RIVER iGAMING

River iGaming

Condensed Consolidated Interim Financial Statements

6 months ended 30 June 2018

Quote

At a meeting held on 30 August 2018, the Board of Directors of River iGaming p.l.c. considered and approved the half-yearly report for the six (6) months ended 30 June 2018.

The half-yearly report, is attached to this Company Announcement.

Unquote

By Order of the Board
30 August 2018

Interim Directors' Report

River iGaming p.l.c ('the Company') is an investment company established in November 2017 and is operated from Malta. The Company's strategy is to develop as a market player through acquisitions, consolidation and development of businesses. With an extensive focus on new technological solutions and synergies achieved through consolidation and efficiency, the Company's focus is to take the lead in delivering good results in an interesting and highly expanding sector.

During the period under review, the Company incorporated a number of Subsidiaries and entered into agreements to acquire various businesses in the iGaming and media industries. Further information related to the acquisitions is disclosed under note 11 to these interim financial statements.

The Company was listed on the Merkur market in March 2018. In order to secure funding for acquisitions and for general corporate purposes, including funding strategic growth initiatives within the Company's business, River iGaming launched a private placement at the end of June subject to a number of conditions. These conditions were satisfied in August.

The Group registered a loss before taxation on a consolidated basis for the six months ended 30 June 2018 amounting to €2,502,385.

River Game Operations, a wholly owned subsidiary of River iGaming p.l.c. was granted a gaming service licence in terms of the Gaming Authorisations Regulations (L.N. 243 of 2018) issued by the Malta Gaming Authority.

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2018, has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report, to the best of our knowledge, includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, any significant related parties' transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Risk Management

The risks associated with Group (River iGaming p.l.c.) and the industry in which it operates include the management of growth, improvement of infrastructure and implementing new systems without adversely affecting the business. The Company's management needs to effectively manage several geographic locations, develop new products that utilize the assets of the Group, and to further develop cost-effective standards, controls, procedures and policies.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

By Order of the Board

Fabian Qvist
Chairman
30 August 2018

Kent Staahle
Director

Kathleen Zarb Adami
Director

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River iGaming plc

Compilation Report

To the Board of Directors of River iGaming plc

We have compiled the accompanying financial information of River iGaming plc based on information you have provided. This financial information comprises the condensed consolidated interim financial statements of River iGaming plc, which include the consolidated statement of financial position as of 30 June 2018, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period ended 30 June 2018, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in note 2.1 to these financial statements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements, and the accuracy and completeness of the information used to compile them are your responsibility. Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in note 2.1.

As stated in note 2.1, the financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Our duties in relation to our work are owed solely to River iGaming plc and accordingly we do not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of this document. This document has been prepared solely in connection with the terms of reference for this engagement and should be used as detailed in our terms of engagement.

Jonathan Dingli (Director) for and on behalf of

KPMG
Certified Public Accountants
30 August 2018

KPMG, a Maltese civil partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Document classification: KPMG Confidential

The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act.

A list of partners and directors of the firm is available at Portico Building, Marina Street, Pietà, PTA9044, Malta.

Condensed Consolidated Statement of Comprehensive Income

for the period ended 30 June 2018

	Notes	Group	
		01 January to 30 June 2018	01 January to 30 June 2017
		(unaudited)	(unaudited)
		€	€
Revenue	**7**	582,966	-
Direct Costs		(1,067,426)	-
Operating Loss		**(484,460)**	-
Indirect Costs		(2,017,925)	-
Loss for the period before tax		**(2,502,385)**	-
Tax expense	**8**	-	-
Loss for the period		**(2,502,385)**	-
Total comprehensive loss for the period		**(2,502,385)**	-
Loss per share	**9**	(19c9)	-
Diluted loss per share		(19c9)	-

