Interim Report Jan-June 2019 | Q2

APR-JUNE 2019 (COMPARED WITH APR-JUNE 2018)

- Revenues totalled EUR 4.42 (3.77) million, an increase of 17% all of which was organic.
- Adjusted EBITDA excluding non-recurring costs totalled EUR 0.99 (1.39) million, corresponding to an adjusted EBITDA margin of 23 (37)%
- EBITDA totalled EUR 0.94 (1.14) million, corresponding to an EBITDA margin of 21 (30)%
- Net cash generated from operating activities was EUR 1.62 (0.87) million
- New Depositing Customers (NDCs) totalled 19,487 (16,020), an increase of 22%

JAN-JUNE 2019 (COMPARED WITH JAN-JUNE 2018)

- Revenues totalled EUR 9.67 (7.22) million, an increase of 34%. The organic growth rate was 33%.
- Adjusted EBITDA excluding non-recurring costs totalled EUR 2.75 (2.70) million, corresponding to an adjusted EBITDA margin of 28 (37)%
- EBITDA totalled EUR 2.70 (2.14) million, corresponding to an EBITDA margin of 28 (30)%
- Net cash generated from operating activities was EUR 2.67 (2.39) million
- New Depositing Customers (NDCs) totalled 46,752 (32,004), an increase of 46%

SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2019

- **New US States Legislation** | Indiana, Iowa, Illinois, Colorado (subject to referendum), Montana, New Hampshire, and Tennessee took measures to authorize sports betting.
- **Gambling.com hosted the Inaugural American Gambling Awards** | The 14 winners were recognized for their leadership in the regulated, online U.S. gambling industry on June 18, 2019.
- **Directorship of The Fantasy Sports & Gaming Association ("FSGA")** | In April 2019 the Group representative Gavin Walters was appointed to the FSGA Board of Directors.
- **Membership of The Associated Press Sports Editors ("APSE")** | Gambling.com Group Plc was granted a membership as the first member dedicated to covering the emerging sports betting market in the United States.
- **Publication of 2018 Annual Report** | The 2018 Annual Report and consolidated Financial Statements was published on April 25 and is available on the official website of the Group (www. gambling.com/corporate).
- **Increase in United Kingdom Remote Gaming Duty** | The increase in Remote Gaming Duty on operators from 15% to 21% became effective from April 1st, 2019. The UK Gambling commission also introduced new more rigid KYC requirements for operators.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- **Go-ahead for business in Pennsylvania and West Virginia** | The Group has received approval from both the Pennsylvania Gaming Control Board and the West Virginia Lottery to provide services to licensed gaming operators in the respective states.
- **Charlotte office opening** | The Group has opened a second American office in Charlotte, North Carolina.

CEO COMMENTS

The Group continued on its growth trajectory by delivering revenue of EUR 4.42 million, representing growth of 17% compared to Q2 2018, despite regulatory headwinds and no major sporting events occurring during the quarter.

Organisational developments
The Group continues to invest in US product and marketing capabilities laying the foundation for the very significant US growth opportunities in the coming years. The Group has opened a new US office in Charlotte, North Carolina which will be the main base of business operations as the US team scales. We will continue to support and maintain our newsroom in Tampa, Florida.

The Group also continues to invest in market expansion outside of the UK and US markets and has seen strong growth in other English-speaking markets as well as several European markets.

Having rapidly scaled headcount during Q1 the operational focus in Q2 turned to process optimisation and development. During Q3 and Q4 we expect to deliver several internal technology projects that will have a material effect on the Group's ability to continue growing organically.

Regulated US sports betting developments
In addition to New Jersey, the Group has secured approval in Pennsylvania and West Virginia to conduct business with the regulated online gambling operators in the two states. The approvals authorise the Group to structure commercial deals with our clients that include revenue share components.

Year to date 42 states have taken steps to authorise sports betting. 19 states have authorized sports betting in addition to Washington, D.C. and Puerto Rico. The states with viable online gambling markets are fewer in number but still significant. The Group is currently pursuing licensure in Illinois, Indiana, Tennessee and Iowa. These states in addition to the states where the Group is already licensed represent about 16% of American GDP.

In my Q2 report from a year ago, and the first since the Supreme Court's famous ruling, I stated that the feeling on the ground in the US about the potential for regulation in online gambling was, "this time is different". A year later we can confirm that this time is indeed *very* different and the regulatory activity to date has surpassed our expectations.

