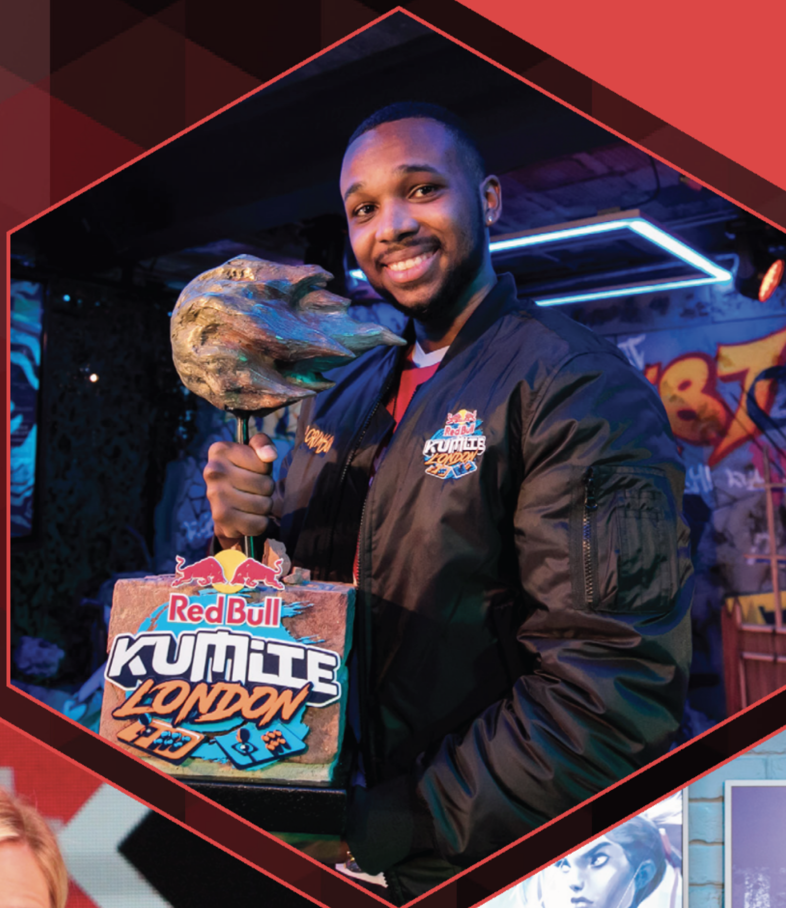
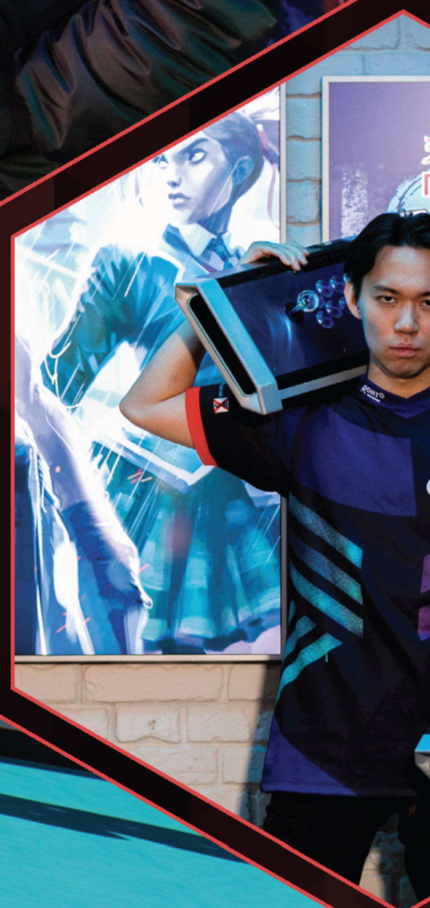
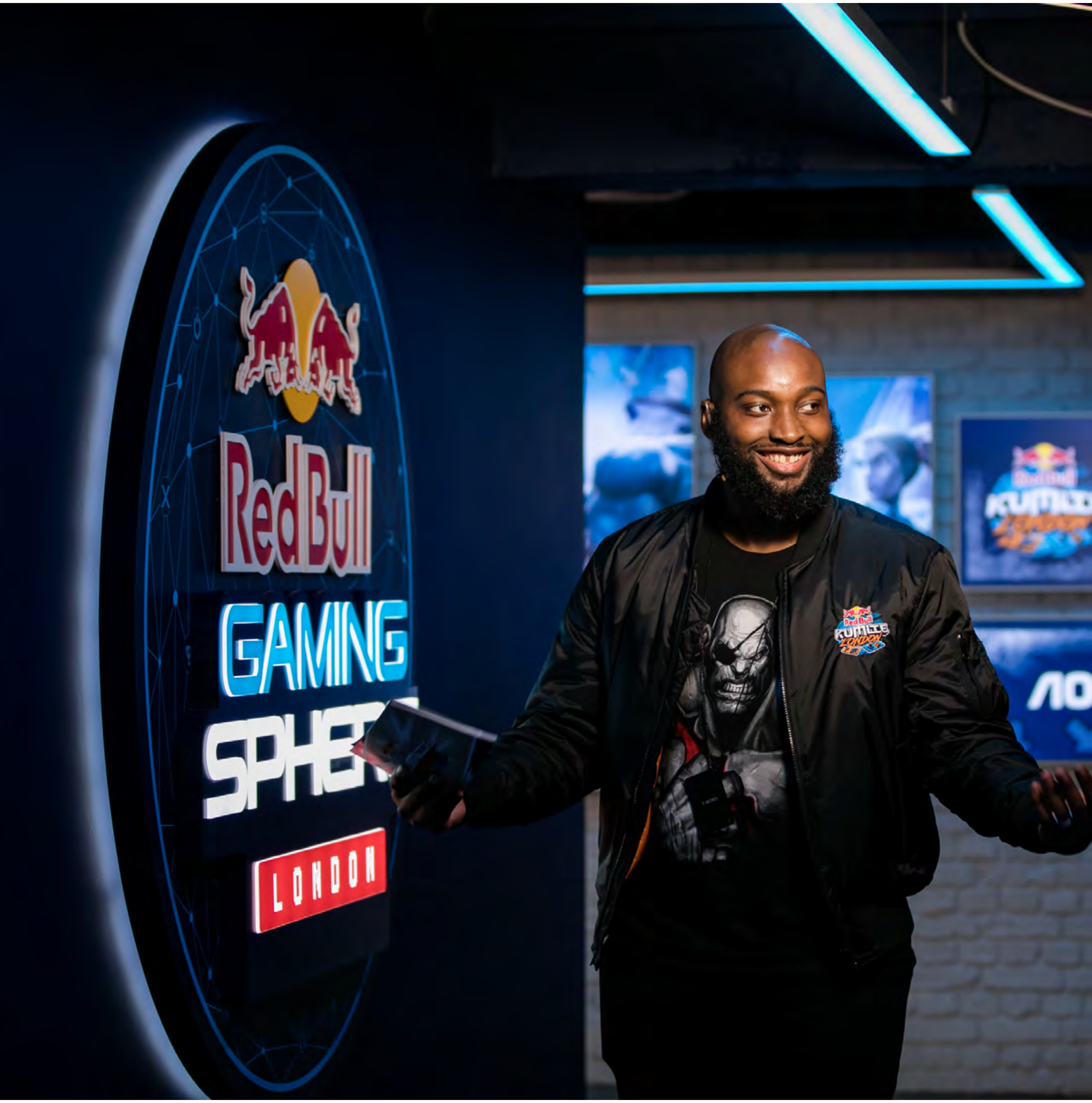
GFINITY





Gfinity plc

Annual Report &
Financial Statements 2021


Red Bull
GAMING
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Directors, Secretary and Advisors

The Board of Directors

Neville Upton
(Chairman)

John Clarke
(Chief Executive Officer)

Jonathan Hall
(Chief Financial and Operations Officer)

Leonard Rinaldi
(Non-Executive Director)

Hugo Drayton
(Non-Executive Director)

Andy MacLeod
(Non-Executive Director)

Company Secretary

Jonathan Hall

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London WC2B 5AH

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London EC2V 7QR

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London WC2B 5AH

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Corporate

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Teneo Strategy Limited
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London SE1 2DA

Registered Number

08232509

STRATEGIC REPORT

Period Highlights

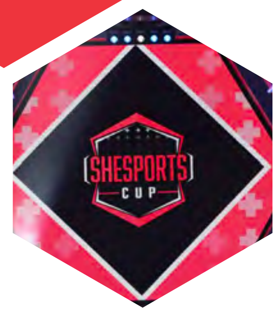
"A year of transition, with a new management team and a clear targeted operational focus"

Higher margin revenue streams

£2.6m
Gross Profit

768%
increase in revenues

50%
reduction in adjusted operating loss



Financial highlights

- 27% increase in revenue to £5.7m (2020: £4.5m), driven by 768% increase in revenue attached to Gfinity owned and co-owned properties
- Significant reduction in adjusted operating loss[1] by 50% to £2.7m (2020: £5.5m loss)
- 61% reduction in adjusted EBITDA loss[2], including the impact of gains and losses on Associates, to £2.3m (2020: £5.8m loss)
- Adjusted administrative expenses[3] of £5.4m (2020: £8.3m), representing 35% year on year reduction, reflecting full year impact of business restructuring in March 2020
- Cash and cash equivalents at year end of £1.4m (2020: £1.6m), supplemented by post year-end over-subscribed fundraise to raise £3.3m before costs for targeted acquisition.

Operational Highlights

- Significant growth of owned and recurring revenue streams providing a strong foundation for scalable growth in future years, with GDM platform selected by leading brands to target specific gaming audiences and deliver global esports programmes
- Commercial agreements signed with leading brands and publishers including Activision, Manchester United, Cadburys, Formula 1, Premier League and Red Bull
- Bolstered strategic partnerships to drive engagement across owned websites, including the launch of new digital motorsport competition with Abu Dhabi Motorsport Management (ADMM) and expanded relationship with global advertising technology platform Venatus
- Added significant senior talent bringing experience with publishers and in growing digital businesses to support with delivering on strategic priorities, including two additional Non-Executive Directors

Growth and expansion of Gfinity Digital Media Group (GDM)

- Strong growth of publishing platform, GDM, with revenues of £1.6 million
- Acquisition of leading online fantasy and sci-fi news community, EpicStream
- Partnerships launched with sites that add value to the user experience, such as MapGenie
- Launch of dedicated mobile gaming website Only Mobile Gaming! (OMG!) and new virtual racing website Racinggames.gg

Post-Period Highlights

- Acquisition of Megit Limited, owner and operator of the website Stock Informer, an ecommerce referral site for gamers and their lifestyles, funded via successful fundraise
- Acquisition of SiegeGG, including technology behind leading statistical analysis of Rainbow Six Siege video game
- Selected by Nintendo and Coca Cola Hellenic Bottling Company as operational partner for respective gaming and esports tournaments
- Continued expansion of senior leadership team with appointment of new Head of Brands and Digital Relations

Outlook

- Refreshed strategy positioning the business to deliver scalable growth and drive financial performance
- Sharpened focus of growing what we own, further licensing of proprietary technology IP, and continued selection by major brands provides the board with confidence in the long-term trajectory of the business
- Continued management focus on limiting impacts of macro-economic factors that could create headwinds

1 Adjusted Operating Loss is the operating loss before depreciation of property, plant and equipment, amortization, impairment of goodwill and or/ intangible assets and the share-based payment charge. For consistency with prior years, the figure does include depreciation charged on right of use assets that were previously recognised as operating leases in the year ended 30 June 2019.

2 Adjusted EBITDA is the Adjusted operating loss, plus the gain or loss on associates.

3 Adjusted Administrative Expense is administrative expenses, adjusted for the same items as in the Adjusted Operating Loss.

STRATEGIC REPORT

Gfinity At A Glance

About Gfinity

Gfinity is a market-leading digital media publisher and technology company in the rapidly growing esports and competitive gaming entertainment industry sector.

The Company is trusted and consistently chosen by global brands to design and deliver programmes as a result of its deep expertise, strong relationships, technological IP and its proven ability to connect directly with a global community of over 3 billion gamers, which have created a gaming market worth an estimated $175.8 billion.

Within this market, Gfinity specialises in building digital highly engaged communities of gamers, both for its own brands and on behalf of others, that can be scaled and monetised. This is delivered in three ways:

1. Gfinity Digital Media Group: the digital home for gamer lifestyles. A network of Gfinity owned and operated websites, driving up to 15 million visitors per month to Gfinity owned and operated sites. Creating monetisation opportunities through advertising, brand partnerships and eCommerce activities. Including related social platforms, these allow Gfinity to reach more than 50m gamers per month.
2. Jointly owned properties: long-term commercial partnerships with organisations that have a strategic need to connect with gamers. This includes the Global Racing Series, in conjunction with Abu Dhabi Motorsports Management, in which Gfinity is paid for the delivery of services, including broadcast production and shares equally in the commercial and content rights of the series.
3. Delivering esports technology and services for third parties: deploying Gfinity's esports technology, production and operations services for a network of blue-chip clients, which include leading game publishers, sports rights holders, media companies and commercial brands. Monetised via license income and service delivery fees.

Growth of esports

KEY DEVELOPMENTS IN SECTOR

Young consumers have said no to passive entertainment, traditional television. And a big yes to interactive entertainment, which is gaming. Gaming is now fully mainstream and it is massive.

3.0bn
Global gamers

$175.8bn
Global gaming market

8.7%
YoY growth

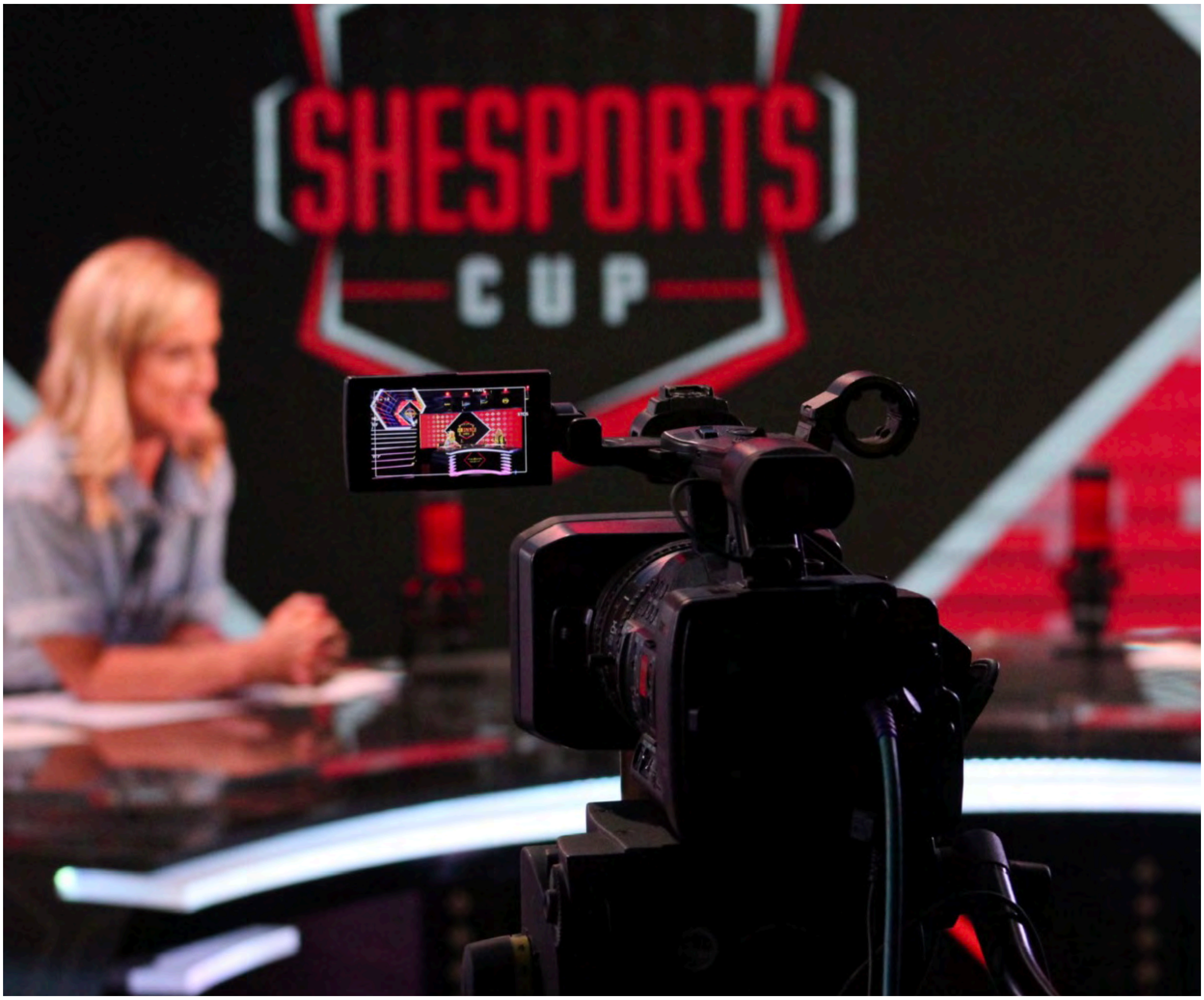
474m
Global esports audience

$1.1bn
Global esports market

14.5%
YoY growth

- Gaming activity significantly increased during lockdown period
- Move away from major in person events to online activity and virtually produced content
- Entering into peak period for gaming related spend with new console launches and related release of new titles
- Significant growth in traffic to gamer centric/hobbyist websites

Source: Newzoo, 2020



GFINITY DIGITAL MEDIA

- >10m MAUs on owned websites
- Reaching 50m gamers per month including social channels
- Monetised via advertising, brand partnerships and Ecommerce

STRATEGIC PARTNERSHIPS

- Shared ownership of esports programmes
- Partners with strategic business need
- Shared monetisation of commercial and content rights

OWNED ESPORTS TECHNOLOGY

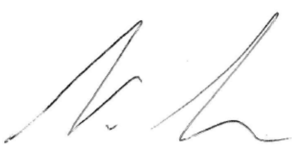
- 'Industrialise' existing proprietary tech products
- Deploy in GDM
- Build engaged communities for others - drive lifetime value
- Multiple revenue streams

WORLD CLASS PRODUCTION; SECTOR EXPERTISE

STRATEGIC REPORT

Chairman's Report

"The continued move towards grass roots vindicates the decision taken by the Gfinity team to focus on what it owns... This places the Company at the heart of the gaming ecosystem, adding value to key stakeholders, in a scalable and monetisable way"



Neville Upton
Chairman

12 November 2021

I have pleasure in presenting our annual accounts for the financial year-ended 30 June 2021. The team has diligently implemented the new strategic direction that CEO John Clarke set out on his appointment in March 2020. The progress of this sharpened strategy and operational focus can now be seen in the Company's financial performance. There was a 27% increase in revenue to £5.7m (2020: £4.5m), driven by a 768% increase in revenues attached to Gfinity owned and co-owned content. We are also pleased to report a 50% reduction in adjusted operating loss to £2.7m (2020: £5.5m).

This was achieved against the backdrop of continued COVID-19 restrictions which impacted client and publisher spend. I would like to take the opportunity to thank our colleagues for their continued hard work and dedication during this period to deliver such a resilient performance.

The Market

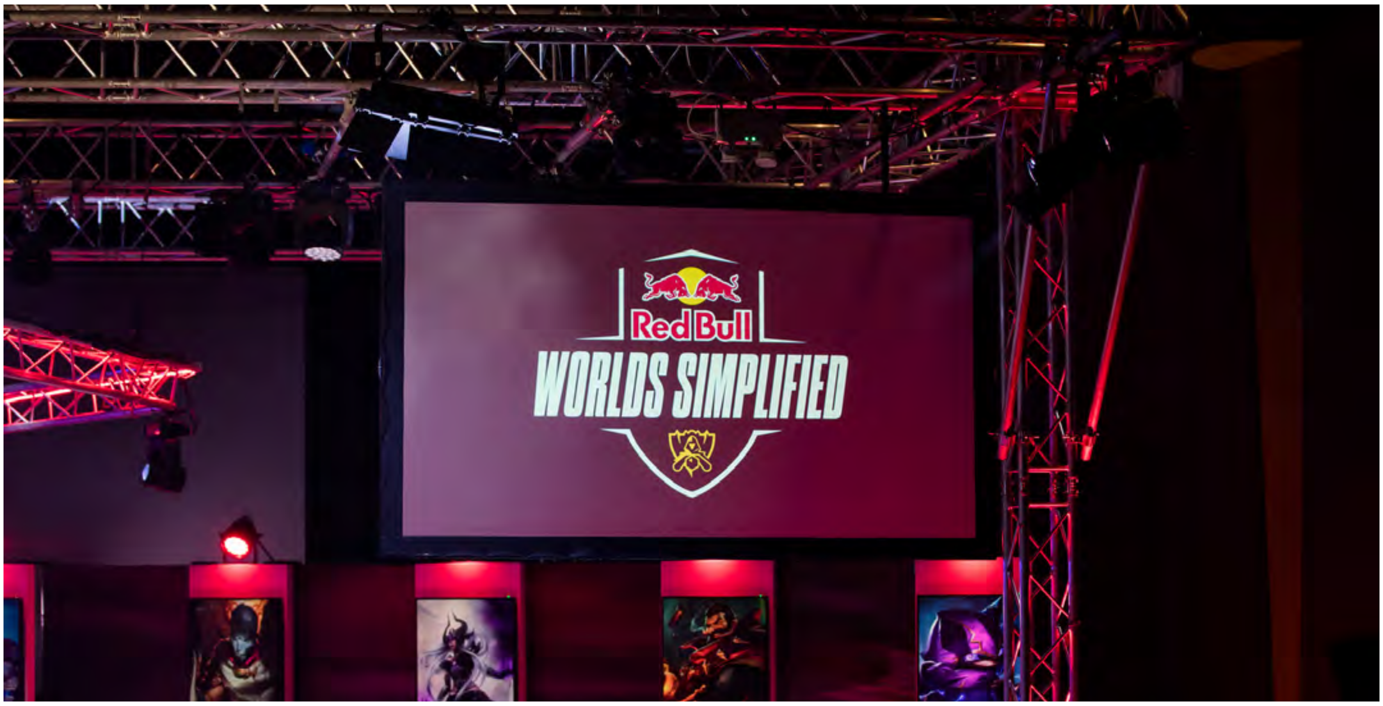
The Board of Gfinity remains confident in the prospects and position of the Company, especially as the supportive market dynamics we saw in the previous twelve months continued into this year. The gaming market continues to expand with more than 3.2 billion players globally and the industry generating revenue of US$175.8 billion.