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

	Group	
	30 June 2018	31 December 2017
	(unaudited)	(audited)
	€	€
Non Current Assets		
Property and equipment	**99,268**	**-**
Current Assets		
Trade and other receivables	3,111,506	-
Cash at Bank	1,087,923	138,342
Total Current Assets	**4,199,429**	**138,342**
Total Assets	**4,298,697**	**138,342**
Equity		
Capital and Reserves	**(655,115)**	**9,608**
Current Liabilities		
Interest-bearing borrowings	3,618,467	-
Trade and other payables	1,335,345	128,734
Total Current Liabilities	**4,953,812**	**128,734**
Total Equity and Liabilities	**4,298,697**	**138,342**

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Cash Flows

for the period ended 30 June 2018

	Group	
	01 January to 30 June 2018	01 January to 30 June 2017
	(unaudited)	(audited)
	€	€
Net cash used in operating activities	(521,294)	-
Net cash used in investing activities	(357,058)	-
Net cash from financing activities	1,827,933	-
Movement in cash at bank	**949,581**	**0**
Cash at bank at beginning of period	138,342	-
Increase in cash at bank	949,581	-
Cash at bank at end of period	**1,087,923**	**0**

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of changes in equity

for the period ended 30 June 2018

(unaudited)	Group					
	Share Capital	Share Premium Account	Share-based Payment Reserve	Prepaid Capital contribution	Accumulated Losses	Total
	€	€	€	€	€	€
Balance at 1 January 2017	-	-	-	-	-	-
Balance at 30 June 2017	-	-	-	-	-	-
Balance at 1 January 2018	50,000	-	-	140,030	(180,422)	9,608
Total comprehensive income for the period						
Total comprehensive loss for the period	-	-	-	-	(2,502,385)	(2,502,385)
Transactions with owners of the Company						
Increase in share capital 3 January	5,500	134,530	-	(140,030)	-	-
Increase in share capital 14 February	818	89,189	-	-	-	90,007
Increase in share capital 15 March	8,433	1,475,727	-	-	-	1,484,160
Equity Settled share-based payment	-	-	263,495	-	-	263,495
Total transactions with owners of the Company	14,751	1,699,446	263,495	(140,030)	-	1,837,662
Balance at 30 June 2018	**64,751**	**1,699,446**	**263,495**	**-**	**(2,682,807)**	**(655,115)**

The accompanying notes are an integral part of these financial statements.

1 Reporting entity

River iGaming p.l.c. (the "Company") is a public liability company domiciled and incorporated in Malta. The Company's registered office is at 85, St. John Street, Valletta VLT 1165, Malta. The Company was incorporated on 8 November 2017.

These condensed consolidated interim financial statements as at and for the six-months ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activity of the Group is to build an ecosystem of companies throughout the iGaming value chain.

2 Basis of accounting

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 December 2017. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the Company's last annual financial statements as at and for the year ended 31 December 2017, following incorporation of a number of new group entities during the current interim period made by the Company.

This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in note 4.1.

2.2 Basis of measurement

The interim consolidated financial statements have been prepared on a historical cost basis and on the going concern basis, as explained below:

Going concern

As at 30 June 2018, the Company had a positive working capital and equity position.

The Company was listed to trade on the Merkur Market (a multilateral trading facility operated by Oslo Børs ASA) on 23 March 2018. As part of that process, a private placement of ordinary shares with gross proceeds of EUR1,484,160 was completed, which was a pre-condition for the listing. Subsequent to the reporting period ending 30 June 2018, the Company successfully raised NOK 140 million (equivalent to EUR 14.6 million) at a subscription price of NOK 25.00 per share by issuing 5,600,000 new shares (representing approximately 43% of the issued share capital of the Company) in the form of depositary receipts (the "Offer Shares"), to secure funding for acquisitions and for general corporate purposes, including funding strategic growth initiatives within the Company's business (the "Private Placement"). The Offer Shares allocated in the Private Placement will be delivered to investors who have subscribed for and been allocated Offer Shares in the Private Placement after a number of conditions have been fulfilled. These conditions were fulfilled and completed on 16 August 2018. The shares, in the form of depository receipts were issued on 22 August 2018 and are tradable on Merkur Market.

