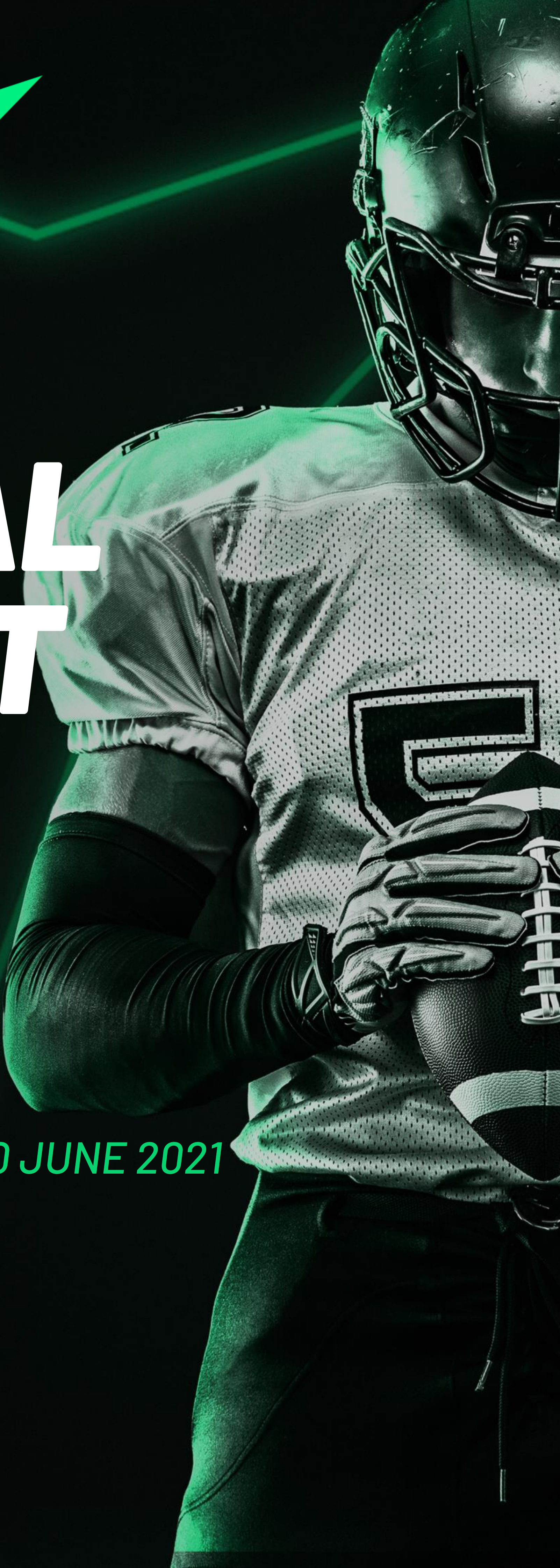
PLAYUP

PlayUp Limited
ABN 56 612 529 307

ANNUAL REPORT 2021



FOR THE YEAR ENDED 30 JUNE 2021

ABN 56 612 529 307

CONTENT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "group") consisting of PlayUp Limited (referred to hereafter as the "company", "PlayUp" or '"parent entity") and the entities it controlled at the end of, or during, the year ended 30 June 2021.

DIRECTORS

The following persons held office as directors of PlayUp Limited during the financial year and up to the date of this report, unless otherwise stated:

Daniel Simic
Richard Sapsford
Michael Costa
Dr. Laila Mintas (ceased being a director on 30 November 2021)
Dennis Drazin (appointed 1 July 2020)

PRINCIPAL ACTIVITIES

PlayUp is an online Betting Entertainment and Technology Group providing a suite of innovative betting solutions to sports fans and thrill-seekers who love a bet. Its primary offerings include Sports Betting, Horse and Greyhound Racing (Fixed Odds, Pari Mutuel Tote Derivatives and Exotics), Daily Fantasy Sports (DFS), and Esports.

PlayUp develops in-house proprietary betting and DFS technologies to power its own platforms and to stay ahead of the industry curve. Owning its technology allows PlayUp the flexibility to innovate, build and scale new and existing products.

PlayUp holds betting licences in multiple jurisdictions, primarily operating in Australia and USA. It actively follows global gambling regulatory changes seeking opportunities in new markets. PlayUp have offices in Australia, USA and India.

Australia is currently PlayUp's biggest market, with over 320,000 registered users generating in excess of AUD$298.2 million of gross gaming turnover (handle) annually. Additionally, PlayUp's fantasy sports brand DraftStars is the largest and most recognised DFS provider in the country with its other betting products continuing to grow at speed.

The group's principal activities during the financial year were as follows:

- Offering online Sports Betting, Horse and Greyhound Racing (Fixed Odds, Parimutuel Tote Derivatives and Exotics), Daily Fantasy Sports (DFS) and Esports, primarily to the Australian consumer market;

- Offering online peer to peer Daily Fantasy Sports betting via peer-to-peer contests and the like to the Australian consumer market;

- Offering online/offline prize-based golf challenges to the Australian consumer market;

- Development of technologies, platforms and products, which includes new and additional functionality, features, enhancements and upgrades;

- Launched online sports betting offering in the state of Colorado, PlayUp's first US state;

PRINCIPAL ACTIVITIES (CONTINUED)

- US market access obtained through partnership with Freehold Raceway, which is jointly owned by Penn National Gaming and Parx Casino, to operate PlayUp's Sportsbook within the state of New Jersey;

- US market access obtained through partnership with Caesars Interactive Entertainment, the New Jersey iGaming affiliate of Caesars Entertainment, to operate PlayUp's iGaming products within the state of New Jersey;

- US market access obtained through partnership with Hoosier Park Casino, owned by Caesars Entertainment, to operate PlayUp's Online Sportsbook within the state of Indiana;

- US market access obtained through partnership with Wild Rose Entertainment to operate PlayUp's iGaming products within the state of Iowa;

- US market access obtained through partnership with the Iowa West Racing Association, the non-profit sponsor of the license for Horseshoe Council Bluffs Casino and owned by Caesars Entertainment, to operate PlayUp's Online Sportsbook within the state of Iowa; and

- Research and development on new technology and new markets.

DIVIDENDS

Dividends paid or declared since the start of the financial year are as follows:

- No dividends were paid since the start of the financial year;
- No dividends were declared since the start of the financial year; and
- No recommendation for payment of dividends has been made.

REVIEW OF OPERATIONS

The loss for the group after providing for income tax amounted to $13,797,327 (2020 loss: $7,823,275).

Australian wagering segment of the group achieved gross gaming turnover of circa $255.9 million and net revenue of $18.1 million in the financial year ended 30 June 2021. PlayUp expects this product line to achieve further growth in the next financial year.

Australian Daily Fantasy Sports and online gaming achieved gross gaming turnover of circa $42.3 million and net revenue of $2.9 million in the financial year ended 30 June 2021. PlayUp expects this segment to achieve further growth in the next financial year.

USA wagering segment of the group achieved gross gaming turnover of circa $1.2 million and a net loss of $0.2 million in the financial year ended 30 June 2021. PlayUp expects this product line to achieve further growth in the next financial year.

Overall PlayUp's combined turnover was circa $299.4 million and net revenue circa $20.8 million in the financial year ended 30 June 2021.

REVIEW OF OPERATIONS (CONTINUED)

PlayUp's focus for the following year will be to secure additional funding to enhance the growth in Australia, secure additional licences and market access partnerships in USA and accelerate its USA operations.

The group's operations during the year performed as expected in the opinion of the Directors.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the group has continued its operation with minimal disruption and as a result, there has not been a significant impact on the group for the year ended 30 June 2021. However, the situation is unprecedented, and we will continue to pay close attention to the potential implications of the pandemic and the impact on operations, which may include disruptions to the supply chain and availability of employees.

Events arising during the year that have significantly affected the group's operation were as follows:

(a) Share consolidation

Pursuant to section 254H of the *Corporations Act*, Rule 2.7 of the company's Constitution, and for all other purposes, the issued capital of the company was consolidated on the basis that every thirty-five (35) shares be consolidated into one (1) share on 13 August 2020.

The following table details the number of shares on issue and the value of the shares immediately pre and post consolidation:

	Number of shares on issue
Pre-consolidation	487,209,800
Post-consolidation	13,920,451

The consolidation also reduced the number of PlayUp options on issue, in the same ratio as the total number of shares, such that the total number of options on issue decreased from 33,803,807 to 965,834. The total number of shares to be issued if all options are exercised decreased from 33,803,807 to 965,834.

(b) Entitlement offer

The company conducted a partially underwritten non-renounceable pro-rata offer of new shares to eligible shareholders. The total funds to be raised under the entitlement offer is $25,384,703. This offer was completed on 30 September 2020. The total number of new shares issued as part of the offer was 8,844,849.

The total funds raised in the entitlement offer also included a number of eligible shareholders who capitalised the debt owing to them from the company in consideration for the take-up of their entitlement, additional shares and under the sub-underwriting.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONTINUED)

(c) Private capital raising

The company announced a private capital raise of new ordinary shares on 19 February 2021, which was completed by 13 April 2021.

The Private capital raising received very strong support from new and existing, institutional and high net worth investors, including several investors with a strong pedigree and track record in the betting entertainment industry. The capital raising will fund the company's launch and expansion into the US market.

Participants in the Offer will receive a 2 for 1 option ("Option"), exercisable at the offer price on or before a date that is the earlier of:

- 5 years from the date of issue; or
- a date immediately prior to an IPO or reverse merger with a special purpose acquisition company ("SPAC"), or other similar such transaction (whereupon option holders may exercise their options).

Option Anti-Dilution: In the event that the company issues additional equity securities (including options, warrants, or convertible securities) the company will issue such number

of bonus options to option holders to prevent their dilution on a fully diluted basis in certain circumstances.

The following table details the number of shares on issue and the value of the shares immediately pre and post consolidation.

	$
Total funds raised in the offer	13,250,004
Total shares issued in the offer	2,417,882
Total options issued in the offer	4,835,764

(d) Convertible loan agreement

During the reporting year the company executed a convertible loan agreement with a specialist funding group to raise debt funds of approximately $3 million before costs. The facility has a term of 12 months from drawdown, with an additional 3-month extension. The facility has a right (but not the obligation) resting with the lender to convert the principal and interest outstanding to ordinary equity at any time immediately prior to an IPO or reverse merger with a special purpose acquisition company ("SPAC"), or other similar such transaction. Additionally, approximately 365,000 options to acquire ordinary shares in the company (at any time immediately prior to an IPO or reverse merger with a SPAC, or other similar such transaction) were granted at the time of making the agreement. The exercise price of options and loan conversion is the market value price paid in the private capital raising on 19 February 2021.

The facility is principally secured by way of:

- First registered general security deed over all the present and after acquired property of the borrower; and
- Guarantee and indemnity provided by the certain group entities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONTINUED)

(d) Convertible loan agreement (continued)

The facility has an interest rate of 15% for the first 6 months and 20% from the date 6 months after the drawdown date if PlayUp has not listed.

(e) PlayUp acquired two social media platforms, "The Roar" and "Athletes Voice"

PlayUp acquired assets in the business as carried on by Sports 3.0 Pty Ltd being two social media platforms, "The Roar" and "Athletes Voice", including the publishing of www.theroar.com.au, www.athletesvoice.com.au and associated social media accounts, subscriber emails and social networks and the associated accounts. The fair value of the purchase price is $2,000,000 to be paid by the allotment and issue of shares in PlayUp in accordance with the terms of the Asset Sale Agreement.

(f) PlayUp secured market access for Online Sports Betting in New Jersey

PlayUp secured a multi-year deal with FR Park Racing, LP (FRP) which is the sports wagering certificate holder and operator of the Freehold Racetrack. FRP is owned by Pennwood Racing, Inc. (Pennwood), and the ultimate 50/50 partners of Pennwood are Greenwood Racing Inc, Penn National Gaming, Inc. and Parx Casino. The agreement is valid for 10 years, with options to extend.

(g) PlayUp entered in a multi-year Sponsorship Agreement with the New Jersey Devils

PlayUp signed a multi-year sponsorship agreement with New Jersey Devils LLC and Devils Arena Entertainment LLC to become the presenting partner of the Devils' newly redesigned PlayUp Studio, the team's Season Preview Show, as well as the Pre-Game Live Show prior to all Devils home games. PlayUp will also hold many other sponsorship benefits in accordance with the terms and conditions of the sponsorship agreement.

(h) PlayUp secured market access for Online Sports Betting in Indiana

PlayUp secured a multi-year deal with Hoosier Park LLC (Caesars). The agreement is valid for 10 years where PlayUp gained the rights to operate online sportsbook in the state of Indiana in accordance with the terms and conditions of the Online Market Access Agreement between the parties.

(i) PlayUp secured market access for Online Sports Betting in Iowa

PlayUp secured a multi-year deal with Iowa West Racing Association (Caesars). The agreement is valid for 10 years where PlayUp gained the rights to operate online sportsbook in the state of Iowa in accordance with the terms and conditions of the Online Market Access Agreement between the parties.

(j) PlayUp secured market access for Online Gaming Services in New Jersey

PlayUp secured a multi-year deal with Caesars Interactive Entertainment New Jersey, LLC (Caesars). The agreement is valid for 10 years where PlayUp gained the rights to operate Online Gaming Services in the state of New Jersey in accordance with the terms and conditions of the Online Market Access Agreement between the parties.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (CONTINUED)

(k) PlayUp secured market access for Online Gaming Services in Iowa

PlayUp secured a multi-year deal with Wild Rose Entertainment, LLC (Wild Rose). The agreement is valid for 10 years where PlayUp gained the rights to operate online Gaming Services in the state of Iowa in accordance with the terms and conditions of the Online Gaming Agreement between the parties.

There have been no other significant changes in the state of affairs of the group during the year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Events arise since 30 June 2021 that have significantly affected the group's operations were as follows:

(a) US market access

Subsequent to 30 June 2021 PlayUp secured 10 year deals to provide:

- iGaming in the state of Pennsylvania;
- online Sportsbook and iGaming in the state of Ohio; and
- Sportsbook and iGaming in the state of Arizona.

PlayUp also secured the sponsorship rights to a US sporting team which, subject to payment of further fees, legalization and regulation, PlayUp will be granted a 10 year market access opportunity to provide sports betting and iGaming in the state of Texas.