Historically, there has been a particular focus around the growth in professional esports; the best of the best playing against each other in on and offline competitions. While still important, the real growth area is now grassroots competitive gameplay. Connecting with players and fans through engagement hubs that deliver entertainment, competitive play and chat forums is essential for game publishers as they look to extend the lifecycle of their games. This is equally important for brands and sports rights holders seeking ways to broaden their reach and better collect and utilise first person data.

The continued move towards grass roots vindicates the decision taken by the Gfinity team to focus on what it owns – the Gfinity Digital Media (GDM) group and licensing its tech IP. This places the Company at the heart of the gaming ecosystem, adding value to key stakeholders, in a scalable and monetisable way. Gfinity's growing community, aligned to its tournament and engagement tech platform is a winning proposition. It has never been so highly relevant and clearly differentiated in the marketplace.

Acquisitions

Acquisitions are key to the growth of Gfinity, especially for GDM. It is a fast-growing and profitable asset for the Company and there is huge opportunity to quicken its pace of growth. The first major acquisition during the period was Epicstream.com, a US based site focusing on Marvel and Star Wars. By combining the expertise of Gfinity and Epicstream, we



have seen significant growth in monthly users and revenue, reinforced by new site ideas, such as the launch of MTGRocks.com. Following the year-end, the Company also continued to add new sites to GDM, the largest being Stock Informer. We have ambitious growth aspirations for GDM and continue to look at future acquisitions that will allow us to achieve these at pace.

Adding new Non-Executive Directors

During the year we strengthened the Board with the appointment of two new non-executive directors, both adding significant expertise and value to the team. Len Rinaldi joined in December 2021 and is a former senior leader at Apple where he was General Manager for Western Europe, a role he held for seven years. Hugo Drayton also joined in June 2021. Hugo continues to serve as an Independent Non-Executive Director on the Board of Future plc, the global media production platform - a role he has held for the last six years. In addition, he was CEO of Inskin Media until 2019 - a brand advertising company he led for 10 years, from start-up to a profitable, global media business. Both Len and Hugo have already made significant contributions towards the implementation of our strategy, and we will continue to build our leadership expertise to expand our capabilities.

People and Projects

We have always prided ourselves on the dedication, can-do spirit, and innovative thinking of our people. It is through their efforts that our tech platform has been deployed with major publishers; that leading brands like Formula 1 enjoyed record viewership numbers for its 2020 esports programme; and that relationships with organisations like Abu Dhabi Motorsport Management and Red Bull go from strength to strength. It is also encouraging that post year-end, new commercial agreements have been signed with brands such as Coca Cola.

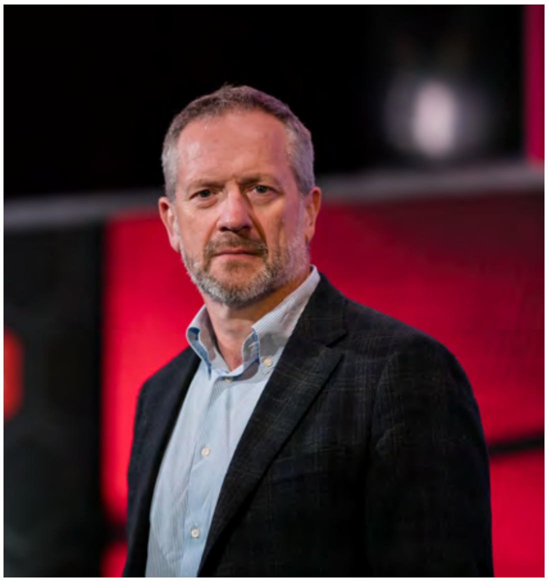
In addition, I am particularly pleased that the team has made a commitment to identify and hire more diverse talent. Gfinity is dedicated to improving diversity in the UK gaming industry, and we are proud to be a signatory of the Audeliss and INvolve initiative to drive Black inclusion in business, as well as supporting the Association for UK Interactive Entertainment (UKIE) programme called #RaiseTheGame, also focused on improving diversity.

In closing, Gfinity has made significant progress against its strategic plan. By owning one of the world's fastest growing gamer communities, alongside valuable tech IP to facilitate engagement, it is adding clear value to the gaming ecosystem. The leadership team has positioned the business well for further growth.

"Gfinity has made significant progress against its strategic plan"

STRATEGIC REPORT

Chief Executive Officer's Report



"Gaming is now mainstream and growing fast. It is driven by an important consumer behaviour – young people are moving away from passive entertainment such as traditional TV, in favour of interactive engagement, which includes gaming"

John Clarke
Chief Executive Officer

12 November 2021

When appointed Gfinity CEO in March 2020, I set out a plan to bring the economics of our business under control and reset the strategic focus to deliver scalable growth. I am pleased to say that during the past 12 months we have made significant progress in both areas.

The Gfinity team has focused on getting 'more from less' which is reflected in the reduction of both our adjusted operating expenses by 35% and our adjusted operating loss by 50%. In the last quarter of 2020 we delivered the Company's first ever quarterly adjusted EBITDA profit, which was an important milestone for the business. We remain focused on delivering high-margin revenue growth and month-on-month profitability by FY23, while at the same time finding ways to capture significant growth opportunities in the market.

For Gfinity to be a leader in the gaming ecosystem we need to be fully embedded into it, owning something that is highly valued by game publishers, sports rights holders and brands looking to reach gamers. The business is achieving this in two scalable areas. The first is the Gfinity Digital Media group (GDM), a digital publishing business focused on gamer lifestyles. The second is Gfinity owned technology IP, which drives everything needed to host competitions at scale and deepen engagement with gamers. We made strong progress in further developing both these areas during the year. When combined with our world class production capabilities and range of client services, it is clear to see how we are changing the dynamics of our business and the way we partner with organisations.

The progress we have made this year is testament to the talent and dedication of our colleagues who have risen to every challenge, including unprecedented lockdowns. We continue to look for exciting new talent to bring into the team and we have set ourselves the challenge of tapping into as diverse a talent pool as possible.

Continued growth of gaming

Gaming is now mainstream and growing fast. It is driven by an important consumer behaviour – young people are moving away from passive entertainment such as traditional TV, in favour of interactive engagement, which includes gaming. When combined with high-speed internet, proliferation of smartphones and tablets, increasingly captivating games, and VR and AR offerings from some of the world's biggest brands, the momentum we see today is clearly set to continue.

Strategic focus on 'what we own'

The Gfinity Digital Media group is now the foundation on which our financial model is being built. During the period the business delivered revenues of £1.6m, up from roughly £0.3m in the previous year. The financial metric that we track most closely is the annualised value of each monthly user (MAU). By the end of the financial year this figure had grown from 4p to 16p. The

GDM team is now focused in the short-to-medium-term on driving 50 million MAUs at a target of 30p per MAU, which would generate revenue of £15.0m per annum. And in the medium-to-long-term, driving 100m MAUs at 40p per MAU to generate revenue of £40.0m per annum.

The strategy to deliver this growth is now well embedded into the business with four key pillars to deliver against:

- the first is leverage existing sites such as Gfinityesports and Realsport101 and launch new sites at speed, such as MTG Rocks and OMG! focused on Magic the Gathering and mobile games respectively;
- the second is to add new sites that build on our gamer lifestyle positioning through targeted acquisitions, such as Epicstream, which we acquired in December 2020 and is focused on Marvel, Star Wars and all things gamer geek;
- the third pillar is partner with sites that add to the user experience, like MapGenie that helps gamers track down hard to find in-game assets; and
- the fourth pillar is to add and expand affiliate and e-commerce opportunities across all sites for products that gamers need and enjoy.

Since the end of the financial year Gfinity has added two new sites to the GDM portfolio. Stock Informer, a highly profitable affiliate and ecommerce site for gamers and their lifestyles and Siege.gg, a leading website for statistics, analysis and news around the Rainbow Six Siege video game. Both add significant value to our fast-growing community of gamers.

In January 2021 we also launched Manifold, a custom-built content management system (CMS) which is key to the growth and success of GDM. It allows us to scale our existing sites quicker, integrate the sites we acquire onto a single CMS system and optimise all our sites both commercially and for Google search.

Throughout the year GDM continued to grow and gain momentum, and we are excited to bring to life ideas for new sites to create and acquire, whilst increasing the annualised value per monthly user.

GDM provides multiple revenue levers and importantly provides Gfinity first-person data that can be used to create better, more targeted products and experiences for gamers. This data also facilitates more informed conversations with brands keen to connect with gamers.

Gfinity's owned tech IP

Our technology IP is a significant asset to the business. Traditionally it has been utilised for one-off bespoke projects for clients such as the Premier League, Formula 1 and Activision. This financial year, we changed this approach and created a scalable, licensed-based model around four distinct yet complimentary products: a turnkey Competition Platform, flexible for any game, any platform and any competitive format; Game Control which enables real-time competition adjudication used by the likes of Formula 1; Community, facilitating greater interaction through forums, chat, rewards and achievements, currently used by Nvidea; and Virtual Production which allows remote multiplayer participation and low-cost broadcast solutions.

For the Competition Platform we have three distinct products. Each has significant total addressable markets and the opportunity for recurring license fees. For each we already have strong proof of concepts, practical experience with several of the world's leading brands and game publishers and playbooks to deliver them. The team has made significant progress in productising our owned tech IP and in 2022 will be ready to roll out at scale.

Client Service and Partnerships

During the period we also completed commercial agreements with leading brands and publishers including Activision, Manchester United, Cadburys, Formula 1, Premier League and Red Bull. These agreements are based on our ability to enable businesses to navigate the sector and provide the full range of gaming services, from operations to production.

In addition we also delivered two seasons of V10 R-League, the first product under the Global Racing Series partnership between Gfinity and Abu Dhabi Motorsport Management. It attracted several of the world's leading motorsport virtual teams and introduced new racing formats that captured the imagination of fans across the globe. The foundation has been built and we are expecting the 2022 season to attract even more interest. We are looking for more opportunities to expand this business model across other industry sectors – specifically where Gfinity is paid for ideation, delivery, and share in the commercial upside that is generated.

Diversity and inclusion

We continue to take positive action towards creating a more diverse and inclusive work environment and are committed to participating in initiatives - large and small - that will help us achieve this goal. Some examples for this year include: modifying language used in our job posts in order to ensure we attract people from all backgrounds, and becoming a signatory of If Not Now, When? and #RaiseTheGame, initiatives focusing on improving diversity across UK business and gaming respectively. We have also created an internship program open to talent from BAME backgrounds.

We have actively advertised in more platforms and locations, reaching out to more diverse applicants than ever before and investment has been made into an ATS system which will allow us to implement anonymised hiring tactics moving forward.

The Company has also made a commitment to include unconscious bias training as part of our induction programme by the end of the FY 21/22. As part of a wider review of our inclusion practices we have enhanced our maternity and paternity policies, to allow for parents to spend more time with their family.

Outlook

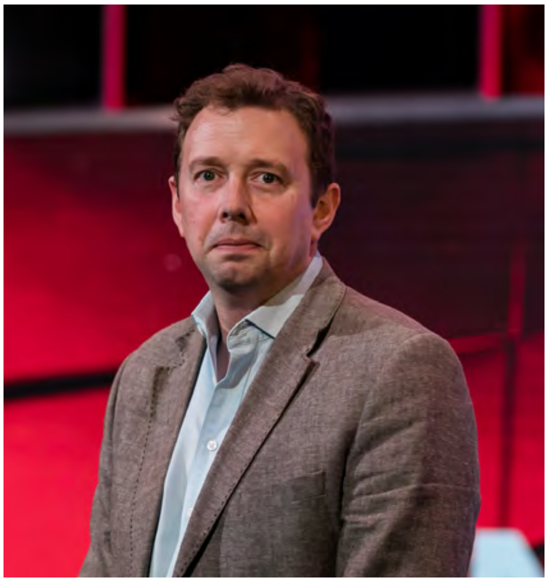
The sharpened operational focus, combined with the significant reduction in our cost base, has given Gfinity the impetus to win and deliver on the major opportunity we see ahead of us. Gfinity's continued success also remains dependent upon positive business and consumer sentiment. The timing of new advertising campaigns and programmes are determined by a range of factors, including our customers. There are risks associated with these timings and therefore it is important that we remain agile, flexible and entrepreneurial, continually adding to an already strong pipeline of opportunities.

Conclusion

Gaming is here to stay and will continue to grow. Macro trends are working in our favour. Gfinity is now embedded into the gaming ecosystem and is adding value to it through the strategic focus on 'what we own'. We are staying focused on what we can control, building the GDM and our tech IP licensing business, partnering with organisations who have mutual interests and working with great brands that value our expertise. We are on an exciting journey and I would like to thank the Gfinity team, our business partners and our clients for their continued hard work and support.

STRATEGIC REPORT

Chief Financial and Operating Officer's Report



"I am pleased to be able to report on full year revenue growth of 27% to £5.7m. I am also particularly encouraged that this has been largely driven by revenue relating to Gfinity owned and co-owned content, which increased by 768%"

Jonathan Hall
Chief Financial and Operations Officer

12 November 2021

Summary

The year to 30 June 2021 was one of significant financial progress for the business.

In March 2020, we announced a review of the business positioning, sharpening its strategic focus around owned properties in areas which we believe we hold a competitive advantage and can scale profitably. The results for the year to 30 June 2021 reflect the first full year impact of these changes.

In that context, I am pleased to be able to report on full year revenue growth of 27% to £5.7m. I am also particularly encouraged that this has been largely driven by revenue relating to Gfinity owned and co-owned content, which increased by 768% to £2.3m (FY20: £0.3m). Of this £1.6m of revenue related to the Gfinity Digital Media Network (FY20: £0.3m), while £0.7m related to jointly owned esports properties, including the Global Racing Series in conjunction with Abu Dhabi Motorsports Management (FY20: £nil). The growth of these owned and recurring revenue streams provides a strong platform for scalable growth in future years.

The sharpening of focus also allowed us to make significant savings in operating expenditure. Adjusted administrative expenses of £5.4m represented a 35% year on year reduction (FY20: £8.3m), which followed a 13% reduction delivered during FY20.

The overall impact of these changes was a 50% reduction in the Adjusted Operating Loss for the year to £2.7m (FY20: £5.5m). Again, this built on a 36% reduction in the year to 30 June 2020.

In December 2020, Gfinity disposed of its 33% minority holding in Esports Awards for £0.5m. With the investment held at zero carrying value this resulted in a £0.5m gain on disposal of an associate entity. As a result, the Adjusted EBITDA loss, which includes the impact of all gains and losses on associates reduced to £2.3m. This represented a year-on-year reduction of 61% (FY20: £5.8m).

In December 2020, we were delighted to announce the acquisition of the trade and assets of the Epicstream business. This was supplemented following the year-end through the acquisitions of the trade and assets of the SiegeGG business and of Megit Limited, the company that owns and operates the highly profitable Stock Informer brand.

These acquisitions are in line with our strategy to build a large and highly engaged digital media publishing business based around gamers and their lifestyles. The Gfinity Digital Media group will consist of a network of sites, each featuring its own unique properties of content, which add value to the experience of a particular segment of gamers. This network will benefit from the economies of scale of delivery of high-quality supporting technology and infrastructure across a larger number of sites. It will also build the scale to fully capitalise on the revenue opportunity, allowing for premium advertising rates to be earned through the direct sale of campaigns to brands and other organisations wanting to connect with gamers. This will form part of a diversified revenue model, with eCommerce and affiliate revenues also playing a growing importance in driving increases in the revenue per user across the network

Revenue and cost of sales

Revenue of £5.7m reflects an increase of 27% year on year (FY20: £4.5m). Of this, £2.3m related to Gfinity owned and co-owned content, comprising of £1.6m in respect of Gfinity Digital Media group and £0.7m in respect of global racing series.

Across the full year to June 2021, Gfinity Digital Media averaged 10.7m monthly active unique users, delivering average annualised revenue of 15.2p per user. As the business scales, we believe that it should be possible to significantly scale both the number of users and revenue per user through:

User Numbers

- Continued development of content and SEO strategy to drive growth in existing sites
- Launch of new sites, powered by custom built content management system (CMS), e.g. RacingGames.GG (eRacing), Stealth Optional (gamer tech) and MTGRocks (Magic the Gathering)
- Acquisition of targeted sites e.g. Epicstream, StockInformer and SiegeGG.

Revenue per User

- Increased proportion of direct campaigns, at premium rates as brands look to directly target Gfinity's owned audience
- Growth of eCommerce and affiliate revenues
- Deployment of additional technology and content, to drive more visits per user and increase time on site, creating more monetisation opportunities.

In the short to medium term, we are targeting growth to 50 million monthly active users (MAU) at 30p revenue per MAU, rising to 100m MAUs at 40p per MAU in the medium to longer-term.

Revenue relating to the provision of esports services, technology and content on behalf of clients was £3.4m, which represented a reduction of 20% year on year (FY20: £4.2m). This partly reflected a reduction in the number of live esports events taking place as a result of COVID-19, which only had a part year impact on the FY20 results. It also represents our shift in strategic focus, with a greater focus being placed on Gfinity's higher-margin owned properties.

Gross profit reduced slightly year-on-year to £2.6m (FY20: £2.8m). This primarily reflected a move to a more variable cost model, in line with the significant reduction in administrative expenses, with more staff brought in to support as required on a programme-by-programme basis, rather than forming part of the ongoing overhead of the business. It also reflected an investment of £0.2m in the launch and first two seasons of the Global Racing Series in conjunction with Abu Dhabi Motorsports Management.

Administrative Expenses

As a Board, we monitor ourselves against Adjusted Administrative Expenses, as the measure which most closely reflects the cash costs to the business. This measure adjusts for the impact of non-cash items, including amortisation or other adjustments to the carrying value of goodwill and intangible assets, depreciation on owned assets and the share option charge. For consistency with prior years and to most closely align to cash costs, operating lease payments which are capitalised under IFRS 16 are still included within Adjusted Administrative Expenses.

Unadjusted administrative expenses include:

- Share option charge of £0.3m, which represents a significant reduction of the figure for FY20 of £1.5m, which featured an accelerated charge in respect of certain former board members
- Amortisation of intangibles and adjustments to goodwill of £0.5m (2020: £0.5m)
- Depreciation of owned assets of £0.6m (2020: £0.4m)
- Impairment of the goodwill held in respect of acquisition of CEVO, Inc of £0.9m (2020: £nil)

CEVO, Inc was acquired by Gfinity in July 2017, since which time the CEVO business has provided significant value to the overall Group. CEVO's esports platform continues to form the basis of the current Gfinity Esports Platform, which is used to support esports programmes for multiple clients and is central to the productization of Gfinity's esports technology suite. CEVO also continues to deliver services to a key client under its own brand in USA. Intangible assets identified on acquisition continue to be held in respect of both of these items. Over time, however, the operations of CEVO have become increasingly intertwined with those of Gfinity. Former CEVO directors hold senior positions within the Gfinity business, including Head of Product and Head of Technology. As a result, it has become increasingly difficult to separately quantify the value of future cash flows relating to the CEVO brand. On this basis, directors have taken the decision to write the value of goodwill down to zero. This has no impact on the underlying adjusted operating profit of the business.

Adjusted Administrative Expenses for the year to June 2021 totaled £5.4m, which represented a year on year decrease of 35% (FY20: £8.3m). Adjusted for £0.1m of Other Income received under the furlough scheme, the net overhead cost of the business reduced to £5.3m in the year to June 2021.

The reduction was principally driven by significant headcount reductions applied during a restructuring of activities in March 2020. It also included release of the company's office in April 2021, with staff now working primarily from home and from the Gfinity Arena as required.

Operating loss

The cumulative impact of the factors outlined above is that the Operating Loss for the year reduced by 50% to £2.7m (2020: £5.5m). This followed a 36% year on year reduction in FY20, as the company continues to progress towards profitability.

Share of gain/loss in associates

In December 2020, Gfinity disposed of its 33% minority holding in Esports Awards for £500,000. This represented a strong return on an initial investment of £138,000. With the investment having been written down in line with losses in the associate, at the time of disposal, the investment was held at zero carrying value in both the Company and Consolidated Balance Sheets. Net of a debtor balance of £40,294, which was waived as part of the transaction, this disposal resulted in a gain of £459,706.

With no activity in the Gfinity Esports Australia business, which is in the process of being wound down, in the year, this meant an overall gain on associates of

£459,706 (2020: loss of £308,214).

As a result, the Adjusted EBITDA loss, which includes the impact of all gains and losses on associates reduced to £2.3m. This represented a year-on-year reduction of 61% (FY20: £5.8m).