In assessing the basis of preparation of the interim financial statements the Directors have considered the Group's liquidity commitments and working capital requirements. On this basis, the directors are of the view that it is reasonable to assume that the Group has adequate resources to continue operating for the foreseeable future and have therefore decided that it continues to be appropriate to adopt the going concern basis underlying the basis of preparation of the financial statements.

The Directors are aware that the Group will require further funding through increases in debt or equity to finance the Group's acquisition commitments in the future.

3 Use of estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of

3 Use of estimates and judgements (continued)

estimation uncertainty were the same as those described in the Company's last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in note 4.1.

4 Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the period ended 31 December 2017, except as described below including new accounting policies that have been adopted by the Company in preparing these consolidated interim financial statements further to the incorporation of a number of new group entities during the current interim period.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

4.1 Changes in significant accounting policies

The Group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

4.1.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). The Group had not entered into any contracts with customers and hence generated no revenues between 8 November 2017 (the date of incorporation) and 31 December 2017. Accordingly, there is no cumulative effect adjustment in equity on initial application of IFRS 15.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's services are set out below. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue recognised reflects commission derived from the profit share relating to Vegas Casino disclosed in note 10, an online gaming site which is to be acquired by River Game Operations Ltd, a subsidiary of the River iGaming p.l.c.. The agreement covers the period until River Game Operations acquires an licence to operate the said site and subsequently transfers the business. The Company was granted the licence on 6 August 2018.

4.1.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had an effect on the Group's accounting policies related to financial assets and financial liabilities, except for changes in the names of the measurement categories for financial assets and the new expected credit loss model. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is

4 Significant accounting policies (continued)

4.1 Changes in significant accounting policies (continued)

4.1.2 IFRS 9 Financial Instruments (continued)

generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

For financial assets at amortised cost, which is the measurement category relevant to the Group, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade and other receivables and cash at bank.

Under IFRS 9, loss allowances are measured on either of the following bases:

— 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances for trade receivables without a significant financing component and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to

4 Significant accounting policies (continued)

4.1 Changes in significant accounting policies (continued)

4.1.2 IFRS 9 Financial Instruments (continued)

the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. However, on initial application of IFRS 9, the Group's financial assets in scope of the impairment requirements comprised solely of cash at bank on which no impairment allowance is required as at 1 January 2018 in view of the credit grading of the bank with which such funds are held and the fact that such funds are callable on demand.

The Group's financial assets in the scope of the impairment requirements under IFRS 9 comprise trade and other receivables from two entities that were in the process of being acquired by the Group as at the end of the interim period, and cash at bank. In applying the impairment requirements of IFRS 9 to the in-scope financial assets the directors have taken the following into consideration:

(a) in relation to trade and other receivables the directors have carried out a qualitative analysis, based on the Group's informed credit assessment which also takes into consideration the likely acquisition of both businesses, and found the probability of default to be negligible. The inclusion of forward-looking information into the model is not expected to lead to potential delinquency for both exposures.

(b) in relation to the Group's cash at bank, the directors have assessed the credit grading of the bank with which such funds are held and the fact that such funds are callable on demand.

ECLs on both receivables and cash at bank were deemed to be negligible and hence no impairment allowance was recognised.

The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

— The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. As there have been no differences in the carrying amount of the cash at bank upon initial application of IFRS 9 on 1 January 2018, there was no impact on retained earnings as at that date.

— The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at the date of initial application.

4 Significant accounting policies (continued)

4.2 Property and equipment

4.2.1 Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gains or loss on disposal of an item of property and equipment is recognised in profit or loss.

4.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

4.2.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values. Depreciation is recognised in profit or loss on a straight line basis over the estimated lives of each component of property, plant and equipment.