The total up-front fees paid to date for the above deals is US $5,000,000. The full financial effect of this access is not determinable at this stage.

(b) PlayUp secured funding of US$ 35 million

On 21 September 2021 PlayUp issued a convertible note to an investor with the following terms:

Amount:	US $35,000,000
Term:	2 years
Security:	None
Conversion event:	On completion of IPO, change of control transaction, capital raise (minimum US $10m) or at end of term
Interest accruing:	10.0% per annum, commencing on the issue date, to be converted into shares on a conversion event per above
Use of proceeds:	US license acquisition and license operating costs, marketing and/or working capital
Conversion date and price:	At the time of a conversion event, the convertible note will be converted into shares on the same terms as the shares issued under the conversion event at a conversion price equivalent to a 20% discount to the applicable valuation price
Conversion shares:	Ordinary shares. However, if the conversion event is the capital raise, the investor will receive the same preference equity offered to other investors in that capital raise.

EVENTS SINCE THE END OF THE FINANCIAL YEAR (CONTINUED)

(c) PlayUp sets up launch of Booki.com.au

On 26 October 2021, PlayUp entered into an agreement with BookiCo Pty Ltd which at the date of this report remains subject to regulatory approval for execution. If approved, PlayUp retains 51% of Booki.com.au Pty Ltd (formerly Topbetta Pty Ltd), with 49% owned by BookiCo. Pending the regulatory approval, Booki.com.au Pty Ltd will operate with services to be provided by BookiCo in relation to client acquisition, marketing and VIP client management, whilst PlayUp will provide the technology stack and administrative functions. If approved, BookiCo will have the option to sell their share of Booki.com.au Pty Ltd back to PlayUp after 31 December 2024 at an agreed revenue multiple or PlayUp can opt to sell or list that company or failing that sell to BookiCo at a discount.

(d) Convertible loan repayment

On 29 October 2021, PlayUp repaid in full the convertible loan taken out per section (d) of Significant changes in the state of affairs above. To allow early settlement of the loan PlayUp issued the lender 600,000 vested options with an exercise price of $5.48 and an expiry date of 23 May 2022. There are no additional charges outstanding on this loan after repayment.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

PlayUp has two main goals it will focus on:

1. Growth in Australia - PlayUp will grow its market share in Australia by strengthening its market position as an innovative brand that offers a boutique service to a more enthusiastic and sophisticated user. PlayUp prides itself on great innovation across a diversified product range that continually offers the best winnings (odds or returns) in the market, all supported by the highest quality of responsive, personalised service. Marketing expenditure will significantly increase to highlight our unique points of difference and our promotions and subsequently grow our active userbase and revenues.

2. Expansion into the USA - PlayUp will take advantage of its opportunities to expand into the nascent USA sports betting market and iGaming market. PlayUp intends to offer Sports Betting, Fantasy Sports, Pari-Mutuel Horse Racing, Esports and iGaming on a state by state basis throughout the USA.

Management believe that PlayUp continues to be well positioned to generate sustainable long-term growth and overall value for stakeholders.

ENVIRONMENTAL REGULATION

The group is not affected by any significant environmental regulation under Australian Commonwealth, State or US law.

INFORMATION ON DIRECTORS

Daniel Simic, Executive Director, Group Chief Executive Officer

Associate Diploma in Electrical Technology

Daniel is a founder and successful venture capital investor across the start-up technology sector. He has held board positions and key management roles leading to many successful exits. Daniel has an entrepreneurial spirit with strong leadership skills and a passion for the online betting space, particularly the ability to innovate, scale through technology and the opportunities it presents to expand globally. Having held board positions in online betting for almost a decade, his high level of experience and deep knowledge of the industry, Daniel has grown PlayUp from a bootstrap start-up to a recognised global operator.

Dr Laila Mintas, Executive Director, USA Chief Executive Officer

First and Second State Examination in Law on High Regional Court of Berlin/Germany

Ph.D. at Humboldt University of Berlin/Germany 'Gambling via the internet - in particular sports betting with fixed odds (Oddset - wagers) under Criminal law, Public and Administrative law and European law', published as a book and e-book by Duncker & Humblot 2009.

MICHAEL COSTA, EXECUTIVE DIRECTOR, CHIEF TECHNICAL OFFICER

Michael has spent over 10 years heading up the technology divisions of wagering and online gaming businesses across Australia. After leading the development of wagering software at ASX listed bookmaker The BetMakers (formerly Topbetta), Michael founded what is now PlayUp with Daniel and oversees all aspects of its technical operations.

Richard Sapsford, Non-Executive Director

Diploma in Agricultural Engineering, Chippenham Technical College, Wiltshire UK

Richard is a property developer, private equity investor, venture capitalist and formerly a majority owner of Sydney's iconic hotel Palisade, who is not afraid to seed technology start-ups which show positive signs of succeeding. Richard has owned and operated one of the largest privately owned pest control business in Australia for over 35 years and successfully exited from its sale to Anticimex in 2016. Richard's diversified technology interests stretch across gaming, auctions, social monitoring, blockchain, exchange platforms and biotech.

Dennis Drazin, Non-Executive Director

J.D. from The Dickinson School of Law, Carlisle, Pennsylvania

B.A. from Ohio State University, Columbus, Ohio

Dennis is the Chairman and CEO of Darby Development LLC, which operates Monmouth Park on behalf of the New Jersey Thoroughbred Horsemen's Association. He masterminded the repeal of PASPA and was inducted to the Sports Betting Hall of Fame in 2019. He runs his law firm Drazin and Warshaw and is a well-recognized expert and leading voice in the racing and gambling industry.

INFORMATION ON SECRETARY

Paul Jeronimo, CEO Australia and Company Secretary

B.Bus University of Technology Sydney, CPA (CPA Australia)

Paul has extensive public company experience with over 15 years in the online telecommunications, wagering and gaming sectors. Previously he held CFO and Company Secretarial roles at ASX listed companies Engin Limited (2004-2008), Mobile Embrace Limited (2009-2012) and the CFO/COO role at The BetMakers Limited (2016-2018). Paul has also spent time in the UK as Finance Director and Company Secretary of telco start-up Global gig (2012 to 2016). Paul brings unparalleled financial experience and valuable insight into publicly listed wagering companies.

MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	Meetings attended	**Meetings held**
Daniel Simic	26	26
Richard Sapsford	25	26
Michael Costa	26	26
Dr. Laila Mintas	25	26
Dennis Drazin	25	26

SHARES UNDER OPTION

(a) Unissued ordinary shares

During the year 105,226 options were granted to the employees of the company under the group's employee share option plan and 1,531,231 options were granted to a Director of the company outside of the plan.

Unissued ordinary shares of PlayUp Limited under option at the date of this report are as follows:

Date options granted	Vesting date*	Issue price of Shares	Number under option
1 December 2017	1 December 2020	$3.71	428,573
2 May 2018	2 May 2021	$3.71	53,909
30 June 2018	30 June 2021	$3.71	53,909
20 December 2018	20 December 2021	$5.48	18,234
30 October 2019	30 October 2022	$5.48	244,331
17 January 2021	16 January 2024	$5.48	36,496
1 May 2021	30 April 2024	$5.48	68,730
23 February 2021	22 February 2026	$5.48	365,000
13 April 2021	18 March 2026	$5.48	4,835,764
4 June 2021	3 June 2024	$5.48	18,248
19 July 2021	19 July 2024	$5.48	9,124
21 October 2021	21 October 2024	$5.48	18,248
29 October 2021	29 October 2021	$5.48	600,000
			6,750,566

*Expiry date is generally 1 year after vesting date. Subsequent to 30 June 2021, the expiry date of options with a vesting date of 1 December 2020 were extended for an additional 12 months.

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

Shares and options granted as remuneration to the directors and the five most highly remunerated officers during the year

Name of officer	Date granted	Issue price of shares / options	Value price of shares / options	Number granted
Dennis Drazin (shares)	6 July 2020	$2.87	$0.00	66,249
Laila Mintas (options)	30 September 2020	$2.87	$0.001	1,531,231
Laila Mintas (shares)	30 September 2020	$2.87	$0.00	142,026
Dennis Drazin (shares)	1 February 2021	$5.48	$0.00	26,531
Daniel Simic (options)	1 May 2021	$5.48	$2.109	68,730

SHARES UNDER OPTION (CONTINUED)

(b) Shares issued on the exercise of options

The following ordinary shares of PlayUp Limited were issued during the year ended 30 June 2021 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of Shares	Number of shares issued
30 September 2020	$2.87	1,531,231

INSURANCE OF OFFICERS AND INDEMNITIES

On 30 June 2021, the company took out insurance at a premium of $510,000 to cover the directors and officers of the company and its subsidiaries. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The company also resolved to indemnify all directors between the date the previous D&O insurance coverage (which lapsed February 2020) and 1 July 2021, against any liability incurred by the director(s). Director conduct involving a lack of good faith was excluded from this indemnity.

The company has agreed to indemnify their auditors, UHY Haynes Norton to the extent permitted by law.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and is included with the financial statements which is set out on page 14.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Daniel Simic
Director

Sydney, this day of 20th January 2022

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Directors of PlayUp Limited

As auditor for the audit of PlayUp Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PlayUp Limited and the entities it controlled during the year.

UHY Haines Norton

M.D. Nicholaeff
Partner
Sydney
20 January 2022

UHY Haines Norton
Chartered Accountants

CONTENT

Financial statements

These financial statements are the consolidated financial statements for the group consisting of PlayUp Limited and its subsidiaries. A list of subsidiaries is included in note 33. The financial statements are presented in the Australian dollar ($).

PlayUp Limited is a for profit, non-listed public company, incorporated and domiciled in Australia.

Its registered office since 13th August 2020 is:

Suite 7, 2-4 Northumberland Road

Caringbah NSW 2229

Its principal place of business is:

48 Epsom Road
Zetland NSW 2017

A description of the nature of the group's operations and its principal activities is included in the Directors' Report on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 20th January 2022. The directors have the power to amend and reissue the financial statements.

	Notes	2021 $	(Restated) 2020 $
Revenue from continuing operations	6	**20,806,498**	17,452,677
Other income	7	**494,684**	388,370
Sporting taxes		**(9,138,500)**	(7,535,229)
Sport data and live feed expenses		**(864,178)**	(602,231)
IT expenses		**(978,722)**	(1,152,080)
Advertising and promotions		**(5,315,042)**	(1,870,073)
Employee benefits expense		**(6,622,430)**	(4,632,956)
Depreciation and amortisation	9	**(3,075,674)**	(2,791,345)
Reversal of impairment/(impairment) of investment		**1,246,068**	(3,391,433)
Professional fees		**(3,224,765)**	(2,060,668)
Rent and outgoings		**(363,257)**	(349,498)
Share-based payment expenses	27(a)	**(5,587,262)**	(546,828)
Other expenses		**(872,088)**	(452,467)
Finance costs	8	**(718,620)**	(1,325,749)
Loss before income tax		**(14,213,288)**	(8,869,510)
Income tax benefit	10	**415,961**	1,046,235
Loss for the year		**(13,797,327)**	(7,823,275)
Other comprehensive income			
Item that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	27(a)	**(68,213)**	-
Other comprehensive (loss) for the year, net of tax		**(68,213)**	-
Total comprehensive (loss) for the year		**(13,865,540)**	(7,823,275)
Loss is attributable to:			
Owners of PlayUp Limited		**(13,797,327)**	(7,823,275)
Total comprehensive loss for the year is attributable to:			
Owners of PlayUp Limited		**(13,865,540)**	(7,823,275)
		Cents	Cents
Basic and diluted loss per share		**(0.630)**	(0.577)

See note 4 for details regarding the restatement of results.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2021 $	(Restated) 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**14,211,996**	4,999,061
Trade receivables	12	**39,855**	4,103
Other financial assets at amortised cost	13	**7,117**	727,560
Current tax receivables		**-**	236,045
Other financial assets	14	**52,309**	101,252
Other current assets	15	**445,522**	79,126
Total current assets		**14,756,799**	6,147,147
Non-current assets			
Other financial assets at amortised cost	13	**80,055**	-
Investments accounted for using the equity method	16	**60**	90
Property, plant and equipment	17	**182,380**	170,968
Right-of-use assets	18	**-**	163,097
Intangible assets	19	**27,243,884**	15,598,083
Total non-current assets		**27,506,379**	15,932,238
Total assets		**42,263,178**	22,079,385
LIABILITIES			
Current liabilities			
Lease liabilities	18	**-**	51,657
Trade and other payables	20	**17,873,606**	11,420,171
Borrowings	21	**3,220,672**	20,013,259
Other financial liabilities	22	**321,761**	113,146
Deferred revenue		**334,653**	-
Employee benefit obligations	24	**816,271**	482,315
Total current liabilities		**22,566,963**	32,080,548
Non-current liabilities			
Lease liabilities	18	**-**	120,653
Employee benefit obligations	24	**101,852**	34,033
Deferred tax liabilities	25	**492,346**	908,307
Provisions	23	**-**	21,475
Other financial liabilities	22	**-**	26,153
Total non-current liabilities		**594,198**	1,110,621
Total liabilities		**23,161,161**	33,191,169
Net assets/(liabilities)		**19,102,017**	(11,111,784)
EQUITY			
Contributed equity	26	**59,696,616**	21,413,252
Other reserves	27(a)	**8,456,490**	2,728,726
Accumulated losses	27(b)	**(49,051,089)**	(35,253,762)
Total equity/(deficiency in equity)		**19,102,017**	(11,111,784)

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $	Other reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019		19,230,162	2,181,898	(27,430,487)	(6,018,427)
Loss for the year (restated*)		-	-	(7,823,275)	(7,823,275)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) for the year		**-**	**-**	**(7,823,275)**	**(7,823,275)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	26	2,183,090	-	-	2,183,090
Share-based payments	27(a)	-	546,828	-	546,828
		2,183,090	546,828	-	2,729,918
Balance at 30 June 2020		**21,413,252**	**2,728,726**	**(35,253,762)**	**(11,111,784)**

*See note 4 for details regarding the restatement of results.