Cash and cash equivalents

Year-end cash of £1.4m (2020: £1.6m) was slightly ahead of expectations. At the year end, £0.2m of warrants in respect of shares acquired during the April 2020 fundraise remained outstanding, which have now expired.

Following the year end, Gfinity successfully completed an oversubscribed fundraise at market price, reflecting continued strong investor support for the business. This placing raised a further £3.3m gross (£3.1m net). Of this sum, £2.5m was used to acquire Megit Limited, owner of the Stock Informer brand, which is expected to have a strong cash positive impact on Gfinity's future performance.

Mergers and Acquisitions

In December 2020 Gfinity announced the acquisition of the trade and assets of the Epicstream business, which consisted of the Epicstream.com website and related content, together with an engaged Facebook network featuring over 6 million likes. Consideration for this consisted of 10 million shares, with a fair value at the date of acquisition of 3.6p, together with an earn out of 30% of revenue in each of the first 2 years.

Following the year-end Gfinity announced two further acquisitions:

- Megit Ltd, the parent company of the Stock Informer brand, which operates the StockInformer.co.uk and StockInformer.com sites in UK and USA respectively. Stock Informer holds a position of authority on the availability of hard to get items of stock, of particular relevance to gamers. Its proprietary technology ensures an up to date record of when such items become available allowing it to earn revenue through affiliate commissions. In the year to 31 March 2021 Megit Ltd earned revenue of £2.3m and profit before tax of £2.2m, demonstrating a highly profitable, scalable model. While the launch of next generation PlayStation and Xbox consoles means this year won't necessarily represent a benchmark for recurring income, directors believe that stock shortages will be an ongoing issue and the market leading position that Stock Informer has established with regards to this will represent a valuable addition to the GDM network.

  o Consideration for the acquisition of Megit Limited comprised of:

    - £2.5m in cash
    - £2.5m in Gfinity equity settled via the issuance of 62.5m new ordinary shares at the placing price of 4p in September 2021; and
    - An earn out of 30% of revenue in each of the first 3 years post acquisition, capped at a maximum value of £1.8m.

- The trade and assets of the SiegeGG business. SiegeGG has acquired a leading position as the authority on all news and statistics relating to the competitive scene around the Rainbow Six Siege game published by Ubisoft. The business generates revenues through the licensing of its database of statistical information relating to Rainbow Six Siege esports and onsite advertising. In the year to 31 December 2020, SiegeGG reported unaudited revenues of $0.1 million and profit before tax of $40k.

  o Consideration for the acquisition of SiegeGG comprised of:

    - 9 million ordinary shares, with a fair value on the date of acquisition of 4.4p
    - An earn out of 30% of revenue in each of the first 2 years post acquisition, capped at a maximum value of £1.5m.

As the earliest of these acquisitions, Epicstream has provided an excellent case study for other sites to follow. The site benefits from having been migrated to Gfinity's proprietary Content Management System "Manifold", which powers other large sites in the network and the deployment of Gfinity's content and SEO strategy. Having delivered 600,000 monthly active users in its first month under Gfinity in December 2020, the site has grown to reach around 3 million users a month and is now benefitting from being jointly commercialised through Gfinity's preferential partnerships.

While both the Stock Informer and SiegeGG acquisitions have been much more recent, initial indications are positive. Both have now been integrated into Gfinity's commercial and advertising partnerships, creating new advertising revenue streams. In the case of Stock Informer, this supplements ongoing affiliate revenues, which continue to benefit from a global chip shortage, resulting in demand outstripping supply for in-demand gaming products.

SiegeGG continues to be seen as the authority on statistics and news in relation to the Rainbow Six Siege competitive scene, which alongside advertising revenues, results in ongoing revenue streams from the licensing of this data to event organisers and broadcasters in the Rainbow Six Siege scene.

Outlook

Overall, the results outlined in this Annual Report represent a year of significant progress for the business. Directors expect revenue to continue to grow, driven largely by Gfinity owned content and technology. It is also expected that organic growth will be supplemented by further mergers and acquisitions, as Gfinity seeks to rapidly grow both the scale and the profitability of its Digital Media network.

This growth will be supplemented by an investment in the productisation of Gfinity's owned esports technology, in the expectation that the licensing of this technology will create a further scalable, repeatable and profitable revenue stream for the business.

This will enable Gfinity to fully deliver value to shareholders from the leading position it has created within the valuable esports and video gaming market.

STRATEGIC REPORT

Principal Risks and Uncertainties

Introduction

Gfinity's long-term success will depend in large part on its ability to manage the key risks affecting the Company. Gfinity is an innovative business in a rapidly developing sector. In that context, the risks facing Gfinity can change quickly and the board recognises the importance of identifying key risks and ensuring that the right mitigation strategies are in place for managing them.

"Gfinity is an innovative business in a rapidly developing sector"

Ultimate responsibility for managing risk lies with the board. Executive responsibility for retaining the register of risks and reporting on these to the board lies with the Chief Financial and Operations Officer. Responsibility for the management of risks lies with different members of the Executive leadership team depending on the nature of the risk.

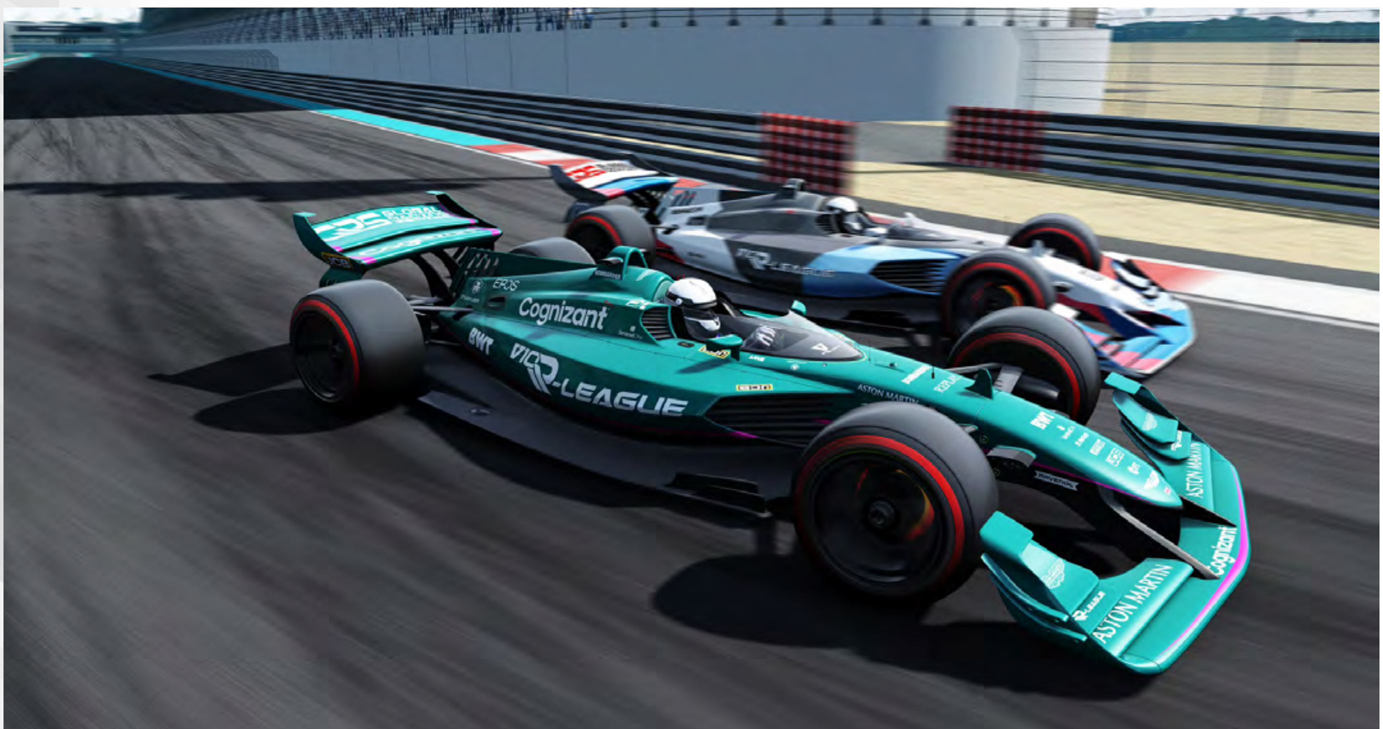
Gfinity distinguishes between strategic risks and operating risks. Strategic risks represent macro level matters, which may impact on the strategy of the Company. Operating risks reflect the ongoing challenges that the business may face in delivering on that strategy.

On a day to day basis, responsibility for managing strategic risks lies with the Chief Executive. Mitigation strategies and the emergence of new strategic risks are considered through the weekly senior leadership team meetings, which he chairs.

Operational risks are the responsibility of the Chief Financial and Operations Officer and are considered both at the senior leadership team meetings and through weekly one to one meetings with the heads of respective operational and commercial departments.

In assessing its attitude to risk, directors aim to strike a balance between ensuring comprehensive processes and monitoring frameworks are in place, as would be expected of a publicly listed Company, while retaining the dynamism and innovation required to grow quickly within a rapidly developing and changing sector.

The directors believe the principal risks currently affecting the business are as outlined below:



STRATEGIC RISKS

Risk	Description	Mitigating Actions
COVID-19 risk	The COVID-19 pandemic drove an unparalleled level of uncertainty within the global economy. This has resulted in many organisations holding back from making long term spending commitments. It has also seen a movement away from spend on live, in- person events. The potential for further outbreaks and related lockdown measures also has implications for financial markets, which could have implications both for Gfinity's share price and the availability of future capital.	Gfinity acted quickly in the spring of 2020 to reduce the cost base of the business and focus activities on areas where directors believe they can both be successful in the long term, but also in which they can continue to win in the short term. This was reflected in the speed with which esports programmes for clients including Formula 1 and Premier League, with participants competing remotely were brought to market following the initial outbreak of the disease. At a strategic level, the building of Gfinity's own audience on its Digital Media platforms has made the company much less susceptible to fluctuations related to the staging of live events.
Economic and political uncertainty	The United Kingdom's exit from European Union has created a level of economic and political uncertainty, which provides risks at both a strategic and operational level for Gfinity. At a strategic level, the uncertainty could create challenges with regards to capital availability and the desire of global publishers, rights holders and brands to deliver programmes in the UK.	The structural changes to the cost base of the company and the additional security over funding, resulting from the fundraise undertaken in April 2020, ensures that the company will have the resources to ride out any short term economic uncertainty. The move towards an increased level of digital engagement, with participants competing remotely also decreases Gfinity's dependence on live events and cross border travel.
Intellectual property risk	Esports involves the use of intellectual property, typically owned by the publishers of the respective game titles. Gfinity must consider the risk of changes in strategy of the intellectual property owners, resulting in certain games not being available for use by Gfinity in its esports properties, or fees being required for the use of intellectual property, which may present a challenge to Gfinity's business model.	Gfinity's brand and technology platform, together with the audience consuming Gfinity content, has been developed across multiple titles, ensuring there is no dependence on any single title. Gfinity maintains strong relationships with multiple game publishers and has demonstrated the value it can bring to them in building communities and driving engagement around their games, which in turn drives revenues for the publishers through sales of the games themselves and in-game content. As a result, a number of the major game publishers have become key clients of Gfinity.
Perception of video gaming	Some people view video gaming negatively, as something that promotes an unhealthy lifestyle and lack of social interaction. There is a risk that this perception will provide a barrier to entry to commercial partners and broadcasters, presenting a risk to Gfinity's business model.	Gfinity seeks to educate partners and the wider industry on the positive impact of gaming. Esports provides a social platform for people to play and interact, in a highly accessible way. Even at the top level, where teams and players are practicing for many hours per day, this will frequently be supplemented by fitness and nutrition programmes to keep players healthy.

STRATEGIC RISKS (continued)

Risk	Description	Mitigating Actions
Competition risk	There are currently very few companies globally that can deliver full end to end esports solutions and Gfinity has established a first mover advantage. As the market develops, however, there is a risk of new entrants coming into the market, or game publishers looking to bring the capability in house.	Gfinity continues to invest both in its own market leading technology and development of a large community of fans who come directly to Gfinity for their own esports and video gaming news and content. This owned technology and owned audience ensures that Gfinity continues to retain a competitive advantage over new entrants to the market. While Gfinity will continue to provide services to key partners in addition to these owned areas, it will only do so where the economic terms make commercial sense for the business to do so.
Speed of revenue growth	Gfinity operates in a pioneering sector. Directors believe, supported by market research, that the value of that sector is significantly below the level it should reach, given the size and level of engagement of the audience and the attractiveness of that demographic to broadcasters and commercial partners. Nonetheless, that growth may not be linear and that may present a risk to the speed of revenue growth.	The directors of Gfinity firmly believe that establishing a market leading position in the fast-growing esports sector is the best route to delivering significant long-term value to shareholders. Nonetheless, in view of the fact that revenue progression may be non- linear, as noted in the current year results, the board has adopted a strategy of sharpening the focus of the business onto areas in which the company enjoys a distinct competitive advantage, which can grow profitably and while can recur year after year. These include advertising income relating to its owned audience, licensing of its esports technology and long term commercial partnerships, such as that with ADMM.

OPERATIONAL RISKS

Risk	Description	Mitigating Actions
COVID-19 risk	Alongside the strategic risks, the COVID-19 outbreak has presented multiple operational risks to the business, including: ■ Key staff availability; in the event that multiple people needed to be absent at a single point in time ■ Facility availability; ensuring we remain able to generate competitive gaming content for our own programmes and for clients without breaching government regulations ■ Maintaining efficient and effective ways of working, including ensuring that staff are able to do their jobs even if they can't come to the office ■ Maintaining appropriate communication, so the company's activities remain focused and aligned.	Department leaders have been targeted with ensuring that there is appropriate knowledge sharing within the teams and in building a broader network of people who understand our processes and ways of working, who can come in at short notice to support our activities. Staff have successfully worked remotely throughout the past 18 month period, however, weekly all staff meetings and quarterly in-person all staff meetings ensure continued strong communication across the business. The company engaged a team of specialist consultants to reconfigure the arena and develop new ways of working that, as far as possible adhered to social distancing guidelines and continues to monitor the effectiveness of these processes. The company's investment in technology has also allowed it to continue delivering high quality content, without the need for participants to travel into the arena.
Liquidity risk	Gfinity is currently a loss-making company and as such, must ensure that it has sufficient capital available to deliver on its strategy.	Gfinity maintains a strong core group of investors but has also sought over recent fundraises to broaden this shareholder base. In that context, we were delighted in the fundraise completed in September 2021 to introduce a new cornerstone institutional investor Canaccord Genuity. As noted previously, the company has also undertaken a restructuring to significantly reduce the month on month cost base. This, combined with the growth of the profitable Gfinity Digital Media business and acquisition of Megit Ltd, will support the business as it drives to a cash flow positive position.
Access to key skills	Esports is a new sector and as such, the number of people with deep experience in developing and delivering esports solutions is limited. Without access to this expertise, Gfinity would not be able to provide the depth of solutions to its client base or build its own Gfinity "tribe".	Gfinity places a high importance on succession planning within the business, ensuring that skills are not vested in a single individual. This is built through development of existing staff, recruitment of certain key personnel and where appropriate through targeted acquisitions. Senior individuals are also incentivised through an employee option scheme, driving loyalty to the business.

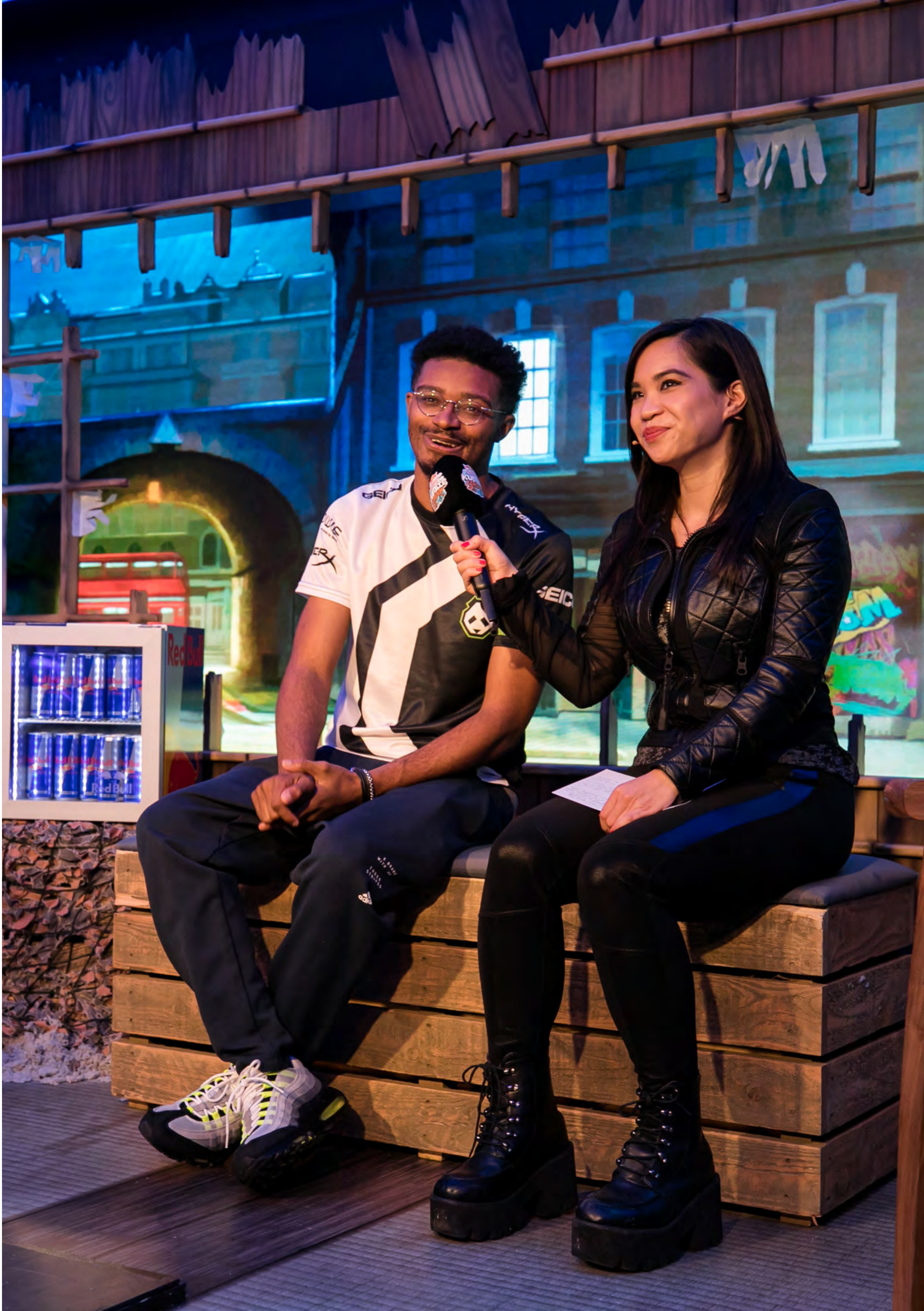
OPERATIONAL RISKS (continued)

Data security risk	Gfinity has built a large community of esports fans playing, watching and socialising through its own platform and those of CEVO and RealSport. Increasing levels of data protection regulation, including GDPR legislation, and ongoing cyber security risks, make it imperative that any data gathered through these platforms is collected, handled and protected in accordance with all relevant regulations. Any failure to do so would significantly erode trust, both among the esports community and prospective commercial partners.	Gfinity has undertaken an in-depth review of its data policies and procedures, in conjunction with lawyers and data protection experts in response to recent data protection legislation. All user data held is in a secure and encrypted manner and is only used in compliance with all relevant legislation.

This report was approved by the board and signed on its behalf.

Neville Upton
Chairman

12 November 2021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Annual Report & Financial Statements 2021

GOVERNANCE

GOVERNANCE

Corporate Governance Report

Chair's statement on corporate governance

"The Directors recognise the fundamental importance of good corporate governance in providing an efficient, effective and dynamic management framework to ensure that the Company is managed in the right way for the benefit of all shareholders over the medium to long-term. In view of this, the board of Gfinity plc has chosen to apply the QCA Corporate Governance Code (the 'QCA Code') published by Quoted Companies Alliance. The QCA Code is a pragmatic and practical tool, which adopts a principles-based approach to corporate governance, which the directors of Gfinity believe is correct for Gfinity in its current stage of growth. This section of the report provides further details on how Gfinity complies with these principles of good corporate governance. Further information can also be found on our investor website www.gfinityplc.com."