UK headwinds having an effect
As anticipated, the increase in Remote Gaming Duty (RGD) which was implemented on April 1st, 2019, the first day of the quarter, had a chilling effect on expected UK player values. The UK Gambling Commission's also introduced more stringent Know Your Customer (KYC) regulations which negatively affected NDC conversion in the second quarter. The effect of the KYC regulations is expected to diminish over time as a result of operator software improvements and player acclimatisation.

The Group's UK sports betting business performed very strongly in Q1. As a result, we entered Q2 with a higher proportion of sports betting revenue subjected to a higher degree of seasonality during the summer months. Summer 2019 has neither a European Championship nor a World Cup to keep the bookmakers busy.

The Group expects the UK market to remain the most important regulated online gambling market in the world until eventually being overtaken by the US market.

Operational results
Operationally we saw continued growth in the second quarter with NDCs totalling 19,487, an increase of 22% compared to the same quarter last year. As an increasing proportion of commercial agreements involve at least some component of revenue share, revenue growth trailed NDC growth at 17% reaching EUR 4.42 million. Q2 Adjusted EBITDA was EUR 0.99 million. All of the revenue growth was organic and was driven by *earned* revenue having significantly scaled back lower margin *paid* traffic (PPC) in the quarter.

We remain excited about the future and are convinced that our investment in product, technology, and people will allow the Group to continue to deliver market-leading organic growth in the coming years.

Charles Gillespie
Chief Executive Officer

CONSOLIDATED KEY RATIOS

	Apr - June 2019	Apr -June 2018	Jan – June 2019	Jan– June 2018	Jan – Dec 2018
Financial measures defined by IFRS					
Operating Revenue (EUR'000)	**4,420**	3,765	**9,665**	7,224	16,233
Operating Profit (EUR'000)	**856**	958	**2,364**	1,797	4,348
Operating Profit margin (%)	**19%**	25%	**24%**	25%	27%
Adjusted Operating Profit (EUR'000)	**914**	1,201	**2,423**	2,359	5,197
Adjusted Operating Profit margin (%)	**21%**	32%	**25%**	33%	32%
Alternative performance measures					
Adjusted EBITDA (EUR'000)	**999**	1,386	**2,754**	2,702	5,824
Adjusted EBITDA margin (%)	**23%**	37%	**28%**	37%	36%
EBITDA (EUR'000)	**941**	1,143	**2,695**	2,140	4,975
EBITDA margin (%)	**21%**	30%	**28%**	30%	31%
NDCs	**19,487**	16,020	**46,752**	32,004	74,838
Total assets (EUR '000)	**34,378**	32,766	**34,378**	32,766	34,510
NIBD / TTM Adjusted EBITDA	**2.3**	2.9	**2.3**	2.9	2.4
Average number of employees	**116**	46	**109**	40	50

Some financial measures presented in this interim report are not defined by IFRS. Such measures may provide valuable additional information to investors and management for evaluating the performance and position of the Group. These measures are defined on the last page of this report and may not necessarily be comparable to similarly titled measures of other companies and should not be considered substitutes to financial reporting measures prepared in accordance with IFRS.

FINANCIAL REVIEW

Revenues | Revenue in the second quarter totalled EUR 4.42 (3.77) million an increase of 17%, all of which was organic, compared to the corresponding period in the previous year.

Cumulative revenues for the first six months totalled EUR 9.67 (7.22) million an increase of 34%. The organic growth rate was 33%.

The growth was driven by the increase in earned revenues which amounted to 35% in the second quarter and 50% for the first six months. Paid revenues, on the other hand, decreased by 58% in the second quarter and 33% for the first six months.

Of the second quarter revenue EUR 4.11 (3.04) million was earned revenue and EUR 0.31 (0.73) million was paid revenue. For the first six months EUR 8.70 (5.79) million was earned revenue and EUR 0.96 (1.43) million was paid revenue.

Revenues derived from locally regulated markets amounted to 81% in the second quarter and 82% in the first six months.

Expenses | Total operating expenses for the second quarter amounted to EUR 3.57 (2.81) million and EUR 7.30 (5.43) million for the first six months.

Direct costs related to paid revenue amounted to EUR 0.31 (0.69) million in the second quarter and EUR 0.88 (1.34) million for the first six months. Gross margins were 93 (82)% for the second quarter and 91 (81)% for the first six months.