The annual rates of property, and equipment, which are consistent with those used in previous years, are as follows:

—	furniture and fittings	10%
—	computer and electronic equipment	25%
—	computer and electronic software	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.3 Employee benefits

4.3.1 Equity-settled share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

4.4 Basis of consolidation

4.4.1 Business combinations

The Group accounts for business combinations using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised immediately in profit or loss. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

4 Significant accounting policies (continued)

4.4 Basis of consolidation (continued)

4.4.1 Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

4.4.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

4.4.3 Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

4.4.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4.4.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5 Operating segments

5.1 Basis for segmentation

The Company was incorporated in November 2017, and the Company's shares became listed on the Merkur Market in 2018. In early 2018, the Company incorporated two Maltese subsidiaries and is currently in the process of acquiring a number of entities operating in the iGaming and online media sectors (see notes 8 and 9). In this respect, during the period ending 30 June 2018, the Company and the Group were in the early stages of operations and as at reporting date were still in the process of acquiring control over a number of businesses which are expected to engage in business activities to earn revenue and incur expenses starting from the second half of 2018.

IFRS 8 Operating Segments requires segment disclosure based on the components of the Group that management monitors in making decisions about operating matters. Such components, or operating segments, are identified on the basis of internal reports that the Group's Chief Operating Decision Maker regularly reviews in allocating resources to segments and in assessing their performance. In terms of IFRS 8, the Group is considered as one operating segment as revenue is currently only earned from one revenue-share agreement whilst the transactions in relation to the significant lines of business that the Group is venturing into have not yet been completed as at reporting date. As a result, the consolidated financial position and financial performance of the Group as they are presented in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income currently relate to a single iGaming operating segment.

5 Operating segments (continued)

5.2 Information about reportable segments

	iGaming reportable segment	
	30 June 2018	30 June 2017
	€	€
External revenues	582,966	-
Inter-segment revenue	-	-
Segment loss before tax	(1,367, 502)	-
Unallocated amounts	(1,134,883)	-
Loss before tax	**(2,502,385)**	**-**

	30 June 2018	30 December 2017
	€	€
Segment assets	4,298,697	138,342
Segment liabilities	4,953,812	128,734

6 Share-based payment arrangements

6.1 Description of equity-settled share-based payment arrangements

Options	Options to subscribe for shares (in the form of depository receipts)		Exercise period	Options to subscribe for shares (in the form of depository receipts)		Exercise period	Options to subscribe for shares (in the form of depository receipts)		Exercise period
	Number	Strike Price		Number	Strike Price		Number	Strike Price	
Listing	120,000	EUR 0.88	Listing Issue and for a period of three years thereafter	36,000	EUR 0.88	Listing Issue and for a period of three years thereafter	18,000	EUR 0.88	Listing Issue and for a period of three years thereafter
Tranche 1	65,000	NOK 15.50	8 November 2018 - 8 November 2021	19,500	NOK 15.50	1 December 2018 - 1 December 2021	10,000	NOK 15.50	1 January 2019 - 1 January 2022
Tranche 2	32,500	NOK 31.00	8 November 2019 - 8 November 2022	9,750	NOK 31.00	1 December 2019 - 1 December 2022	5,000	NOK 31.00	1 January 2020 - 1 January 2023

To provide certain members of the executive management with a continued incentive and exposure to the development of the Company, certain members of the Executive Management have on 7 March 2018, been granted options for shares in the Company.

As per the terms and conditions of the options, each of the options gives the holders the right, but not the obligation, to subscribe for or purchase (at the Company's choice) one share, corresponding to one ordinary share in the Company. The Board may at any time resolve to terminate all or some of the issued options against payment to the relevant option holder of an NOK amount equalling the value of the options calculated as the difference between the market value of the option shares at such time less the strike price for such option shares. Upon expiration of the relevant exercise periods, the relevant options will lapse.