	Notes	Contributed equity $	Other reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020		21,413,252	2,728,726	(35,253,762)	(11,111,784)
Loss for the year		-	-	(13,797,327)	(13,797,327)
Other comprehensive income		-	(68,213)	-	(68,213)
Total comprehensive (loss) for the year		**-**	**(68,213)**	**(13,797,327)**	**(13,865,540)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	26	38,283,364	-	-	38,283,364
Value of conversion rights on convertible loan	27(a)	-	200,377	-	200,377
Share-based payments	27(a)	-	5,595,600	-	5,595,600
		38,283,364	5,795,977	-	44,079,341
Balance at 30 June 2021		**59,696,616**	**8,456,490**	**(49,051,089)**	**19,102,017**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**22,901,947**	19,124,887
Payments to suppliers and employees (inclusive of GST)		**(18,475,635)**	(14,281,667)
		4,426,312	4,843,220
Government subsidiaries		**517,500**	399,831
Interest received		**317,588**	33,537
Interest paid		**(565,068)**	-
Duties and taxes		**(9,419,702)**	(7,535,229)
Income tax received/(paid)		**236,045**	
Research and development incentive received		**586,671**	
Net cash (outflow) from operating activities	34	**(3,900,654)**	(2,258,641)
Cash flows from investing activities			
Deferred payments for acquisition of subsidiary in previous years		**-**	(831,930)
Payments for property, plant and equipment		**(97,483)**	(50,318)
Payments for intangibles		**(6,288,742)**	(979,387)
Net cash (outflow) from investing activities		**(6,386,225)**	(1,861,635)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**20,172,029**	50,000
Proceeds from borrowings		**2,994,648**	3,856,000
Repayment of borrowings		**(3,615,206)**	(398,880)
Principal elements of lease payments		**(51,657)**	(55,000)
Net cash inflow from financing activities		**19,499,814**	3,452,120
Net increase (decrease) in cash and cash equivalents		**9,212,935**	(668,156)
Cash and cash equivalents at the beginning of the financial year		**4,999,061**	5,667,217
Cash and cash equivalents at end of year	11	**14,211,996**	4,999,061

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the consolidated financial statements

1. Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of PlayUp Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. PlayUp Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the PlayUp Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(iii)New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time in its annual reporting period commencing 1 July 2020:

- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3]*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material [AASB 101 and AASB 108]*
- AASB 2019-5 *Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]*
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework.*

The adoption of these amendments did not have any impact on the amounts recognised in prior years and will also not affect the current or future years.

1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, however management will continue to assess the potential impacts closer to the application dates.

(v) Going concern

The financial statements have been prepared on the going concern basis which assumes the company and consolidated entity will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.

As at 30 June 2021, the group has positive net assets of $19,102,017 (2020: negative net assets of $11,111,784). During the financial year the group incurred a net loss of $13,797,327 (2020: loss of $7,823,275) and also had cash outflows from operating activities of $3,900,654 (2020: outflow of $2,258,641)

The group has prepared a cash flow forecast which indicates that the group does not have sufficient cash to meet its minimum expenditure commitments and support its current level of corporate overheads and therefore needs to raise additional funds to continue as a going concern.

To address the future additional funding requirements of the group, since 30 June 2021, the directors have undertaken the following initiatives:

- The total funds raised under the entitlement offer is USD $35 million. The issuance is fully explained in the subsequent event note 36;
- will continually monitor the group's ongoing working capital requirements and minimum expenditure commitments;
- will continue focus on maintaining an appropriate level of corporate overheads in line with the group's available cash resources; and.
- will raise further funds if and when required.

Subsequent to the issue of the convertible note, the group’s net current assets and net assets are positive. This funding will provide the group with sufficient liquid assets to meet its minimum expenditure commitments and support its planned level of overhead expenditures, and therefore that it is appropriate to prepare the financial statements on the going concern basis.

1. Summary of significant accounting policies (continued)

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii)Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(i).

1. Summary of significant accounting policies (continued)

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of PlayUp Limited.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer.

The board of PlayUp Limited assesses the financial performance and position of the group and makes strategic decisions with the support of chief executive officer, the chief financial officer and other key decision makers in the group.

(d) 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 Australian dollars ($), which is PlayUp Limited's functional and presentation currency.

1. Summary of significant accounting policies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in the foreign currency translation reserve. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1. Summary of significant accounting policies (continued)

Wagering activities

PlayUp earns revenue via online wagering offered to the consumer market. Its product lines comprise of fixed odds sports betting (Sportsbook), fixed odds and tote derivative race betting (Racebook). Fixed odds refer to 'a bookmaker financial derivative offered and accepted at a singular point in time'. A tote derivate product is where the odds offered by the bookmaker match the odds offered by an official tote (or best of multiple totes) however, the money bet by the client does not directly enter the pool but is held as a risk by the bookmaker.

Revenue from wagering is derived from accepted client bets less winnings paid out. The net gain or loss from betting activities over a specific period represents the revenue earned during that period. Customer promotions such as free bets and bonuses are deducted from revenues. Revenue is recognised when the betting event is settled. The groups revenue from wagering activities falls within the scope of AASB 9. This is because the transactions involve the issuing of financial instruments.

Daily Fantasy Sports

Revenue from Daily Fantasy Sports is derived from entry fees paid by clients into challenges less winnings paid out. Customer promotions such as free bets and bonuses are deducted from fantasy revenue. A contract occurs when a player enters a challenge which is published and publicly available on the website. Once a contract is entered into with the clients, PlayUp has a performance obligation. Revenue is deferred and only recognised once the challenges are settled, which is when a performance obligation is transferred.

PlayUp has a liability in relation to the players funds (included within note 20) for its daily fantasy sports events. This is a net of funds received from players less any withdrawals, plus winnings, and any free bets and bonuses from prior events. These closing funds have not been committed to enter in a contract as at 30 June 2021. Therefore, PlayUp have no performance obligations associated with these liabilities at 30 June 2021.

Contract liabilities are related to unresulted bets which have been committed and acknowledged by both PlayUp and its clients for an event a future date.

Other revenue

Other revenue is recognised on the accrual of that revenue.

Interest income

Interest income is recognised using the effective interest method.

1. Summary of significant accounting policies (continued)

(f) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that:
(a) all conditions attaching to the Government grant will be complied with;
(b) the value of the grant/subsidy can be determined with reasonable certainty;
(c) the grant will be received.

Government grants are recognised in the profit or loss over the periods in which the group recognises related expenses. Where government grants relate to costs which have been capitalised as non-current assets these are recognised as a reduction to the related non-current asset in the consolidated balance sheet and transferred to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(g) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the company and its subsidiaries and associates 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.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. Summary of significant accounting policies (continued)

(g) Income tax (continued)

PlayUp Limited and its wholly owned Australian subsidiaries are part of a tax consolidation group, which means that these entities are taxed as a single entity where PlayUp Limited is the head of the tax consolidation group. PlayUp Limited recognises the current tax liabilities (or assets) and if applicable the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. These entities do not have a tax funding arrangement currently in place; however, the group is currently in a loss making position and does not pay income tax or recognise deferred tax assets where compensation would need to be distributed within the group. In the US, the head company PlayUp Inc and its wholly owned US entities are part of a tax consolidation group and is currently in a loss making position and does not pay income tax or recognise deferred tax assets where compensation would need to be distributed within the group.

Current and deferred tax is recognised in profit or loss, 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.

(h) Leases

The group leases office space. Rental contracts are typically made for fixed periods of 6 months to 3 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (where applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the group under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

1. Summary of significant accounting policies (continued)

(h) Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by PlayUp Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options

Where applicable extension and termination options are included in property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

1. Summary of significant accounting policies (continued)

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(k) Trade receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at amortised cost using the effective interest method less loss allowance. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, they are written off and recognised immediately in statement of comprehensive income.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

(l) Investments and other financial assets

Financial assets

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

1. Summary of significant accounting policies (continued)

(l) Investment and other financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The management determines the classification of its investments at initial recognition at its fair value and re-evaluates the designation at the end of each reporting period. Gains and losses will either be recorded in profit or loss or OCI.

The group's financial assets comprise of trade and other receivables, government grants receivable, betback accounts and loans to related parties.

Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The group classifies its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1. Summary of significant accounting policies (continued)

(l) Investment and other financial assets (continued)

Impairment

The group assesses impairment on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities

Classification

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit or Loss (FVTPL) under AASB 9. Reclassification or financial liabilities is not permitted upon the adoption of this accounting standard. The group's financial liabilities include trade and other payables, non-current provisions, borrowings, other financial liabilities, players unresulted bets and lease liability.

Recognition, initial and subsequent measurement

Financial liabilities are recognised on the date when the obligation has been entered into. The group's financial liabilities are recognised initially at fair value and, in the case of loans from related parties, net of directly attributable transaction costs. Financial liabilities are subsequently measured using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The group also derecognises a financial liability when the existing financial liability is replaced by another from the same party on substantially different terms, or the terms of the existing liability are substantially modified. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference in the respective carrying amounts is recognised in profit and loss.

(m) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 Revenue from Contracts with Customers.

1. Summary of significant accounting policies (continued)

(m) Financial guarantee contracts (continued)

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment

(n) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Leasehold improvements 7 years
- Plant and equipment 4 years
- Motor vehicles 8 years
- Office furniture and equipment 2 - 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

1. Summary of significant accounting policies (continued)

(o) Intangible assets

(i) Goodwill

Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;
ii) any non-controlling interest; and
iii) the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 5).

(ii) Patent, trademark, domains, social media assets, licences, market access arrangements, media platforms and client databases

Separately acquired patents, trademarks, domains, social media assets, licences, market access arrangements and client databases are initially recorded at cost. Trademarks, licences, media platforms and client databases acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and any impairment losses.

(iii) PlayChips

Separately acquired PlayChips are initially recorded at cost. They have an indefinite useful life and are subsequently carried at cost less any impairment losses. Refer to note 4 for restatement of PlayChips due to change in accounting policy.

(iv) Software

Costs associated with maintaining software programmes are recognised 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 where the following criteria are met:

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

1. Summary of significant accounting policies (continued)

(iv) Software (continued)

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

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(v) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iv) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

(vi) Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

• Patent and trademarks	7 years
• Software development	5 years
• Client databases	5 years
• Domain and social media	7 years
• Media platforms	5 years
• Licences and market access	5 – 10 years

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

1. Summary of significant accounting policies (continued)

(q) Borrowings (continued)

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

Convertible loans / notes:

The component parts of the convertible loans / notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the loan or note.

The remainder of the proceeds is recognised in the "Convertible loan reserve" within shareholders' equity and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loans / notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in carrying amount of the liability component and amortised over the lives of the convertible notes using the effective interest method.

(r) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

(s) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1. Summary of significant accounting policies (continued)

(s) Provisions (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Employee benefits

(i) Short-term obligations

Liabilities for accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii)Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific time period).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1. Summary of significant accounting policies (continued)

(t) Employee benefits (continued)

(iv) Retirement benefit obligations

Contributions to the defined contribution section of the group's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they are incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

1. Summary of significant accounting policies (continued)

(x) Parent entity financial information

The financial information for the parent entity, PlayUp Limited, disclosed in note 39 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of PlayUp Limited. No dividends were received from associates.

(y) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting year.

(z) Reclassification and comparative figures

Reclassifications have been made to the prior year figures to enhance comparability with the current year figures. As a result, comparative figures have been amended in the consolidated balance sheet, consolidated statement of comprehensive income and the related notes of the financial statements to conform with the current year presentation. Refer to note 4 for restatement of PlayChips due to change in accounting policy.

2. Financial risk management

The group's activities expose it to a variety of financial risks, particularly liquidity risk, credit and wagering risk.

The group's overall risk management program focuses on the unpredictability of wagering liabilities, credit and liquidity risk.

Risk management is carried out by the finance executive ('finance') under policies approved by the Board of Directors ('the board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the group's operating units.

(a) Market risk

(i) Foreign exchange risk

The group's net investment in foreign operations is $3,825,270 (US $2,875,838 million) (2020: Nil) and movements in AUD/USD dollar exchange rate impacts the group's equity. A movement of 1.0% in the AUD/USD dollar exchange rate will result in a movement of $37,874 in equity.

The group is exposed to foreign currency risk from trading. Overseas suppliers represent a minor percentage of the total number of suppliers during the year. Foreign currency exposure in the Australian entities approximates less than 2.1% (2020: 2.0%) of total expenditure, the group have setup a wholesale FX deal structure with its bank for any expenses paid in foreign currency for a better exchange rate compared to the retail market. Although, movements in foreign exchange rates have an immaterial impact on the groups trading. The group's exposure to foreign currency risk within trade and other payables held in Australian entities at the end of the reporting period, expressed in Australian dollars was $137,533 (2020: $231,214).

Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2021	2020
	$	$
Amounts recognised in profit or loss		
Net foreign exchange gain/(loss) included in other income/other expenses (note 6)	**86,605**	(11,460)
Total net foreign exchange (losses)/gains recognised in profit before income tax for the period	**86,605**	(11,460)

(ii) Cash flow and fair value interest rate risk

All cash is held in chequing account which do not earn interest and all borrowings are subject to fixed interest rates. The group has two term deposits held with Aa3 rated Australian financial institutions and the movement of interest rates have an immaterial impact on the group's results. The group also has a deposit in an investment trust which earns a variable interest paid to the group on monthly basis based on the monthly distribution of the trust. A 1% movement in the interest rate from the trust equates to an approximated impact of $35,000 on the group's yearly results.

2. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated balance sheet and notes to the financial statement. The group does not hold any collateral. The group does not offer any credit sales to its clients which mitigated any credit risks on the receivables.

(i) Impairment of financial assets

Trade and other receivables

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Refer to note 1(k) for further information.

On that basis, the loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for both trade receivables and other financial assets:

30 June 2021	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	39,855	-	-	-	**39,855**
Gross carrying amount – other financial assets at amortised costs	7,117	-	-		**7,117**
Gross carrying amount – other financial assets	52,309	-	-	-	**52,309**
Loss allowance	-	-	-	-	-

30 June 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Gross carrying amount – trade and other receivables	4,103	-	-	-	4,103
Gross carrying amount – other financial assets at amortised costs	137,699	-	-	589,861	727,560
Gross carrying amount – other financial assets (Restated)	101,252	-	-	-	101,252
Loss allowance	-	-	-	-	-

2. Financial risk management (continued)

(c) Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The group manages liquidity risk by maintaining adequate cash reserves and raising capital to fund growth and by monitoring actual and forecast cash flows and matching profiles of financial assets and liabilities. The group has the following debt financing facilities available to draw from as at year end.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting year:

	2021	2020
	$	$
Total facility availability – Wizer Unit Trust	-	11,000,000
Amount drawn	-	8,971,745
Amount undrawn	-	2,028,255

There are no restrictions on drawing any undrawn amount up to the facility limit. The amounts outstanding of this facility has been converted to ordinary shares during the year ended 30 June 2021 and the facility is no longer available (refer to note 21(ii)).