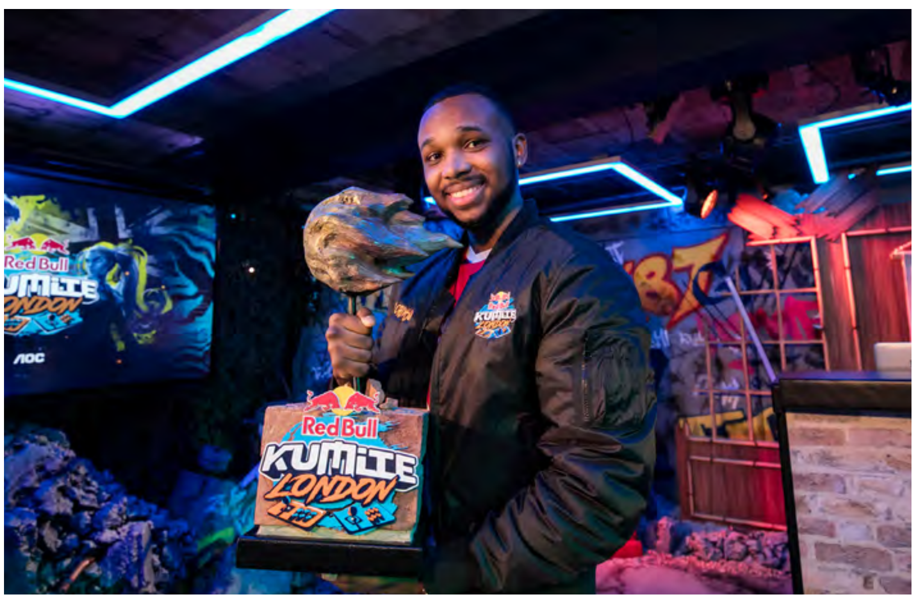
Neville Upton
Chairman

Board of directors:

The Gfinity plc board is responsible for:

- Setting the strategy across all Gfinity group companies;
- Defining the business model and the financial framework within which the business must operate;
- Setting and ensuring the implementation of the culture, to deliver success;
- Designing and implementing controls and the risk management framework;
- Ensuring communication with key stakeholders, including staff, shareholders, suppliers and customers;
- Appointing a senior Executive Team, capable of delivering on the defined strategy;
- Monitoring performance against the above areas and taking remedial actions as appropriate;
- Ensuring availability of capital to deliver on the chosen strategy.

The board retains overall responsibility for ensuring strong corporate governance and is supported by the Audit, Nominations and Remuneration Committees. This section provides further detail on the composition and conduct of business of the board and its respective committees, together with information on how they discharge their responsibilities.



GOVERNANCE
Board of Directors

NEVILLE UPTON, CHAIRMAN	Appointed: 15 January 2014

After graduating at the London school of Economics, Neville joined Coopers & Lybrand where he qualified as a Chartered Accountant. Neville's formative years were at Euromoney where he gained experience in finance, M&A and various commercial projects. After a brief spell at The Decisions Group as Finance and Operations Director, in 1998 he established a call centre business, The Listening Company, which specialised in multichannel communication applications and high quality customer service solutions. The business was sold in 2011 to Serco for a sum in excess of £60 million, at which time it had a turnover of £82 million and employed 4,000 people. Neville co-founded Gfinity in 2012 and assumed the role of Chairman in March 2020.

JOHN CLARKE, CHIEF EXECUTIVE OFFICER	Appointed: 18 September 2018

John is an experienced business executive having worked in and with leading global companies for the last 25 years. Prior to joining Gfinity, John worked for HEINEKEN N.V. where he was Head of Global Communications and, most recently, a senior commercial director within Lagunitas Brewing Company, a 100% owned subsidiary of HEINEKEN N.V.

Previously he held senior leadership, corporate affairs and marketing positions within The American Express Company and Burson-Marsteller Public Relations. John was appointed to the board in September 2018, originally as a non-executive director. In May 2019 he was appointed as the Chief Commerical and Brand Officer, in which role he oversaw a rapid expansion of the Gfinity and RealSport communities. John was appointed Chief Executive in March 2020.

JONATHAN HALL, CHIEF FINANCIAL AND OPERATIONS OFFICER	Appointed: 1 September 2014

Jon qualified as a Chartered Accountant with Arthur Andersen followed by a period of six years specialising in organisation and business process design with PA Consulting, a leading London based management consultancy firm. He subsequently spent five years as a Finance Director of Saracens Ltd and the wider Premier Team Holdings Group, before joining Gfinity in August 2014 where he led the process of the Company's admission to AIM. As Chief Financial and Operations Officer Jon has responsibility for all aspects of finance and accounting, including financial planning, reporting and accessing capital to fund growth. He also retains responsibility for all company operations including event delivery, technology, HR and legal matters.

LEONARD RINALDI, INDEPENDENT NON-EXECUTIVE DIRECTOR	Appointed: 18 December 2020

Len Rinaldi retired in April 2019 after 12 years as the General Manager, Western Europe, Apple, Inc., where he led sales / general management across Western Europe. Previously, as Apple's CFO EMEIA 2007 – 2012, he oversaw revenue hyper growth from $7bn to $40bn. Len also sat on the boards of Apple India (revenues $800m) as it entered the market, and Apple France (revenues $4bn).

His early career was spent in finance and business development/sales roles at AT&T and Alcatel Lucent, and has lived in Saudi Arabia, Singapore, USA, Paris, and London. Len holds an MBA in Finance from FDU. In addition he has Executive Leadership Certifications from Wharton School of Business and the University of Notre Dame.

HUGO DRAYTON, INDEPENDENT NON-EXECUTIVE DIRECTOR	Appointed: 21 May 2021

Hugo has spent the past 30 years in publishing and media, as a pioneer in digital media, including planning and launching the UK's first online newspaper – Electronic Telegraph, in 1994. He led Inskin Media, as CEO, for 10 years until 2020, growing it from start-up to a global, brand advertising business. Previously, he spent 10 years at The Telegraph Group, latterly as Group Managing Director. Hugo led Advertising.com, Europe, for 2 years, and was launch CEO of behavioural marketing company, Phorm.

Hugo is a non-executive director on the board of FTSE250 Future plc, and is an investor/advisor to several media and ad-tech businesses. He serves as a Trustee of the Felix Byam Shaw (Felix Project) and British Skin Foundation charities.

His early career was spent overseas, in Europe and South America, with Coats Viyella, and launching automated telephony services across Europe with Reed Telemedia.

GOVERNANCE

Board Composition and Performance

The composition of the Gfinity board is structured to contain the range of skills and personal qualities required to effectively discharge its duties. The board recognises that as Gfinity develops, within a rapidly growing sector the precise composition required shall change from time to time. Responsibility for reviewing the composition of the board and making recommendations for appointment and removal of directors rests with the Nominations Committee. Further details of this are provided below. Any such recommendations are subject to formal approval of the full board.

The board recognises the importance of diversity of skills and approach in effectively conducting its duties, and as such, has sought to appoint high calibre individuals from a wide range of backgrounds and sectors.

Role of Chair:
The primary responsibility of the Chair is to lead the board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. As Chairman, Neville Upton also retains responsibility for oversight of the development and delivery of the Company's strategy, supported by the Executive Directors.

The Chair ensures that the board considers the key issues affecting the Group, both operationally and financially, and together with the Company Secretary ensures the correct information flows between the board, its respective committees and between the Independent Directors and senior management.

Role of Company Secretary:
The Company Secretary acts as a trusted adviser to the Chair and the board and plays a vital role in relation to both legal and regulatory compliance. The Company Secretary supports the work of the respective board committees and also acts as a confidential sounding board to the chairs of those committees.

Board Conduct of Business:
Full board meetings are held monthly, other than in August and December, meaning a minimum of ten meetings per annum to conduct the regular business of the board. Further full board meetings shall be held as required to provide approval on specific matters, including major corporate transactions and the allotment of new shares. Over the course of both FY20 and FY21, this resulted in a significant number of meetings to approve the allotment of new shares granted in respect of the exercise of warrants relating to fundraise undertaken in April 2020.

The quorum for a board meeting to be considered valid is two.

Attendance Record:

Director	Number of Meetings Attended	Total Meetings in Period in Office
Neville Upton	29	29
John Clarke	29	29
Jonathan Hall	29	29
Preeti Mardia	27	27
Andy MacLeod	29	29
Leonard Rinaldi	13	13
Hugo Drayton	2	2

Board Review and Performance

The board monitors its performance and composition on an ongoing basis and recognises that as the Company grows in a rapidly developing sector, the mix of skills required to best discharge its duties may change from time to time. It was in that context that, during the year, it was decided to introduce two new members to the board, both of whom bring strong governance capability, coupled with deep expertise in sectors highly relevant to Gfinity's continued growth.

Performance of the board is assessed on an annual basis. This process is led by the Chair of the board, supported by the Chief Financial and Operations Officer, and assesses the board's performance against its stated terms of reference, both in terms of the process by which business is conducted and the results achieved.

Audit Committee
The role of the Audit Committee is to provide confidence to shareholders on the integrity of the financial results of the Company, expressed in this annual report and accounts, and other relevant public announcements made by the Company. The Audit Committee also has a key role in the oversight of the effectiveness of the risk management and internal control systems of the Company, and to make recommendations to the board for improvements in this regard. The Audit Committee comprises:

- Leonard Rinaldi (Chair)
- Neville Upton
- Jonathan Hall

Prior to her resignation from the board, Preeti Mardia was the Chair of the Audit Committee, while Andy MacLeod was also a member of the Audit Committee prior to his resignation from the board.

Attendance Record:

Director	Number of Meetings Attended	Total Meetings in Period in Office
Preeti Mardia	2	2
Andy MacLeod	2	2
Jonathan Hall	2	2
Leonard Rinaldi*	-	-
Neville Upton*	-	-

* The first Audit Committee meetings following Neville Upton and Leonard Rinaldi's appointment took place following the period end.

Nominations Committee

The Nominations Committee ensures there is a robust process for the appointment of new board directors. The committee works closely with the board and the Chair to identify the skills, experience, personal qualities and capabilities required for the next stage in the Company's development, linking the Company's strategy to future changes on the board. Only the Nominations Committee is able to formally submit a recommendation to the board for the appointment of a new director. All such recommendations are still subject to the approval of the board.

The Nominations Committee comprises of:

- Hugo Drayton (Chair)
- Neville Upton
- John Clarke

Prior to his resignation from the Board Andy MacLeod acted as Chair of the Nominations Committee, while prior to her resignation Preeti Mardia also served as a member of the Nominations Committee.

Attendance Record:

Director	Number of Meetings Attended	Total Meetings in Period in Office
Andy MacLeod	2	2
Preeti Mardia	1	1
Neville Upton	2	2
John Clarke	2	2
Hugo Drayton	-	-

Remuneration Committee

The Remuneration Committee is responsible for outlining the principles of remuneration strategy to be applied across the Gfinity Group. It also directly approves the remuneration of all directors, together with the grant of any option over shares in Gfinity plc.

Compensation is based on an expectation that the director will spend a minimum of 30 days a year on work for the Company. This will include attendance at a minimum of six Board meetings per annum, each general meeting, plus other activities as agreed with the Executive team from time to time, including membership of board committees.

Non-Executive Directors may support additional projects over and above their role as Non-Executive Directors and may be remunerated at or below market rate for those services. The extent of such services must not, however, compromise their status as Non-Executives, independent of the Executive team.

The Remuneration Committee consists of Hugo Drayton, Neville Upton and Leonard Rinaldi. Andy MacLeod and Preeti Mardia both formed part of the remuneration committee prior to their resignations.

Attendance Record:

Director	Number of Meetings Attended	Total Meetings in Period in Office
Andy MacLeod	3	3
Preeti Mardia	2	2
Hugo Drayton	-	-
Neville Upton	1	1
Leonard Rinaldi	1	1

Full disclosure of director remuneration is provided within the **Directors Remuneration Report.**

GOVERNANCE

Directors' Remuneration Report

As the Company is AIM listed, the directors are not required, under Section 420(1) of the Companies Act 2006, to prepare a directors' remuneration report for each financial year of the Company and so Gfinity plc makes the following disclosures voluntarily, which are not intended to, and do not, comply with the requirements of the Companies Act 2006.

The Remuneration Committee is responsible for recommending the remuneration and other terms of employment for the Executive Directors of Gfinity plc. In determining remuneration for the year, the committee has given consideration to the requirements of the UK Corporate Governance Code.

Remuneration policy

The remuneration of Executive Directors is determined by the committee and the remuneration of Non- Executive Directors is approved by the full board of directors. The remuneration of the Chairman is determined by the Independent Non-Executive Directors, in conjunction with the Chief Financial and Operations Officer.

The remuneration packages of Executive Directors comprise the following elements:

Basic salary and benefits

Basic salaries for Executive Directors are reviewed annually and take into account individual performance, market practice and the financial position of the Company. In most cases salaries paid to Executive Directors are currently towards the low end of the market rate for their respective roles and relative to the experience of the individuals in question. Executive Directors are eligible for pension contributions and participation in the Company's health insurance and life assurance schemes.

Annual bonuses

Bonuses awarded to Executive Directors are included in the Directors' Emoluments table on page 32. Bonuses form part of the overall remuneration of Executive Directors and are aligned to the achievement of financial and strategic milestones which are designed to promote long-term value for all shareholders.

Share options

The Company believes that share ownership by Executive Directors and employees strengthens the link between their personal interests and those of the Company and the shareholders.

The Company has an executive share option scheme, which is designed to promote long-term improvement in the performance of the Company, sustained increase in shareholder value, and clear linkage between executive reward and the Company's performance.

All directors hold either shares or share options in the company. The board of Gfinity believes offering Non- Executive Directors shares in the Company at a price and level that aligns them with the interests of the wider shareholder base is in interests of all shareholders. The Board also believes it is an essential part of attracting high calibre individuals to the Board.

Service contracts

All existing directors at the time of the Company's admission to AIM entered into new service contracts on 16 December 2014, immediately prior to that admission. All new directors since this date have entered into comprehensive director service contracts at the time, or immediately in advance of commencing their roles.

All Executive directors' appointments are subject to six months' notice on either side.

All directors are subject to pre and post termination restrictive covenants with the Company, including those relating to non-competition and non-solicitation of customers and staff.

No compensation is payable for loss of office and all appointments may be terminated immediately if, among other things, a director is found to be in material breach of the terms of the appointment.

DIRECTORS' INTERESTS IN SHARES

The interests of the Directors at 30 June 2021 in the shares of the Company were:

	Number of Ordinary Shares	Percentage of issued share capital
Neville Upton	14,877,245	2.05%
John Clarke	1,222,222	0.10%
Jonathan Hall	1,222,222	0.10%
Andrew MacLeod	78,704	0.01%
Hugo Drayton	0	0.00%
Leonard Rinaldi	0	0.00%
	17,400,393	**2.26%**

SHARE OPTIONS

Directors' interests in options over the ordinary shares in the company were as follows:

	As at 30 June 2020	Options Granted	Options Lapsed	As at 30 June 2021
Neville Upton	5,000,000	-	-	5,000,000
John Clarke	8,000,000	6,000,000	-	14,000,000
Jonathan Hall	5,000,000	4,000,000	-	9,000,000
Andrew MacLeod	1,000,000	-	-	1,000,000
Hugo Drayton	-	4,000,000	-	4,000,000
Leonard Rinaldi	-	4,000,000	-	4,000,000
Preeti Mardia*	1,000,000	-	-	1,000,000
	20,000,000	**18,000,000**	**0**	**38,000,000**

*Preeti Mardia resigned from the board on 21 May 2021.

GOVERNANCE

Audited Information – this section forms part of the financial statements by cross-reference.

DIRECTORS' EMOLUMENTS

Emoluments of the directors for the year ended 30 June 2021 are shown below.

	30 June 2021				30 June 2020
	Salary & Fees	**Bonus**	**Pension**	**Total Remuneration**	**Total Remuneration**
	£	**£**	**£**	**£**	**£**
Neville Upton	50,000	-	-	50,000	106,250
John Clarke	140,000	20,000	2,192	162,192	168,442
Jonathan Hall	136,000	20,000	2,192	158,192	163,692
Andrew MacLeod	25,000	-	-	25,000	25,000
Hugo Charles Drayton	4,444	-	-	4,444	0
Leonard Richard Rinaldi	21,449	-	-	21,449	0
Preeti Mardia*	22,321	-	830	23,151	25,942
	399,215	**40,000**	**5,214**	**444,428**	**489,326**

*Preeti Mardia resigned from the board on 21 May 2021.

This report was approved by the board and signed on its behalf.

Neville Upton
Chairman

12 November 2021

GOVERNANCE

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 30 June 2021.

Principal activities

Gfinity is a world leading esports company. As a trusted independent esports provider it designs, develops and delivers esports solutions to publishers, sports rights holders, brands and media companies that connects them with hundreds of millions of young gamers. Gfinity is also becoming a standalone media distribution business, organically engaging with a rapidly growing community of gamers on its own digital channels; Gfinityesports.com, RealSport101.com and StealthOptional.com.

An overview of Gfinity's strategy and business model is provided within the Gfinity At A Glance section of this Strategic report.

Future development

Our development objectives for 2021–22 and beyond are disclosed in the Strategic Report.

Capital structure

The capital structure is intended to ensure and maintain strong credit ratings and healthy capital ratios, to support the Company's business and maximise shareholder value. It includes the monitoring of cash balances, available bank facilities and cash flows.

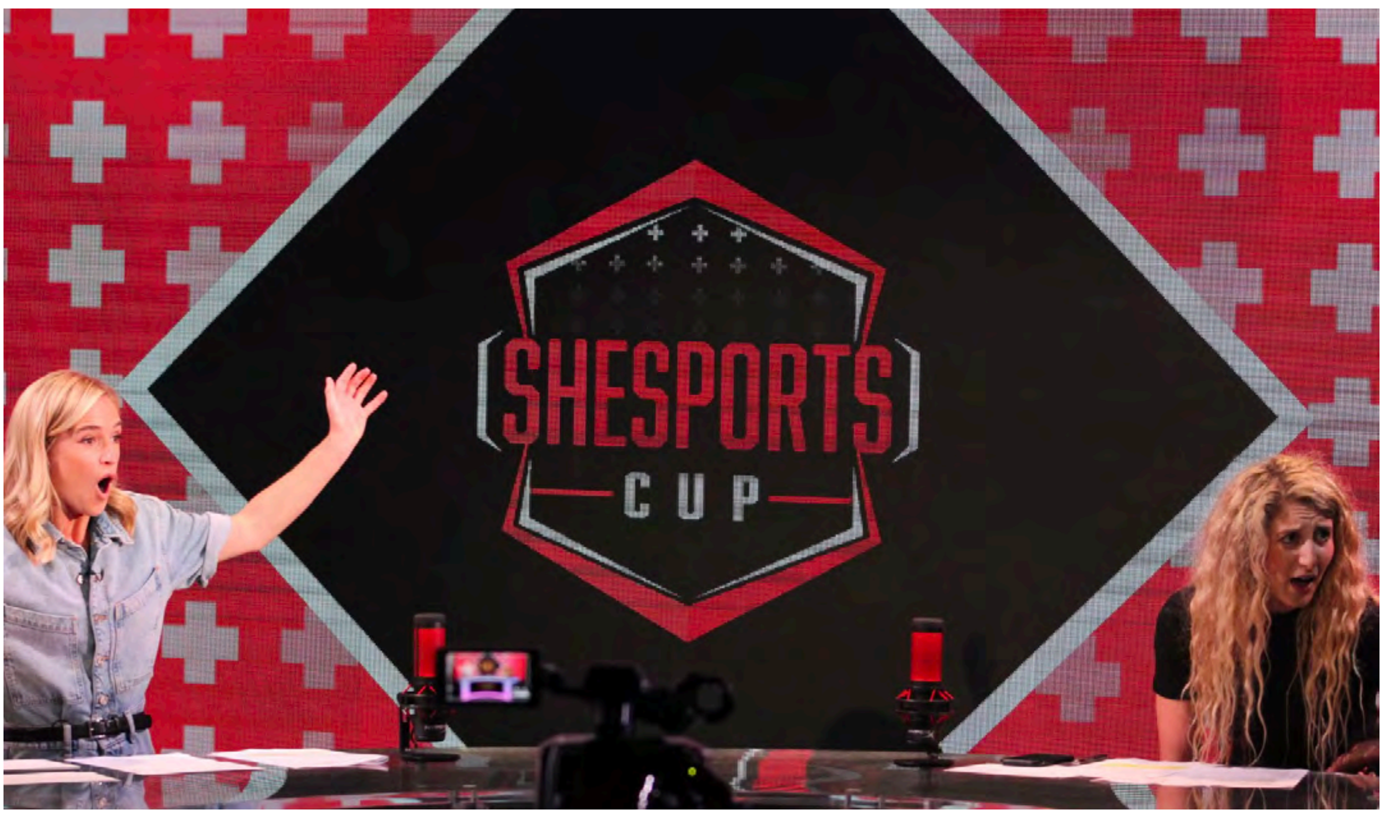
No changes were made to these objectives, policies or processes during the year ended 30 June 2021.

Results and dividends

The consolidated income statement is set out on page 44.

The Group's loss after taxation amounted to £3.8m (2020: loss of £7.7m).

The directors do not recommend the payment of a dividend for the year ended 30 June 2021.



Events since the balance sheet date

On 23 August 2021 Gfinity announced its intention to raise up to £3.3m and to acquire the entire share capital of Megit Limited, owner of the Stock Informer brand. On 24 August, the company announced the successful completion of this placing and related acquisition, subject to shareholder approval. On 10 September, it was announced that this approval had been granted at an Extraordinary General Meeting of the Company.

On 8 September 2021, Gfinity announced that it had completed the acquisition of the trade and assets of SiegeGG, the popular website and social channels relating to the competitive scene of the Rainbow Six Siege.

Research and development

The Company undertakes development activities which involve a planned investment in the building and enhancement of Gfinity products. Development expenditure is capitalised as an intangible asset, only if the development costs can be measured reliably and it is anticipated that the product being built will be completed and will generate future economic benefits in the form of cash flows to the Company.

Further information on development activities are provided in the Strategic Report.

Risk Management

Information on Gfinity's approach to risk management is provided within the Principal Risks and Uncertainties section of this report.

Directors

The following directors held office as indicated below for the year ended 30 June 2020 and up to the date of signing the consolidated financial statements except where otherwise shown.

