TELEMATIC INTERACTIVE BULGARIA AD

Interim separate financial statements as at 30 June 2024

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30.06.2024

	Note	30.06.2024 BGN'000	31.12.2023 BGN'000
Intangible assets	5	838	209
Property, plant and equipment	6	247	197
Right-of-use assets	6	806	921
Investments in subsidiaries	7	12,196	11,240
Investments in joint ventures		3,473	2,235
Non-current financial assets	10.1	300	300
Non-current receivables from related parties	9.5	776	655
Deferred taxes		3	3
Non-current assets		**18,639**	**15,760**
Financial assets at fair value	10.2	18,936	30,160
Advances paid and other receivables	8	1,209	1,399
Current receivables from related parties	9.5	804	449
Receivables for financial instruments and other		6	157
Goods		58	57
Income tax receivable		-	112
Cash and cash equivalents	11	32,865	25,822
Current assets		**53,878**	**58,156**
Total assets		**72,517**	**73,916**
Equity and liabilities			
Share capital	12	12,960	12,960
Treasury shares		(6)	-
Reserves		16,892	16,980
Retained earnings		9,535	5,149
Current financial result		10,671	21,102
Equity		**50,052**	**56,191**
Lease liabilities		613	734
Non-current liabilities		**613**	**734**
Lease liabilities		226	210
Trade and other payables		3,404	4,940
Payables to personnel	13.2	988	920
Dividend payable	9.5	11,662	5,184
Payables to related parties	9.5	24	354
Income tax payable		286	-
Other taxes and charges		2,576	2,585
Client deposits		2,686	2,798
Current liabilities		**21,852**	**16,991**
Total liabilities		**22,465**	**17,725**
Total equity and liabilities		**72,517**	**73,916**

INTERIM SEPARATE STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 01.01.2024 - 30.06.2024

	Note	30.06.2024	30.06.2023
		BGN’000	**BGN’000**
Revenue from bets	14	59,923	54,302
Other revenue	14	42	67
Cost of materials		(107)	(127)
Hired services expense	15	(30,386)	(25,426)
Depreciation and amortization expense		(219)	(198)
Employee benefits expense	13.1	(4,506)	(3,246)
Other expenses	16	(13,374)	(12,125)
Profit from operations		**11,373**	**13,247**
Finance income	17	559	642
Finance costs	17	(75)	(734)
Profit before taxes		**11,857**	**13,155**
Income tax expense		(1,186)	(1,316)
Profit for the year		**10,671**	**11,839**
Total comprehensive income for the period		**10,671**	**11,839**
Share income	**12**	**0.82**	**0.91**

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY AS AT 30.06.2024

	Share capital	Issue premia (premium reserve)	Other reserves	Retained earnings/ (Accumulated losses)	Equity
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Balance at 1 January 2023	**12,960**	**15,680**	**433**	**24,160**	**53,233**
Dividends	-	-	-	(18,144)	(18,144)
Transactions with owners	**-**	**-**	**-**	**(18,144)**	**(18,144)**
Profit for the period	-	-	-	21,102	21,102
Total comprehensive income for the period	-	**-**	**-**	**21,102**	**21,102**
Profit allocation to reserves	-	**-**	867	(867)	**-**
Balance at 31 December 2023	**12,960**	**15,680**	**1,300**	**26,251**	**56,191**
Balance at 1 January 2024	**12,960**	**15,680**	**1,300**	**26,251**	**56,191**
Dividends	-	-	-	(16,716)	(16,716)
Treasury shares	(6)	(88)			(94)
Transactions with owners	**-**	**-**	**-**	**(16,716)**	**(16,810)**
Profit for the period	-	-	-	10,671	10,671
Total comprehensive income for the period	**-**	**-**	**-**	**10,671**	**10,671**
Balance at 30 June 2024	**12,954**	**15,592**	**1,300**	**20,206**	**50,052**

INTERIM SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD 01.01.2024 – 30.06.2024

	Note	30.06.2024 BGN'000	30.06.2023 BGN'000
Operating activities			
Bets placed by clients		285,953	243,874
Profits paid and deposits reimbursed		(226,089)	(189,268)
Payments to suppliers		(33,017)	(24,997)
Payments to personnel and for social security		(4,251)	(3,171)
Corporate tax payment		(788)	(1,558)
Gambling tax payments		(11,948)	(11,088)
Other cash flows, net		(820)	(3,103)
Net cash flow from operations		**9,040**	**10,689**
Investing activities			
Increase in the capital of subsidiaries		(956)	(1,500)
Acquisition of interest in joint ventures		(1,238)	(192)
Investments in financial assets		-	(29,904)
Matured issue proceeds		11,716	7,993
Loans granted		(236)	(165)
Cash flows related to purchases of non-current assets		(782)	(211)
Interest received		1	32
Net cash flow from investing activities		**(8,505)**	**(23,947)**
Financing activities			
Dividend payments		(10,238)	-
Payments for treasury shares		(94)	-
Lease payments		(133)	-
Net cash flow from financing activities		**(10,465)**	**-**
Foreign currency restatement		(37)	(173)
Net change in cash and cash equivalents		**7,043**	**(13,431)**
Cash and cash equivalents at the beginning of the year		**25,822**	**44,144**
Cash and cash equivalents at the end of the year	**11**	**32,865**	**30,713**

Notes to the separate financial statements

1. Principal activities

Telematic Interactive Bulgaria AD (the Company) was registered on 30.06.2021 as a company under Article 234 of the Commercial Act as a result of the transformation of Telematic Interactive Bulgaria EOOD (a sole-owner company with limited liability) with its registered office and registered address in the Republic of Bulgaria, Sofia, Bulgaria. Sofia, 1345, Zaharna Fabrika Residential Area, 7, Kukush St. The Company has UIC 203127300 and is registered in the city of Sofia, entered in the Commercial Register on 02.07.2014 in accordance with the Commercial Act of the Republic of Bulgaria..