The Group significantly scaled its operational resources in the first quarter which has put downward pressure on Adjusted EBITDA margins in the short term. The second quarter has seen a slow-down in hiring as more of the internal focus has shifted to optimising management processes and work flows, and the completion of some major technology projects. The Group continues to invest for the future in product and software development and content creation with a heavy focus on products for the regulated US markets, but also further market expansion outside the UK and US markets, and particularly within the sports vertical.

Financial items for the first six months consisted primarily of interest expenses deriving from the 2019 Notes and the 2021 Bond, and deemed interest derived from long-term lease liabilities (being a result of IFRS 16 application).

Financial items also include movement in fair value of Bonds and Notes of neg. EUR 0.02 (gain 4.77) million for the second quarter and neg. EUR 0.05 (gain 4.77) million for the first six months. Fair values are based on the directors' assessment of the probability of conversion, maturity and early redemption of the financial instruments.

Tax charges amounted to EUR 0.03 (0.06) million in the second quarter and EUR 0.09 (0.10) million for the first six months. Tax charges primarily relates to movements in deferred tax and theoretical tax charge due by the subsidiaries of the Group.

Earnings | Adjusted EBITDA (excluding non-recurring costs) for the second quarter totalled EUR 0.99 (1.39) million, a decrease of 28% compared to the corresponding period in the previous year resulting in an adjusted EBITDA margin of 23 (37)%.

EBITDA (including non-recurring costs) for the second quarter totalled EUR 0.94 (1.14) million a decrease of 18% compared to the corresponding period in the previous year resulting in an EBITDA margin of 21 (30)%.

Adjusted EBITDA (excluding non-recurring costs) for the first six months totalled EUR 2.75 (2.70) million, an increase of 2% compared to the corresponding period in the previous year resulting in an adjusted EBITDA margin of 28 (37)%.

EBITDA (including non-recurring costs) for the first six months totalled EUR 2.70 (2.14) million, an increase of 26% compared to the corresponding period in the previous year resulting in an EBITDA margin of 28 (30)%.

Investments | Net investments in intangible assets amounted to EUR nil (0.18) million in the second quarter and EUR nil (7.05) million in the first six months. The additions made in the first half 2018 comprised of a major mobile application performance marketing network and bookies.com and related assets completed in January and February, respectively.

The Group invested in fixed property of EUR 0.05 (0.08) million in the second quarter and EUR 0.10 (0.29) million in the first six months, mostly related to office equipment.

Funding | As at quarter end the Group was funded through equity and the 2021 Bond with a nominal value of EUR 16 million, carrying interest at 10.5% p.a. and maturing in October 2021. The Bond has early redemption rights embedded from April 2020 until maturity in October 2021 (full terms set out in the 2021 Bond prospectus). The Group sold EUR 0.4 million of Bonds held in treasury in the second quarter and EUR 0.5 million during the first six months.

As at quarter end the Bond balance exceeded the nominal value and accrued interest by EUR 0.95 million included within Borrowings; this represents the fair value as of the period end of the embedded option of early redemption of the Bond.

The Group redeemed the remaining EUR 2.53 million of 2019 Notes upon maturity during the second quarter.

Liquidity and Cashflow | Cash and cash equivalents amounted to EUR 2.15 (3.02) million at the end of the reporting period. Liquidity is primarily deposited in accounts with European banks. The Group had positive cashflow and strong cash conversion from operating activities. Cashflow from operating activities before changes in working capital amounted to EUR 0.88 (1.14) million in the second quarter and EUR 2.73 (2.11) million for the first six months.

Cashflow used in investing activities for the current period related to office equipment purchases. Cash outflow for the comparative period comprised primarily of cash payments for the acquisitions of a mobile application performance marketing network, bookies.com and related assets, and contingent earn-out payments for previous acquisitions.

Cashflow used in financing activities in the first six months related to settlements made on behalf of 2019 Note holders being outstanding from a redemption agreed in October 2018, maturity redemption of outstanding 2019 Notes, scheduled interest payments, and proceeds received from sale of treasury bonds. Rent payments for long term leases are presented as part of financing cashflows as a result of changes in IFRS requirements. Cashflow from financing activities for the comparative period related to the transfer of proceeds from convertible debentures raised in 2017 from an investment bank to the Group, transaction costs incurred upon issuance of 2020 Notes and scheduled interest payments made.