Borrowings at 30 June 2021 are fully drawn, refer to note 21.

2. Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities, and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 30 June 2021	**Less than 1 year $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount (assets)/ liabilities $**
Non-derivatives						
Trade and other payables	**(17,873,606)**	-	-	-	**(17,873,606)**	**(17,873,606)**
Borrowings	**(3,220,672)**	-	-	-	**(3,220,672)**	**(3,220,672)**
Other financial liabilities	**(26,213)**	-	-	-	**(26,213)**	**(26,213)**
Finance lease liability	-	-	-		-	-
Total non-derivatives	**(21,120,491)**	-	-	-	**(21,120,491)**	**(21,120,491)**
Derivatives						
Other financial liabilities:						
Player unresulted bets	**(295,548)**				**(295,548)**	**(295,548)**
Total derivatives	**(295,548)**	-	-	-	**(295,548)**	**(295,548)**

30 June 2020	**Less than 1 year** $	**Between 1 and 2 years** $	**Between 2 and 5 years** $	**Over 5 years** $	**Total contractual cash flows** $	**Carrying amount (assets)/ liabilities** $
Non-derivatives						
Trade and other payables	(11,420,171)	-	-	-	(11,420,171)	(11,420,171)
Provisions	-	(21,475)	-	-	(21,475)	(21,475)
Borrowings	(20,013,259)	-	-	-	(20,013,259)	(20,013,259)
Other financial liabilities	(31,444)	(26,153)	-	-	(57,597)	(57,597)
Finance lease liabilities	(51,657)	(120,653)	-	-	(172,310)	(172,310)
Total non-derivatives	(31,516,531)	(168,281)	-	-	(31,684,812)	(31,684,812)
Derivatives						
Other financial liabilities – player unresulted bets	(81,702)	-	-	-	(81,702)	(81,702)
Total derivatives	(81,702)	-	-	-	(81,702)	(81,702)

Of the $20,013,259 disclosed in the 2020 borrowings, the group converted $16,341,193 to equity during the year ended 30 June 2021.

2. Financial risk management (continued)

Wagering risk

The group faces wagering risk as part of it wagering business. This risk is controlled by setting limitations on the amount that clients may win each day, and, in cases that an exposure is deemed too great or too likely according to the group's procedures and systems, that exposure is laid-off to other bookmakers.

(d) Recognised fair value measurements – Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2021	Notes	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets:					
Betback accounts	14	-	-	**52,309**	**52,309**
Total financial assets		-	-	**52,309**	**52,309**
Financial liabilities:					
Player unresulted bets	22	-	-	**(295,548)**	**(295,548)**
Total financial liabilities		-	-	**(295,548)**	**(295,548)**

Recurring fair value measurements At 30 June 2020 (Restated)	Notes	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets:					
Betback accounts	14	-	-	101,252	101,252
Total financial assets		-	-	101,252	101,252
Financial liabilities:					
Player unresulted bets	22	-	-	(81,702)	(81,702)
Total financial liabilities		-	-	(81,702)	(81,702)

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Disclosed fair values

The group also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting year.

2. Financial risk management (continued)

(d) Recognised fair value measurements – Financial assets and liabilities (continued)

(i) Fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting year. There are no level 1 instruments in the group for this and prior reporting period (restated).

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. There are no level 2 instruments in the group for this and prior reporting period.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Betback accounts and Player unresulted bets for this reporting period.

(ii) Valuation techniques used to determine fair values

Level 3 items have been valued based on the amount of players unresulted bets and betback accounts balance at the financial year end. There is no reasonably probable change in assumptions that would result in a material change in fair value.

3. Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Share-based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and takes into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(ii) Estimated impairment of goodwill

The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the stated accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(iii)Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history. The value of the provisional and credit quality of receivables in monitored on a monthly basis.

3. Critical estimates, judgements and errors (continued)

(b) Critical accounting estimates and assumptions (continued)

(iv) Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has currently not made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

(v) Estimation of useful life of assets

The group determines the estimated useful lies and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(vi) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to note 19 for further information.

(vii) PlayChips

The group assesses impairment of PlayChips at each reporting date by evaluation conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount to the asset is determined. This involves a calculation of their value in use, which incorporates a number of key assumptions. Refer to note 4 for further information.

4. Prior year restatement due to change in accounting policy

(a) Reclassification and valuation adjustment of PlayChips

PlayChips were previously classified as a financial asset and valued accordingly. After a review of the liquidity of PlayChips and the accounting policy for cryptocurrencies in practice, management have amended its accounting policy for PlayChips to classify them as intangible assets with indefinite useful lives and valued them accordingly. Prior year results have been restated as a result of this reclassification and new valuation.

PlayChips are tested as at every reporting date for impairment and carried at cost less accumulated impairment losses. To measure the impairment value, their carrying value is compared with their recoverable amount.

The recoverable amount of PlayChips is their fair value less costs of disposal and is determined by the 90 day volume-weighted average price ("VWAP") on its traded coin exchange (level 1 input), less a discount for the lack of liquidity in its trading volume throughout the year (level 3 input).

In respect to the discount for lack of liquidity, the group has assumed that the lower the observed trading volume of PlayChips on the exchange during the year the greater the level of discount that is required to be applied to the 90 day VWAP. There are no material costs of disposal. Due to favourable trading on the coin exchange in the year ended 30 June 2021, PlayChips reversed a portion of the impairment losses incurred in previous financial years as noted below. The results of the new valuation are as follows:

	2021	2020
	$	$
Recoverable amount	**2,152,060**	218,183
Carrying value	**(905,992)**	(3,609,616)
Reversal of impairment/(impairment of investment)	**1,246,068**	(3,391,433)

4. Prior year restatement (continued)

(a) Reclassification and valuation adjustment of PlayChips (continued)

Each of the affected financial statement line items for the prior years have been adjusted as follows:

	30 June 2020 $	Increase/ (Decrease) $	30 June 2020 (Restated) $
Balance sheet (extract)			
Other financial assets	1,431,628	(1,330,376)	101,252
Intangible assets	15,379,900	218,183	15,598,083
Net assets	**(9,999,591)**	**(1,112,193)**	**(11,111,784)**
Retained earnings	(34,141,569)	(1,112,193)	(35,253,762)
Total equity	**(9,999,591)**	**(1,112,193)**	**(11,111,784)**

	2020 $	Profit Increase/ (Decrease) $	2020 (Restated) $
Consolidated income statement (extract)			
Recoupment of impairment/(impairment of investment)	(2,279,240)	(1,112,193)	(3,391,433)
Loss before income tax	**(7,757,317)**	**(1,112,193)**	**(8,869,510)**
Loss for the year	**(6,711,082)**	**(1,112,193)**	**(7,823,275)**

	30 June 2020 Cents	Increase/ (Decrease) Cents	30 June 2020 (Restated) Cents
Basic and diluted loss per share (pre-consolidation)	**(0.014)**	**(0.002)**	**(0.016)**

To account for the valuation adjustment of PlayChips, pre-consolidation of shares

	30 June 2020 Cents	Increase/ (Decrease) Cents	30 June 2020 (Restated) Cents
Basic and diluted loss per share (post consolidation)	**(0.495)**	**(0.082)**	**(0.577)**

To account for the valuation adjustment of PlayChips, post consolidation of shares

5. Segment information

(a) Description of segments and principal activities

The group operates in the following segments being:

Australian Wagering: The group operates an online wagering service in Australia which utilises robust and scalable cloud-based technology to provide a consumer facing betting platform. The platform interfaces to risk, odds, content and customer relationship management systems.

Australian Daily Fantasy Sports: The group operates an online daily fantasy sports service in Australia which utilises proprietary cloud-based technology to provide a consumer facing fantasy sports platform. The platform interfaces to risk, odds, content and customer relationship management systems.

US Wagering and Gaming: In 2021 the group entered a new operating segment, being the USA segment. This segment includes an online sports book and gaming services.

Other Corporate: Any revenue, expenses, assets and liabilities which are not related to the operational activities to the other segments are disclosed in this segment. Including any head office and groups costs.

5. Segment information (continued)

(b) Segment results

The segment information for the year ended 30 June 2021 is as follows:

2021	US $	Australian Wagering $	Australian Daily Fantasy Sports $	Other corporate $	Total $
Sales to external customers	(198,235)	18,095,486	2,909,247	-	20,806,498
Revenue from external customers	**(198,235)**	**18,095,486**	**2,909,247**	**-**	**20,806,498**
Other income	-	-	-	-	-
Interest income	3	-	-	293,421	293,424
Net gain on disposal of assets	-	-	-	(1,421)	(1,421)
Sporting taxes	(1,127,591)	(7,850,691)	(160,218)	-	(9,138,500)
Sport data and live feed expenses	(17,306)	(204,936)	(641,936)	-	(864,178)
IT expenses	(58,933)	(582,338)	(297,143)	(40,308)	(978,722)
Advertising and promotions	(1,982,299)	(3,025,015)	(266,284)	(41,444)	(5,315,042)
Employee benefits expense	(890,651)	(4,516,294)	(380,741)	(834,744)	(6,622,430)
Depreciation and amortisation	(210,493)	(1,300,200)	(1,348,037)	(216,944)	(3,075,674)
Reversal of impairment/(impairment of investment)	-	-	-	1,246,068	1,246,068
Professional fees	(1,648,195)	(464,087)	(123,953)	(988,530)	(3,224,765)
Government subsidiaries	-	322,661	27,202	59,637	409,500
Rent and outgoings	(485)	(285,843)	(24,098)	(52,831)	(363,257)
Share-based payment expense	(5,129,446)	(360,731)	(30,411)	(66,674)	(5,587,262)
Net foreign exchange gains/(losses)	85,810	-	-	795	86,605
Other expenses	(52,682)	(409,703)	-	(409,703)	(872,088)
Finance costs	(22,158)	(298,404)	(74,601)	(616,881)	(1,012,044)
Profit/(loss) before income tax	(11,252,661)	(880,095)	(410,973)	(1,669,559)	(14,213,288)
Income tax expense	-	-	-	415,961	415,961
Loss after income tax	(11,252,661)	(880,095)	(410,973)	(1,253,598)	(13,797,327)
Total segment assets	9,757,640	17,375,542	4,286,953	10,843,043	42,263,178
Total segment liabilities	(5,932,370)	(10,634,474)	(2,067,080)	(4,527,237)	(23,161,161)

5. Segment information (continued)

(b) Segment results (continued)

The segment information provided to the strategic steering committee for the reportable segments for the year ended 30 June 2020 is as follows:

2020 (Restated)	Australian Wagering $	Australian Daily Fantasy Sports $	Other corporate $	Total $
Sales to external customers	16,096,544	1,356,133	-	17,452,677
Revenue from external customers	**16,096,544**	**1,356,133**	**-**	**17,452,677**
Interest income	44,997	-	-	44,997
Sporting taxes	(7,384,525)	(150,704)	-	(7,535,229)
Sport data and live feed expenses	(189,587)	(412,644)	-	(602,231)
IT expenses	(767,700)	(293,450)	(90,930)	(1,152,080)
Advertising and promotions	(1,463,747)	(139,021)	(267,305)	(1,870,073)
Employee benefits expense	(3,212,562)	(379,154)	(1,041,240)	(4,632,956)
Depreciation and amortisation	(1,350,746)	(1,222,447)	(218,152)	(2,791,345)
Reversal of impairment/(impairment of investment)	-	-	(3,391,432)	(3,391,432)
Professional fees	(407,542)	(38,000)	(1,615,126)	(2,060,668)
Government subsidiaries	233,910	27,607	138,314	399,831
Rent and outgoings	(242,347)	(28,602)	(78,549)	(349,498)
Share-based payment expense	(379,179)	(44,752)	(122,897)	(546,828)
Net foreign exchange gains/(losses)	-	-	(11,460)	(11,460)
Other expenses	(226,232)	-	(226,237)	(452,469)
Finance costs	(241,223)	(60,306)	(1,069,217)	(1,370,746)
Profit/(loss) before income tax	510,061	(1,385,340)	(7,994,231)	(8,869,510)
Income tax expense	-	-	1,046,235	1,046,235
Loss after income tax	510,061	(1,385,340)	(6,947,996)	(7,823,275)
Total segment assets	15,606,759	5,298,464	1,174,162	22,079,385
Total segment liabilities	11,369,615	1,352,302	20,469,252	33,191,169

Note: Prior year disclosure was restated to account for the reclassification and valuation adjustment of PlayChips (corporate segment only)

Major customer

In 2021 and 2020, there was no client who represented greater than 10% of the revenue.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the chief operating decision maker.

6. Revenue from contracts with customers

	2021 $	2020 $
Revenue	**20,806,498**	17,452,677
Total revenue from continuing operations	**20,806,498**	17,452,677

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

2021	**Wagering US $**	**Wagering AUS $**	**Daily Fantasy Sports AUS $**	**Total $**
Timing of revenue recognition				
At a point in time		-	**2,909,247**	**2,909,247**
Over time		-	-	-
Revenue outside of AASB 15	**(198,235)**	**18,095,486**	-	**17,897,251**
	(198,235)	**18,095,486**	**2,909,247**	**20,806,498**

2020	Wagering US $	Wagering AUS $	Daily Fantasy Sports AUS $	Total $
Timing of revenue recognition	-			
At a point in time	-	-	1,356,133	1,356,133
Over time		-	-	-
Revenue outside of AASB 15	-	16,096,544	-	16,096,544
	-	16,096,544	1,356,133	17,452,677

7. Other income

	2021	2020
	$	$
Net gain/(loss) on disposal of property, plant and equipment	**(1,421)**	-
Net foreign exchange gains/(losses)	**86,605**	(11,460)
Government subsidies	**409,500**	399,831
Other income	**-**	(1)
	494,684	388,370

In 2021 and 2020, government subsidies are government assistance in the form of the JobKeeper wage subsidy and cash flow boost in Australia. Refer to note 1(f) for further information on accounting for government grants.