The Company's activities include organizing and conducting online betting in accordance with licenses issued by the relevant competent authority, the State Gambling Commission (SGC), valid until August 8, 2020. The Company has a license for organizing online casino gaming issued on 19.07.2019 and a license for online betting on results of sports competitions and horse and dog racing issued on 06.04.2023. The term of both licences is 5 years from the date of issue.

Under the Gambling Act, Telematic Interactive Bulgaria AD is the legal successor to the gambling licenses issued to Telematic Interactive Bulgaria EOOD. The Company may also carry out any other activities not prohibited by law.

The Company's shares are traded on the Bulgarian Stock Exchange from 22.03.2022 with the stock code TIB and ISIN code of the issue BG1100014213. The majority owner of the capital is Eldorado Corporation AD, whose shares are not traded on the stock exchange.

The Company is managed by a Board of Directors composed of Lachezar Tsvetkov Petrov - Executive Director, Desislava Peeva Panova - Chairman of the Board and Emil Alexandrov Georgiev - member. The Company is represented by Lachezar Tsvetkov Petrov and Desislava Peeva Panova jointly and separately.

As of 30.06.2024 the Company employs 143 persons under employment contracts and three persons under management and control contracts.

2. Basis for preparation of the separate financial statements

These separate financial statements for the six months to 30 June 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU. It does not contain all of the information required for the preparation of full annual financial statements under IFRS and should be read in conjunction with the Company's annual separate financial statements as at 31 December 2023 prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The financial statements are presented in Bulgarian lev, which is the Company's functional currency. All amounts are presented in thousands of levs (BGN thousand) (including comparative information for 2023) unless otherwise stated.

Management is responsible for the preparation and fair presentation of the information in these financial statements.

These financial statements are presented on an individual basis. The Company also prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as developed and issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), in which investments in subsidiaries are accounted for and disclosed in accordance with IFRS 10 'Consolidated Financial Statements'.

The financial statements have been prepared under the going concern basis.

3. Changes in the accounting policies

During the period, the Company made no changes in accounting policies.

4. Accounting policies

4.1. General provisions

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

The financial statements have been prepared in accordance with the valuation principles for all types of assets, liabilities, income and expenses under IFRS. The valuation bases are disclosed in detail later in the accounting policies to the financial statements.

It should be noted that accounting estimates and assumptions have been used in the preparation of the financial statements presented. Although these are based on information provided to management at the date of the financial statements, actual results may differ from the estimates and assumptions made.

4.2. Presentation of the financial statements

The financial statements are presented in accordance with IAS 1 ‘Presentation of Financial Statements’. The Company presents the statement of profit or loss and other comprehensive income in a single statement.

Two comparative periods are presented in the statement of financial position. Where the Company applies an accounting policy retrospectively, it restates financial statement items retrospectively or reclassifies financial statement items and this has a material effect on the information in the statement of financial position at the beginning of the previous period.

4.3. Investments in subsidiaries

Subsidiaries are all entities that are under the control of the Company. Control exists when the Company is exposed to, or has rights over, the variable returns from its interest in the investee and has the ability to affect those returns through its power over the investee. A subsidiary is normally deemed to exist when the company has more than 50% of the shares of the entity. In the Company's separate financial statements, investments in subsidiaries are carried at cost.

The Company recognises a dividend from a subsidiary in profit or loss in its separate financial statements when the right to receive the dividend is established.

4.4. Foreign exchange transactions

Transactions in foreign currencies are recorded in the Company's functional currency at the official exchange rate at the date of the transaction (the announced fixing rate of the Bulgarian National Bank). Foreign exchange gains and losses arising on the settlement of these transactions and the remeasurement of foreign currency monetary items at the end of the reporting period are recognised in profit or loss.

Non-monetary items measured at historical cost in a foreign currency are carried at the exchange rate at the date of the transaction (not revalued). Non-monetary items measured at fair value in a foreign currency are recorded at the exchange rate at the date the fair value was determined.

The Bulgarian lev is pegged to the euro at EUR 1 = BGN 1.95583.

4.5. Revenue from contracts with customers

The main revenue generated by the Company is related to the organisation of online casino and sports betting.

To determine whether and how to recognise revenue, the Company uses the following 5 steps:

1 Identifying the contract with a customer

2 Identifying performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Revenue recognition when performance obligations are satisfied

1 Identifying the contract with a customer

The Company arranges its sales through an internet platform and the terms and conditions for each game are published and available to each customer on the website. By opening a profile/account on the gaming platform of the website, the respective player agrees to them.

In the case of sports betting, it is assumed that a bet placed by the customer is confirmation of a contract.

2 Identifying performance obligations

Each customer of the Company provides a deposit amount with which they can place their bets. The activation of the customer's account takes place when the relevant amount of money is transferred to the Company or its authorised payment operators. This amount is defined as a deposit which entitles and enables the customer to place bets on the Company's gaming platform on games with random outcomes in the online casino or on the results of sports competitions.

The provision of the service for the use of a game consists of three stages which are defined as a gaming session and they are the acceptance of a bet, the implementation of the game and the conclusion of the bet by determining the result of the game.

A gaming session in an online casino is in most cases short and is determined by a single spin of the virtual reels in slot machine games, of the roulette wheel on the cards dealt in table games and other gaming conditions specified in the rules of the various games. In a gaming casino, a customer typically makes multiple gaming sessions in a short period of time. In the case of sports betting, a gaming session may last for several days until the specified sports match is played, and sometimes, for example in the case of bets on football league standings, for several months.

Typically, the Company's customer contracts include a single performance obligation. The Company's performance obligation relates to the payment of winnings to customers from the bets placed after the winning result for the game has been determined according to its terms and algorithm.

3 Determining the transaction price

In determining the transaction price, the Company takes into account the terms of the relevant game (contract) and its usual business practices. The transaction price is the amount of consideration to which the Company expects to be entitled in return for the transfer to the customer of the promised goods or services, excluding amounts collected on behalf of third parties (e.g. value added tax). The consideration promised in the contract with the customer may include fixed amounts, variable amounts, or both.