Neville Upton
Chairman

John Clarke
Chief Executive Officer

Jonathan Hall
Chief Finance and Operations Officer

Leonard Rinaldi
Non-Executive Director
(Appointed: 18 December 2020)

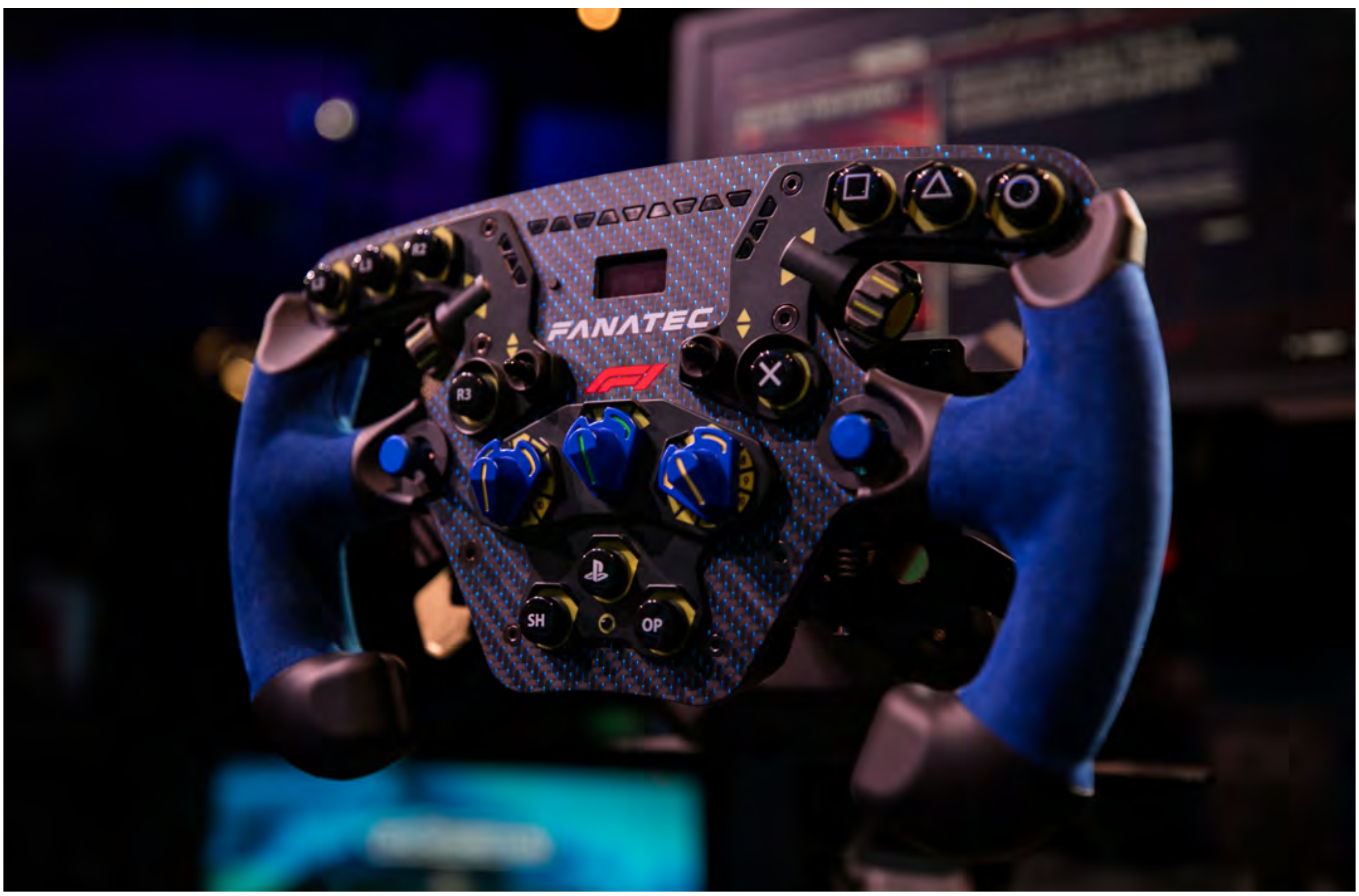
Hugo Drayton
Non-Executive Director
(Appointed: 21 May 2021)

Preeti Mardia
Executive Chairman
(Resigned: 21 May 2021)

Andy MacLeod
Non-Executive Director

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.



GOVERNANCE

Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance and cashflows of the Company;
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring the annual report and the financial statements are made available on the corporate website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Blick Rothenberg Audit LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board:

Neville Upton
Chairman

12 November 2021

Annual Report & Financial Statements 2021

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Independent Auditor's Report to the members of Gfinity PLC for the year ended 30 June 2021

Opinion

We have audited the financial statements of Gfinity PLC ('the parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group statement of profit or loss, the group statement of comprehensive income, the group and company statements of financial position, the group and company statements of changes in equity, the group and company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2021, and of the group's and the parent company's loss for the year then ended;
- the group and parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group is comprised of the parent company and its two subsidiaries, one of which is based in the UK with the other operating in the US. The parent company was subject to a full scope audit based on the materiality set out below and the two subsidiaries were assessed as not being significant components and therefore have been audited according to group performance materiality.

All audit work to respond to the risks of material misstatement of both the group and the parent company was performed directly by the audit engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

FINANCIAL STATEMENTS

Independent Auditor's Report to the members of Gfinity PLC for the year ended 30 June 2021 (continued)

Key audit matter	How the scope of our audit addressed the risk
Going concern assessment (Group and parent company) At the balance sheet date the group had net current assets of £0.8m, which includes cash and cash equivalents of £1.4m. The group's post-tax loss for the year was £2.9m and it reported net cash used in operating activities of £1.6m. Continued losses of this magnitude would result in a rapid depletion of cash reserves and the corresponding net asset position of the group. If the going concern assumption were not appropriate this would have a pervasive effect which could impact on the group's and parent company's ability to realise assets in the normal course of business. The appropriateness of applying the going concern basis has been discussed in note 2 of the financial statements.	We evaluated the directors' assessment of going concern by reviewing cash flow forecasts prepared by management and considering the impact of events that had taken place subsequent to the balance sheet date but prior to the date of approval of the accounts. We challenged the significant inputs and assumptions used in the forecast model and evaluated the feasibility of options available to management in the event that the projected cash flows fall below forecast figures. Specifically, we considered the evidence provided by management in support of their view that the Group would be able to raise further funds through another round of investment funding. The Group's ability to generate sufficient cash inflows to avoid the need for additional fund raising is particularly sensitive to revenue assumptions which are inherently difficult to predict. Consequently, it is a reasonably possible outcome that the group and parent company will need to seek additional funding, meaning management's assessment of the likelihood of being able to raise such funding is critical to their conclusion that there is no material uncertainty in relation to the group and parent company's ability to continue as a going concern. In light of the evidence available at the date of this report, we consider the judgements made by management in applying the going concern assumption to be reasonable. Furthermore, we considered the disclosure in note 2 to the financial statements to be appropriate having given specific regard to this being an area of critical accounting estimate and judgement.
Goodwill impairment assessment (Group and Parent company) The group had recognised goodwill of £2.8m, including £0.3m arising on a business acquisition during the year (note 14). In addition, the parent company has recognised goodwill of £2.6m, including £0.3m arising on a business acquisition during the year, as well as £2.3m recognised following the hive-up of the trade & assets of RealSM Ltd (note 16). Goodwill has an indefinite life as at the balance sheet date and therefore is required to be tested for impairment on an annual basis. The directors have allocated goodwill to individual cash generating units ('CGUs') in order assess whether the carrying amount of goodwill is in excess of its recoverable value, being the higher of value-in-use and fair value less costs to dispose. The determination of the recoverable amount of the CGUs requires significant estimation and judgement, as disclosed in note 3. Accordingly, the carrying value of goodwill has been identified as a key audit risk. Management performed a full impairment review of the goodwill recognised, which has resulted in an impairment charge of £0.9m being recognised in the year in respect of goodwill allocated to the Cevo Inc. CGU.	We evaluated Management's assessment of the carrying value of goodwill by reviewing the cash flow and profit forecasts included in the directors' value-in-use calculations for respective CGUs. We challenged the significant inputs and assumptions used in the calculations and performed sensitivity analysis to the forecasts to ascertain the extent to which reasonable adverse changes would, either individually or in aggregate, require the impairment of goodwill. Based on our procedures and the evidence available to the date of this report we concur with Management's conclusion in respect of the impairment of goodwill assigned to the Cevo Inc. CGU, and that the residual carrying value of goodwill, as disclosed in note 14, represents the recoverable amount and therefore that no further adjustment to the carrying value is necessary.

FINANCIAL STATEMENTS

Independent Auditor's Report to the members of Gfinity PLC for the year ended 30 June 2021 (continued)

Key audit matter	How the scope of our audit addressed the risk
Valuation of intangible assets (Group and Parent company) The group had intangible assets of £0.7m and the parent company had intangible assets of £0.5m with remaining useful economic lives of up to 3 years as at the balance sheet date (note 15). Management are required to conduct impairment reviews where there is an indication of impairment of an asset. The assessment of whether there are impairment indicators and, where indicators are identified, the determination of the recoverable amount of the asset requires significant estimation and judgement, as disclosed in note 3. Accordingly, the carrying value of intangible assets has been identified as a key audit risk. Management identified an impairment indicator for the Customer relationship asset and therefore performed a full impairment review to compare the carrying amount of asset to its recoverable value. Management's conclusion was that there was no material difference between the asset's carrying amount and its recoverable value, and therefore no adjustment has been made.	We evaluated Management's assessment of whether impairment indicators exist for respective assets by reviewing the internal and external factors that were considered in making their assessment in each case. Where impairment indicators were identified and a full impairment review performed, we evaluated Management's assessment of the carrying value of the asset by reviewing the cash flow forecasts included in Management's value-in-use calculations for the relevant asset. We challenged the significant inputs and assumptions used in the calculations and performed sensitivity analysis to the forecasts to ascertain the extent to which reasonable adverse changes would, either individually or in aggregate, require the impairment of the intangible assets. Based on our procedures and the evidence available to the date of this report we concur with Management's conclusion that the carrying value of intangible assets, as disclosed in note 3, represents the recoverable amount and therefore that no adjustment to the carrying value of intangible assets is necessary.
Valuation of investments (Parent company) Prior to the adjustment below, the company had investments in its subsidiaries of £2.2m (note 16) as at the balance sheet date. Management are required to conduct impairment reviews where there is an indication of impairment of an asset. The assessment of whether there are impairment indicators and, where indicators are identified, the determination of the recoverable amount of the asset requires significant estimation and judgement, as disclosed in note 3. Accordingly, the carrying value of intangible assets has been identified as a key audit risk. Management identified an impairment indicator for the Cevo Inc. investment following the impairment of the corresponding goodwill on a consolidated basis, and therefore performed a full impairment review to compare the carrying amount of asset to its recoverable value. This resulted in an impairment charge of £2.2m being recognised in the year.	For the purposes of this assessment, the value-in-use assessment is calculated on the same basis as that applied to the assessment of goodwill referred to above and was therefore subject to the same audit procedures. Based on our procedures and the evidence available to the date of this report we concur with Management's conclusion in respect of the impairment of the Cevo Inc. investment.

This is not a complete list of all risks identified by our audit.

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and evaluate the impact of misstatements identified. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Based on our professional judgement, we determined overall materiality for both the parent company's and the group's financial statements as a whole to be £125,000 (2020: £400,000). In determining this, we considered a range of benchmarks with specific focus on the loss for the year, total revenue for the year and total assets as at the balance sheet date. This materiality level represents 4.0% (2020: 4.8%) of loss before tax, 2.2% (2020: 8.9%) of revenue and 1.8% (2020: 10.0%) of total assets.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £94,000 for both the parent company and the group's financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk, and the effectiveness of controls.

We report to the Audit Committee all identified unadjusted errors in excess of £12,500. Errors below that threshold would also be reported if, in our opinion as auditor, disclosure was required on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent company or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

FINANCIAL STATEMENTS

Independent Auditor's Report to the members of Gfinity PLC for the year ended 30 June 2020 (continued)

- we have not received all the information and explanations we require for our audit.
- information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue or profits, and management bias in significant accounting estimates and judgements – particularly those identified in the key audit matters outlined above.

Audit procedures performed by the engagement team included:

- Obtaining an understanding of the legal and regulatory framework that the parent company or the group operates in and focusing on those laws and regulations that had a direct effect on the financial statements;
- Discussing with management and the Audit Committee the group's policies with regards to identifying, evaluating and complying with laws and regulations, and for detecting and responding to the risks of fraud, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Identifying and testing journal entries based on our risk assessment, as well as performing analytical procedures and reviewing financial records to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing the financial statement disclosures and testing these to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to those outlined above in key audit matters.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Vipond
Senior Statutory Auditor

for and on behalf of
Blick Rothenberg Audit LLP,

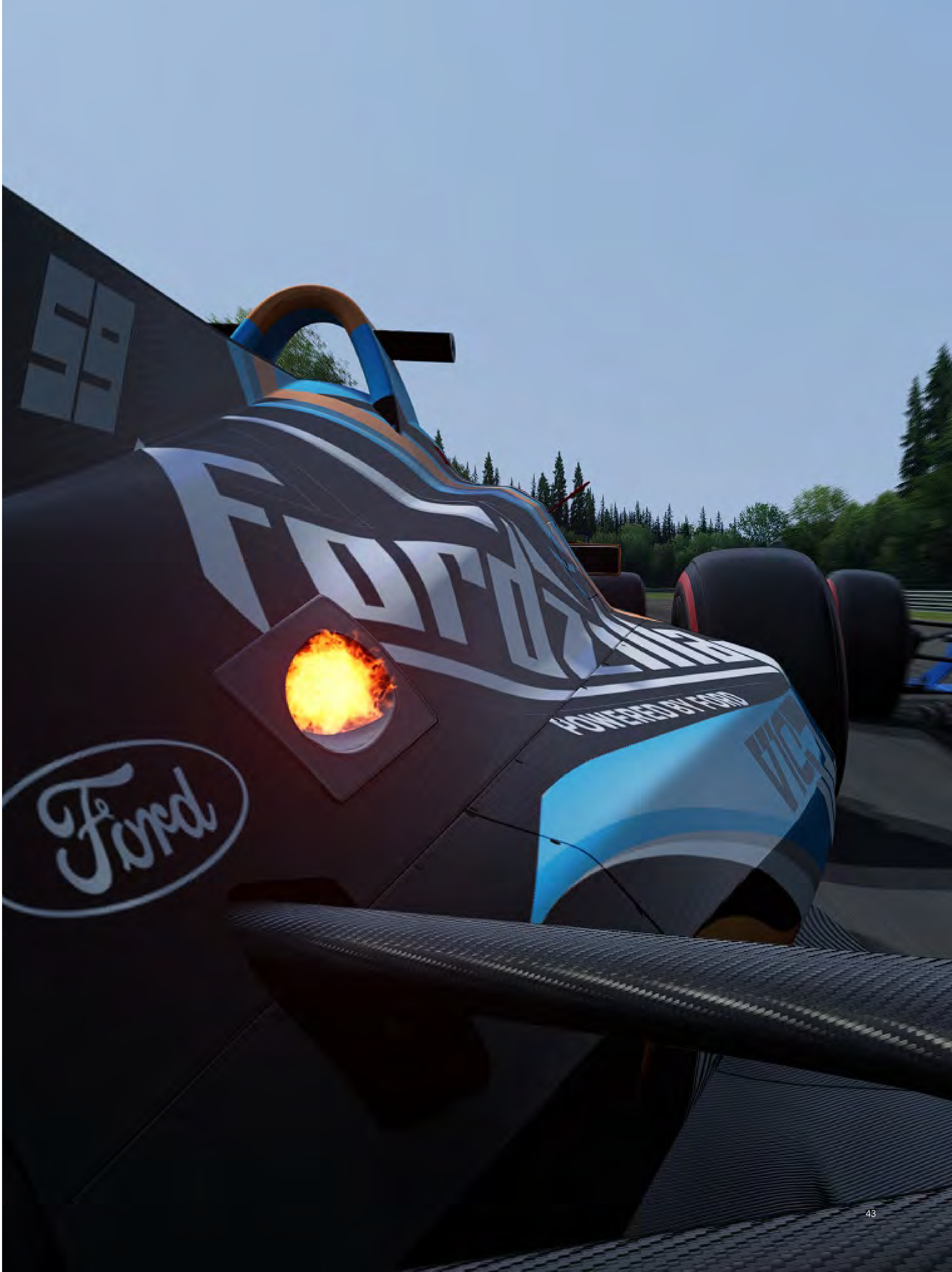
Chartered Accountants
Statutory Auditor

16 Great Queen Street

London

WC2B 5AH

12 November 2021


Ford
POWERED BY FORD

FINANCIAL STATEMENTS

Group Statement of Profit or Loss

	Notes	1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
		£	£
CONTINUING OPERATIONS			
Revenue		5,693,385	4,485,565
Cost of sales		(3,085,409)	(1,714,740)
Gross Profit / (Loss)		**2,607,976**	**2,770,825**
Other income	**6**	54,354	73,041
Administrative expenses	**7**	(7,179,327)	(10,681,476)
Operating loss		**(4,516,997)**	**(7,837,610)**
Disposal of Associate Gain / (Loss)	**17**	459,706	-
Share of Associate Profit / (Loss)	**17**	-	(308,214)
Finance Income	**9**	4	2,622
Finance Costs	**9**	(10,236)	(39,768)
Loss on ordinary activities before tax		**(4,067,524)**	**(8,182,970)**
Taxation	**10**	221,929	457,663
Retained loss for the year		**(3,845,595)**	**(7,725,307)**
Loss and total comprehensive income for the period		**(3,845,595)**	**(7,725,307)**
Earnings per share	**11**	**-(0.00)**	**-(0.01)**

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income

	Notes	1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
		£	**£**
GROUP STATEMENT OF COMPREHENSIVE INCOME			
Loss for the period		**(3,845,595)**	**(7,725,307)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign exchange profit / (loss) on retranslation of foreign Subsidiaries		(12,887)	(6,117)
Other Comprehensive Income for the period		(12,887)	(6,117)
Loss and total comprehensive income for the period		**(3,858,482)**	**(7,731,424)**

FINANCIAL STATEMENTS

Group Statement of Financial Position

	Notes	30 June 2021	30 June 2020
		£	£
NON CURRENT ASSETS			
Property, plant and equipment	**12**	187,366	213,288
Right of Use assets	**13**	-	428,305
Goodwill	**14**	1,903,790	2,544,526
Intangible fixed assets	**15**	704,481	613,164
Investments in Joint Ventures and Associates	**17**	-	-
		2,795,637	**3,799,283**
CURRENT ASSETS			
Trade and other receivables	**18**	1,586,850	1,391,332
Cash and cash equivalents	**19**	1,375,873	1,600,597
		2,962,723	**2,991,929**
TOTAL ASSETS		**5,758,360**	**6,791,212**
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	**21**	930,513	725,868
Share premium account		46,511,089	44,405,085
Other reserves		3,384,914	3,132,220
Retained earnings		(47,302,697)	(43,457,102)
Total equity		**3,523,819**	**4,806,071**
Non-current Liabilities			
Other Payables	**22**	254,986	-
Deferred tax liabilities	**20**	127,835	92,059
Current liabilities			2,985,042
Trade and other payables	**22**	1,851,720	1,893,081
Total liabilities		2,234,541	1,985,141
TOTAL EQUITY AND LIABILITIES		**5,758,360**	**6,791,212**

The notes on pages 52 to 83 form an integral part of these financial statements.

Registered number: 08232509
Signed on behalf of the board on 12 November 2021:

Neville Upton
Chairman

Jonathan Hall
Chief Financial and Operations Officer

FINANCIAL STATEMENTS

Company Statement of Financial Position

	Notes	30 June 2021	30 June 2020
		£	£
NON CURRENT ASSETS			
Property, plant and equipment	**12**	179,727	187,176
Right of use assets	**13**	-	428,305
Investment in Subsidiaries	**16**	-	4,466,133
Goodwill	**14**	2,568,417	-
Investments in Joint Ventures & Associates	**17**	-	-
Intangible fixed assets	**15**	530,336	57,724
TOTAL NON-CURRENT ASSETS		**3,278,479**	**5,139,338**
CURRENT ASSETS			
Trade and other receivables	**18**	2,051,596	2,843,800
Cash and cash equivalents	**19**	1,329,815	1,531,360
TOTAL CURRENT ASSETS		**3,381,410**	**4,375,160**
TOTAL ASSETS		**6,659,890**	**9,514,498**
EQUITY AND LIABILITIES			
Total Equity			
Ordinary shares	**21**	930,513	725,868
Share premium account		46,511,089	44,405,085
Other reserves		3,403,414	3,137,832
Retained earnings		(46,340,461)	(40,601,156)
Total equity		**4,504,555**	**7,667,629**
Non-current liabilities			
Other creditors	**22**	254,986	-
Deferred tax liabilities	**20**	94,748	-
Current liabilities			
Trade and other payables	**22**	1,805,601	1,846,869
Total liabilities		**2,155,334**	**1,846,869**
TOTAL EQUITY AND LIABILITIES		**6,659,890**	**9,514,498**

The notes on pages 52 to 83 form an integral part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements. The parent Company's loss for the year amounts to £5,739,305 (2020: loss of £7,493,221).

Registered number: 08232509.