8. Finance costs

	2021	2020
	$	$
Finance income		
Interest income	**(293,425)**	(44,997)
Finance income	**(293,425)**	(44,997)
Finance costs		
Interest and finance charges paid/payable	**485,817**	960,306
Interest and finance charges paid/payable for lease liabilities	**7,468**	9,848
Bank charges	**446,977**	339,128
Interest paid to ATO	**71,783**	61,464
Finance costs expensed	**1,012,045**	1,370,746
Net finance costs	**718,620**	1,325,749

9. Depreciation and amortisation expenses

	2021	2020
Depreciation	**$**	$
Right-of-use assets	**54,366**	54,366
Plant and equipment	**16,208**	-
Leasehold improvements	**17,017**	17,022
Office furniture and equipment	**1,027**	10,629
Motor vehicles	**17,002**	22,667
	105,620	104,684
Amortisation		
Trademarks	**46,832**	46,832
Domain and social media	**66,637**	66,637
Client databases	**1,722,612**	1,722,611
Media platform	**174,774**	-
Software development	**746,252**	845,981
Licences and market access	**212,947**	4,600
	2,970,054	2,686,661
Total depreciation and amortisation	**3,075,674**	2,791,345

10 . Income tax benefit

(a) Income tax benefit

	2021	2020
	$	$
Deferred income tax		
(Decrease)/increase in deferred tax liabilities (note 25)	**(415,961)**	1,046,235)
Income tax (benefit)	**(415,961)**	(1,046,235)

(b) Numerical reconciliation of income tax benefit to prima facie tax payable

	2021	2020
	$	$
Loss from continuing operations before income tax expense	**(14,213,288)**	(8,869,510)
Tax at the Australian tax rate of 26.0% (2020 - 27.5%)	**(3,695,455)**	(2,439,115)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Change in Australian tax rate	**(49,544)**	-
Amortisation of intangibles	**-**	739,211
Capital raising costs/legal expenses not deductible	**150,394**	55,827
Shares based payments	**1,380,363**	150,378
Right-of-use assets	**-**	14,951
Other permanent differences	**2,694**	1,075
Under/over on intangibles of prior year	**-**	(366,398)
Adjustments for tax of prior periods	**3,917**	(234,178)
Movement in tax losses not recognised	**1,358,899**	-
Movement in temporary differences not recognised	**174,776**	1,032,014
Difference in overseas tax rates	**257,995**	-
Income tax (benefit)	**(415,961)**	(1,046,235)

The applicable tax rate used reconciling income tax expense on continuing operations is the Australian enacted corporate tax rate of 26.0% (2020 : 27.5%). This rate was selected due to the significant management presence and intellectual property located in Australia. The actual rate of tax applicable in particular jurisdictions may be higher or lower than 26.0%.

The enacted corporate tax rates across all jurisdictions are as follows:

- Australia 26.00%
- India 40.00%
- USA (including state taxes) 24.59%

Prior year restatement to account for the reclassification and valuation adjustment of PlayChips was an increase in the tax at Australian tax rate of 27.5% (benefit) of $305,853 ($1,112,193 at tax rate of 27.5%), which was fully offset by a movement in temporary differences not recognised, resulting in no impact to income tax benefit.

10 . Income tax benefit (continued)

(b) Numerical reconciliation of income tax benefit to prima facie tax payable (continued)

	2021 $	2020 $
(c) Tax losses		
Unused Australian tax losses for which no deferred tax asset has been recognised	**16,125,585**	14,642,949
Potential tax benefit @ 26.0% (2020: 27.5%)	**4,192,652**	4,026,811
Unused US tax losses for which no deferred tax asset has been recognised	**3,957,211**	-
Potential tax benefit @ 24.59%	**973,474**	-

	2021 $	2020 $
Unrecognised temporary differences		
Blackhole expenditure	**220,053**	29,729
Capitalised borrowing costs	**14,936**	-
Temporary differences in provisions	**301,477**	235,629
Right-of-use liability	**-**	47,385
Trademarks and licences	**167,709**	136,466
Investment in PlayChips	**1,628,420**	2,065,036
Accrued expenses	**18,293**	-
Start up cost	**440,688**	-
Other	**9,010**	-
	2,800,586	2,514,245

Note: Prior year results were restated to account for the reclassification and valuation adjustment of PlayChips.

11. Cash and cash equivalents

	2021 $	2020 $
Cash in hand	**104**	4
Deposits	**4,214,102**	3,910,150
Cash at bank	**9,997,790**	1,088,907
	14,211,996	4,999,061

$400,099 of Deposits held are for bank guarantees (refer to note 30 for further details) on behalf of players funds under Northern Territory ('NT') licence as security for wagering licence and $245,544 of deposits are held for bank guarantees on behalf of players funds under USA sports betting licences. These funds are not available for other use within the Group.

12. Trade receivables

	2021 Current $	2021 Non-current $	2021 Total $	2020 Current $	2020 Non-current $	2020 Total $
Trade receivables	**39,855**	**-**	**39,855**	4,103	-	4,103

Information as to the group's credit policies and debtors aging is presented in note 2(b).

13. Other financial assets at amortised cost

	2021 Current $	2021 Non-current $	2021 Total $	2020 Current $	2020 Non-current $	2020 Total $
Loans to related parties (i)	**-**	**80,055**	**80,055**	-	-	-
Research and development refundable tax offset	**-**	**-**	**-**	586,671	-	586,671
Other receivables	**7,117**	**-**	**7,117**	140,889	-	140,889
	7,117	**80,055**	**87,172**	727,560	-	727,560

(i) Loans to related parties

The group held an unsecured loan to Golf Tech Solution Pty Ltd. The interest rate is nil on this loan.

14. Other financial assets

	2021 $	(Restated) 2020 $
Current assets		
Betback account	**52,309**	101,252

Movement in the Betback is included in revenue rather than movement in fair value through the profit and loss as a separate line item as these funds are held on behalf of players to generate gaming revenue.

15. Other current assets

	2021 $	2020 $
Current assets		
Prepayments	**265,014**	-
Retainers and rental bonds	**154,208**	79,126
Accrued income	**26,300**	-
	445,522	79,126

16. Investments accounted for using equity method

	2021 $	2020 $
Non-current assets		
Shares in associates		
60 Ordinary Shares in StarCoach Sports Digital Pty Ltd	**60**	60
30 Shares in Social Figures Global Pty Ltd	**-**	30
	60	90

17. Property, plant and equipment

Non-current	Plant and equipment $	Office furniture and equipment $	Motor vehicles $	Leasehold improvements $	Total $
Year ended 30 June 2020					
Opening net book amount	-	8	90,669	119,980	210,657
Additions	10,629	-	-	-	10,629
Depreciation charge	(10,629)	-	(22,667)	(17,022)	(50,318)
Closing net book amount	**-**	**8**	**68,002**	**102,958**	**170,968**
At 30 June 2020					
Cost	52,652	9,303	94,152	139,481	295,588
Accumulated depreciation	(52,652)	(9,295)	(26,150)	(36,523)	(124,620)
Net book amount	**-**	**8**	**68,002**	**102,958**	**170,968**
Year ended 30 June 2021					
Opening net book amount	-	8	68,002	102,958	170,968
Exchange differences	(52)	-	-	-	(52)
Disposals	-	-	-	(34,817)	(34,817)
Additions	90,767	6,768	-	-	97,535
Depreciation charge	(16,208)	(1,027)	(17,002)	(17,017)	(51,254)
Closing net book amount	**74,507**	**5,749**	**51,000**	**51,124**	**182,380**
At 30 June 2021					
Cost	125,639	14,982	94,151	84,163	318,935
Accumulated depreciation	(51,132)	(9,233)	(43,151)	(33,039)	(136,555)
Net book amount	**74,507**	**5,749**	**51,000**	**51,124**	**182,380**

18 . Leases

(a) Amounts recognised in the balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2021 $	2020 $
Right-of-use assets		
Office space		
Non-current	-	163,097
	-	163,097
Lease liabilities		
Current	-	51,657
Non-current	-	120,653
	-	172,310

Additions to the right-of-use assets during the 2021 financial year were $nil.

(b) Amounts recognised in the statement of profit or loss

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2021 $	2020 $
Depreciation charge of right-of-use assets - Equipment	**54,366**	54,366
Interest expense (included in finance cost)	**7,468**	9,848
Expense relating to short-term leases (included in rent and outgoings expenses)	**251,435**	240,552

The total cash outflow for operating lease payments in 2021 was $251,435 (2020: $240,552).

The total cash outflow for the principal elements of lease payments in 2021 was $51,657 (2020: $45,152).

19 . Non-current assets - Intangible assets

	Goodwill $	Trademarks $	Software development $	Licences and market access $	Client databases $	Domains and social media $	PlayChips $	Media platform $	Total $
Year ended 30 June 2020									
Opening net book amount	7,670,785	203,446	2,285,401	10,170	6,636,806	280,567	1,585,657	-	18,672,832
Additions	-	-	979,386	-	-	-	2,023,959	-	3,003,345
Amortisation (charge)/recovery	-	(46,832)	(845,982)	(4,600)	(1,722,611)	(66,636)	(3,391,433)	-	(6,078,094)
Closing net book amount	7,670,785	156,614	2,418,805	5,570	4,914,195	213,931	218,183	-	15,598,083
At 30 June 2020 (Restated)									
Cost	10,336,959	332,470	4,080,217	23,000	8,613,054	445,903	7,727,404	-	31,559,007
Accumulated amortisation and impairment	(2,666,174)	(175,856)	(1,661,412)	(17,430)	(3,698,859)	(231,972)	(7,509,221)	-	(15,960,924)
Net book amount	7,670,785	156,614	2,418,805	5,570	4,914,195	213,931	218,183	-	15,598,083

19. Non-current assets - Intangible assets (continued)

	Goodwill $	Trademarks $	Software development $	Licences and market access $	Client databases $	Domains and social media $	PlayChips $	Media platform $	Total $
Year ended 30 June 2021									
Opening net book amount	7,670,785	156,614	2,418,805	5,570	4,914,195	213,931	218,183	-	15,598,083
Additions (*Note 1*)	-	-	1,285,717	9,390,795	-	-	687,810	2,006,057	13,370,379
Exchange differences	-	-	-	(592)	-	-	-	-	(592)
Amortisation (charge)/recovery	-	(46,832)	(746,252)	(212,947)	(1,722,612)	(66,637)	1,246,068	(174,774)	(1,723,986)
Closing net book amount	**7,670,785**	**109,782**	**2,958,270**	**9,182,826**	**3,191,583**	**147,294**	**2,152,061**	**1,831,283**	**27,243,884**
At 30 June 2021									
Cost	10,336,959	332,470	5,365,934	9,413,795	8,613,054	445,903	8,415,213	2,006,057	44,929,385
Accumulated amortisation and impairment	(2,666,174)	(222,688)	(2,407,664)	(230,969)	(5,421,471)	(298,609)	(6,263,152)	(174,774)	(17,685,501)
Net book amount	**7,670,785**	**109,782**	**2,958,270**	**9,182,826**	**3,191,583**	**147,294**	**2,152,061**	**1,831,283**	**27,243,884**

Note 1 – during the year the Group acquired market access rights in the states of Colorado, New Jersey, Indiana and Iowa for a total cost of $9.4 million. Also during the year, the Group acquired media platforms at a cost of $2.0 million as part of a business acquisition of which further details are provided in note 40.

(a) Impairment tests for goodwill and non-amortising intangibles

Goodwill and non-amortising intangibles are tested in every reporting year for impairment and carried at cost less accumulated impairment losses. To measure the impairment value, the carrying value of its cash generating units were compared with its recoverable amount.

As at the 30 June 2021 and 2020, the closing net book amount of goodwill acquired through business combinations has been allocated fully to the Australian wagering CGU.

19 . Non-current assets - Intangible assets (continued)

(a) Impairment tests for goodwill and non-amortising intangibles (continued)

Australian Wagering

The group operates an online wagering platform which utilises risk management systems, odds management and consumer facing platforms. The group retains clients and acquires new wagering clients by way of direct marketing and affiliation programs in the Australian market. Revenue from wagering is derived from accepted client bets less winnings paid out. The net gain or loss from wagering activities over a specific period represents the revenue earned during that period. Customer promotions such as free bets and bonuses are deducted from revenue.

	2021 $	2020 $
Carrying value	**3,087,699**	5,406,202

Australian Daily Fantasy Sports

The online daily fantasy sports platform (DraftStars) utilizes proprietary technology which allows sports fans to compete against each other on real sporting events by paying an entry fee to a challenge. At the end of the challenge the clients with the highest accrued points win the cash prizes. Revenue is generated by way of the difference in entries paid less prizes paid.

	2021 $	2020 $
Carrying value	**1,686,765**	2,611,524

US Wagering and Gaming

This CGU is new for the year ended 30 June 2021 as the US business operations have now commenced, we note that the US business is managed by a single management team and that the operations are controlled at a US level, which is subsequently reported to the Board. As such it would not be possible for an individual product line to generate individual cashflows as the business operations are in their infancy. As such the US Wagering and Gaming business constitutes a single CGU. Revenue is derived from accepted client bets less winnings paid out. The net gain or loss from wagering activities over a specific period represents the revenue earned during that period. Customer promotions such as free bets and bonuses are deducted from revenue.

	2021 $	2020 $
Carrying value	**3,248,152**	-

19. Non-current assets - Intangible assets (continued)

(a) Impairment tests for goodwill and non-amortising intangibles (continued)

The recoverable amount of group's Wagering, Fantasy and US Wagering and Gaming CGUs was determined by the value-in-use method using a discounted cash flow model, based on a five-year projections period approved by the management using a steady growth rate, together with a terminal value.

The key assumptions used to derive the recoverable value for CGU's measured using a value in use model are as follows:

- a pre-tax discount rate of 14.0% (2020: 14.0%) for the Australian CGU's and 14.6% for the US CGU
- terminal value is calculated using a perpetual growth rate of 1.6% (2020: 3.2%) for the Australian CGU's and 2.9% for the US CGU
- 5 year revenue growth in line with management's expectation, being;
    - Wagering compound annual growth rate (CAGR) of 38% (2020: 36%)
    - Fantasy and Online Gaming CAGR of 33% (2020: 48%)
    - US Wagering and Gaming CAGR of 102%

The above estimates were determined by management based on past performance and management's future expectations. The high revenue growth rates used represent the fact that PlayUp is at an early stage of its growth cycle and is a small new player making high levels of investment in large and expanding markets. Further, the US market is much larger than Australia and is being newly legalised and PlayUp is acquiring market access rights there that are extremely limited in availability.