The transaction price for services provided by the Company is the difference between the stakes received from customers and the winnings paid to them (consideration payable to the customer).

In a gaming session, two outcomes are usually possible.

- The customer loses their bet. In this case, they lose the right to recover the portion of the cash deposit provided that is equal to the stake.
- The customer wins their bet. In this case the customer becomes entitled to receive the value of the winnings by payment by the Company

In the event that the Company is unable to fulfil the performance obligation (e.g. in the event of a postponement of a sports event for which no play will take place), the amount of the customer's bet is refundable.

The specific nature of the gambling activity is based on a principle in probability theory called the law of large numbers, according to which, under given general conditions, the joint action of random factors leads to an outcome that is weakly dependent on chance. Therefore, although games have a completely random outcome depending on a random number generator, and sports bets have a random outcome, the algorithm for their calculation ensures certain levels of payoffs relative to the bets placed.

In addition to the price of the game, some games include additional bonuses which the Company is obliged to provide to the relevant player either in the form of an additional playing opportunity or as a cash prize/incentive. The substantial portion of the prize credits/bonuses are not considered a separate performance obligation as they do not provide customers with a material right that they would not otherwise receive. Therefore, the Company does not allocate the transaction price between the bonus/reward credits and the other performance obligations set out in the contract.

4 Allocating the transaction price to the performance obligations

The transaction price is allocated to a single performance obligation.

The Company records as revenue from contracts with customers the amount of bets received less the amount of winnings paid, which is treated as amounts due to customers as required by the Standard.

As a result of the bets placed and winnings paid out, by engaging in multiple gaming sessions, most of the players gradually lose the right to withdraw their deposits from the Company's bank accounts and the Company becomes no longer obliged to return them and increases its financial asset.

5 Revenue recognition when performance obligations are satisfied

Revenue is recognised when the Company has transferred control of the goods/services provided to the buyer. Control is deemed to have passed to the buyer when the customer has accepted the goods/services without objection.

The Company's revenue is the difference between the stakes received, the winnings paid and other consideration due to the customer. This difference forms the net gaming revenue. Revenue from the sale of casino bets is recognised at the time of delivery i.e. at the time the bet is realised. Historically it has been associated with land-based gambling and so-called live casino gaming. Here the outcome of the game is the point at which control of the good/service is transferred and is equivalent to the amount of gaming chips lost.

In online gambling things are similar. Revenue is recognised by determining the net gaming revenue for a given period (month). It is equal to the completed bets minus the winnings including bonuses won. The net gaming revenue is equivalent to the amount for which players have lost the right to be reimbursed.

Sports betting revenue is recognised over time in the period in which the benefits of the sports competition are consumed.

4.5.1. Interest and dividend income

Interest income relates to loans granted. They are accounted for on an ongoing basis using the effective interest method.

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

4.6. Operating expenses

Operating expenses are recognised in profit or loss when the services are used or incurred.

The Company recognises two types of costs associated with the performance of service/goods/service contracts with customers: costs to enter into/achieve the contract and costs to perform the contract. Where costs do not qualify for deferral under IFRS 15, they are recognised as current as incurred, for example, they are not expected to be recovered or the deferral period is up to one year.

The following operating expenses are always recognised as a current expense as incurred:

- General and administrative expenses (unless charged to the customer);
- Costs associated with the performance of the obligation;
- Costs for which the Company cannot determine whether they relate to a satisfied or unsatisfied performance obligation.

4.7. Intangible assets

Intangible assets include online betting platform software , purchased games and usage rights (acquired licenses). These are carried at cost, including all duties paid, non-refundable taxes and direct costs incurred in preparing the asset for use, whereby capitalised costs are amortised on a straight-line basis over the estimated useful lives of the assets, as these are considered to be finite. Licences are amortised over the period for which they are issued.

Subsequent measurement is at cost less accumulated amortisation and impairment losses. Impairment losses are expensed and recognised in the statement of profit or loss and other comprehensive income in the period.

Subsequent costs that arise in relation to intangible assets after initial recognition are recognised in profit or loss and other comprehensive income in the period in which they arise, unless they are likely to generate more future economic benefits for the asset than originally expected and those costs can be measured reliably and allocated to the asset. If these conditions are met, the costs are added to the cost of the asset.

The residual values and useful lives of intangible assets are assessed by management at each reporting date.

Amortisation is calculated using the straight-line method over the estimated useful lives of individual assets as follows:

- software - online casino games 6,7 years or for the duration of use in the case of temporary transfer of rights to software up to 10 years,
- industrial property rights, licences 5 years

Amortisation expense is included in the statement of profit or loss and other comprehensive income in the line "Amortisation and impairment of non-financial assets".

Costs directly attributable to the development phase of an intangible asset are capitalised if they meet the following criteria:

- Completion of the intangible asset is technically feasible so that it is available for use or sale;
- The Company intends to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. In addition, there is a market for the output of the intangible asset or for the intangible asset itself, or if it is used in the Company's operations, it will generate economic benefits;
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset;
- Costs relating to the intangible asset during its development can be reliably estimated.

Costs of developing intangible assets that do not meet these criteria for capitalisation are recognised as incurred.

The gain or loss on the sale of intangible assets is determined as the difference between the proceeds from the sale and the carrying amount of the assets and is recognised in the statement of profit or loss and other comprehensive income in the line 'Gain/(Loss) on sale of non-current assets'.

The materiality threshold set for the Company's intangible assets is BGN 700.

4.8. Property, plant and equipment and right-of-use assets

Property, plant and equipment is initially measured at cost, which includes the acquisition cost and any direct costs of bringing the asset to working condition.

Subsequent measurement of property, plant and equipment is at cost less accumulated depreciation and impairment losses. Impairment losses are expensed and recognised in the statement of profit or loss and other comprehensive income in the period.

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that economic benefits will flow to the Company in excess of the asset's original estimated performance. All other subsequent costs are expensed in the period in which they are incurred.

The residual values and useful lives of property, plant and equipment are estimated by management at each reporting date.

