 2017	<u>21,204</u>	<u>483</u>
Gross carrying amount		
At 1 January 2018	164,752	1,882
Additions	2,916	-
At 31 December 2018	<u>167,668</u>	<u>1,882</u>
Depreciation and impairment		
At 1 January 2018	(143,548)	(1,399)
Depreciation	(4,234)	(95)
Impairment losses	-	-
At 31 December 2018	<u>(147,782)</u>	<u>(1,494)</u>
Carrying amount at 31 December 2018	<u>19,886</u>	<u>388</u>

Notes to the financial statements (continued)

15 Trade and other receivables

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Receivable from payment processors	3,904,693	-	1,870,422	-
Rolling reserve	574,545	-	241,631	-
Security deposit	8,386	-	17,595	-
Other receivables	73,929	1,032	33,670	19,661
Prepayments	353,124	1,915	47,388	1,871
Intra-group amount - Starfish Media N.V.	-	6,435,717	-	-
Intra-group amount - Starpay Limited	-	-	-	695,642
Intra-group amount - Delta Services Limited	-	27,920	-	19,866
Intra-group amount – Premiergaming Ltd	-	303,858	-	3,858
At 31 December	<u>4,914,677</u>	<u>6,770,442</u>	<u>2,210,706</u>	<u>740,898</u>

Included in the Payment Processors balance are amounts receivable with a carrying amount of EUR 369,870 (2017: EUR 369,870) which are past due at the end of both the reporting periods for which the Group has not recognised an allowance for doubtful receivables since the Sole Director considers that the amounts are still considered recoverable. If events or circumstances develop adversely, the carrying amount may not be fully recoverable. In addition, a further EUR 290,792 (2017: EUR 146,546) was in the process of receipt and clearance. The company does not hold any collateral over any of these balances.

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment. No expense has been recognised in these financial statements for bad or doubtful debts in respect of amounts due from the related parties.

16 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Bank balances	<u>2,853,235</u>	<u>21,544</u>	<u>3,726,701</u>	<u>93,480</u>

Notes to the financial statements (continued)

17 Share capital

	Number of Ordinary Shares	Total Shares EUR
Authorised		
Ordinary shares of EUR 0.01 each, as at 1 January 2017	76,498,570	764,986
Increase in Ordinary shares of EUR 0.01 each Ordinary shares of EUR 0.01 each, as at 31 December 2018	8,000,000	80,000
	84,498,570	844,986
Issued and fully paid up		
Ordinary shares of EUR 0.01 each, as at 1 January 2017	72,994,995	729,949
Issued and fully paid up		
on 12 January 2017 – non-cash consideration for the acquisition of the Vuetec assets	1,000,000	10,000
on 20 January 2017 – share options exercised	75,000	750
on 26 January 2017 – share options exercised	100,000	1,000
on 20 March 2017 – share options exercised	150,000	1,500
on 25 April 2017 – share options exercised	30,000	300
on 25 April 2017 – share options exercised	115,000	1,150
Ordinary shares of EUR 0.01 each, as at 31 December 2017	74,464,995	744,649
Issued and fully paid up		
on 16 February 2018 – share options exercised	225,000	2,250
on 28 May 2018 – share options exercised	295,000	2,950
Ordinary shares of EUR 0.01 each, as at 31 December 2018	74,984,995	749,849

Notes to the financial statements (continued)

17 Share capital (continued)

Share Option Scheme

In line with previous authorisation by the shareholders, the Company put in place the share option scheme for persons engaged with the Company and its controlled entities ('the Group') who make valuable contributions to the business of the Group. Each share options entitles the option holder to receive, upon exercise of the option, one ordinary share in the Company of EUR 0.01 at the pre-determined strike price. At the date of approval for issue of the financial statements by the Board of Directors under the share options scheme of 1,485,000 options, 1,460,000 have been exercised and 25,000 lapsed.