(b) Sensitivity analysis – CGU's

The directors have made judgments and estimates about the future in respect of impairment testing of its CGU's. Should these judgments and estimates not occur as approximated, the resulting assets carrying amount may decrease. The sensitivities of the carrying value of the CGU's to such judgments and estimates are as follows:

Australian Wagering

- Cash-flow generated would need to decrease by 92% year on year in the cashflow modelling before the carrying value of the CGU in relation to the wagering business would become impaired, with all other assumptions remaining constant.
- the pre-tax discount rate would need to increase to 107.8% in the cashflow modelling before the carrying value of the CGU in relation to the wagering business would become impaired, with all other assumptions remaining constant.
- Perpetual growth rate would need to be reduced to be in negative in the cashflow modelling before the carrying value of the CGU in relation to the wagering business would become impaired, with all other assumptions remaining constant.

19. Non-current assets - Intangible assets (continued)

(b) Sensitivity analysis (continued)

Australian Fantasy

- Cash-flow generated would need to decrease by 18% year on year in the cashflow modelling before the carrying value of the CGU in relation to the fantasy business would become impaired, with all other assumptions remaining constant.
- the pre-tax discount rate would need to increase to 15.5% in the cashflow modelling before the carrying value of the CGU in relation to the fantasy business would become impaired, with all other assumptions remaining constant.
- Perpetual growth rate would need to be reduced to negative in the cashflow modelling before the carrying value of the CGU in relation to the fantasy business would become impaired, with all other assumptions remaining constant.

US Wagering and Gaming

- Any decrease in cash-flow generated in the cashflow modelling would lead to a recoverable value lower than the carrying value of the CGU with all other assumptions remaining constant.
- the pre-tax discount rate would need to increase to 15.6% in the cashflow modelling before carrying value of the CGU in relation to the US Wagering and Gaming business would become impaired, with all other assumptions remaining constant.
- Perpetual growth rate would need to be reduced to 1.3% in the cashflow modelling before the carrying value of the CGU in relation to the US Wagering and Gaming business would become impaired , with all other assumptions remaining constant.

The Board believes that other reasonable changes in the key assumptions on which the recoverable amount of the CGU's is based would not cause the recoverable amount to fall below the carrying amount.

(c) Impairment tests for PlayChips

PlayChips are classified as intangible assets with indefinite useful lives and included in the group's other corporate segment. PlayChips are tested as at every reporting date for impairment and carried at cost less accumulated impairment losses. To measure the impairment value, their carrying value is compared with their recoverable amount.

The recoverable amount of PlayChips is their fair value less costs of disposal and is determined by the 90 day volume-weighted average price ("VWAP") on its traded coin exchange (level 1 input), less a discount for the lack of liquidity in its trading volume throughout the year (level 3 input) of 86.5% (2020: 86.8%).

19. Non-current assets - Intangible assets (continued)

(c) Impairment tests for PlayChips (continued)

In respect to the discount for lack of liquidity, the group has assumed that the lower the observed trading volume of PlayChips on the exchange during the year the greater the level of discount that is required to be applied to the 90 day VWAP. There are no material costs of disposal. Due to favourable trading on the coin exchange in the year ended 30 June 2021, PlayChips reversed a portion of the impairment losses incurred in previous financial years as noted below.

	2021 **$**	2020 $
Carrying value	**905,992**	3,609,616
Recoverable amount	**2,152,060**	218,183
PlayChips before impairment	**905,992**	3,609,616
Reversal of previous impairment/(impairment)	**1,246,068**	(3,391,443)

(d) Sensitivity analysis – PlayChips

The directors have made judgments and estimates about the discounting for lack of liquidity in respect of impairment testing of PlayChips. Should these judgments and estimates not occur as approximated, the resulting assets carrying amount may decrease. If the discount for lack of liquidity was to increase by 5% then the carrying value would decrease by $800,405 (2020: $82,863).

20. Trade and other payables

	2021 Current $	2021 Non-current $	2021 Total $	2020 Current $	2020 Non-current $	2020 Total $
Trade payables	**2,360,692**	-	**2,360,692**	4,876,804	-	4,876,804
GST payable	**610,478**	-	**610,478**	364,734	-	364,734
Accrued expenses – Sporting body taxes	**938,804**	-	**938,804**	-	-	-
Accrued expenses – Market access fees	**4,455,972**	-	**4,455,972**	-	-	-
Accrued expenses	**1,851,064**	-	**1,851,064**	474,503	-	474,503
Player funds accounts	**4,833,006**	-	**4,833,006**	4,064,997	-	4,064,997
Player withdrawals pending	**110,774**	-	**110,774**	21,515	-	21,515
Credit card liability	**43,118**	-	**43,118**	47,285	-	47,285
Instalment activity payable for previously owned subsidiaries	-	-	-	236,045	-	236,045
The Roar and Athletes Voice acquisition consideration liability*	**2,000,000**	-	**2,000,000**	-	-	-
Deferred consideration liability	**27,006**	-	**27,006**	27,006	-	27,006
Pay As You Go withholding payable	**457,189**	-	**457,189**	1,227,264	-	1,227,264
Superannuation payable	**185,503**	-	**185,503**	80,018	-	80,018
	17,873,606	-	**17,873,606**	11,420,171	-	11,420,171

**Note: Refer to note 40 for further information on The Roar and Athletes Voice acquisition consideration liability.*

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Deferred consideration liabilities relate to the acquisition of Sportopia Group Pty Ltd during the 2018 financial year.

21. Borrowings

	2021			2020		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$	**$**	**$**	$	$	$
Secured						
Investorlink Securities (i)	**-**	**-**	**-**	606,390	-	606,390
Wizer Unit Trust (ii)	**-**	**-**	**-**	8,971,745	-	8,971,745
Investorlend – convertible loan (iii)	**3,083,757**	**-**	**3,083,757**	-	-	-
Total secured borrowings	**3,083,757**	**-**	**3,083,757**	9,578,135	-	9,578,135
Unsecured						
Loans from directors (iv)	**-**	**-**	**-**	950	-	950
Loan from employee (v)	**-**	**-**	**-**	27,000	-	27,000
Everwise Ventures Limited (vi)	**-**	**-**	**-**	2,268,158	-	2,268,158
Sapsford Investment Trust (vii)	**-**	**-**	**-**	3,533,796	-	3,533,796
PlayChip Foundation Limited (viii)	**-**	**-**	**-**	4,415,900	-	4,415,900
Loans from other parties (ix)	**136,915**	**-**	**136,915**	189,320	-	189,320
Total unsecured borrowings	**136,915**	**-**	**136,915**	10,435,124	-	10,435,124
Total borrowings	**3,220,672**	**-**	**3,220,672**	20,013,259	-	20,013,259

(i) Investorlink Securities

This secured loan from Investorlink Securities Limited had a fixed interest rate of 10% per annum. The purpose of this loan was to assist with the working capital requirements. This loan was converted to ordinary shares in the group during the financial year ended 30 June 2021. There were no changes to the value of the borrowings during the year ended 30 June 2021 prior to conversion and there are no additional charges outstanding on this loan after conversion.

(ii) Wizer Unit Trust

This loan from Wizer Unit Trust was secured over tangible, general, intangible and financial property of PlayUp Limited and had a fixed interest rate of 8% calculated daily and compounded monthly. This loan was converted to ordinary shares in the group during the year ended 30 June 2021. There were no changes to the value of the borrowing during the year ended 30 June 2021 prior to conversion, and there are no additional charges outstanding on this loan after conversion.

21. Borrowings (continued)

(iii) Investorlend – convertible loan

This is the liability component of the convertible loan from Investorlend. The loan was taken out in February 2021 for 12 months with an extension option of 3 months. The convertible loan has a fixed interest rate of 15% per annum for the first 6 months and 20% from the date 6 months after the drawdown date if PlayUp has not listed. The initial balance recognised in liabilities was $2.80m with $0.3m capitalised as interest during the financial year. The convertible loan is secured over tangible, general, intangible and financial property of PlayUp Limited with a guarantee provided by certain group entities. The facility has a right (but not the obligation) resting with the lender to convert the principal and interest outstanding to ordinary equity at any time immediately prior to an IPO or reverse merger with a special purpose acquisition company ("SPAC"), or other similar such transaction. The exercise price of the loan conversion is the market value price paid in the private capital raising on 19 February 2021.

Subsequent to year end, this loan balance has been fully repaid in cash. See note 36 for further information.

(iv) Loan from directors

This loan was paid in full during the year ended 30 June 2021. There were no changes to the value of the loan during the year ended 30 June 2021 prior to repayment, and there are no additional charges outstanding on this loan after repayment.

(v) Loan from employee

The group held an unsecured loan from a key employee, Paul Jeronimo. The interest rate is nil on this loan. The loan was converted to ordinary shares in group during the year ended 30 June 2021. There were no changes to the value of the loan during the year ended 30 June 2021 prior to conversion, and there are no additional charges outstanding on this loan after conversion.

(vi) Everwise Ventures Limited

This secured loan from Everwise Ventures Limited had nil interest rate. The purpose of this loan was to assist with working capital requirements. This loan was converted to ordinary shares in the group during the year ended 30 June 2021. There were no changes to the value of the loan during the year ended 30 June 2021 prior to conversion, and there are no additional charges outstanding on this loan after conversion.

(vii) Sapsford Investment Trust)

The group held an unsecured related party loan from Sapsford Investment Trust. These funds are invested in an investment trust which earns a variable interest which is usually around 8.2% paid to the group on monthly basis. The interest paid to the lender equate to the monthly distribution to the group by the investment trust. This loan was paid in full with any accumulated interest in the year ended 30 June 2021. There are no additional charges outstanding on this loan. Refer also to note 32.

21. Borrowings (continued)

(viii) PlayChip Foundation Limited

The group held an amount on behalf of PlayChip Foundation Limited for the purposes of reimbursing any expenses incurred by the group for PlayChip Foundation Limited. The interest rate was nil on this loan. This loan was converted to ordinary shares in the group during the year ended 30 June 2021. There were no changes to the value of the loan during the year ended 30 June 2021 prior to conversion, and there are no additional charges outstanding on this loan after conversion.

(ix) Loans from other parties

The group held an unsecured loan from A.C.N 167 422 406 Pty Ltd (formerly called Classicbet (NSW) Pty Ltd) and Betting.Club Pty Ltd of $137,320. The interest rate is nil on this loan and its due to be payable by 30 June 2021 with an option to extend the repayment for another 12 months. The option of 12 months extension for repayment was taken on this loan. $405 was repaid during the year ended 30 June 2021.

The group also held an unsecured loan from Vassiliki Nicalolaou for $52,000. The interest rate was nil on this loan, and it was converted to ordinary shares in the group during the year ended 30 June 2021. There were no changes to the value of the loan during the year ended 30 June 2021 prior to conversion, and there are no additional charges outstanding on this loan after conversion.

22. Other financial liabilities

			2021			2020
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$	**$**	**$**	$	$	$
Player unresulted bets	**295,548**	-	**295,548**	81,702	-	81,702
Other financial liabilities	**26,213**	-	**26,213**	31,444	26,153	57,597
	321,761	-	**321,761**	113,146	26,153	139,299

23 . Provisions

	2021			2020		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$	**$**	**$**	$	$	$
Make good provision	-	-	-	-	21,475	21,475

Information about individual provisions and significant estimates

Make good provision

PlayUp Limited was required to restore the leased premises of its customer care office to its original condition at the end of the respective lease terms. A provision was recognised for the present value of the estimated expenditure required to remove any leasehold improvements. This lease was terminated during the year ended 30 June 2021.

2021	**Make good provision**
	$
Carrying amount at start of year	21,475
Amounts used during the year	(21,475)
Carrying amount at end of year	-

24 . Employee benefit obligations

	2021			2020		
	Current	**Non-current**	**Total**	Current	Non-current	Total
	$	**$**	**$**	$	$	$
Annual leave	**816,271**	**-**	**816,271**	482,315	-	482,315
Long service leave	**-**	**101,852**	**101,852**	-	34,033	34,033
Total employee benefit obligations	**816,271**	**101,852**	**918,123**	482,315	34,033	516,348

Leave obligation

The current provision for employees includes all of the accrued annual leave. The entire amount is presented as current, since the consolidated does not have an unconditional right to defer settlement. However, based on experience, the group does not expect all employees to take the full amount of accrued leave or require payments within the next 12 months. Generally, the employees take up to 4 weeks of annual leave in a 12 month period for which the total amount of expected obligation to be fulfilled is $316,659.