Property, plant and equipment acquired under lease arrangements are depreciated based on their estimated useful lives determined by comparison with similar assets owned by the Company, or based on the lease term if shorter.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the individual asset groups as follows:

- buildings 25 years
- machinery 5 years
- vehicles 5 years
- furniture and fixtures 7 years
- computers 2-5 years
- other 7 years

Depreciation expense is included in the individual statement of profit or loss and other comprehensive income in the line "Depreciation, amortisation and impairment of non-financial assets".

The gain or loss on the sale of property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income on the line 'Gain/(Loss) on sale of non-current assets'.

The materiality threshold set for the Company's property, plant and equipment is BGN 700.

4.9. Leases

4.9.1. The Company as lessee

The Company has entered into long-term lease agreements for premises under which it accounts for assets with right of use as at 30.06.2024.

For each new contract entered into, the Company assesses whether it is or contains a lease. A lease is defined as "a contract, or part of a contract, that provides the right to use an asset (the underlying asset) for a specified period of time in exchange for consideration." To apply this definition, the Company makes three primary judgments:

- whether the contract contains an identifiable asset that is either explicitly stated in the contract or implicitly stated at the time the asset is put to use
- the Company has the right to receive substantially all the economic benefits from the use of the asset over the entire period of use, within the defined scope of its right to use the asset under the contract
- the Company has the right to direct the use of the identifiable asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset will be used throughout the period of use.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients provided in the Standard. Rather than recognising right-of-use assets and lease liabilities, payments in respect of these are recognised as an expense in profit or loss on a straight-line basis over the term of the lease.

The use of an asset under a variable rental arrangement is recognised as an ongoing expense. Generally, the condition of use of such a tangible or intangible asset is linked to the achievement of financial parameters and results but it is not possible to determine the obligation with relative accuracy over the long term.

4.10. Tests for impairment of intangible assets

In calculating the amount of impairment, the Company defines the smallest identifiable group of assets for which separate cash flows can be determined (cash-generating unit). As a result, some assets are subject to impairment testing on an individual basis and others on a cash-generating unit basis.

All assets and cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, being the higher of an asset's fair value less costs to sell and its value in use. To determine value in use, the Company's management estimates the expected future cash flows for each cash-generating unit and determines the appropriate discount factor in order to calculate the present value of those cash flows. The inputs used in impairment testing are based on the Company's most recently approved budget, adjusted as necessary to eliminate the effect of future reorganizations and significant asset improvements. Discount factors are determined for each individual cash generating unit and reflect their respective risk profile as assessed by the Company's management.

Impairment losses of a cash-generating unit are stated as a reduction of the carrying amount of the assets of that unit. For all of the Company's assets, management subsequently assesses whether there is any indication that an impairment loss recognized in prior years may no longer exist or may have been reduced. An impairment recognised in a prior period is reversed if the recoverable amount of the cash-generating unit exceeds its carrying amount.

4.11. Financial instruments

4.11.1. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

4.11.2. Classification and initial measurement of financial assets

Financial assets are initially carried at fair value adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables, which do not have a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs, which are recorded as current expenses. The initial measurement of trade receivables that do not have a significant financial component is the transaction price in accordance with IFRS 15.

Financial assets are classified into one of the following categories, depending on the subsequent accounting:

- debt instruments at amortised cost;
- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income with or without reclassification to profit or loss depending on whether they are debt or equity instruments.
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The classification of financial assets is determined on the basis of the following two conditions:

- the Company's business model for managing financial assets;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are included in finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses in the statement of profit or loss and other comprehensive income.

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4.11.3. Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following criteria and are not designated as at fair value through profit or loss:

- the Company manages the assets within a business model whose objective is to hold the financial assets and collect their contractual cash flows;
- under the contractual terms of the financial asset, cash flows arise on specific dates that are solely payments of principal and interest on the outstanding principal amount.
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This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is not carried out when its effect is immaterial. The Company classifies cash and cash equivalents, loans receivable, due from related parties, trade and other receivables in this category.

Subsequent valuation is necessarily performed at the date of preparation of the interim and annual financial statements based on quoted market prices.

- **Trade receivables**

Trade receivables are amounts due from customers for goods or services sold in the ordinary course of business. They are usually due for settlement at short notice and are therefore classified as current. Trade receivables are recognised initially at the amount of the unconditional consideration unless they contain significant financing components. The Company holds trade receivables to collect contractual cash flows and therefore measures them at amortised cost using the effective interest method. Discounting is not performed when its effect is immaterial.

Financial assets at fair value through profit or loss

Financial assets for which the 'held for collection of contractual cash flows' or 'held for collection and sale' business model is not applicable, and financial assets whose contractual cash flows are not solely payments of principal and interest, are carried at fair value through profit or loss. All derivative financial instruments are accounted for in this category except those that are designated and effective as hedging instruments and to which the hedge accounting requirements apply (see below).

Changes in the fair value of assets in this category are recognised in profit or loss. The fair value of financial assets in this category is determined using quoted prices in an active market or by using valuation techniques in the absence of an active market.

Financial assets at fair value through other comprehensive income

The Company carries financial assets at fair value through other comprehensive income if the assets meet the following conditions:

- The Company manages the assets within a business model whose objective is to hold the financial assets to collect contractual cash flows and sell them; and
- Under the contractual terms of the financial asset, cash flows arise on specific dates that are solely payments of principal and interest on the outstanding principal amount.

Financial assets at fair value through other comprehensive income include:

- Equity securities that are not held for trading and that the Company has irrevocably elected, on initial recognition, to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.

On disposal of equity instruments in this category, any value recorded in the instruments' revaluation reserve is reclassified to retained earnings.

On disposal of debt instruments in this category, any amount recorded in the instruments' revaluation reserve is reclassified to profit or loss for the period.

A reliable estimate of the fair value of a financial instrument is possible when there is insignificant variability in reasonable estimates and the probabilities of the various estimates can be reasonably determined and used. The fair value of a financial instrument is estimated depending on the specific circumstances:

a) In the presence of an active market - a published price quotation:

- for a held asset or liability to be issued, the current bid price is taken;

- in the case of an asset to be acquired or a liability held, the current bid or offer price is taken;

b) Where there is no current bid or offer price, the price of the most recent transaction is taken.