Share Options granted and exercised

Number of granted and exercised share options

Directors	765,000
Others	695,000

Share Options exercised during 2018

Number of issued ordinary shares of EUR 0.01 each

Directors	255,000
Others	240,000

Share Options exercisable outstanding at end of the year

Number of unissued ordinary shares of EUR 0.01 each under options held exercisable in 2018

Directors	Nil
Others	Nil

Taxability

The Group is treated as providing a taxable fringe benefit in Malta if and every time that the eligible holder exercises his option on shares and actually acquires shares in the Group. The value of the benefit is the excess, if any, of the market value of the shares at the time when the shares are transferred over the price paid for those shares by the holder. The tax on this value is charged at the flat rate of 15%.

Notes to the financial statements (continued)

18 Share premium

	Number of Ordinary Shares	Share premium EUR
Share premium arising on Ordinary shares of EUR 0.01 each issued in the year		
As at 31 December 2016	30,780,038	1,640,629
on 20 January 2017	75,000	11,438
on 26 January 2017	100,000	15,670
on 20 March 2017	150,000	22,875
on 25 April 2017	30,000	4,698
on 25 April 2017	115,000	18,043
As at 31 December 2017	31,250,038	1,713,353
on 16 February 2018	225,000	40,500
on 28 May 2018	295,000	61,950
As at 31 December 2018	31,770,038	1,815,803

19 Non-refundable shareholder contribution

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Cash funding	-	-	-	-
Software	177,088	-	177,088	-
As at 31 December	177,088	-	177,088	-

A reorganisation between Group entities under common control took place in 2017 as a result of which the non-refundable shareholder contribution previously reported under capital and reserves has been re-classified as extraordinary income, which surplus being treated as realised for the purposes of profits distribution. Historically, the non-refundable financial contribution had no obligation for repayment, and arose through a shareholder cash contribution made by Betsson AB as the sole holder of shares in Angler Gaming plc in 2012, prior to Betsson AB's distribution of its shares in Angler Gaming plc to Betsson AB's shareholders in July 2012.

The company had identified this as being material due to the significance of its nature and/or amount and is listed separately to provide a better understanding of the financial performance.

Notes to the financial statements (continued)

20 Trade and other payables

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Trade payables	726,776	93	551,963	93
Accruals	751,659	48,081	314,206	21,586
Intra-group amount - Starfish Media N.V.	-	-	-	33,698
Intra-group amount - Starpay Limited		3,155,358	-	-
	1,478,435	3,203,532	866,169	55,377

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment.

21 Related party transactions

The holding company is the parent company of the undertakings described in Note 12. Transactions between the holding company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Company

Transactions between the parent company and other group entities during the year ended 31 December 2018 comprise mainly of loans advanced for working capital requirements.

	Company 2018 EUR	Company 2017 EUR
Intra-group amount due from/(to) Starfish Media N.V.	6,435,717	(33,698)
Intra-group amount due (to)/from Starpay Limited	(3,155,358)	695,642
Intra-group amount due from Delta Services Limited	27,920	19,866
Intra-group amount due from Premiargaming Ltd	303,858	3,858
At 31 December	3,612,137	685,668

Intra-group balances are unsecured, bear no interest and have no fixed date of repayment. No guarantees were given or received. No expense has been recognised in the year for bad or doubtful debts in respect of amounts due by related parties.

Notes to the financial statements (continued)

21 Related party transactions (continued)

Directors, Company Secretary and other key management

The total compensation to those classified as key management, being those having authority and responsibility for planning, directing and controlling the activities of the Group, including the executive and non-executive directors and like officers is as follows:

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Directors' remuneration and other emoluments				
• to the directors of the parent company	136,437	136,437	106,501	106,501
• to the directors of the subsidiaries including for company management and administration services	180,064	-	147,325	-

Share Options exercised during 2018 are as shown in note 17.

22 Commitments

The parent company and other group entities is committed to carry out various actions within the framework of its planned development efforts. While it is not practicable to precisely quantify the potential liabilities under these various actions, the Group is satisfied that it has made reasonable provision in the financial statements for the likely outcomes of these actions where material. In the normal course of operations, the Group seeks to comply with all applicable laws and regulations but may be subject to regulatory actions and interventions across its markets, the outcome of which are generally difficult to predict. Though the outcome is uncertain, management believes such eventualities would not materially affect the financial position of the Group and no provision has been made in the financial statements.

23 Ultimate controlling party

The directors consider that the Group is jointly controlled by the directors by virtue of their ability to act in concert in respect of the operational and financial policies of the company and that there is no ultimate controlling party. No individual has an ultimate controlling interest in the Company.