25. Deferred tax liabilities

	2021 $	2020 $
The balance comprises temporary differences attributable to:		
Intangible assets	**468,055**	863,455
Right-of-use assets	**-**	44,852
Property, plant and equipment	**18,025**	-
Prepayments	**6,266**	-
	492,346	908,307

Movements:	**Intangible assets** **$**	**Right-of-use assets** **$**	**Property, plant and equipment** **$**	**Prepayment** **$**	**Total** **$**
At 1 July 2019	1,954,542	-	-	-	1,954,542
Charged/(credited)					
- profit or loss	(1,091,087)	44,852	-	-	(1,046,235)
At 30 June 2020	863,455	44,852	-	-	908,307

Movements:	Intangible assets $	Right-of-use assets $	Property, plant and equipment $	Prepayment $	**Total** $
At 1 July 2020	863,455	44,852	-	-	908,307
Charged/(credited)					
- profit or loss	(395,400)	(44,852)	18,025	6,266	(415,961)
At 30 June 2021	468,055	-	18,025	6,266	492,346

26. Contributed equity

(a) Share capital

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares				
Ordinary Class Shares @ $1.00	**1**	1	**1**	1
Ordinary Class Shares @ $0.0001	**319,175,233**	319,175,233	**31,918**	31,918
Ordinary Class Shares @ $0.1030	**22,107,786**	22,107,786	**2,277,102**	2,277,102
Ordinary Class Shares @ $0.1060	**71,869,060**	71,869,060	**7,618,120**	7,618,120
Ordinary Class Shares @ $0.05	**1,100,000**	1,100,000	**55,000**	55,000
Ordinary Class Shares @ $0.1567	**72,957,720**	72,957,720	**11,431,111**	11,431,111
Ordinary Class Shares @ $0.00130	**1,531,231**	-	**1,991**	-
Ordinary Class Shares @ $0.00	**234,806**	-	**-**	-
Ordinary Class Shares @ $2.87	**8,702,823**	-	**24,977,100**	-
Ordinary Class Shares @ $3.71	**134,771**	-	**500,000**	-
Ordinary Class Shares @ $5.48	**2,552,425**	-	**13,987,289**	-
Ordinary Class Shares (consolidated shares on ratio 1:35)	**(473,289,349)**	-	**-**	-
Capital raising costs	**-**	-	**(1,183,016)**	-
	27,076,507	487,209,800	**59,696,616**	21,413,252

(b) Movements in ordinary shares:

Details	Number of shares	Total $
Opening balance 1 July 2019	473,274,857	19,230,162
Movement in ordinary class shares@$0.1567	13,934,943	2,183,090
Balance 30 June 2020	487,209,800	21,413,252
Opening balance 1 July 2020	487,209,800	21,413,252
Movement in ordinary class shares@$0.00	234,806	-
Movement in ordinary class shares@$0.00130	1,531,231	1,991
Movement in ordinary class shares@$2.87	8,702,823	24,977,100
Movement in ordinary class shares@$3.71	134,771	500,000
Movement in ordinary class shares@$5.48	2,552,425	13,987,289
Shares consolidation	(473,289,349)	-
Capital raising costs	-	(1,183,016)
Balance 30 June 2021	27,076,507	59,696,616

26. Contributed equity (continued)

(b) Movements in ordinary shares: (continued)

2020	Number of shares	Total $
Details of ordinary share movement		
Ordinary shares issue in exchange for PlayChips (i)	12,916,101	2,023,437
Ordinary shares issue for debt capitalisation (ii)	699,761	109,653
Ordinary shares issue (iii)	319,081	50,000
	13,934,943	2,183,090

2021		
Details of ordinary share movement		
Ordinary shares issue in exchange for PlayChips (i)	125,511	687,800
Ordinary shares issue for debt capitalisation (ii)	6,350,443	18,606,551
Ordinary shares issue (iii)	6,680,102	20,172,029
	13,156,056	39,466,380

(i) The group issued ordinary shares in exchange for PlayChips as a mode of settlement.
(ii) The group issued ordinary shares in order to settle some debts owed to certain creditors and lenders.
(iii) The group issued ordinary shares to raise funds for general working capital purposes.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Ordinary shares have no par value and there is a limited amount of authorised capital which is the issued capital of the company in the reporting period.

(d) Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to minimise the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may raise additional capital, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

26. Contributed equity (continued)

(d) Capital risk management (continued)

The group intends to raise capital to assist with working capital requirements or when an opportunity to invest in a business or company is seen as value-adding relative to the current company's share price at the time of the investment. The group is actively pursuing additional investments in the short term as it continues to grow its existing businesses.

(e) Compliance with loan covenants

The group is not subject to any financing arrangement covenants.

27. Other reserves and accumulated losses

(a) Other reserves

The following table shows a breakdown of the consolidated balance sheet line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	2021	2020
	$	$
Convertible loan	**200,377**	-
Share-based payments	**6,785,407**	1,189,807
Foreign currency translation	**(68,213)**	-
Reorganisation reserves	**1,538,919**	1,538,919
	8,456,490	2,728,726
Movements:		
Convertible loan		
Opening balance	**-**	-
Convertible loan issued	**200,377**	-
Balance 30 June	**200,377**	-
Share-based payments		
Opening balance	**1,189,807**	642,979
Employee share plan expense	**457,816**	546,828
Expense related to options issued to a director	**4,394,633**	-
Expense related to other shares issued to employees	**734,813**	-
Effect of movement in foreign currencies	**8,338**	-
Balance 30 June	**6,785,407**	1,189,807
Foreign currency translation		
Opening balance	**-**	-
Currency translation differences arising during the year	**(68,213)**	-
Balance 30 June	**(68,213)**	-
Reorganisation reserve		
Opening balance	**1,538,919**	1,538,919
Balance 30 June	**1,538,919**	1,538,919

27. Other reserves and accumulated losses (continued)

(i) Nature and purpose of other reserves

Convertible loan

The convertible loan reserve is used to recognise interest on loans that is convertible to a fixed amount of shares in the company.

Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of deferred shares granted to employees but not yet vested.

Please refer to note 38 for more information on Share-based payments.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Reorganisation reserve

The group recognises business combinations outside the scope of AASB 3 *Business Combinations*, including combinations of entities under common control using the predecessor value method. This method values acquired assets and liabilities of the acquiree at book value, with any difference between this value and the fair value of consideration paid taken to a reorganisation reserve. The group has elected to only present financial results of combined entities from the date the group took control of the entity.

(b) Accumulated losses

Movements in accumulated losses were as follows:

	2021 $	(Restated) 2020 $
Balance 1 July	**(35,253,762)**	(27,430,487)
Net (loss) for the year	**(13,797,327)**	(7,823,275)
Balance 30 June	**(49,051,089)**	(35,253,762)

28 . Dividends

(a) Franked dividends

	Consolidated entity	
	2021	2020
	$	$
Franking credits available for subsequent reporting periods based on a tax rate of 26.0% (2020 - 27.5%)	**1,100**	1,100

The above amounts are calculated from the balance of the franking account as at the end of the reporting year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

(b) Dividends paid or declared since start of the financial year are as follows:

- No dividends were paid since the start of the financial year;
- No dividends were declared since the start of the financial year; and
- No recommendation for payment of dividends has been made

29. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, PlayUp Limited, its related practices and non-related audit firms:

(a) UHY Haines Norton

(i) Audit and other assurance services

	2021	2020
	$	$
Audit and review of financial statements	**110,000**	106,000
Other assurance services		
Adjustment of previous years fee	**47,959**	45,000
Total remuneration for audit and other assurance services	**157,959**	151,000

30 . Contingencies

The group had contingent liabilities at 30 June 2021 in respect of:

(i) Guarantees

The group has given two bank guarantees of $200,000 (2020: $200,000) each, totalling $400,000 (2020: $400,000) to the Northern Territory Government as security for its wagering licences held.

(ii) Dispute with regulators

a) In February 2020, a claim was lodged with Northern territory Racing Commission (NTRC) against PlayUp Interactive Pty Ltd asserting that the entity had breached its obligations in regard to responsible service of gambling. The matter is currently being considered by the Northern Territory Racing Commission (NTRC). The group considers the potential undiscounted amount of the total payments that the group could be required to make if there was an adverse decision related to the claim is $1,015,000 (2020: $965,959).

b) In May 2021, Liquor and Gaming NSW (L&G NSW) filed Court Attendance Notices regarding certain advertisements published by PlayUp in November 2020. L&G NSW considers these advertisements to contain an inducement to bet and/or open a wagering account, and therefore breaches the Betting and Racing Act 1998 (NSW) (the Act). PlayUp does not believe the advertisements were in breach of the Act and has pled not guilty to the charges. Matter is listed for trial in February 2022. The group considers the potential undiscounted amount of the total payments that the group could be required to make if there was an adverse decision related to the claim is $220,000.

(iii)Legal disputes

a) Fanma Pty Ltd ('Fanma', formerly PlayUp Australia Pty Ltd) purchased A.C.N 167 422 406 Pty Ltd (formerly Classic Bet (NSW) Pty Ltd), A.C.N 607 108 645 Pty Ltd (formerly Best Bet (NSW) Pty Ltd) during the financial year 2018. The sale and purchase agreement included vendors warranties.

   Fanma contends that the vendors (Ryan Kay and Alex Kay) breached their warranties by failing to disclose an affiliation program agreement with KRM (Vic) Pty Ltd. KRM claimed the amount owed to them under the affiliation programme and orders were made by the court on the 9 September 2019 requiring Ryan Kay, A.C.N 167 422 406 Pty Ltd and A.C.N 607 108 645 Pty Ltd to pay KRM the sum of $3,684,691 plus KRM's legal cost. It is to be noted that Fanma is not a party to the proceedings with KRM (Vic) Pty Ltd.

   The vendors failed to disclose the affiliation program to Fanma and therefore breached a vendor's warranty. This matter is listed for further directions on 4 March 2022. If Fanma is not successful, A.C.N 167 422 406 Pty Ltd and A.C.N 607 108 645 Pty Ltd will be liable to pay their share of the order made on 9 September 2019. The court has not specified the breakdown of the order made against Ryan Kay, A.C.N 167 422 406 Pty Ltd and A.C.N 607 108 645 Pty Ltd.

30 . Contingencies (continued)

(iii)Legal disputes (continued)

Fanma and Ryan Kay have previous legal proceedings in the Supreme Court of NSW which the court found in favour of Fanma and orders were made for Ryan Kay to pay 80% of the legal costs and disbursements incurred by Fanma, which are approximately $500,000. The final amount of this contingent asset for these costs and disbursements are yet to be agreed upon and assessed. It should also be noted that Ryan Kay filed for bankruptcy on 27 November 2021.

Fanma sold A.C.N 167 422 406 Pty Ltd and A.C.N 607 108 645 Pty Ltd on 30 June 2019 and these companies do not form part of the consolidated group in the reporting period.

31 . Commitments

(a) Lease commitments

(i) Non-cancellable operating leases

From 1 July 2020, the group has recognised right-of-use assets for these leases, except for short-term and low-value leases (see note 18 for further information).

Included in 2020 are short term leases which end within 12 months and there is no commitment to renew them.

	2021	2020
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	59,125
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	59,125

(ii) Other commitments

Other commitments include amounts related to minimum royalties and minimum marketing spend as required by US market access agreements, sports data, and live feeds and brand ambassadors.

	2021	2020
	$	$
Contractual obligation - not recognised as a liability:		
Within one year	**8,329,090**	572,855
Later than one year but not later than five years	**53,691,356**	140,000
Minimum other commitments	**62,020,446**	712,855

32 . Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in Note 33.

(b) Key management personnel compensation

	2021 $	2020 $
Short-term employee benefits	**1,371,046**	1,158,564
Long-term employee benefits	**17,328**	6,717
Post-employment benefits	**104,481**	105,952
Share-based payments	**5,317,825**	297,017
Total key management personnel compensation	**6,810,680**	1,568,250

Key management personnel consists of:

- Global Chief Executive Officer
- Chief Executive Officer - USA
- Chief Executive Officer of Australia
- Chief Technology Officer
- Chairman
- Chief Finance Officer Global
- Director
- General Counsel - Global

Note, changes from the prior year were the addition of new Directors and General Counsel and the removal of Chief Financial Officer – Australia.

(c) Transactions with other related parties

(i) Purchases from entities controlled by key management personnel (excluding GST)

Pursuant to a short-term rental agreement with Next Security Pty Ltd, rental outgoings of $324,795 (2020: $227,382) was paid for the lease of PlayUp's head office at 48 Epsom Road. Next Security Pty Ltd is a related entity to Daniel Simic and Richard Sapsford.

Amount of $4,000 (2020: $9,064) was paid to Next Security Pty Ltd, for the services to install two access control doors in PlayUp's office. Next Security Pty Ltd is a related to Daniel Simic and Richard Sapsford.

Amount of $5,400 (2020: $10,500) was paid to Next Security Pty Ltd for the supply of comprehensive motor vehicle insurance for the vehicles owned by the group. This was done to get a competitive pricing due to a higher volume.

Amount of $46,951 owing to DNS Assets Pty Ltd which is a related party to Daniel Simic, was converted to ordinary shares in the group during the year ended 30 June 2021.

32 . Related party transactions (continued)

(d) Loans to/from related parties

	2021 $	2020 $
Payables		
Wizer Pty Ltd ATF Wizer Unit Trust	-	(8,971,745)
PlayChip Foundation Limited	-	(4,415,900)
Key management personal	-	(27,950)
Sapsford Investments Trust	-	(3,533,796)

The loans from Wizer Pty Ltd, PlayChip Foundation Limited and key management personnel were converted to ordinary shares in PlayUp during the year ended 30 June 2021. Loan from Sapsford Investments Trust was paid in full during the year ended 30 June 2021.

The secured loan from Wizer Pty Ltd ATF Wizer Unit Trust, whom Daniel Simic owns 50% of the units through Simic Management International Pty Ltd ATF Daniel Simic Family Trust and Richard Sapsford owns 50% of the units through Sapsford Financial Services Pty Ltd.

Wizer Pty Ltd ATF Wizer Unit Trust, loan movements are detailed below:

	2021 $	2020 $
Movement of Wizer Unit Trust		
Beginning of the year	**8,971,745**	10,470,736
Cash advanced	-	306,000
Loan repayments made	-	(405,029)
Interest charged	-	868,195
Amount assigned to non-related party	-	(2,268,157)
Equity conversion	**(8,971,745)**	-
End of year	-	8,971,745

The unsecured related party loan from Sapsford Investments Trust, which is a related entity to Richard Sapsford, movements are detailed below:

	2021 $	2020 $
Movement of Sapsford Investment Trust		
Beginning of the year	3,533,796	-
Cash advanced	-	3,500,000
Loan repayments made	(3,724,352)	-
Interest charged	190,556	33,796
Amount assigned to non-related party	-	-
Equity conversion	-	-
End of year	-	3,533,796

33 . Interests in other entities

Material subsidiaries

The group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group 2021 %	2020 %
Interest in wholly controlled subsidiaries			
Fantigma Pty Ltd	Australia	**100.00**	100.00
PlayUp Australia Pty Ltd (formerly called Fan Central Pty Ltd)	Australia	**100.00**	100.00
Fanma Pty Ltd (formerly called PlayUp Australia Pty Ltd)	Australia	**100.00**	100.00
PlayUp Interactive Pty Ltd	Australia	**100.00**	100.00
Topbetta Pty Ltd	Australia	**100.00**	100.00
Fan Technologies Pty Ltd	Australia	**100.00**	100.00
Sportopia Group Pty Ltd	Australia	**100.00**	100.00
PlayUp Digital Pty Ltd	Australia	**100.00**	100.00
Amateur Golf Challenge Pty Ltd	Australia	**100.00**	100.00
Tip2Win Pty Ltd	Australia	**100.00**	100.00
Fan Media Pty Ltd	Australia	**100.00**	100.00
Fantasy Studio India Pvt Ltd	India	**99.99**	99.99
PlayUp Inc	United States	**100.00**	100.00
Fan Technologies Inc	United States	**100.00**	-
PlayUp Interactive CO Inc	United States	**100.00**	-
PlayUp Interactive NJ Inc (formally called PlayUp Interactive Inc)	United States	**100.00**	-
PlayUp Interactive ND Inc	United States	**100.00**	-
PlayUp Interactive IN Inc	United States	**100.00**	-
PlayUp Interactive IA Inc	United States	**100.00**	-
PlayUp Interactive PA Inc	United States	**100.00**	-
PlayUp Interactive WV Inc	United States	**100.00**	-
Interest in associated entities			
Starcoach Sports Digital Pty Ltd	Australia	**50.00**	50.00
Social Figures Global Pty Ltd	Australia	**-**	30.00

34 . Cash flow information

Reconciliation of profit after income tax to net cash inflow from operating activities

	2021 $	2020 $
Loss for the year	**(13,797,327)**	(7,823,275)
Adjustments for:		
Depreciation and amortisation	**3,075,674**	2,791,345
Non-cash employee benefits expense – share-based payments	**5,587,273**	546,828
(Reversal of impairments)/impairment of investments	**(1,246,068)**	3,391,433
Other	**9,780**	1
Finance costs	**200,377**	1,031,618
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(35,752)**	32,366
Decrease/(increase) in other financial assets	**48,943**	(105,423)
Decrease in current tax assets	**236,045**	4,920
(Increase)/decrease in other assets	**354,642**	89,795
Increase/(decrease) in trade and other payables	**1,168,890**	(1,319,253)
(Decrease) in other financial liabilities	**517,115**	-
(Decrease) in deferred tax liabilities	**(415,961)**	(1,046,235)
Increase in other provisions	**395,715**	147,239
Net cash inflow/(outflow) from operating activities	**(3,900,654)**	(2,258,641)

35 . COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the group has continued its operation with minimal disruption and as a result, there has not been a significant impact on the group for the year ended 30 June 2021. However, the situation is unprecedented, and we will continue to pay close attention to the potential implications of the pandemic and the impact on operations, which may include disruptions to the supply chain and availability of employees.