- an independent rating firm's (agency's) valuation;

- an appropriate valuation model that is fed with data arriving from active markets.

c) Where no quote is available in an active market, valuation techniques may be used such as:

- comparison with the current market value of another similar financial instrument;

- determining the discounted cash flows expected from the financial instrument using discount rates equal to the prevailing rate of return for similar financial instruments;

- using option pricing models;

- on a constructed basis - where a market price exists for individual components of the financial instrument.

4.11.4. Impairment of financial assets

Impairment requirements under IFRS 9 use forward-looking information to recognise expected credit losses - the 'expected credit loss' model.

Instruments that fall within the scope of the new requirements include loans and other debt financial assets measured at amortised cost, at fair value through other comprehensive income, trade receivables, contract assets recognised and measured under IFRS 15, and loan commitments and certain financial guarantee contracts (at the issuer) that are not accounted for at fair value through profit or loss.

The recognition of credit losses is no longer dependent on the occurrence of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and estimating expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- financial instruments whose credit quality has not deteriorated significantly from the time of initial recognition or have low credit risk (Stage 1); and
- - financial instruments whose credit quality has deteriorated significantly since initial recognition or whose credit risk is not low (Stage 2)
- Stage 3 comprises financial assets that have objective evidence of impairment at the reporting date. None of the Company's financial assets fall into this category.

12-month expected credit losses are recognised for the first category, while expected losses over the life of the financial instruments are recognised for the second category. Expected credit losses are defined as the difference between any contractual cash flows due to the Company and the cash flows it actually expects to receive ('cash shortfall'). This difference is discounted at the original effective interest rate (or credit-adjusted effective interest rate).

The calculation of expected credit losses is based on a probability-weighted estimate of credit losses over the expected life of the financial instruments.

Trade and other receivables

The Company uses a simplified approach in accounting for trade and other receivables as well as loans receivable and receivables from related parties and recognises impairment loss as expected credit losses over the entire period. These represent the expected shortfall in contractual cash flows, taking into account the possibility of default at any point in the life of the financial instrument. The Company uses its historical experience, external indicators and long term information to calculate expected credit losses by allocating customers by industry and term structure of receivables and using an allowance matrix.

The Company has performed an analysis of historical collection data for its trade and other receivables and receivables from related parties, the results of which indicate that the Company has not generated financial losses in historical periods and does not expect to incur any in future periods.

Financial assets at fair value through other comprehensive income

The Company recognizes estimated 12-month credit losses for financial assets carried at fair value through other comprehensive income. The Company analyses the credit risk of the instrument at the end of the reporting period and an expected credit loss is accrued if there is any indication of an increase.

In addition, the Company considers other indicators such as adverse changes in business, economic or financial conditions that may affect the issuer's ability to meet its debt obligations or unexpected changes in the issuer's operating results.

If any of these indicators results in a significant increase in the credit risk of the instruments, the Company recognises for those instruments or that class of instruments expected credit losses over the life of the instrument.

Significant increase in credit risk

Expected credit losses are measured as an allowance equal to 12 months of expected credit losses for Stage 1 assets, or expected credit losses over the life of the Stage 2 or Stage 3 asset. An asset transitions to Stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether an asset's credit risk has increased significantly, the Company considers qualitative and quantitative reasonable and supportable forward-looking information.

4.11.5. Classification and measurement of financial liabilities

The Company's financial liabilities include lease liabilities, trade and other financial liabilities.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the Company has designated a financial liability as at fair value through profit or loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivatives and financial liabilities that are designated as at fair value through profit or loss (except for derivative financial instruments that are designated and effective as a hedging instrument).

Any interest expense and, if applicable, changes in the fair value of the instrument that are recognised in profit or loss are included in finance costs or finance income.

4.12. Income taxes

Tax expense recognised in profit or loss includes the amount of deferred and current taxes not recognised in other comprehensive income or directly in equity.

Current taxes and charges include tax expense under the Corporate Income Tax Act and government charges under the Gambling Act.

A two- component state fee is levied for the issuance and maintenance of an online betting licence, consisting of a one-off fee of BGN 100 thousand and a variable portion of 20 per cent on the difference between the value of bets received and winnings paid. The Company charges and pays the variable component of the state fee at the end of each monthly period.

Current tax assets and/or liabilities comprise those amounts payable to or receivable from tax authorities relating to current or prior accounting periods that are unpaid at the financial statement date. Current tax is payable on taxable income that differs from profit or loss in the financial statements. The calculation of current tax is based on the tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

Deferred taxes are calculated using the passive method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of an asset or liability unless the transaction affects tax or accounting profit.

Deferred tax assets and liabilities are not discounted. They are calculated using tax rates that are expected to apply to the period in which they are realised, provided that they are enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised in full.

Deferred tax assets are recognised only if it is probable that they will be utilised through future taxable income. Refer to note 8 for management's assessment of the probability of future taxable income being available against which deferred tax assets can be utilised.

Deferred tax assets and liabilities are offset only when the Company has the right and intent to offset current tax assets or liabilities from the same taxing authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss unless they are associated with items recognised in other comprehensive income (e.g. revaluation of land) or directly in equity, in which case the related deferred tax is recognised in other comprehensive income or in equity.

4.13. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in bank accounts, perpetual deposits and deposits of up to 3 months, short-term and highly liquid investments that are readily convertible to specific amounts of cash and contain an insignificant risk of change in value.

4.14. Equity and dividend payments

The share capital of the Company reflects the nominal value of the issued shares.

Retained earnings include the current financial result and accumulated profits and losses from prior years.

The premium reserve includes premiums received on the original issue of equity. Other reserves include legal reserves that the Company sets aside in accordance with the requirements of the Companies Act.

Dividends payable to shareholders are included in the line 'Due to related parties' in the statement of financial position when dividends are approved for distribution by the general meeting of shareholders before the end of the reporting period.