OTHER

Employees | The average number of employees in the Group amounted to 116 (46) in the second quarter and 109 (40) in the first six months 2019. The number of employees at the end of the second quarter amounted to 111 (49) and the total full-time workforce (including consultants) was 117 (53).

Parent company | The ultimate parent company is Gambling.com Group Plc (the "Company") incorporated in Malta for the purpose of managing investments in subsidiaries, obtaining financing from third parties on behalf of the Group and coordinating financing amongst its subsidiaries. During the first six months no dividends were received from subsidiaries.

Share capital | As of June 30th, 2019, the share capital of the Company amounted to EUR 50,000 divided into 25,000,000 ordinary shares. The shares are not publicly traded.

Share options | During the first six months the Company issued 0.10 (1.75) million share options to management and directors of the Group paid for at fair market value. In addition the rights to, and time of, exercise was amended in relation to 0.50 million share options. Maximum dilution from total issued share options is approximately 9% of share capital.

Essential risks and uncertainty factors | The Group's primary operational risks are its reliance on search engine rankings and pay per click advertising capabilities to maintain and improve its traffic acquisition abilities. It is possible that search engines including Google, Yahoo, and Bing could adopt strategies that could negatively impact the Group's traffic acquisition. The Group has adopted a conservative and long-term approach to search engine optimisation based on best practice.

The Group is also a subject to compliance risks in the form of changes to, or introduction of, new or updated regulatory frameworks for its clients (operators). Regulation of a market could present both risks and opportunities and the Group has a positive general view on regulation. The vast majority of the Group's revenue is derived from locally regulated markets.

Other essential business risks consist of the ability to retain customers and employees, the general macro environment, strategic, operational and financial risks. For more detailed information about essential risks and risk management, please refer to the annual report for 2018 and the 2021 Bond prospectus.

Changes in Legislation | The introduction of locally regulated online gambling in Sweden gives long term legal certainty for the Swedish market which remains a top five revenue source for the Group. The introduction of a consumption tax on operators as from 1st January 2019 impacted negatively average player values for the first six months 2019 but the Group looks favourably upon the potential for increased market growth from current levels in the mid-term.

In January 2019, the US Department of Justice (DOJ) released an opinion which re-interpreted the Department's own 2011 opinion on what the 1961 Wire Act covers. The Group's assessment is that the re-interpretation, if rigidly enforced, could complicate payment solutions for the US gaming industry and have a chilling effect on the approval and roll-out of new state regulation. The re-interpretation has been widely challenged, the DOJ has not enforced its opinion, and state legislative activity for US sports betting regulation does not seem to have slowed thus far. The Group retains a positive outlook on continuous state regulation of US sports betting in the mid-term.

An increase in Remote Gaming Duty on operators from 15% to 21% in the UK market, the Group's largest revenue source, became effective from 1 April 2019. The UK Gambling Commission also implemented more rigid Operator KYC checks upon the registration of players. Analysis of second quarter data showed that the increased taxes resulted in a decrease in expected player values and new KYC requirements resulted in lower NDC conversion from the UK market. The Group expects lower UK player values to persist but NDC conversion to improve over time as a result of operator software improvements and player acclimatisation. The Group expects the UK market to remain the most important regulated online gambling market in the world until eventually being overtaken by the US market.

Both the UK and the Swedish Gambling Regulators have been very active in enforcing marketing regulations with hefty penalties having been levied on operators for non-compliance. The Group looks favourably on the increased compliance focus, has not been involved in such non-compliance activities and retains strong long-term relationships with the major UK and Swedish operators. Performance marketing remains within bounds even in markets which has taken the most restrictive view on online gambling marketing such as Italy.

Auditors review | This interim report has not been reviewed by the Group's auditors.

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position, and performance of the Group and the Company, and describes the significant risks and uncertainties faced by the companies in the Group.

August 21st, 2019

Charles Gillespie
On behalf of the board of directors

ABOUT GAMBLING.COM GROUP PLC

Gambling.com Group Plc is a multi-award-winning provider of digital marketing services for the global iGaming industry. Founded in 2006, the Group has a workforce of over 110 and operates from offices in Malta, Dublin, Tampa and Charlotte. The Group publishes websites that offer comparisons and reviews of online gambling websites in 15 national markets in 9 languages. Players use these resources to select which online gambling operators they should trust to offer a safe and honest online gambling experience. The Group's publishing assets include the leading iGaming industry portal, Gambling.com® as well as Bookies.com and the CasinoSource℠ series of portals, among many others.