Signed on behalf of the board on 12 November 2021:

Neville Upton
Chairman

Jonathan Hall
Chief Financial and Operations Officer

FINANCIAL STATEMENTS

Group Statement of Changes in Equity

	Ordinary shares	Share premium	Share option reserve	Retained earnings	Forex	Total equity
	£	£	£	£	£	£
At 30 June 2019	362,897	37,455,839	1,637,258	(35,731,795)	504	3,724,704
Loss for the period	-	-	-	(7,725,307)	-	(7,725,307)
Other Comprehensive Income	-	-	-	-	(6,117)	(6,117)
Total comprehensive income	-	-	-	(7,725,307)	(6,117)	(7,731,424)
Proceeds of Shares Issued	362,971	7,372,852	-	-	-	7,735,823
Share issue costs	-	(423,605)	-	-	-	(423,605)
Share options expensed	-	-	1,500,573	-	-	1,500,573
Total transactions with owners, recognised directly in equity	362,971	6,949,247	1,500,573	-	-	8,812,791
At 30 June 2020	**725,868**	**44,405,085**	**3,137,831**	**(43,457,102)**	**(5,613)**	**4,806,070**
Loss for the period	-	-	-	(3,845,595)	-	(3,845,595)
Other Comprehensive Income	-	-	-	-	(12,887)	(12,887)
Total comprehensive income	-	-	-	(3,845,595)	(12,887)	(3,858,482)
Proceeds of Shares Issued	204,645	2,110,793	-	-	-	2,315,438
Share issue costs	-	(4,789)	-	-	-	(4,789)
Share options expensed	-	-	265,583	-	-	265,583
Total transactions with owners, recognised directly in equity	204,645	2,106,004	265,583	-	-	2,576,232
At 30 June 2021	**930,513**	**46,511,089**	**3,403,414**	**(47,302,697)**	**(18,500)**	**3,523,819**

FINANCIAL STATEMENTS

Company Statement of Changes in Equity

	Ordinary shares	Share premium	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£
At 30 June 2019	362,897	37,455,838	1,637,258	(33,107,935)	6,348,058
Loss for the period	-	-	-	(7,493,221)	(7,493,221)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income	-	-	-	(7,493,221)	(7,493,221)
Proceeds of Shares Issued	362,971	7,372,852	-	-	7,735,823
Share issue costs	-	(423,605)	-	-	(423,605)
Share options expensed	-	-	1,500,573	-	1,500,573
Shares as deferred consideration	-	-	-	-	-
Total transactions with owners, recognised directly in equity	362,971	6,949,247	1,500,573	-	8,812,791
At 30 June 2020	**725,868**	**44,405,085**	**3,137,831**	**(40,601,156)**	**7,667,628**
Loss for the period	-	-	-	(5,739,305)	(5,739,305)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income	-	-	-	(5,739,305)	(5,739,305)
Proceeds of Shares Issued	204,645	2,110,793	-	-	2,315,438
Share issue costs	-	(4,789)	-	-	(4,789)
Share options expensed	-	-	265,583	-	265,583
Shares as deferred consideration	-	-	-	-	-
Total transactions with owners, recognised directly in equity	204,645	2,106,004	265,583	-	2,576,232
At 30 June 2021	**930,513**	**46,511,089**	**3,403,414**	**(46,340,461)**	**4,504,555**

FINANCIAL STATEMENTS

Group Statement of Cash Flows

	Note	30-Jun-21	30-Jun-20
		£	£
Cash flow used in operating activities			
Net cash used in operating activities	**23**	(2,049,663)	(5,290,351)
Cash flow from / (used in) investing activities			
Interest received	**9**	4	2,622
Additions to property, plant and equipment	**12**	(106,642)	(100,765)
Additions to intangible Assets	**15**	(16,030)	(57,724)
Gain on disposal of associate		459,706	-
Investment in associate		-	(308,214)
Net cash used in investing activities		337,038	(464,081)
Cash flow from / (used in) financing activities			
Issue of equity share capital		1,950,649	7,312,218
Share issue cost		-	-
Repayment of leases		(439,621)	(597,015)
Bank interest payable		(10,236)	(2,511)
Net cash from financing activities		1,500,792	6,712,692
Net increase in cash and cash equivalents		(211,833)	958,260
Effect of Currency translation on cash		(12,887)	(6,117)
Opening cash and cash equivalents		1,600,596	648,454
Closing cash and cash equivalents		**1,375,876**	**1,600,596**

FINANCIAL STATEMENTS

Company Statement of Cash Flows

	Note	30-Jun-21	30-Jun-20
		£	£
Cash flow used in operating activities			
Net cash used in operating activities	**23**	(2,040,690)	(5,322,647)
Cash flow from/(used in) investing activities			
Interest received	**9**	4	2,622
Additions to property, plant and equipment	**12**	(105,327)	(98,444)
Additions to Intangible Assets	**15**	(16,030)	(57,724)
Disposal of Associate Gain / (Loss)		459,706	-
Investment in Associate		-	(308,214)
Net cash used in investing activities		338,353	(461,760)
Cash flow from / (used in) financing activities			
Issue of equity share capital		1,950,650	7,312,218
Repayment of leases		(439,621)	(597,014)
Bank interest payable		(10,236)	(2,511)
Net cash from financing activities		1,500,793	6,712,692
Net increase in cash and cash equivalents		(201,545)	928,285
Opening cash and cash equivalents		1,531,360	603,076
Closing cash and cash equivalents		**1,329,815**	**1,531,360**

FINANCIAL STATEMENTS

Notes to the Financial Statements

1. General Information

Gfinity plc ("the Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006, registered in England and Wales and is AIM listed. The address of the registered office is given on page 6. The registered number of the company is 08232509.

The functional and presentational currency is £ sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2. Principal activities are discussed in the Strategic report.

2. Accounting Policies

Basis of preparation

The Company has prepared the accounts on the basis of all applicable International Financial Reporting

Standards (IFRS), including all International Accounting Standards (IAS), Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) with effective dates for accounting periods beginning on or after 1 July 2020, together with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounts have been prepared on the historical cost basis, except for otherwise stated below. The principal accounting policies, which have been consistently applied throughout the period presented, are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Standards, Interpretation and amendments to published standards effective in the accounts

The Group has applied the following new standards and interpretations for the first time for the annual reporting period commencing 1 July 2020:

- Amendments to IFRS 3 Definition of a Business.
- Amendments to IAS 1 and IAS 8 Definition of Material.
- Amendments to References to the Conceptual Framework in IFRS Standards.
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 16: COVID-19-Related Rent Concessions

The adoption of the standards and interpretations listed above has not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group.

Standards, interpretation and amendments to published standards that are not yet effective

New standards and interpretations that are in issue but not yet effective are listed below:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- IFRS 17 Insurance Contracts.

The adoption of the above standards and interpretations is not expected to lead to any changes to the Group's accounting policies or have any other material impact on the financial position or performance of the Group.

Going concern

At the end of the period the Group had cash and cash equivalents amounting to £1,375,673 and the Company had cash and cash equivalents amounting to £1,329,815. Further to this at the balance sheet date, there were 20,050,500 warrants outstanding over ordinary shares in the company at an exercise price of 1p, to be exercised on or before 20 October 2021.

Following the balance sheet date, on 23 August 2021, the Company announced its intention to undertake a placing to raise £3.3m before costs (£3.1m after costs). This placing was over-subscribed and successfully completed without a significant discount to market price having to be offered. It also saw a significant investment from a new cornerstone institution in Canaccord Genuity.

Of the funds raised, £2.5m were used as the initial consideration to acquire Megit Ltd, the owner of the highly profitable Stock Informer business. This is in addition to equity and earn-out consideration outlined in the Post Balance Sheet Events note. In its last completed accounting period, to 31 March 2021, Megit Ltd recorded revenue of £2.3m and profit before tax of £2.2m. While the year to March 2021 was a particularly successful year for the company, supported by the launch of next generation consoles, the directors expect the Stock Informer business to continue to deliver significant levels of revenue, at a net margin of around 75%, allowing for incremental investment to support long term growth and diversification of the revenue model.

As outlined in the Strategic Report, over the past 18 months, the Group has significantly restructured its underlying operations, creating a significant new revenue stream in the Gfinity Digital Media business, while delivering a year-on-year reduction in adjusted administrative expenses of 35%. Even prior to the acquisition this has resulted in a significantly reduced level of cash-burn, as the business drives towards its target of profitability on an adjusted operating profit basis within the next 12 months.

Management have prepared forecasts to 31 December 2022, which indicate that if the business performs in line with target, then current cash reserves, supplemented by expected further exercise of warrants as outlined above, would provide sufficient funding to allow the Group to continue operating for a period of at least 12 months following the approval of these financial statements. Forecasts have also been prepared, which show an adverse variance to the budget scenario of 20% in Gfinity Digital Media and 25% in all other areas. Under this scenario, there are still sufficient cash reserves for the Group to operate for a period of at least 12 months following the approval of these financial statements.

As a result, the directors do not believe that further cash is required in order to deliver on current plans for the business. It should be noted, however, that in a sector that is still rapidly developing and in a period of ongoing economic uncertainty, there are inherent uncertainties within the forecasts. In this regard, in a period in which a high level of revenue growth is expected, cash flow forecasts are particularly sensitive to the delivery of new client contracts. While the directors are confident that these contracts will be secured, the timing of this cannot be certain. In this context, there remains a material risk that the cash flow forecasts are not met, which would result in additional funding being required and therefore the directors assessment of the likelihood of being able to raise such funding is critical to their conclusion that there is no material uncertainty in relation to the Group and the Company's ability to continue as a going concern.

In this context, directors' belief that further cash reserves could be secured if required are based on:

- Strong investor support, demonstrated by an over-subscribed placing completed in August 2021, which included a new cornerstone institutional shareholder;
- A historic track-record of being able to raise funds, even at a time of peak economic and political uncertainty in April 2020;
- Underlying value in owned technology and an owned community of up to 15 million gamers per month across Gfinity's owned web platforms;
- Ongoing strong investor interest in esports and broader video gaming sectors.

Consequently, the directors believe that it is appropriate for the accounts to be prepared on a going concern basis.

Basis of consolidation

The Group accounts consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June each year. Subsidiary undertakings are those entities over which the Group has the ability to govern the financial and operating policies through the exercise of voting rights. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

All intra group balances, transactions, income and expenses and profit and losses on transactions between the Company and its subsidiaries and between subsidiaries are eliminated.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or join control over those policies.

The Group's interests in jointly controlled entities are incorporated in the financial information using the equity method of accounting. Investments in joint ventures are carried in the balance sheet at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of the individual investments. The Group's share of the net profit or loss of the joint venture is shown as a single line item in the Consolidated Statement of Comprehensive Income.

Where the Group transacts with a joint venture any profit or loss arising is eliminated to the extent of the Group's interest in the relevant joint venture.

FINANCIAL STATEMENTS

Notes to the Financial Statements (continued)

The carrying amount of equity-accounted investments is tested for impairment at least annually.

Investment in Subsidiaries

Investments in subsidiaries are held in the Company balance sheet at cost and reviewed annually for impairment.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the normal course of the Group's activities. Revenue is shown net of value added tax.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. 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.

Revenue comprises of:

- Partner programme delivery fees: Revenue recognised in line with the date at which work is performed.
- Sponsorship revenues: Revenue is recognised on the date the relevant sponsored event takes place. In the event of long-term sponsorship contracts, the revenue is released on a straight-line basis across the term of the contract, except in instances where a significant proportion of the revenue relates to specific activation activities, in which case the revenue is released in line with when that work is performed.
- Advertising revenues: Fees are earned each time a user clicks on one of the ads that are displayed on the website. Revenue is recognised on a pay-per-click, or cost per mille (CPM) basis.
- Broadcaster revenues: Rights fees are received from linear broadcasters and online streaming platforms in return for rights to access broadcast content. Revenue is recognised once the relevant performance obligations are completed which is typically at the point the broadcast occurs.
- Licensing revenues: Fees charged for the licensing of Gfinity esports technology, outside of the scope of a broader managed esports service provision.
- Consultancy Fees: Revenue is recognised in line with the profile of resources dedicated to the programme across the assignment duration.

Leases and right-of-use-assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method, and is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the year.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period. Exchange differences arising from the translation of the Group's foreign operations are recognised in other comprehensive income.

Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computations of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or any discount on acquisition) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that the directors do not have a high degree of certainty that sufficient taxable profits will be available in the medium-term to allow all or part of the asset to be recovered.

Credits in respect of Research and Development activities are recognised at the point at which the asset becomes profitable and quantifiable. This is typically at the point at which a claim has been prepared and submitted to HMRC.

Share Based Payments

The Company provides equity-settled share-based payments in the form of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares which will eventually vest and adjusted for the effect of non-market based vesting conditions. The Company uses an appropriate valuation model utilising a Black-Scholes model in order to arrive at a fair value at the date share options are granted.

In instances when shares are used as consideration for goods or services the shares are valued at the fair value of the goods or services provided. The expense to the company is recognised at the point the goods or services are received.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset 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 company and that the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of tangible fixed assets to their residual values over their useful economic lives, as follows:

Office equipment	3 years straight line
Computer equipment	3 years straight line
Production equipment	3 years straight line
Leasehold improvements	Over the period of the lease or, where management have reasonable grounds to believe the property will be occupied beyond the terms of the lease, 3 years straight line

The residual values and useful economic lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains or losses in the income statement.

FINANCIAL STATEMENTS

Notes to the Financial Statements (continued)

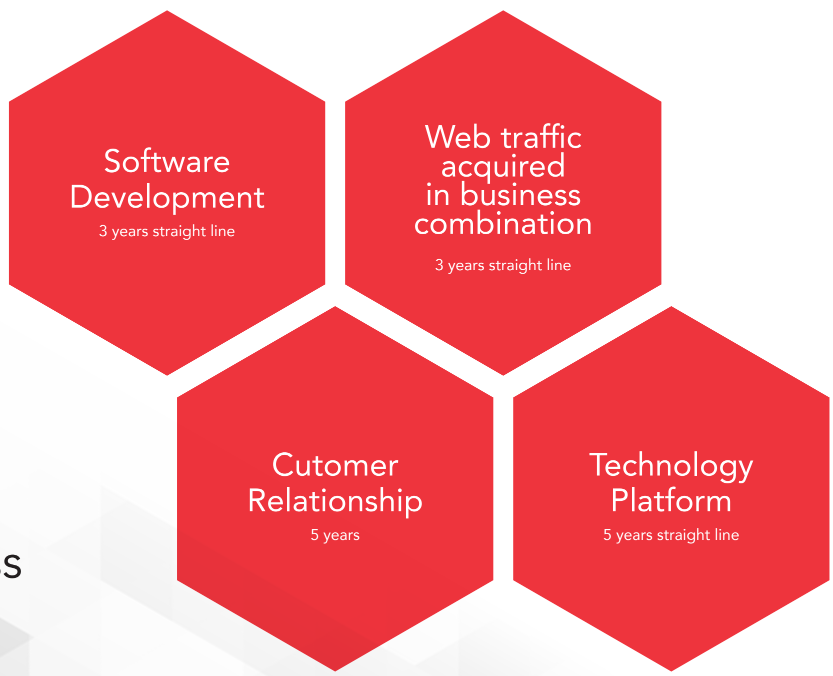
Intangible fixed assets

Intangible assets other than goodwill are recognised where the purchase or internal development of such assets are expected to directly contribute towards the company's ability to generate revenues over a multiple years.

Intangible fixed assets are stated at historical cost less accumulated amortisation and impairment, if any. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Where the cost is not clearly identifiable discounted cash flows are utilised to estimate either the cost to develop the resource or, where there are already profits attributable the asset, to estimate future cash inflows. Historical cost includes expenditure that is directly attributable to the acquisition or development of the items. Subsequent costs are included in the carrying amount of the asset 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 company and that the cost of the item can be measured reliably.

Amortisation is charged on a straight-line basis over the estimated useful economic life of the asset as follows:

Software development	3 years straight line
Web traffic acquired in business combination	3 years straight line
Technology Platform	5 years straight line
Customer Relationships	5 years



"The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred."

Research and development costs

Development expenditure is capitalised as an intangible asset, only if the development costs can be measured reliably and it is anticipated that the product being built will be completed and will generate future economic benefits in the form of cash flows to the Group.

Research expenditure that does not meet this criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. These are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. All interest-related charges are recognised as an expense in the income statement.

Trade and other payables are not interest bearing and are recorded initially at fair value net of transactions costs and thereafter at amortised cost using the effective interest rate method.

An equity instrument is any contract that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument and are recognised in the balance sheet at the lower of cost and net realisable value.

Provision is made for diminution in value where appropriate.

Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the statement of comprehensive income in the financial period to which it relates.

Trade receivables do not carry any interest and are initially recognised at fair value, subsequently reduced by appropriate allowances for estimated irrecoverable amounts.

Warrants

Warrants are in respect of call options granted to investors by the group and are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The fair value of warrants is determined at the date of grant and is recognised in equity. When the warrants are exercised, the group transfers the appropriate amount of shares to the investor, and the proceeds received net of any directly attributable transaction costs are credited directly to equity.

The group uses an appropriate valuation model utilising a Black-Scholes model in order to arrive at a fair value at the date warrants are granted.

Government Grants Policy

Grants that compensate the group for expenses incurred are recognised in profit or loss as other income in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

FINANCIAL STATEMENTS

Notes to the Financial Statements (continued)

3. Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Judgement: Revenue recognition:

The Group's revenue recognition policy is based on separating contracts into discrete performance obligations with revenue then recognised based on the percentage completion of each performance obligation. Where the value of each distinct performance obligation is not set out in a contract Management estimate the value of each performance obligation based on the level of resource required to complete the performance obligation in comparison to the overall level of resource required to fulfil the contract. For example, if a contract did not stipulate the value by region of a broadcast agreement management would use appropriate weighting (e.g. audience size) to estimate the value of each region, with each region viewed as a separate performance obligation. Revenue would then be recognised based on the percentage completion of each performance obligation. In instances where there is no other readily available proxy Management will estimate the value of each performance obligation based on the relative cost to deliver.

Revenue settled by means other than cash (e.g. via equity in a associate) is recognised based on the value stipulated in the contract for goods or services, which would be set at fair value, with the revenue then recognised based performance obligations in the manner described above.

There were no revenue contracts requiring judgement that impact on the reported revenue for the financial year, or contract assets or liabilities at the balance sheet date for either the current or the prior year.

Judgement: Intangible assets recognised on business combinations:

IIntangible assets in business combinations are recognised when the asset is separately identifiable and based on the probable future economic benefit that arises owing to the Group's control of the asset. Typically, the Group will utilise a discounted cash flow to establish the future economic benefits and therefore the fair value of the asset.

The Group identified three intangible assets in relation to the two acquisitions undertaken in the year to 30 June 2018 and three intangible assets in relation to the acquisition of EpicStream Inc. on 3 December 2020 which is mentioned in Note 28. As these assets have a finite economic life, in line with IAS 36, they are only subject to further testing for impairment when there are either internal or external indicators of impairment. Based on a review of updated cash flow projections it was decided that there were no indicators of impairment in any of the intangible assets. Following further review of updated cash flow projections relating to the relationship, it was determined that no impairment was required. This further testing is discussed in the 'Impairment testing' section below.

Estimation: Impairment testing:

On an annual basis the Group reviews relevant classes of assets, including investments, intangible assets and goodwill for indications of impairment. Where such indications exist, full impairment testing through an analysis of the value of future cash flows is undertaken. The recoverable amounts of cash generating units have been determined based on value-in-use calculations which require the use of estimates. Management has prepared discounted cash flows based on the latest strategic plan. Discount rate has been calculated using the Capital Asset Pricing model with reference to the value of UK 10 year gilts as a proxy for a risk free rate and the volatility of Gfinity's share price relative to that of AIM since listing.

Goodwill carried in relation to CEVO in the group financial statements:

Gfinity acquired CEVO, Inc in July 2017, since which time the Cevo business has provided significant value to the overall Group. Intangible assets continue to be recognized in respect of:

- CEVO's proprietary esports platform, which forms the basis of the current Gfinity Esports platform, which continues to be used to support multiple esports programmes for high-profile clients.
- CEVO's ongoing commercial relationship with Nvidia, from which it continues to derive revenue.

Over time, however, the operations of CEVO have become increasingly interlinked with those of Gfinity, with former directors of CEVO now holding senior roles within the Gfinity business, including Head of Technology and Head of Product. As a result, it has become increasingly difficult, outside of the specific intangibles, to quantify the value of future cash flows relating specifically to the CEVO brand. On that basis, directors have taken the decision in this year to impair the value of goodwill in respect of CEVO to zero. This resulted in an impairment charge of £0.9m.

Goodwill carried in relation to Real Sport:

The carrying value of goodwill in relation to RealSport was assessed using the bottom-up financial model created as part of the business planning process, which reflects the strong growth in monetisation seen through FY21.

This model assumes a monthly average number of unique visitors to the platform through FY22 of 5.3m. By way of comparison the most recent monthly total (in September 2021) was 4.9m, with growth expected in Q4, with further game releases. Thereafter it is assumed that audience numbers will increase at an a CAGR of 30% p.a. for the first 2 years, before levelling off slightly with a 5% increase thereafter.

Revenue has been calculated using a blended rate, factoring in both real time bidding and direct sale banner advertising, video advertising and cost per click affiliate revenues, giving an overall rate of 10p per annum per monthly average user.

On this basis, the net present value of future cash flows has been calculated at £5.5m. This represents a surplus of £4.1m over the carrying value of goodwill, with the intangibles recognized in respect of the RealSport acquisition having been fully amortised. On that basis, no impairment is proposed.

CEVO customer relationships:

The remaining value of CEVO customer relationship was assessed by way of an analysis of likely revenue and costs relating to the customer in question over the final year of the original intangible asset life.