All transactions with owners of the Company are presented separately in the statement of changes in equity.

4.15. Retirement and short-term staff benefits

The Company accounts for short-term compensated leaves arising from unused paid annual leave where the leave is expected to be taken within 12 months after the date of the reporting period during which the employees render the service related to the leave. Short-term payables to staff include wages, salaries and social security contributions.

In accordance with the requirements of the Labour Code, upon termination of employment, once the employee has become entitled to a retirement pension, the Company is obliged to pay a severance payment of up to six gross salaries. The Company has accrued a legal obligation to pay benefits to employees on retirement in accordance with the requirements of IAS 19 'Employee Benefits' based on projected payments over the next five years, discounted to the present by a long-term interest rate on risk-free securities.

The Company has not developed or implemented any post-employment benefit plans for employees.

4.16. Provisions, contingent liabilities and contingent assets

Provisions are recognised when it is probable that a present obligation as a result of a past event will result in an outflow of resources from the Company and a reliable estimate can be made of the amount of the obligation. The timing or amount of the cash outflow may be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a result of past events, such as guarantees, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal restructuring plan has been developed and implemented or management has disclosed the key points of the restructuring plan to those who would be affected. Provisions for future operating losses are not recognised..

The amount to be recognised as a provision is calculated on the basis of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the probable outflow required to settle the obligation is determined by considering the group of obligations as a whole. Provisions are discounted when the effect of timing differences in the value of money is significant.

Consideration from third parties in respect of a liability that the Company is certain to receive is recognised as a separate asset. This asset may not exceed the value of the related provision.

Provisions are reviewed at the end of each reporting period and the amount adjusted to reflect the best estimate.

In cases where it is considered unlikely that an outflow of economic resources will arise as a result of a present obligation, a liability is not recognised. Contingent liabilities should be subsequently measured at the higher of the comparable provision described above and the amount initially recognised less accumulated amortisation.

Probable inflows of economic benefits that do not yet meet the criteria for asset recognition are considered contingent assets.

4.17. Significant judgements in the application of the accounting policies

The significant judgements made by management in applying the Company's accounting policies that have the most significant effect on the financial statements are described below. The key sources of estimation uncertainty are described in Note 4.19.

4.18. Uncertainty of accounting estimates

In preparing the financial statements, management makes a number of assumptions and estimates about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from management's assumptions, estimates and assumptions and, in rare cases, are fully consistent with previously estimated results.

In preparing the financial statements presented, management's significant judgments in applying the Company's accounting policies and the key sources of estimation uncertainty are not materially different from those disclosed in the Company's annual financial statements as at 30 June 2024.

Information about significant assumptions, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is presented below.

4.18.1. Recognition of gambling revenue in the presence of variable remuneration

Gambling revenue relates to multiple credit awards, bonus schemes and other types of incentives that are inherent in the nature of the Company's gaming and related sales. The Company's management is required to exercise its judgement as to whether and to what extent these bonus schemes provide material entitlements to customers that they would not otherwise receive and accordingly be allocated to a separate performance obligation.

4.18.2. Measurement of expected credit losses

Credit losses constitute the difference between all contractual cash flows due to the Company and all cash flows the Company expects to receive. Expected credit losses are a probability-weighted estimate of credit losses that require the Company's judgment. Estimated credit losses are discounted at the original effective interest rate (or the credit-adjusted effective interest rate for purchased or originated financial assets with a credit impairment).

4.18.3. Impairment of non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, being the higher of an asset's fair value less costs to sell and its value in use. To determine value in use, the Company's management estimates the expected future cash flows for each cash-generating unit and determines the appropriate discount factor in order to calculate the present value of those cash flows. In calculating estimated future cash flows, management makes assumptions about future gross margins. These assumptions relate to future events and circumstances. Actual results may differ and require significant adjustments to the Company's assets in the next reporting year.

In most cases, the determination of the applicable discount factor involves an assessment of appropriate adjustments for market risk and risk factors that are specific to individual assets.

4.18.4. Uncertainty in determining the Company's income tax liabilities and uncertain contingent tax liabilities

Due to changes in 2020 in the tax legislation applicable to gambling activities, it cannot be interpreted unambiguously. The Company's management has assessed whether it is likely that the tax authority will adopt an uncertain tax treatment. The Company has considered tax practice and the likely tax treatment in its operations and therefore the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rate are consistent with the treatment used and expected to be used in reporting income taxes.

4.18.5. Fair value measurement

Management uses techniques to measure the fair value of financial instruments (in the absence of quoted prices in an active market). In applying valuation techniques, management makes maximum use of market data and assumptions that market participants would make in valuing an instrument. When applicable market data is not available, management uses its best estimate of the assumptions that market participants would make. These estimates may differ from actual prices that would be determined in an arm's length transaction between knowledgeable, willing parties at the end of the reporting period.

5. Intangible non-current assets

Gross carrying amount	Licenses BGN’000	Software BGN’000	Total BGN’000
Balance at 1 January 2024	310	179	489
Additions	685	18	703
Disposals	(70)	-	(70)
Balance at 30 June 2024	**925**	**197**	**1,122**
Amortisation			
Balance at 1 January 2024	**(164)**	**(115)**	**(280)**
Amortisation charge	(67)	(7)	(74)
Amortisation written-off	70	-	70
Balance at 30 June 2024	**(161)**	**(122)**	**(284)**
Carrying amount at 30 June 2024	**764**	**74**	**838**

6. Property, plant and equipment, incl. right-of-use assets

Gross carrying amount	Computers and periphery BGN’000	Furniture and fixtures BGN’000	Equipment and permanent assets BGN’000	Vehicles BGN’000	Right-of-use assets - properties BGN’000	Total BGN’000
Balance at 1 January 2024	**229**	**60**	**53**	**30**	**1,152**	**1,524**
Additions	72	2	6	-	-	80
Disposals	-	-	-	-	-	-
Balance at 30 June 2024	**301**	**62**	**59**	**30**	**1,152**	**1,604**
Depreciation						
Balance at 1 January 2024	**(120)**	**(24)**	**(17)**	**(14)**	**(231)**	**(406)**
Depreciation accrued	(17)	(5)	(4)	(4)	(115)	(145)
Depreciation written-off	-	-	-	-	-	-
Balance at 30 June 2024	**(137)**	**(29)**	**(21)**	**(18)**	**(346)**	**(551)**
Carrying amount at 30 June 2024	**164**	**33**	**38**	**12**	**806**	**1,053**