STATEMENT OF COMPREHENSIVE INCOME – GROUP

	Apr-June 2019	Apr–June 2018	**Jan-June 2019**	Jan-June 2018	Jan-Dec 2018
Revenues	**4,420**	3,765	**9,665**	7,224	16,233
Total revenue	**4,420**	3,765	**9,665**	7,224	16,233
Direct costs related to paid revenue	**(312)**	(689)	**(883)**	(1,344)	(2,584)
Personnel expenses	**(1,828)**	(842)	**(3,440)**	(1,510)	(3,851)
Depreciation and amortization	**(85)**	(185)	**(331)**	(343)	(627)
Non-recurring costs related to financing and investing	**(58)**	(243)	**(59)**	(562)	(849)
Other operating expenses	**(1,281)**	(848)	**(2,588)**	(1,668)	(3,974)
Operating profit, EBIT	**856**	958	**2,364**	1,797	4,348
Interest payable on borrowings	**(472)**	(399)	**(940)**	(794)	(1,655)
Other (losses)/gains on financial liability at fair value through profit and loss	**(24)**	4,774	**(50)**	4,774	3,743
Finance income	**25**	98	**47**	98	166
Finance costs	**(113)**	(154)	**(169)**	(294)	(1,057)
Profit before tax, EBT	**272**	5,277	**1,252**	5,581	5,545
Tax expenses	**(28)**	(55)	**(91)**	(112)	(115)
Total comprehensive profit for the period	**244**	5,222	**1,161**	5,469	5,430

All amounts are presented in EUR '000 unless stated otherwise

STATEMENT OF FINANCIAL POSITION – GROUP

	June 30 2019	March 31 2019	Dec 31 2018
ASSETS			
Non-current assets			
Intangible assets	**27,136**	27,143	27,314
Property and equipment	**472**	447	414
Right-to-use asset	**1,861**	1,915	—
Deferred tax	**126**	129	130
Total non-current assets	**29,595**	29,634	27,858
Current assets			
Trade and other receivables	**2,635**	3,250	2,771
Cash and cash equivalents	**2,148**	3,746	3,881
Total current assets	**4,783**	6,996	6,652
TOTAL ASSETS	**34,378**	36,630	34,510
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**50**	50	50
Capital reserve	**8,574**	8,574	8,574
Share option reserve	**129**	112	112
Retained earnings	**3,352**	3,108	2,191
Total equity attributable to the equity holders of the parent	**12,105**	11,844	10,927
Non-current liabilities			
Borrowings	**16,950**	16,526	16,399
Lease liability	**1,580**	1,618	—
Total non-current liabilities	**18,530**	18,144	16,399
Current liabilities			
Trade and other payables	**1,276**	1,124	1,330
Borrowings and accrued interest	**277**	3,293	3,191
Amounts committed on acquisition	**1,299**	1.359	1,283
Lease liability	**316**	316	—
Current tax liability	**75**	50	—
Other liabilities	**500**	500	1,380
Total current liabilities	**3,743**	6,642	7,184
TOTAL LIABILITIES	**22,273**	24,786	23,583
TOTAL EQUITY AND LIABILITIES	**34,378**	36,630	34,510

All amounts are presented in EUR '000 unless stated otherwise

STATEMENT OF CHANGES IN EQUITY – GROUP

	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan– Dec 2018
Balance at beginning of period	**11,844**	5,839	**10,927**	5,591	5,591
Comprehensive income					
Profit for the period	**244**	5,222	**1,161**	5,469	5,430
Transactions with owners					
Movements in share options' reserve	**17**	—	**17**	—	(86)
Movements in other reserves	—	16	—	17	(8)
Balance at the end of the period	**12,105**	11,077	**12,105**	11,077	10,927