These were assessed on the basis of current open purchase orders, expected renewal of purchase orders based on work that it is anticipated will renew, together with a smaller allowance for new work, based on levels secured in previous years. Cash flows were discounted using a cost of capital of 13%.

The result of the above analysis gave an NPV of £0.1m, in line with the carrying value of the intangible. No impairment is therefore proposed.

Goodwill and Intangible Assets carried in relation to Epicstream:

Three intangible assets were recognized in respect of the acquisition of Epicstream:

- The existing social audience and related domain authority of the main Epicstream site (Epicstream.com)
- The value of the Magic the Gathering social audience, which has been leveraged to create a new site (MTGRocks.com); and
- The remaining social audience from a Facebook community featuring over 6 million likes.

These assets, net of deferred tax, had a combined value of £0.5m. With the fair value of consideration estimated at £0.7m, this resulted in Goodwill of £0.3m.

The requirement for full impairment testing was assessed through a comparison of actual cash flows generated from the Epicstream business, against the cash flow projections used in calculation of the original asset values. With actual cash flows showing a positive variance to the original projections, it was considered that there was no indication of impairment and hence full, detailed impairment testing was not required.

Valuation of investment in RealSport:

The activities of the RealSport brand are now undertaken within the Gfinity Ltd entity, with Real SM Ltd not actively trading. As a result, while the goodwill relating to the RealSport brand remains, directors considered that it would not be appropriate to continue to carry a value of investment in the RealSport entity on the Gfinity company balance sheet.

The value of this investment has therefore been reclassified as goodwill, reflecting the absorption of the value of the RealSport brand within the Gfinity Ltd entity.

This has no impact on the consolidated income statement.

Valuation of investment in CEVO, Inc in the parent company financial statements:

The value of the investment held in CEVO, Inc has been reviewed in line with the calculation of the value of the goodwill and related intangible. This value has been reduced by £0.9m in the year, in line with the reduction to the carrying value of goodwill.

Judgement: Transfer of trade and assets within the group:

The transfer of trade and assets between entities under common control falls outside the scope of IFRS 3 and therefore requires judgement to develop an accounting policy that provides relevant and reliable information in accordance with IAS 8. Management have elected to account for this transaction as a 'hive-up' of trade and assets to the parent company. Accordingly, the net assets transferred to the parent company have been recorded in line with the amortised cost recognised on a consolidated basis for the corresponding net assets. The excess of the previously recognised investment value over the net assets transferred is recognised as goodwill.

4. Revenue

The Group's policy on revenue recognition is as outlined in note 2. The year ending 30 June 2021 included £0.36m included in the contract liability balance at the beginning of the period (2020:£0.7m).

The Group's revenue disaggregated by primary geographical markets is as follows:

	30 June 2021			30 June 2020		
	Gfinity	**CEVO**	**Total**	**Gfinity**	**CEVO**	**Total**
United Kingdom	4,144,440	-	4,144,440	3,431,492	-	3,431,492
North America	902,408	322,741	1,225,150	27,206	157,829	185,035
ROW	539,069	-	539,069	869,039	-	869,038
Total	**5,585,918**	**322,741**	**5,908,659**	**4,327,737**	**157,829**	**4,485,565**

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	30 June 2021			30 June 2020		
	Gfinity	**CEVO**	**Total**	**Gfinity**	**CEVO**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Services transferred at a point in time	3,432,959	322,741	3,755,700	2,582,447	-	2,582,447
Services transferred over time	2,152,959	-	2,152,959	1,745,289	157,829	1,903,118
Total	**5,585,918**	**322,741**	**5,908,659**	**4,327,736**	**157,829**	**4,485,565**

As at 30 June 2021 the Group had the amounts shown below held on the consolidated statement of financial position in relation to contracts either performed in full during the year or ongoing as at the year end. All amounts were either due within one year or, in the case of contract liabilities, the work was to be performed within one year of the balance sheet date.

	30 June 2021	30 June 2020
Trade Receivables	£1,024,696	£608,189
Contract Assets	£244,835	£154,287
Contract Liabilities	£364,024	£358,246

Trade receivables are non-interest bearing and are generally on 30-day terms.

Contract assets are initially recognised for revenue earned while the services are delivered over time or when billing is subject to final agreement on completion of the milestone. Once the amounts are billed the contract asset is transferred to trade receivables.

Contract liabilities arise when amounts are paid in advance of the delivery of the service. These are then transferred to the statement of comprehensive income as either milestones are completed or work is completed overtime. Revenue of £0.36m was recognised in the year ending 30 June 2021 that was held as a contract liability as 30 June 2020. All these amounts were held in Gfinity.

5. Segmental Information

The management consider the group to operate as a single segment following the integration of Cevo's activities into that of the group (included in Chief Financial and Operations Officer's Report in Strategic Report) and therefore no segmental analysis is required.

The Group has two single external customers which have revenue equal to or greater than 10% of the group's revenue. The revenue from each of these customers is: £0.94 and £0.69m. The customers are major sports rights holders, financial services and media companies. These revenues are attributed to the Gfinity segment.

6. Other Income

There are no unfulfilled conditions or other contingencies attaching to these grants. Other income reflects government grant income received in the year in respect of the furlough scheme.

		Group
	30 June 2021	**30 June 2020**
	£	**£**
Government grant income	54,354	73,041

7. Operating Expenses

Operating loss is stated after charging:

		Group
	30 June 2021	**30 June 2020**
	£	**£**
Depreciation of property, plant and equipment	132,478	370,589
Depreciation on Right of Use assets	428,305	571,074
Amortisation & impairment of intangible fixed assets	492,700	478,553
Goodwill impairment	901,519	-
Rentals under short-term leases	439,621	514,106
Expensed development costs	150,058	185,376
Staff costs (see note Particulars of employees)	2,844,335	5,781,866
Costs of inventories expensed	-	-
Auditors' remuneration for auditing the accounts of the Company	66,500	45,000
Auditors' remuneration for other non-audit services:		
■ Other services related to taxation	8,408	2,500
■ All other services	21,836	8,975
Net foreign exchange (gains) / losses	34,027	(3,453)

8. Particulars Of Employees

Number of employees

The average number of people (including directors) employed by the Company during the financial period was:

Group		Company	
30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
38	54	35	48

The aggregate payroll costs of staff (including directors) were:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	£	**£**	**£**	**£**
Wages and salaries	2,253,444	3,762,138	2,087,944	3,723,272
Social security costs	271,347	449,154	255,310	445,557
Pensions	53,962	70,000	53,962	41,744
Equity settled	265,583	1,500,573	265,583	1,500,573
	2,844,335	**5,781,865**	**2,662,798**	**5,711,146**

Total remuneration for Directors during the year was £444,428 (2020: £806,608).

The board of directors comprise the only persons having authority and responsibility for planning, directing and controlling the activities of the Group.

9. Finance Income/Costs

	Group	
	30 June 2021	**30 June 2020**
	£	**£**
Interest income on bank deposits	4	2,622
Finance lease interest	(9,228)	(37,257)
Other interest cost	(1,009)	0
	(10,232)	**(34,635)**

10. Taxation

(a) Major components of taxation expense for the period ended 30 June 2021 are:

		Group
	30 June 2021	**30 June 2020**
	£	**£**
Income statement		
Current tax		
Corporation tax charge / (credit)	(162,957)	(227,004)
Total current tax	**(162,957)**	**(227,004)**
Deferred tax		
Relating to origination and reversal of temporary differences	(58,972)	(230,659)
Taxation charge / (credit) reported in the income statement	**(221,929)**	**(457,663)**

(b) Factors affecting tax charge for the period

A reconciliation of taxation expense applicable to accounting profit before taxation at the statutory tax rate of 19% (2020: 19%), to taxation expense at the Company's effective tax rate for the period is as follows:

		Group
	30 June 2021	**30 June 2020**
	£	**£**
Loss on ordinary activities before taxation	(3,845,796)	(8,182,970)
Profit / (Loss) multiplied by rate of tax	**(730,701)**	**(1,554,764)**
Effects of:		
Expenses not deductible for tax purposes	318,906	349,439
Movement in unrecognised deferred tax arising from tax losses	709,763	1,135,046
Movement in unrecognised deferred tax arising from other temporary timing differences	(356,940)	(160,379)
Adjustment in respect of R&D tax credits	(162,957)	(227,004)
Taxation charge/ (credit) reported in the income statement	**(221,929)**	**(457,662)**

(c) Unrecognised deferred tax asset

The Group has an unrecognised deferred tax asset arising from trading losses carried forward of £10,508,932 (2020: £7,277,026) calculated at the substantively enacted Corporation tax rate at the balance sheet date of 25% (2019: 19%). These trading losses will reverse against future taxable trading profits and no asset has been recognised due to uncertainties over the timing and nature of such gains in accordance with IAS 12.

11. Earnings Per Share

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS 33 requires presentation of diluted EPS when a Company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. For a loss making Company with outstanding share options, net loss per share would be decreased by the exercise of options and therefore the effect of options has been disregarded in the calculation of diluted EPS.

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	£	**£**	**£**	**£**
Loss attributable to shareholders from continuing operations	(3,858,482)	(7,731,424)	(5,739,305)	(7,493,221)
	Number	**Number**	**Number**	**Number**
	000's	**000's**	**000's**	**000's**
Weighted average number of ordinary shares	809,795	518,172	809,795	518,172
Loss per ordinary share for continuing operations	(0.00)	(0.01)	(0.01)	(0.01)

12. Property Plant and Equipment

Group Property Plant and Equipment

	Office equipment	Computer & production equipment	Leasehold Improvement	Total
	£	£	£	£
Cost				
At 1 July 2019	62,292	902,216	621,862	1,586,370
Additions	849	87,362	12,701	100,912
Disposals	-	-	-	-
At 30 June 2020	63,141	989,578	634,563	1,687,282
Depreciation				
At 1 July 2019	15,066	740,843	347,350	1,103,259
Charge for the period	14,776	177,229	178,731	370,736
Disposals	-	-	-	-
At 30 June 2020	29,842	918,072	526,081	1,473,995
Net book value				
At 30 June 2020	33,301	71,505	108,482	213,288
At 30 June 2019	47,228	161,373	274,512	483,113

Group Property, Plant and Equipment (continued)

	Office equipment	Computer & production equipment	Leasehold Improvement	Total
	£	£	£	£
Cost				
At 1 July 2020	63,141	989,578	634,563	1,687,282
Additions	-	106,642	-	106,642
Disposals	-	(85)	-	(85)
At 30 June 2021	63,141	1,096,135	634,563	1,793,839
Depreciation				
At 1 July 2020	29,842	918,072	526,081	1,473,995
Charge for the period	32,504	88,729	11,244	132,478
Disposals	-	-	-	-
At 30 June 2021	62,346	1,006,801	537,325	1,606,473
Net book value At 30 June 2021	795	89,333	97,238	187,366
At 30 June 2020	33,301	71,505	108,482	213,288

Company Property, Plant and Equipment

	Office equipment	Computer & production equipment	Leasehold Improvement	Total
	£	£	£	£
Cost				
At 1 July 2019	50,894	878,100	621,861	1,550,855
Additions	849	84,894	12,701	98,444
Disposals	-	-	-	-
At 30 June 2020	51,743	962,994	634,562	1,649,299
Depreciation				
At 1 July 2019	12,504	731,898	347,350	1,091,752
Charge for the period	14,776	176,864	178,731	370,371
Disposals	-	-	-	-
At 30 June 2020	27,280	908,762	526,081	1,462,123
Net book value				
At 30 June 2020	24,463	54,232	108,481	187,176
At 30 June 2019	38,390	146,202	274,511	459,103

Company Property, Plant and Equipment (continued)

	Office equipment £	Computer & production equipment £	Leasehold Improvement £	Total £
Cost				
At 1 July 2020	51,743	962,994	634,562	1,649,299
Additions	-	105,327	-	105,327
Disposals	-	(85)	-	(85)
At 30 June 2021	51,743	1,068,236	634,562	1,754,541
Depreciation				
At 1 July 2020	27,280	908,762	1,097,155	1,462,123
Charge for the period	12,717	88,729	11,244	112,691
Disposals	-	-	-	-
At 30 June 2021	39,997	997,491	537,326	1,574,814
Net book value				
At 30 June 2021	11,746	70,745	97,237	179,727
At 30 June 2020	24,463	54,232	108,481	187,176

13. Right Of Use Assets

The carrying value of right-of-use assets by class is:

Group and company	Premises £
Cost	
At 30 June 2019	-
On adoption of IFRS 16	999,379
At 30 June 2020	999,379
Accumulated depreciation	
At 30 June 2019	-
Charge for the year	571,074
At 30 June 2020	571,074
Net carrying amount	
At 30 June 2019	428,305
At 30 June 2020	–

13. Right Of Use Assets (continued)

Group and company	Premises £
Cost	
At 30 June 2020	999,379
At 30 June 2021	-
Accumulated depreciation	
At 30 June 2020	571,074
Charge for the year	428,305
At 30 June 2021	999,379
Net carrying amount	
At 30 June 2021	-
At 30 June 2020	428,305

14. Goodwill

Group	£
Cost	
At 1 July 2020	2,544,526
Acquisition of business	260,783
At 30 June 2021	2,805,309
Impairment	
At 1 July 2020	0
Charge for the period	901,519
At 30 June 2021	901,519
Net book value	
At 30 June 2021	1,903,790
At 30 June 2020	2,544,526

14. Goodwill (continued)

Company	**£**
Cost	
At 1 July 2020	-
Acquisition of business	260,783
Recognised on hive-up of subsidiary trade and assets	2,307,634
At 30 June 2021	2,568,417
Impairment	
At 1 July 2020	-
Charge for the period	-
At 30 June 2021	-
Net book value	
At 30 June 2021	2,568,417
At 30 June 2020	-

Goodwill at 1 July 2020 recognised in the Group financial statements is in respect of the acquisitions of CEVO Inc. and RealSM Ltd that took place in the year ended 30 June 2018.

Goodwill of £260,783 has been recognised in the Group and the Company financial statements following the acquisition of trade and assets of EpicStream Inc, on 3 December 2020 (note 28).

Goodwill of £2,307,634 has been recognised in the Company financial statements following the hive-up of the trade and assets of RealSM Ltd that concluded during the year. This amount has been reclassified from investment in subsidiaries (note 16).

15. Intangible Fixed Assets

Group

	Customer Relationship	Real Sport Platform	Cevo Gaming Platform	Assets Under Construction	Total
	£	£	£	£	£
Cost					
At 1 July 2019	1,198,661	935,518	281,383	57,724	2,473,286
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 June 2020	1,198,661	935,518	281,383	57,724	2,473,286
Amortisation					
At 1 July 2019	867,197	405,220	109,152	-	1,530,319
Charge for the period	108,414	313,553	56,586	-	478,553
At 30 June 2020	975,611	718,773	165,738	-	1,860,122
Net book value					
At 30 June 2020	223,050	216,745	115,645	57,724	613,164
At 30 June 2019	331,464	530,298	172,231	-	1,033,993

	Customer Relationship	Real Sport Web Platform	CEVO Gaming Platform	Assets Under Construction	Web Platforms	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	1,198,661	935,518	281,383	57,724	-	2,473,286
Additions	-	-	-	-	7,195	7,195
Acquisitions through business combination	-	-	-	-	576,822	576,822
Disposals	-	-	-	-	-	-
At 30 June 2021	1,198,661	935,518	281,383	57,724	584,017	3,057,303
Amortisation						
At 1 July 2020	975,611	718,773	165,738	-	-	1,860,122
Charge for the period	108,118	216,745	56,431	-	111,406	492,700
At 30 June 2021	1,083,729	935,518	222,169	-	111,406	2,352,822
Net book value						
At 30 June 2021	114,932	-	59,214	57,724	472,612	704,481
At 30 June 2020	223,050	216,745	115,645	57,724	-	613,164

15. Intangible Fixed Assets (continued)

Company

	Assets Under Construction	Software Development	Web Platforms	Total
	£	£	£	£
Cost				
At 1 July 2019	-	148,750	-	148,750
Additions	57,724	-	-	57,724
Disposals	-	-	-	-
At 30 June 2020	57,724	148,750	-	206,474
Amortisation				
At 1 July 2019	-	148,750	-	148,750
Charge for the period	-	-	-	-
Disposals	-	-	-	-
At 30 June 2020	-	148,750	-	148,750
Net book value				
At 30 June 2020	57,724	-	-	57,724
At 30 June 2019	-	-	-	-
Cost				
At 1 July 2020	57,724	-	-	57,724
Additions	-	-	7,195	7,195
Acquisitions through business combination	-	-	576,822	576,822
Disposals	-	-	-	-
At 30 June 2021	57,724	-	584,017	641,741
Amortisation				
At 1 July 2019	-	-	-	-
Charge for the period	-	-	111,406	111,406
Disposals	-	-	-	-
At 30 June 2021	-	-	111,406	111,406
Net book value				
At 30 June 2020	57,724	-	472,612	530,336
At 30 June 2019	57,724	-	-	57,724

Assets under construction relate to costs incurred in the implementation of a new ERP system for the company. Implementation work in respect of this asset was paused in the year to focus resources on key growth activities, however, it remains the intention to complete and utilize the investment made to date in the future.

16. Investment in subsidiaries

	Company	
	30 June 2021	**30 June 2020**
	£	**£**
At 1 July	4,466,133	4,466,133
Reclassifying investment in subsidiary to goodwill	(2,307,634)	-
Impairment	(2,158,499)	-
At 30 June	-	**4,466,133**

The investments in subsidiaries represented the purchase of CEVO and Real Sport on 24 July 2017 and 13 March 2018 respectively. The fair value of consideration at acquisition for CEVO was £2,158,498 for 100% of the share capital and this has been fully impaired in year ended 30 June 2021 following an impairment review (note 3). The fair value at acquisition of RealSM Ltd was £2,307,634 for 100% of the share capital and this has been reclassified to Goodwill following the hive-up of the trade and assets of the subsidiary company (Note 16).

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights and capital held	Nature of business
CEVO Inc.	USA	Ordinary shares	100%	IT Development and Tournament and event operator
RealSM Ltd	England	Ordinary Shares	100%	Online media

RealSM Ltd registered offices are The Foundry, 77 Fulham Palace Road, London, United Kingdom, W6 8JB. CEVO's registered address is 128 Maringo Rd, Ephrata, WA 98823

RealSM is exempt from the requirements of the Act relating to the audit of individual accounts in accordance with 479A of the C.A. 2006.

17. Investment in associates

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	£	**£**	**£**	**£**
At 1 July	-	-	-	-
Investment	-	308,214	-	308,214
Share of Losses	-	(308,214)	-	(308,214)
Impairment	-	-	-	-
At 30 June	**-**	**-**	**-**	**-**

In the year ended 30 June 2020, the investment in associate relates to the acquisition of 33% of the Esports Awards Limited on its incorporation in February 2017 and 30% of Gfinity Esports Australia on its incorporation in August 2017. During the year end 30 June 2020, Gfinity Esports Australia ceased trading. As a result the carrying value of all investment into the entity has been written off in full. Both investments are held in Gfinity plc.

17. Investment in associates (continued)

Associate undertaking	Country of incorporation	Holding	Proportion of voting rights and capital held		Nature of business
			2021	2022	
Esports Industry Awards Ltd	England	Ordinary shares	33%	33%	Dormant
Gfinity Esports Australia PTY Limited	Australia	Ordinary Shares	0%	30%	Tournament and event operator

On 18 December 2020 Gfinity disposed of its 33% holding in Esports Awards Ltd, recognised under the equity method. The investment had a carrying value at the point of disposal of £nil. Net proceeds from the transaction were £459,706, resulting in a corresponding gain on disposal of £459,706.

Esports Awards LTD's registered offices are Belfry House, Champions Way, Hendon, London, England, NW4 1PX. The registered office of Gfinity Esports Australia is Suite 5, Level 1, 100 William Street, Sydney, NSW 2011.

18. Trade and Other Receivables

		Group		Company
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	£	**£**	**£**	**£**
Trade receivables	1,313,447	831,580	1,272,742	831,580
Provision for doubtful debts	(356,480)	(250,110)	(356,480)	(250,110)
	956,967	**581,470**	**916,262**	**581,470**
Other receivables	151,150	308,214	151,149	308,495
Amounts due from group undertakings	-	-	-	-
Amounts due from related undertakings	-	-	-	-
Prepayments and accrued income	479,398	501,367	450,704	448,095
Amounts due in less than one year	**1,586,850**	**1,391,051**	**1,518,116**	**1,338,060**
Amounts due from group undertakings	-	-	533,480	1,505,740
Prepayments and accrued income	-	-	-	-
Total	**1,586,850**	**1,391,051**	**2,051,596**	**2,843,800**

Amount due from group undertakings of £533,480 are considered to be due in more than one year (2020:£1,505,740) while prepayments include a rental deposit of £101,015 that was recovered in July 2021.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to the short-term nature of these financial assets.

19. Cash and Cash Equivalents

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	£	£	£	£
Cash at bank and in hand	1,375,873	1,600,597	1,329,815	1,531,360
Total	**1,375,873**	**1,600,597**	**1,329,815**	**1,531,360**

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents does not differ from the carrying value.