36 . Events occurring after the reporting period

Events arise since 30 June 2021 that has significantly affected the group's operation were as follows.

(a) PlayUp secured market access agreement for Online Sports Betting in Pennsylvania

Subsequent to 30 June 2021 PlayUp secured 10 year deals to provide:

- iGaming in the state of Pennsylvania;
- online Sportsbook and iGaming in the state of Ohio; and
- Sportsbook and iGaming in the state of Arizona.

PlayUp also secured the sponsorship rights to a US sporting team which, subject to payment of further fees, legalization and regulation, PlayUp will be granted a 10 year market access opportunity to provide sports betting and iGaming in Texas.

The total up-front fees paid to date for the above deals is US $5,000,000. The full financial effect of this access is not determinable at this stage.

(b) PlayUp Secured funding of US $35 million

On 21 September 2021 PlayUp issued a convertible note to an investor with the following terms:

Amount:	US $35,000,000
Term:	2 years
Security:	None
Conversion event:	On completion of IPO, change of control transaction, capital raise (minimum US$10m) or at end of term.
Interest accruing:	10.0% per annum, commencing on the Issue Date, to be converted into shares on a conversion event per above.
Use of proceeds:	US license acquisition and license operating costs, marketing and/or working capital.
Conversion date and price:	At the time of a conversion event, the convertible note will be converted into shares on the same terms as the shares issued under the conversion event at a conversion price equivalent to a 20% discount to the applicable valuation price.
Conversion shares:	Ordinary shares. However, if the conversion event is the capital raise, the investor will receive the same preference equity offered to other investors in that capital raise.

36 . Events occurring after the reporting period (continued)

(c) PlayUp sets up launch of Booki.com.au

On 26 October 2021, PlayUp entered into an agreement with BookiCo Pty Ltd which at the date of this report remains subject to regulatory approval for execution. If approved, PlayUp retains 51% of Booki.com.au Pty Ltd (formerly Topbetta Pty Ltd), with 49% owned by BookiCo. Pending the regulatory approval, Booki.com.au Pty Ltd will operate with services to be provided by BookiCo in relation to client acquisition, marketing and VIP client management, whilst PlayUp will provide the technology stack and administrative functions. If approved, BookiCo will have the option to sell their share of Booki.com.au Pty Ltd back to PlayUp after 31 December 2024 at an agreed revenue multiple or PlayUp can opt to sell or list that company or failing that sell to BookiCo at a discount.

(d) Convertible loan repayment

On 29 October 2021, PlayUp repaid in full the convertible loan taken out per note 21 above. To allow early settlement of the loan PlayUp issued the lender 600,000 vested options with an exercise price of $5.48 and an expiry date of 23 May 2022. There are no additional charges outstanding on this loan after repayment.

37 . Earnings per share

	2021 Cents	(Restated) 2020 Cents
(a) Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the company	**(0.630)**	(0.577)
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the company	**(0.630)**	(0.577)

(c) Reconciliations of earnings used in calculating earnings per share

	2021	(Restated) 2020
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	**(13,797,327)**	(7,823,275)

37 . Earnings per share (continued)

(d) Weighted average number of shares used as the denominator

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**21,885,784**	13,563,978
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**21,885,784**	13,563,978
Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share were as follows:		
Options on issue	**6,123,194**	965,823
Business acquisition consideration	**364,964**	-
Accounts payable amounts convertible to shares	**121,363**	-
Contingently convertible loans	**599,295**	-
	7,208,816	965,823

Notes:

- *The number of options shown for 2020 are after consolidation that occurred in 2021.*
- *Subsequent to 30 June 2021 PlayUp issued a lender 600,000 vested options with an exercise price of $5.48 and an expiry date of 23 May 2022.*

(e) Information concerning the classification of securities

(i) Partly paid ordinary shares

Partly paid ordinary shares carry the right to participate in dividends in proportion to the amount paid relative to the total issue price. To that extent they have been recognised as ordinary share equivalents in the determination of basic earnings per share. Amounts uncalled on partly paid shares and calls in arrears are treated as the equivalent of options to acquire ordinary shares and are included as potential ordinary shares in the determination of diluted earnings per share provided that they are not anti-dilutive. The company does not have any partly paid ordinary shares in the reporting period.

(ii) Options

Options granted to employees under the Employee Option Plan or otherwise are considered to be potential ordinary shares. They are included in the determination of diluted earnings per share provided that they are not anti-dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 38.

38 . Share-based payments

(a) Employee Option Plan

The group has a share option scheme for certain employees of the company. Options are exercisable at the strike price. The vesting period is generally 3 years, however may differ on terms of the options offered. If the options remain unexercised after a period of 1 years from the date of vesting, the options expire. Options are forfeited if the employee leaves the group before the options vest, unless director discretion is exercised. Set out below are summaries of options granted under the plan:

Tranche #	No. of options pre consolidation	No. of options	Tranche valuation ($)	Issue date	Vesting date	Life of option (Days)	**2021**		2020	
							Days	**Expense ($)**	Days	Expense ($)
1	16,886,792	482,482	889,838	1/12/2017	1/12/2020	1,096	**154**	**111,062**	366	263,950
1	(1,886,792)	(53,909)	(99,424)	1/12/2017	Cancelled	-	**-**	**-**	-	(52,251)
2	4,245,283	121,294	213,858	16/04/2018	31/12/2020	990	**184**	**39,747**	366	79,063
2	(4,245,283)	(121,294)	(213,858)	16/04/2018	Expired	-	**-**	**-**	-	-
3	1,886,792	53,909	99,424	2/05/2018	2/05/2021	1,096	**306**	**27,759**	366	33,201
4	1,886,792	53,909	99,424	30/06/2018	30/06/2021	1,096	**365**	**33,111**	366	33,201
5	638,162	18,234	49,714	20/12/2018	20/12/2021	1,096	**365**	**16,556**	366	16,601
6	11,104,020	317,265	907,818	30/10/2019	30/10/2022	1,096	**365**	**215,406**	244	190,485
6	(2,552,648)	(72,934)	(208,692)	30/10/2019	Cancelled	-	**-**	**-**	244	(17,422)
8		18,248	37,321	17/1/2021	17/1/2024	1,095	**164**	**5,590**	-	-
12		68,730	140,509	1/5/2021	30/4/2024	1,095	**60**	**7,699**	-	-
13		18,248	37,305	4/6/2021	3/6/2024	1,095	**26**	**886**	-	-
Total	**27,963,118**	**904,182**	**1,953,237**					**457,816**		**546,828**

Notes:

- *Included in share-based payment expense not recognised in options table above, are options issued to Directors outside of the plan totalling $4,394,633 and shares issued to Directors totalling $734,814.*
- *There are also a number of options that have been provided to non employees or employees not accounted for under AASB 2. See shares under option in the Directors Report.*
- *Expiry date is generally 1 year after vesting date, however Tranche 2 expiry is 31 December 2020. This is included in the table above for expense reconciliation, however these options are no longer outstanding to be able to be exercised as at 30 June 2021.*
- *After 30 June 2021, the expiry dates of Tranche 1 options expiry were extended for an additional 12 months.*

38 . Share-based payments (continued)

(b) Fair value of options granted

The fair values for share options granted during the year were calculated using The Black-Scholes pricing model. The weighted average exercise price of options outstanding was $4.43 (2020: $4.28). For the options granted to date including tranches 7,8, 12 and 13 granted in the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche #	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1	$3.710	$3.710	75.3%	0%	1.50%	$1.8443
2	$3.710	$3.710	75.3%	0%	1.50%	$1.7631
3	$3.710	$3.710	75.3%	0%	1.50%	$1.8443
4	$3.710	$3.710	75.3%	0%	1.50%	$1.8443
5	$5.485	$5.485	75.3%	0%	1.50%	$2.7264
6	$5.485	$5.485	79.8%	0%	1.50%	$2.8614
7	Exercised in the same period					
8	$5.480	$5.480	55.8%	0%	1.50%	$2.0452
12	$5.480	$5.480	55.8%	0%	1.50%	$2.1092
13	$5.480	$5.480	55.8%	0%	1.50%	$2.0444

The weighted average remaining contractual life of options outstanding at 30 June 2021 was 1.41 years (2020: 1.96 years).

The share price and fair value at grant date for tranche 1 to 6 have been restated from the prior year due to consolidation of issued capital which took place on 13 August 2020, however no change to the overall valuation for the respective tranches from the prior year.

39 . Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity, PlayUp Limited, show the following aggregate amounts:

	2021 $	2020 $
Balance sheet		
Current assets	**56,149,946**	22,308,809
Non-current assets	**4,948,884**	3,015,006
Total assets	**61,098,830**	25,323,815
Current liabilities	**3,083,757**	11,925,291
Non-current liabilities	**492,347**	908,307
Total liabilities	**3,576,104**	12,833,598
Net assets	**57,522,729**	12,490,217
Shareholders' equity		
Issued capital	**59,696,616**	21,413,252
Share-based payments reserves	**8,524,703**	2,728,726
Accumulated losses	**(10,698,593)**	(11,651,761)
	57,522,726	12,490,217
Profit or loss:		
Profit/(Loss) for the year	**953,169**	(3,814,211)
Total comprehensive profit/(loss)	**953,169**	(3,814,211)

(b) Guarantees entered into by the parent entity

No third party guarantees are entered into by the parent entity. However the company has provided a number of parent guarantees to its subsidiaries for their third party contracts.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2021, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (2020: nil).

(e) Reclassification and comparative figures

Reclassifications have been made to the prior year figures to enhance comparability with the current year figures. As a result, comparative figures have been amended to conform with the current year presentation. Refer to note (f) below for restatement of PlayChips due to change in accounting policy.

39 . Parent entity financial information (continued)

(f) Reclassification and valuation adjustment of PlayChips

PlayChips were previously classified as a financial asset and valued accordingly. After a review of the liquidity of PlayChips and the accounting policy for cryptocurrencies in practice, management have amended its accounting policy for PlayChips to classify them as intangible assets with indefinite useful lives and valued them accordingly. Prior year results have been restated as a result of this reclassification and new valuation.

40 . Business Combination

The Roar and Athletes Voice

Fantigma Pty Ltd purchased all of the assets and liabilities owned by Sports 3.0 Pty Ltd which are directly associated with the two sports media platforms, "The Roar" and "Athletes Voice" for $2,000,000 on 29 January 2021.

The Roar and Athletes Voice are Australia's leading fan and athlete media platforms that publish on websites https://www.athletesvoice.com.au and https://www.theroar.com.au/ which allow professional athletes to publish written articles amongst other forms of communication to connect sportspeople with fans, and for fans and experts to publish their opinions on sports.

The purpose of the purchase is to use the media platforms to feed into PlayUp's betting apps to underpin PlayUp's goal of offering the richest user experience to drive loyalty, usage and lifetime value for their customers.

Consideration	**2021** $
Total consideration to be transferred in the form of ordinary shares issued where the shares are valued at a discount of 25%	2,000,000
Deferred cash consideration;	
- Current liability	2,000,000
- Non-current liability	-
Total deferred consideration liability	**2,000,000**

The Company elected to apply the Concentration Test to the acquisition.

Identifiable assets acquired and liabilities assumed	
Intangible assets – Media Platforms	2,006,057
Employee provisions	(6,057)
Total identifiable net assets acquired	**2,000,000**

Goodwill	**2021** $
Consideration transferred	2,000,000
Fair value of identifiable Net Assets	(2,000,000)
Total Goodwill	**Nil**

40 . Business Combination (continued)

Revenue and profit contribution

The acquired business contributed revenues of $0.2 million and net operating loss of $0.1 million and acquisition intangible amortisation of $0.2 million to the group for the period from 29 January 2021 to 30 June 2021. If the acquisition had occurred on 1 July 2020, consolidated pro-forma revenue would have been $0.5 million, the operating loss would have been $0.3 million and the acquisition intangible amortisation would have been $0.4 million for the year ended 30 June 2021. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2020.

Purchase Consideration – cash outflow

There were no cash outflows associated with the acquisition.

Acquisition-related costs

There were no acquisition-related costs directly attributable to the acquisition.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 15 to 91 are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of directors made pursuant to section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Daniel Simic
Director

Sydney, this day of 20th January 2022

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of PlayUp Limited

Opinion

We have audited the financial report of PlayUp Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's consolidated financial position as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

UHY Haines Norton
Chartered Accountants

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Group'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 Group'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 report 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. 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.

UHY Haines Norton

M. D. Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Sydney
20 January 2022