All amounts are presented in EUR '000 unless stated otherwise

STATEMENT OF CASH FLOWS – GROUP

	Apr -June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan– Dec 2018
Cash flows from operating activities					
Operating profit	**856**	958	**2,364**	1,797	4,348
Adjustments for non-cash items:					
Depreciation and amortization	**86**	185	**331**	343	627
Movements in impairment allowance	**(15)**	(5)	**85**	(27)	169
Income tax paid	**(51)**	–	**(51)**	–	(675)
Cash-flows from operating activities before changes in working capital	**875**	1,138	**2,729**	2,113	4,469
Changes in working capital					
Trade and other receivables	**670**	332	**94**	(292)	(1,291)
Trade and other payables	**77**	(598)	**(154)**	566	1,123
Net cash generated from operating activities	**1,622**	872	**2,669**	2,387	4,301
Investing activities					
Acquisition of property, plant and equipment	**(48)**	(75)	**(100)**	(293)	(416)
Acquisition of intangible assets	**–**	(175)	**–**	(7,051)	(9,588)
Cash-flows used in investing activates	**(48)**	(250)	**(100)**	(7,344)	(10,004)
Financing activities					
Proceeds from issuance of promissory notes	**400**	–	**500**	7,704	23,204
Repayment of promissory notes	**(2,525)**	–	**(3,505)**	–	(12,786)
Interest paid	**(901)**	(223)	**(1,167)**	(1,155)	(1,818)
Payment of lease	**(80)**	–	**(159)**	–	–
Transaction costs paid on promissory note	**–**	–	**–**	(137)	(587)
Cash-flow (used in)/generated from financing activities	**(3,106)**	(223)	**(4,331)**	6,412	8,013
Cash-flows for the period	**(1,532)**	399	**(1,762)**	1,455	2,311
Cash and cash equivalents at the beginning of the period	**3,746**	2,625	**3,881**	1,569	1,569
Bank revaluation	**(66)**	–	**29**	–	–
Cash and cash equivalents at the end of the period	**2,148**	3,024	**2,148**	3,024	3,881

All amounts are presented in EUR '000 unless stated otherwise

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Note 1 Accounting policies and disclosures

The Group's interim report is prepared in accordance with IAS 34 Interim Reporting and, for the Parent Company, RFR 2. In all other respects, the accounting policies applied correspond with that stated in the annual report for 2018. Disclosures pursuant to Paragraph 16A of IAS 34 appear in the financial statements and their accompanying notes, and in other parts of this interim report.

The new standards which became effective as from January 1st, 2019 are included below.

IFRS 16 "Leases" revises accounting of leased assets (replacing IAS 17); in accordance with the standard, except for some cases, a distinguish between operating and finance lease is removed resulting in almost all leases being recognised in the statement of financial position of a lessee as an asset (a right to use a leased asset) and a liability (payable rental). The Group applied the standard from its mandatory adoption date of 1 January 2019 using the simplified transition approach. As a result, the Group did not restate the comparative amounts for the year prior to adoption.

As at 1 January 2019 the Group had existing long-term non-cancellable office lease commitments of EUR 2,853 being accounted under IAS 17 in the prior periods. As a result of the application of IFRS 16, this commitment transformed into a lease liability of EUR 1,970 as at 1 January 2019. The right-in-use asset is measured to be equal to the liability as at initial recognition. Accordingly, as from 1 January 2019, operating lease expenditures on this arrangement are replaced by amortisation of the right-to-use asset and by a deemed interest cost on the lease liability.

As disclosed in the annual report for the financial year ended 31 December 2018, management estimated that rental costs on this arrangement, amounting to EUR 316 for the year ending 31 December 2019, will be replaced by an annual amortisation charge of EUR 219 and a notional interest expense of EUR 167. The adoption of IFRS 16 will therefore result in a decrease of EUR 70 in earnings for the year ending 31 December 2019.

Rental payments under IFRS 16 are allocated between deemed interest and a reduction in the lease liability, with a corresponding impact on the Group's statement of cash flows. As per the adopted Group policy, rental payments are presented as a part of financing cash flows. The impact of the adoption IFRS 16 is further disclosed in Note 6.

Other standards, amendments and interpretations to existing standards which became effective as from 1 January 2019 have limited or no impact on the Group's financial statements.

For a complete account of the important estimates and assessments affecting the Group, refer to the 2018 Annual report according to IFRS.

Note 2 Related party transactions

All companies forming part of Gambling.com Group Plc, the shareholders and other companies controlled or significantly influenced by the shareholders are considered by the directors to be related parties. The ultimate controlling party of Gambling.com Group Plc is Mr Mark Blandford.

Total remuneration paid to the related parties (including consultancy fees) amounted to EUR 120 (70) in the second quarter and EUR 220 (140) in the first six months.