6 Share-based payment arrangements (continued)

6.2 Measurement of fair values

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Equity-settled share options

30 June 2018

	Listing	**Tranche 1**	**Tranche2**
Fair value at grant date	NOK 10.46	NOK 13.76	NOK 13.20
Share price at grant date	NOK 18.50	NOK 18.50	NOK 18.50
Exercise price	EUR 0.88	NOK 15.50	NOK 31.00
Expected volatility (weighted-average)	110%	110%	110%
Expected life (weighted-average)	0.4 Years	3.7 years	4.7 years
Expected dividends	0%	0%	0%
Risk-free interest rate (interbank rate)	0.2%	1.7%	1.9%

As the share options were granted during 2018, there are no figures for the comparative period. Expected volatility has been based on an evaluation of historical volatility from listing date.

6.3 Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows (2017: nil).

	Number of options	**Weighted average exercise price(EUR equivalent)**
	30 June 2018	
Outstanding at 1 January	-	-
Granted during the year	315,750	NOK 13.97(€ 1.44)
Exercised during the year	(156,000)	€ 0.88
Outstanding at 30 June	159,750	NOK 19.30(€ 1.99)
Exercisable at 30 June	18,000	€ 0.88

The options outstanding at 30 June 2018 had an exercise price in the range of €0.88 to €3.20 (2017: nil) and a weighted-average contractual life of 3.9 years (2017: nil). The weighted-average share price at the date of exercise for share options exercised in 2018 was NOK 18.50 (2017: nil).

6.4 Expense recognised in profit or loss

Equity-settled share-based payment transactions expensed during 2018 within “Indirect costs” in profit or loss amounted to €263,495.

7 Revenue

The Group's revenue solely comprises the commission derived from the profit share relating to Vegas Casino. This revenue is recognised over-time and is affected by the marketing of the underlying brand and domains to attract customers to play on the platforms from which the Group earns its share of revenue.

8 Tax Expense

At 30 June 2018, the Group had unabsorbed tax losses amounting to €2,502,385. The related deferred tax asset of €877,835 has not been recognised in these interim condensed consolidated financial statements.

9 Earnings per share

The calculation of the basic earnings per share of the Group has been based on the loss for the period of the Group as shown in the condensed consolidated statement of profit or loss and other comprehensive income, divided by the weighted average number of ordinary shares outstanding during the period of 12,579,090 shares.

The calculation of diluted earnings per share has been based on the loss for the period of the Group as shown in the condensed consolidated statement of profit or loss and other comprehensive income and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The weighted average number of ordinary shares outstanding during the period in this calculation thus increased to of 12,597,090 shares.

10 Related parties

During the period, one of the shareholders provided interest-bearing loans to the Group. The loans bear interest at 2.75% and 2% respectively, are unsecured, and repayable by 18th December 2018 and 14th August 2018.

The Company entered into a share purchase agreement with a related party for the purchase of Mediafusion Limited. The Group and Mediafusion Limited are related through a common shareholder.

11 Acquisitions after balance sheet date

11.1 The acquisitions of the VegasCasino domain, MediaFusion Limited and the joint operation acquired by River UK Casino Limited were financed through a private placement completed on 17 August 2018.

11.1.1 Acquisition of the VegasCasino domain and related assets

On 17 January 2018, River Game Operations Limited (RGO), a limited liability company incorporated under the laws of Malta and a fully owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("Agreement") for the purchase of the "VegasCasino" domain.

Under the terms of the Agreement, RGO agreed to buy a business in terms of IFRS 3 Business Combinations, which includes a customer portfolio, brand names and domain names.

The purchase consideration of the business amounts to €5,200,000, payable in two instalments:

- The first instalment, €2,100,000, was paid in cash on signing of the Agreement, and once the customer portfolio, brand names and domain names were successfully migrated onto a new gaming platform, and
- the second instalment, €3,100,000, is payable in cash upon satisfaction of all the obligations for the transfer of business as set out in the Agreement.