Supplementary attachments

The following pages do not form part of the statutory financial statements

Detailed Consolidated Statement of Comprehensive Income

	Group 2018 EUR	Company 2018 EUR	Group 2017 EUR	Company 2017 EUR
Casino Revenue	18,394,136	-	12,487,075	-
Dividend received	-	6,518,409	-	-
Total Revenue	18,394,136	6,518,409	12,487,075	-
Direct Costs				
Payment processing fees	(2,574,185)	-	(1,146,546)	-
Software Licence	(296,496)	-	(149,676)	-
Gaming Licence	(45,986)	-	-	-
Affiliate expenses	(3,446,605)	-	(2,213,853)	-
Royalties expenses	(3,983,065)	-	(2,788,221)	-
Provision for bad debts	(54,009)	-	-	-
Total Direct Costs	(10,400,346)	-	(6,298,296)	-
Direct Wages Costs				
Wages and Salaries	(644,546)	(18,094)	(504,283)	-
Malta Social Security	(44,099)	-	(34,527)	-
Other personnel expenses	(6,759)	(22)	(4,051)	-
Total Direct Wages Costs	(695,404)	(18,116)	(542,861)	-
Administrative Expenses				
Directors' fees	(291,845)	(133,819)	(232,167)	(104,026)
Malta Social Security	(5,106)	(2,618)	(4,824)	(2,475)
Directors' Medical Insurances	(5,085)	(5,085)	(5,169)	(5,169)
Annual statutory audit	(10,000)	(7,000)	(8,750)	(7,000)
Other assurance services	(6,750)	-	(6,750)	-
Professional fees	(399,699)	(97,670)	(321,309)	(81,945)
Legal fees	(60,383)	(60,383)	(33,130)	(33,130)
Accountancy fees	(16,526)	(5,664)	(11,328)	(5,664)
Support services	(40,338)	-	(38,233)	-
Total Administrative Expense	(835,732)	(312,239)	(661,660)	(239,409)
Marketing and Sales Expenses				
Marketing expenses	(1,650,247)	(2,533)	(176,008)	(2,641)
Listing expenses	(28,240)	(28,240)	(25,828)	(25,828)
Representation and entertainment	-	-	-	-
Other travel expenses	(12,764)	(3,398)	(12,580)	(3,460)
Commissions	-	-	-	-
Total Marketing and Sales Expense	(1,691,251)	(34,171)	(214,416)	(31,929)

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Office Expenses				
MFSA fees and penalties	-	-	-	-
Office rent	(35,002)	-	(35,002)	-
Office utilities, telephone and internet	(7,899)	-	(4,251)	-
Courier and postage expenses	-	-	-	-
Other office expenses	(38,060)	(41)	(17,271)	(3,620)
Total Office Expenses	(80,961)	(41)	(56,524)	(3,620)
ICT & Hosting Expenses				
Hosting expenses	-	-	-	-
ICT expenses	(57,804)	-	(51,997)	-
Total ICT & Hosting Expenses	(57,804)	-	(51,997)	-
Depreciation/amortisation				
Depreciation - equipment	(4,139)	-	(1,646)	(233)
Depreciation – furniture & fittings	(95)	(95)	(2,183)	(95)
Amortisation - software	(114,408)	-	(175,620)	-
	(118,642)	(95)	(179,449)	(328)
Non-operating Income/(Expenses)				
Reorganisation extraordinary income	-	-	2,080,030	-
Financial Income				
Interest received on banks	4,235	-	479	-
Interest income loan	-	-	-	53,000
Financial Expenses				
Bank charges	(39,264)	(2,204)	(25,682)	(1,408)
Interest paid to third parties	-	-	(52,078)	(52,078)
Interest paid	-	-	-	-
Realized gain and losses on exchange differences				
Realized and unrealized gain and losses on exchange differences	-	-	(145)	-
Total Non-Operating Income/(Expenses)	(35,029)	(2,204)	2,002,604	(486)
Total Expenses	(13,915,169)	(366,866)	(6,002,599)	(275,772)
Profit/(loss) before taxation	4,478,967	6,151,543	6,484,476	(275,772)