7. Investments in subsidiaries

Subsidiary name	Principal activities	Country of incorporation	30.06.2024		31.12.2023	
			BGN’000	Interest (%)	BGN’000	Interest (%)
CT Interactive EOOD	provision for use and rental, creation, modification and development of new software products for online games	Bulgaria	10,410	100	10,410	100
TOB Palms Bet Ukraine	online casino platform and sports betting	Ukraine	-	100	-	100
Palmsbet Curacao B.V.	online casino platform and sports betting	Curacao	550	100	550	100
TIB Consult Sociedad Anonima(TIB Consult S.A.C.)	online casino platform payment operator	Peru	1,236	99	280	99
			12,196		**11,240**	

8. Advances paid and other receivables

	30.06.2024	31.12.2023
	BGN'000	BGN'000
Prepayments	531	420
Advances	357	203
Other	321	776
	1,209	**1,399**

9. Related party transactions

Related parties of the Company include the owners, subsidiaries, companies under common control, key management personnel and others described below.

Unless specifically mentioned, related party transactions are not conducted on special terms and no guarantees are given or received.

Receivables from related parties include receivables, loans and interest in the total amount of BGN 1,580 thousand, of which:

- current receivables amounting to BGN 804 thousand, of which BGN 135 thousand and BGN 400 thousand for loans with contractual maturity in February 2025 and June 2025, BGN 197 thousand for trade receivables and BGN 72 thousand for interest receivables.

- on-current loans receivable amounting to BGN 776 thousand with maturities of BGN 109 thousand in 2025, BGN 475 thousand in 2027 and BGN 192 thousand maturing in 2028, respectively.

The loans granted to related parties are unsecured and bear interest at an agreed market rate. The remaining receivables from related parties as well as payables are commercial in nature and interest qualified as current.

The Company has not received any guarantees from related parties or provided any guarantees in favour of related parties.

9. 1 Transactions with owners

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Purchase of services	29	29
Distribution of dividends	16,716	12,960
Dividend payment	10,220	-

9.2. Transactions with subsidiaries

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Purchase of services	1,781	1,755
Capital contributions	956	1,692
Interest accrual	10	10

9.3. Transactions with other related parties under common control

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Purchase of services and goods	686	396
Goods and services supplied	-	3
Loans granted	236	165
Interest accrual	23	5

9.4. Transactions with key management personnel

The key management personnel of the Company include the members of the Board of Directors and senior management personnel.

The remuneration of key management personnel includes the following expenses:

	30.06.2024 BGN'000	30.06.2023 BGN'000
Current remuneration:		
Salaries, incl.:	299	284
bonuses	*169*	*188*
Social security contributions	8	8
Total remuneration	**307**	**294**

9.5. Related party balances at period-end

	30.06.2024 BGN'000	31.12.2023 BGN'000
Non-current receivables from:		
- other related parties under common control	776	655
Total non-current receivables from related parties	**776**	**655**
Current receivables from:		
- subsidiaries	476	420
- other related parties under common control	328	29
Total current receivables from related parties	**804**	**449**
Total receivables from related parties	**1,580**	**1,104**
Current payables:		
-owners for dividends	11,662	5,184
- subsidiaries	-	351
- other related parties under common control for supplies	24	3
Total current payables to related parties	**11,686**	**5,538**
Total payables to related parties	**11,686**	**5,538**

10. Financial assets at fair value

The amounts recognised in the statement of financial position relate to the following categories of financial assets:

	30.06.2024 BGN'000	31.12.2023 BGN'000
Non-current financial assets		
Equity instruments at fair value through OCI		
Non-exchange traded equity instruments	300	300
	300	300
Current financial assets		

Debt instruments at fair value through profit or loss

Sovereign securities	5,096	16,576
Monetary market fund	13,840	13,584
	18,936	30,160
	19,236	**30,460**

10.1 Equity instruments at fair value through other comprehensive income

As of 30.06.2024, the Company holds shares in the capital of Bargame AD, which are not listed on any stock exchange. The shares entitle the holder to a 2% interest in the capital of Bargame AD. Management's intentions are to hold the holding as a long-term, strategic investment to generate dividend income. In accordance with the business model for accounting for financial instruments, the investment has been classified as subsequently carried at fair value through other comprehensive income.

10.2 Debt instruments at fair value through profit or loss

As at 30.06.2024 The Company holds sovereign securities and exchange-traded funds investing in money market instruments. The debt securities mature in 2024.

Current financial assets are measured at fair value determined based on quoted prices in the interbank market and the stated buyback price at the financial statement date.

Gains and losses are recognised in the statement of profit or loss and other comprehensive income in the line " finance costs" and the line "finance income".

Determination of fair value

Financial assets carried at fair value in the statement of financial position are grouped into three levels according to the fair value hierarchy. This hierarchy is determined based on the significance of the inputs used in determining the fair value of financial assets and liabilities as follows:

- Level 1: market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than market prices included in Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. on a price basis); and
- Level 3: inputs for an asset or liability that are not based on observable market data.

A financial asset or liability is classified at the lowest level of significant inputs used to determine its fair value.

	30 June 2024				**31 December 2023**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	BGN'000	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**	**BGN'000**
Financial assets								
Actively traded sovereign securities	5,096	-	-	5,096	16,576	-	-	16,576
Mutual funds	-	13,840	-	13,840	-	13,584	-	13,584
Non-exchange traded equity instruments	-	-	300	300	-	-	300	300
Total assets	**5,096**	**13,840**	**300**	**19,236**	**16,576**	**13,584**	**300**	**30,460**

All market-traded bonds are denominated in BGN and are actively traded on the international market. The fair values were determined based on their quoted prices reported on internationally recognised platforms at the reporting date. Gains and losses on remeasurement of the fair value of financial instruments are included in finance income and finance costs in the statement of profit or loss and other comprehensive income.