The Company incurred acquisition-related costs of €107,915 on legal fees and due diligence costs. These costs have been included in 'administrative expenses' in 2018.

As at reporting date, the Group had settled the first instalment, but had not yet paid the second instalment on the basis that the transfer of the registered ownership of the domain name had not yet been completed, and therefore control was not yet transferred to the acquirer.

11 Acquisitions after balance sheet date (continued)

11.1.1 Acquisition of the VegasCasino domain and related assets (continued)

On 11 August 2018, the transfer of the domain name was registered in the name of one the Group's subsidiaries. Therefore, control over the Vegas Casino domain has been transferred to the Group on said date, which is date of acquisition in terms of IFRS 3.

11.1.2 Acquisition of MediaFusion Limited

On 15 February 2018, River Game Intelligence Holding Limited (RGI), a limited liability company incorporated under the laws of Malta and a fully owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("Agreement"), by virtue of which the Group agreed to buy 75% of the entire share capital in Fire Media Holding Limited, a limited liability company incorporated under the laws of England.

Further to this, an amendment to this agreement ("Amendment Agreement") has been signed, whereby Fire Media Holding Limited has been transferred to the seller's fully owned subsidiary, which is incorporated under the laws of Malta. Through this subsidiary, the Seller has set up another company in Malta, MediaFusion Limited, whereby RGI agreed to buy 75% of its entire share capital.

The purchase consideration for the shares in MediaFusion Limited amounts to GBP 500,896 and shall be satisfied in two tranches:

- the first tranche of GBP237,491 shall be paid on completion of the terms of the Agreement and Amendment Agreement to the Agreement, namely that the share capital of MediaFusion Limited is to be transferred to the Group; and
- the second tranche amounting to GBP263,405 shall be paid on the deferred payment date.

As at reporting date, the Group had not yet acquired MediaFusion Limited and no consideration was paid. Therefore, control of MediaFusion was not yet acquired.

11.1.3 Acquisition of business by River UK Casino Limited

River UK Casino Limited is a limited liability company incorporated on 26 June 2018 under the laws of Malta to hold assets of a UK-based business. The Group, through River UK Casino Limited, entered into agreements with a seller to manage the business acquired. Closing conditions to the agreements were satisfied on 16 August 2018 and the completion cash payment for the initial deposit was also completed on the same date. The agreements stipulate that the Group will have a 70% equity interest in River UK Casino Limited whilst the seller of the UK-based business will acquire 30% equity interest. Further to the completion cash payment, the acquisition also includes an earn-out payment in June 2019 and a call option for the Group to acquire full ownership of the business by June 2020. During the period up to June 2020 there are specific conditions dictating the management of the business by way of unanimous consent over the relevant activities between the Group and the original sellers. When a joint operator acquires an interest in a joint operation that constitutes a business, then the joint operator applies the relevant principles for business combination accounting.

In view of the fact that these financial statements have been authorised for issue on 30 August 2018, shortly after the completion of closing conditions, business combination accounting for the joint operation could not have been completed in a timely manner to enable the Group to provide the aforementioned disclosures.

11.2 In addition to the above disclosures, IFRS requires disclosure of the following information for acquisitions of businesses after the end of the reporting period but before the financial statements are authorised for issue:

- a qualitative description of the factors that make up goodwill;
- for acquired receivables:
    - the fair value of the receivables;
    - the gross contractual amounts receivable; and
    - the best estimate at the acquisition date of the contractual cash flows not expected to be collected;

— the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed;

— information on contingent liabilities assumed in a business combination; and

— the total amount of goodwill that is expected to be deductible for tax purposes;

In view of the fact that these financial statements have been authorised for issue on 30 August 2018, shortly after the dates of acquisition, the initial accounting for the business combinations could not have been completed in a timely manner to enable the Group to provide the aforementioned disclosures.