20. Deferred Tax Liabilities

	Group	
	30 June 2021	30 June 2020
	£	£
At 1 July	92,059	322,718
Arising on business combination	94,748	-
Credited to profit or loss	(58,972)	(230,659)
At 30 June	**127,835**	**92,059**
The provision for deferred taxation is made up as follows:		
Temporary timing differences on intangible assets	127,835	92,059

	Company	
	30 June 2021	30 June 2020
	£	£
At 1 July	-	-
Arising on business combination	115,543	-
Credited to profit or loss	(20,795)	-
At 30 June	**94,748**	**-**
Temporary timing differences on intangible assets	94,748	-

21. Issued Capital

The Company has a single class of ordinary share with nominal value of £0.001 each. Movements in the issued share capital of the Company can be summarised as follows:

Issued and fully paid	**Number**	**£**
As at 30 June 2019	362,897,087	362,897
Issued on 31 July 2019 at £0.045	116,666,666	116,667
Issued on 2 April 2020 at £0.01	56,839,167	56,839
Issued on 21 April 2020 at £0.01	168,160,833	168,161
Issued between 22 April and 30 June 2020 at £0.01	21,304,500	21,305
As at 30 June 2020	**725,868,253**	**725,868**
Issued between 6 July 2020 and 04 June 2021 at £0.01	204,644,995	204,645
As at 30 June 2021	**930,513,248**	**930,513**

22. Trades and other Payables

		Group		Company
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	£	**£**	**£**	**£**
Non-current liabilities				-
Other Payables (Deferred consideration)	254,986	-	254,986	
	254,986	**-**	**254,986**	**-**
Current liabilities				
Trade payables	680,419	450,264	634,299	416,865
Other taxation and social security	65,776	103,930	65,776	91,117
Accrued expenditure and deferred revenue	1,105,526	910,582	1,105,526	910,582
Lease Liabilities	-	428,305	-	428,305
	1,851,720	**1,893,081**	**1,805,601**	**1,846,869**
Total	**2,106,706**	**1,893,081**	**2,060,587**	**1,846,869**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value due to their short-term nature.

23. Notes To The Cash Flow Statement

	Group	
	30 June 2021	**30 June 2020**
	£	**£**
Cash flows from operating activities		
Loss for the financial year	(3,845,595)	(7,725,307)
Depreciation of property, plant and equipment	132,478	370,589
Depreciation on right of use assets	428,305	571,074
Amortisation of intangible fixed assets	492,700	478,553
Goodwill impairment	901,519	-
Interest Received	(4)	(2,622)
Interest Payable	10,236	39,768
Share based payments	265,583	1,500,573
(Increase) / decrease in trade and other receivables	(280,359)	931,047
Increase in trade and other payables	300,020	(1,531,582)
Share of Associate Losses	-	308,214
Disposal of fixed assets	85	-
Gain on disposal of Associate	(459,706)	-
Corporation tax charge	227,004	(457,663)
Corporation tax (paid) / R&D credits received	(221,929)	227,004
Cash used by operating activities	(2,049,663)	(5,290,351)
Net cash used by operating activities	**(2,049,663)**	**(5,290,351)**

	Company	
Cash flows from operating activities		
Loss for the financial year	(5,739,305)	(7,720,225)
Depreciation of property, plant and equipment	112,691	370,371
Depreciation on Right of Use assets	428,305	571,074
Amortisation of intangible fixed assets	111,406	-
Investment impairment	2,158,499	-
Interest Received	(4)	(2,622)
Interest Payable	10,236	39,768
Share of Associate Losses	-	308,214
Gain on disposal of Associate	(459,706)	-
Share based payments	265,583	1,500,573
(Increase) / decrease in trade and other receivables	707,362	916,564
Increase / (decrease) in trade and other payables	300,112	(1,533,368)
Loss on disposal of fixed assets	85	-
Taxation charge	(162,957)	-
Corporation tax (paid) / R&D credits received	227,004	227,004
Net Operating Cashflow	(2,040,690)	(5,322,647)
Net cash used by operating activities	**(2,040,690)**	**(5,322,647)**

24. Financial Instruments And Risk Management

The Company uses a limited number of financial instruments, comprising cash, short-term deposits, and various items such as trade receivables and payables, which arise directly from operations. The Company does not trade in financial instruments. All of the Company's financial instruments are measured at amortised cost.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

Bank balances and cash are held by banks with high credit ratings assigned by independent credit rating agencies. Management is of the opinion that cash balances do not represent a significant credit risk.

As the Group does not hold security against trade and other receivables, its credit risk exposure is as follows:

Group		Company	
30 June 2021	30 June 2020	30 June 2021	30 June 2020
£	£	£	£
1,586,850	1,146,912	2,051,596	2,599,380

The trade receivables balance represents amounts due from third parties. At the balance sheet date, the Group's trade receivables totaled £1,313,447 less a provision of £356,480 (2020: £831,580 less a provision of £250,110). The Company's receivables include £533,480 of inter-company funding (2020: £1,505,740). The Company's trade receivables totaled £1,272,742 less a provision for doubtful debt of £356,480 (2020: £831,580 less a provision for doubtful debt of £250,110).

There are no significant overdue but not impaired trade receivables at the balance sheet date. The Company balance sheet includes inter-company receivables which are not considered to be at risk as the Company retains control over the debtor however it is not anticipated that the Group companies will repay these amounts in the next 12 months.

At the balance sheet date an amount of £316,699 was due from one customer representing a concentration of credit risk. This amount has not been recovered in full since the balance sheet date, however is fully provided against in the year-end balance sheet.

Liquidity risk

All trade and other payables are due for settlement within one year of the balance sheet date. The use of instant access deposits ensures sufficient working capital is available at all times.

Foreign exchange risk

The Company operates in overseas markets by selling directly from the UK, owns an overseas subsidiary and reports in GBP. It is therefore subject to currency exposures on transactions while the Group is subject to currency exposures on consolidation of the overseas subsidiary.

Financial instruments held by the Company and their carrying values were as follows:

				Group
	30 June 2021		30 June 2020	
	USD ($)	GBP (£)	USD ($)	GBP (£)
Trade and other receivables	57,048	1,524,796	-	990,979
Accrued income	39,284	216,805	65,890	102,661
Cash	56,248	1,335,540	92,689	1,525,657
Trade and other payables	58,997	2,350,781	(39,588)	(1,861,075)
Derivative Financial Instruments	-	-	-	-
Net Current Assets / Liabilities	**211,577**	**5,427,923**	**118,991**	**758,222**

				Company
	30 June 2021		30 June 2020	
	USD ($)	GBP (£)	USD ($)	GBP (£)
Trade and other receivables	460,599	943,989	-	990,979
Amounts due from Group Undertakings	747,680	952,675	-	1,505,740
Accrued income	-	216,805	-	102,661
Cash	122,703	1,242,264	31,645	1,505,775
Trade and other payables	-	2,346,757	-	(1,846,869)
Derivative Financial Instruments	-	-	-	-
Net Current Assets / Liabilities	**1,330,982**	**5,702,490**	**31,645**	**2,258,286**

Financial liabilities included in the balance sheet relate to the IAS 39 category of other financial liabilities held at amortised cost.

Assets relate to loans and receivables with the exception of other receivables and prepayments which are classified as non-financial assets.

Fair value estimation

The aggregate fair values of all financial assets and liabilities are consistent with their carrying values due to the relatively short-term maturity of these financial instruments.

As cash is held at floating interest rates, its carrying value approximates to fair value.

Capital management

The Company is funded entirely through shareholders' funds.

If financing is required, the Board will consider whether debt or equity financing is more appropriate and proceed accordingly. The Company is not subject to any externally imposed capital requirements.

25. Share Based Payments

Equity-settled share option plans

Options

The Company has a share option scheme for employees of the Group.

The tables below summarises the exercise terms of the various options over Ordinary shares of £0.001 each which had been granted, and were still outstanding, as at 30 June 2021.

	Number	**Weighted average exercise price**
		£
LTIP options		
Shares Options as at 30 June 2019	46,859,795	0.1382
Shares Options Granted	47,075,621	0.0125
Share Options Replaced	(28,344,836)	(0.1267)
Share Options Forfeited	(3,879,553)	(0.1323)
LTIP Share Options as at 30 June 2020	**61,693,027**	**0.0486**

	Number	**Weighted average exercise price**
		£
LTIP options		
Shares Options as at 30 June 2020	61,693,027	0.0486
Shares Options Granted	49,400,000	0.0409
Share Options Forfeited	(4,050,001)	0.0100
Share Options Exercised	(10,866,663)	0.0110
LTIP share options as at 30 June 2021	**96,176,363**	**0.0556**

Options for non-employee services

Non-market condition shares	Number	Weighted average exercise price
		£
Shares Options as at 30 June 2019	7,500,000	0.20
Shares Options Granted	-	-
Share Options Lapsed	-	-
Share Options as at 30 June 2020	**7,500,000**	**0.20**

Non-market condition shares	Number	Weighted average exercise price
		£
Shares Options as at 30 June 2020	7,500,000	0.20
Shares Options Granted	-	-
Share Options Lapsed	(3,500,000)	0.20
Share Options as at 30 June 2021	**4,000,000**	**0.20**

Options vest over periods defined in the respective option agreements and at the discretion of the board of directors. 37,750,016 options vested during the year (2020: 28,837,544).

Of the options outstanding 38,000,000 (2020: 20,000,000) are held by directors. Full details of all options held by directors are contained within the Directors' Remuneration Report.

The principal assumptions input into the Black Scholes model to calculate the value of LTIP share options issued for compliance with IFRS 2 "Share Based Payments" are included below, where applicable.

	30 June 2021	30 June 2020
Weighted average exercise price	£0.0556	£0. 0125
Average expected life	1.0 years	1.0 years
Expected volatility	86.62%	81.01%
Risk free rate	0%	0%
Expected dividend yield	0%	0%

All options were granted at an exercise price equivalent to the market price at the date of grant. The weighted average exercise price of LTIP options outstanding at 30 June 2021 was £0.0496 (2020: £0.0486). The weighted average fair value of options issued during the period was £0.0404 (2020: £0.0125).

The average expected life is based on directors' best estimate taking into account the vesting conditions of the options.

Expected volatility has been calculated with reference to the actual volatility of the share price since over the year prior to the date of grant.

The fair value of the non-employee services options has been based on the fair value of the services provided at the date the services were provided. This equates to a fair value of options issued in the year £nil (2020:£nil).

All options are held in Gfinity plc with no options held over any of the subsidiaries.

26. Warrants

The Company has granted warrants over Ordinary Shares as outlined in the table below.

	Number	Weighted average exercise price £
Warrants		
Warrants as at 30 June 2019	-	0.000
Warrants granted	225,000,000	0.010
Warrants exercised	(21,304,500)	0.010
Warrants lapsed/forfeited	-	0.000
Warrants as at 30 June 2020	**203,695,500**	**0.0100**
Warrants as at 30 June 2020	203,695,500	0.010
Warrants granted	-	0.000
Warrants exercised	(183,645,000)	0.010
Warrants lapsed/forfeited	-	0.000
Warrants as at 30 June 2021	**20,050,500**	**0.0100**

No warrants were granted in the period. The warrants exercised were granted in year ended June 2020 and this figure represented one warrant per ordinary share acquired as part of the fundraise at an exercise price equal to that at which shares were acquired in the fundraise. All warrants are non-transferrable and have an exercise period of 18 months from the date of issue.

The fair value of warrants was calculated according to the Black Scholes model, however, no adjustment has been recognised in respect of the warrants, as directors consider this amount to be immaterial.

27. Related Party Transactions

The Directors Remuneration Report provides details of share options issued to certain directors in the period. Further information on share options are provided in Note 24. In addition to the share options granted in the year, the directors also participated in share placings as outlined in the table below. All shares subscribed for by directors were at the same price and under the same conditions as all other participants in the placings:

	June 2021, exercise of warrants at 1p per share
John Clarke	500,000
Jonathan Hall	500,000

Transactions with Group subsidiaries in the year:

CEVO: There was a management recharge from Gfinity to CEVO of £13,409 (2020: £95,767) and a recharge from CEVO to Gfinity for technology services of £215,274 (2020: £719,953). There were no cash advances to and expenses paid on behalf of CEVO by Gfinity (2020: £440,200). At the balance sheet date the intercompany loan due to Gfinity from CEVO was £533,480 (2020: £528,481).

Real Sport: There were cash advances to and expenses paid on behalf of Real Sport by Gfinity of £5,734 (2020: £157,677). At the balance sheet date the intercompany loan due to Gfinity from Real Sport was £952,675 (2020: £977,260).

There was no revenue from transactions with associates in the year (2020: £0 from the Esports Awards Ltd and £0 with Gfinity Australia). During the period there was a gain of £459,706 from disposal of Esports Awards Ltd as mentioned in Note 17.

28. Business Combinations

Acquisition of EpicStream

On 3 December 2020 Gfinity PLC acquired the trade and assets of EpicStream Inc, an online news community for fantasy and sci-fi movies, television, video games, collectible cards and comic books. EpicStream generates revenue through programmatic ads, sponsored content, ecommerce and content creation. Gfinity will also monetise all EpicStream's social channels. The acquisition means that Gfinity will assume ownership of the EpicStream.com website, its extensive social media network and their respective historic content. The continued growth of the platform will be supported by its founders joining the Gfinity team.

Purchase consideration

	£
Initial consideration	
Shares (10,000,000 Ordinary shares at £0.36)	360,000
Total initial consideration	**360,000**
Deferred consideration	
Contingent consideration at fair value	353,227
Total deferred consideration	**353,227**
Total consideration payable	**713,227**

Contingent consideration

Contingent consideration is payable based on revenue generated from the acquired assets. The amount payable is calculated at 30% of relevant revenues received in the first and second 12 month periods after the acquisition date, up to a maximum of £900,000 in each 12 month period. The fair value of the contingent consideration is currently estimated to be £353,227 based on forecast revenues at the date of the acquisition. The maximum contingent consideration payable is £1,800,000.

Net assets acquired

The fair values of the assets and liabilities of the acquired assets of EpicStream as at the date of acquisition are as follows:

	£
Intangible assets: web traffic	567,987
Deferred tax liability	(115,543)
Net identifiable assets acquired	**452,445**
Add: Goodwill	260,783
Net assets acquired	**713,227**

28. Business Combinations (continued)

The goodwill that arises from the business combination reflects the profitability of the acquired trade and assets and the enhanced growth prospects for the combined business. None of the goodwill is expected to be deductible for tax purposes.

EpicStream's post acquisition revenue was £57,800 with a gross profit of £23,005. If the business had been controlled for the full year, the revenue and gross profit would have been as below:

	£
Revenue	99,086
Cost of sales	59,649
Gross profit	**39,437**

29. Events Occuring After The Reporting Period

Acquisition of Megit Limited and Placing

On 23 August 2021, Gfinity announced its intention and agreement, subject to completion of a successful placing and settlement of the initial consideration, to acquire Megit Limited. Megit Limited, was the private company which owns and operates the website Stock Informer, in both the UK and US. The Stock Informer brand has become an established authority on the availability of hard to find items of stock, with a particular emphasis on products of relevance to gamers, enabling it to drive profitable revenue through affiliate commissions.

On 24 August it was announced that an oversubscribed placing had been successfully completed, subject to shareholder approval, raising £3.3m prior to expenses at the prevailing market price of 4p per ordinary share. This transaction was approved by shareholders at an Extraordinary General Meeting of the company on 10 September. The transaction formally completed on 14 September 2021.

Consideration for the transaction was as outlined below:

Purchase consideration

Purchase consideration	£
Initial Consideration:	
Initial Cash Consideration	2,500,000
Shares (62,500,000 shares at £0.04)	2,500,000
Total Initial Consideration	**5,000,000**
Contingent Consideration	
30% revenue earn out on revenue earned by Stock Informer brand in the 3 years post acquisition, capped at £1,800,000:	1,260,000
Contingent Consideration	**1,260,000**
Estimated Total Consideration	**6,260,000**

The provisionally determined fair value of assets and liabilities of Megit Limited as at the date of acquisition are as follows:

	£
Cash and cash equivalents	50,000
Receivables	347,196
Payables (incl Corporation tax)	(397,196)
Add: goodwill and intangibles	6,260,000
Net Assets Acquired	**6,260,000**

Contingent Consideration:

Contingent consideration is due amounting to 30% of revenue, net of sales taxes, earned in the 3 calendar years following acquisition. This consideration is capped at £1,800,000, being 30% of £6,000,000. The fair value of this consideration has been assessed at £1,260,000, being 30% of £4,200,000.

Information not disclosed as not yet available:

At the time the financial statements were authorized for issue, the group had not yet fully completed the accounting for the acquisition of Megit Limited. In particular the fair value of assets and liabilities disclosed above have only been determined provisionally. Full analysis of the categorization between goodwill and other separately identifiable assets is also still to be calculated and as a result, any deferred tax on such assets is yet to be calculated.

Acquisition of trade and assets of Siege GG

On 8 September 2021 Gfinity announced the acquisition of the trade and assets of SiegeGG. This included the website, related social platforms, statistical database and supporting technology and methodology that has helped SiegeGG become the authority on the competitive scene around the Rainbow Six Siege game.

Consideration in respect of this transaction was as follows:

	£
Initial Consideration:	
Shares (9,000,000 shares at £0.044)	396,000
Total Initial Consideration	**396,000**
Contingent Consideration:	
30% revenue earn out on revenue earned by Stock Informer brand in the 2 years post acquisition, capped at £1,500,000	180,000
Contingent Consideration	**180,000**
Estimated Total Consideration	**576,000**

Contingent Consideration:

Contingent consideration is due amounting to 30% of revenue, net of sales taxes, earned in the 2 calendar years following acquisition. This consideration is capped at £1,500,000. The fair value of this consideration has been assessed at £180,000, being 30% of £600,000.

No value has been ascribed to tangible fixed assets acquired under this transaction, hence the full value of the opening balance sheet will represent goodwill and intangibles. Full analysis of the categorization between goodwill and other separately identifiable assets is also still to be calculated and as a result, any deferred tax on such assets is yet to be calculated.

APPENDIX

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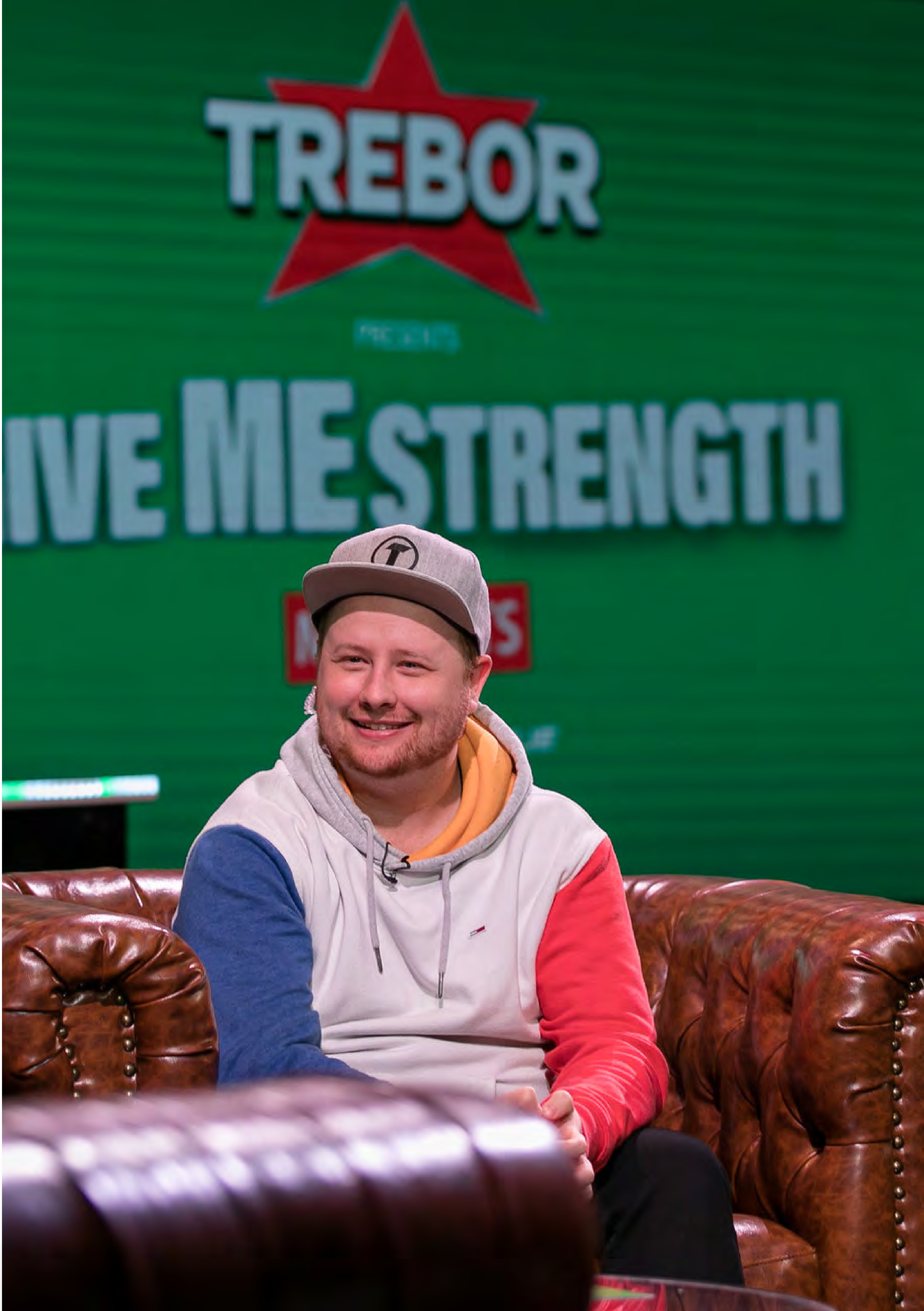
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