For the Company's financial assets classified at Level 3, valuation techniques using internal models are used to value the holdings based on the Company's net asset model. Equity instruments as at 30.06.2024 have been valued at the cost of the assets for which an analysis of movement to the reporting date has been performed and no material variances in the valuation of the holding have been identified. No remeasurements of financial assets have been recorded in other comprehensive income during the period.

As at 30.06.2024 the Company accounts for financial assets at fair value, respectively there were no transfers between levels 1 and 2 during the reporting periods.

11. Cash and cash equivalents

Парите и паричните еквиваленти включват следните елементи:

	30.06.2024 BGN'000	31.12.2023 BGN'000
Cash in hand	1,551	1,285
Cash in banks	12,487	4,612
Cash in payment operators	18,274	19,805
Cash equivalents	553	120
Cash and cash equivalents	**32,865**	**25,822**

The amount of cash and cash equivalents used as collateral for possible claims for card payments under the Company's transactions with payment operators as at 30 June 2024 was BGN 1,771 thousand (31 December 2023: BGN 1,688 thousand).

The cash equivalents of BGN 553k reported by the Company at the end of June 2024 are cash balances held in its investment account with an investment firm. Under the terms agreed with the intermediary the amounts are reversible at short notice.

The Company has estimated the expected credit losses on cash and cash equivalents. The estimated value is less than 0.5% of the gross value of cash deposited with financial institutions and therefore has been determined to be immaterial and has not been charged to the Company's financial statements.

12. Share capital, dividends and earnings per share

As at 30.06.2024 the Company's registered capital consists of 12,960,018 ordinary shares with a nominal value of BGN 1.

The Company's shares are traded on the Bulgarian Stock Exchange. The shares are entitled to receive a dividend and a liquidation share and each share represents one vote at the general meeting of shareholders.

As at 30 June 2024, pursuant to the resolution of the AGM dated 11 March 2024, the Company has repurchased 6,060 treasury shares representing 0.0468% of all voting shares issued by Telematic Interactive Bulgaria AD.

The treasury shares are carried in the statement of financial position at their nominal value, accordingly the Company's share capital as at the end of the reporting period has been reduced by their nominal value.

As at 30.06.2024. The Company is majority owned by Eldorado Corporation AD, whose ultimate owners are Milo Stratiev Borisov and Rosina Stratieva Borisova.

Earnings per share

As at 30.06.2024 basic earnings per share is calculated based on net profit attributable to shareholders and a weighted average number of shares of the Company as follows:

	30.06.2024	30.06.2023
Distributable profit (in BGN)	10,671,469.46	11,838,730.35
Weighted average number of shares	12,958	12,960,018
Basic earnings per share (in BGN per share)	**0.82**	**0.91**

During the period the Company has distributed dividend in the amount of BGN 5,054 as per the minutes of the AGM dated 11.03.2024. As of 03.06.2024. The General Meeting of Shareholders resolves to distribute a cash dividend of BGN 11,662 thousand.

13. Employee benefits

13.1. Employee benefits expense

The employee benefits expense includes:

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Salaries	3,915	2,897
Social security contributions	591	349
Employee benefits expense	**4,506**	**3,246**

13.2. Payables to personnel

The payables to personnel recognized in the statement of financial position comprise the following items:	30.06.2024	31.12.2023
	BGN'000	BGN'000
Current:		
Provisions for unused leave	227	227
Provision for bonuses payable to members of the Board	618	584
Current remuneration	143	109
Social security payables	**988**	**920**

The current portion of payables to staff represents payables to current and former employees of the Company which are due to be settled in 2024. Other current payables to staff arise mainly in respect of unused leave accrued at the end of the reporting period.

14. Revenue from contracts with customers

The Company states as revenue the amount of bets placed less amounts due to clients and incentives it provides to its clients.

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Revenue by types of activities:		
Casino games	54,382	50,081
Sports bets	5,541	4,221
	59,923	**54,302**

Most of the Company's revenue is generated domestically, with a negligible share of customers outside the country.

Other operating income of BGN 42 thousand is generated from rentals, ancillary services and write-off of payables.

15. Hired services expense

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Gaming suppliers	11,219	10,243
Advertisement	10,632	8,489
Bank charges	5,867	5,095
Consulting fees	277	337
Software services	989	778
Accounting and legal services	464	73
Rentals	43	49
Communications and utilities	599	130
Technical maintenance	248	117
Other	48	115
	30,386	**25,426**

16. Other expenses

	30.06.2024	30.06.2023

	BGN'000	BGN'000
Fees under the Gambling Act	12,100	11,007
Withholding tax expense	236	232
Additional in-kind and cash bonuses and awards	220	380
Other expenses	818	506
	13,374	**12,125**

17. Finance income and costs

	30.06.2024	30.06.2023
	BGN'000	BGN'000
Interest income	54	120
Gains on financial instruments	478	64
Gains on foreign exchange restatement of financial instruments	-	433
Gains on foreign exchange restatement of cash, receivables and payables	27	25
Finance income	**559**	**642**
Interest costs	29	32
Losses on foreign exchange restatement of cash, receivables and payables	41	63
Losses on foreign exchange restatement of financial instruments	-	611
Other finance costs	5	28
Finance costs	**75**	**734**

18. Events after the end of the reporting period

The procedure for payment of the dividend voted by the General Meeting in the amount of BGN 11 662 thousand has been initiated. The funds have been transferred for payment through the Central Depository and paid in full.

19. Approval of the separate financial statements

The separate financial statements as at 30 June 2024 (including comparative information) were authorised for issue by the Board of Directors on 23 July 2024.

23.07.2024
Sofia

....
Rumen Terziyski
Chief Accountant

....
Lachezar Petrov
Executive Director