During the first six months the Group transferred EUR 880 to related parties on behalf of certain incoming shareholders of the Company that had opted to purchase shares in the Group from selling shareholders for redemption proceeds from the 2019 and 2020 Notes. As at 30 June 2019 the Group held EUR 500 as a current liability payable to selling shareholders for the share transfers.

Note 3 Segment

Gambling.com Group's operations and management is organized by one business segment, gambling affiliation.

All amounts are presented in EUR '000 unless stated otherwise

Note 4 Intangible Assets

In the normal course of the business, the Group's acquisitions comprise of domains, websites, and player databases. The consideration paid for player databases is determined by reference to the historical average revenue per active player for the portfolio of acquired players over the expected player life. The residual value is allocated to domains and websites. Player databases are amortised over the average expected player life of the portfolio of players. Domains and websites are attributed an indefinite useful life and are therefore not amortised but tested for impairment.

The Group did not purchase any intangible assets during the first six months 2019.

As at quarter end remaining considerations payable related to acquisitions made in 2018. The liability is due for settlement in August 2019.

After the quarter end the Group received a VAT assessment with a claim payable for EUR 1.43 million related to one of the acquisitions completed in 2018. The Group disclaimed the VAT liability since the tax authorities did not possess correct and complete information while making the assessment. The Group has furnished the tax authorities with the corrected information. Further to having taken advice, Management of the Group is of the view that the liability will be fully revoked and no material cash outflow will arise in respect of the VAT assessment.

Note 5 Borrowings

As at quarter end the borrowings' balance of the Group was represented by the 2021 Bond only.

The 2021 Bond is a senior secured fixed rate bond listed on Nasdaq Stockholm with and aggregate nominal balance of EUR 16,000 (under a total framework of EUR 25,000) carrying interest at 10.5% due for payment semi-annually. The bond is due for repayment on the earlier of either October 22, 2021, a default event, or a change in control event. The bond has an embedded option for early redemption between April 2020 and maturity (full terms set out in the 2021 Bond prospectus).

The 2021 Bond is carried at fair value based on an event probability basis. The significant inputs are the values associated with each of the potential repayment, early redemption, default, or change in control event scenarios and the probability associated with each scenario. Included in the valuation are significant unobservable estimates that have been used to derive the fair value. This include the probability of early redemption, default, or change in control, the timing of such events and the discount rate applied to each scenario. The directors' assessment as at the reporting date of the probability of each such scenarios results in the movement in fair value.

During the second quarter the Group redeemed in full the outstanding balance of the 2019 Notes upon maturity.

Note 6 Leases

On 1 January 2019 the Group adopted IFRS 16 "Leases", which resulted in recognition of a lease liability for the Group's offices (previously accounted as operating lease in accordance with IAS 17 "Leases"). The liability was measured at the present value of remaining lease payments discounted at the Group's cost of capital. The rate applied to the lease liability on 1 January 2019 was 8.75%. From 1 January 2019, lease payments have been allocated between finance costs and lease liability.

The associated right-to-use asset for property leases was measured at an amount equivalent to the lease liability as at 1 January 2019. The asset is subsequently amortised over the remaining lease term (as determined as at 1 January 2019) on a straight-line basis.

The Group recognised expenses from low-value and/or short-term rent of EUR 193 in the second quarter and EUR 389 in the first six months 2019.

All amounts are presented in EUR '000 unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME – COMPANY

	Apr-June 2019	Apr-June 2018	Jan-June 2019	Jan-June 2018	Jan-Dec 2018
Revenues	–	–	–	–	–
Total revenue	–	–	–	–	–
Board fees	**(10)**	(29)	**(64)**	(54)	(118)
Depreciation	–	–	–	–	(12)
Non-recurring costs related to financing and investing	**(9)**	(136)	**(10)**	(175)	(244)
Other operating expenses	**(37)**	(12)	**(61)**	(26)	(71)
Operating loss, EBIT	**(56)**	(177)	**(135)**	(255)	(445)
Interest payable on borrowings	**(471)**	(399)	**(939)**	(793)	(1,654)
Other (losses)/gains on financial liability at fair value through profit and loss	**(24)**	4,464	**(50)**	4,464	3,743
Finance income	**604**	399	**1,072**	793	1,657
Finance costs	**(4)**	(1)	**(12)**	(2)	(451)
Profit/(Loss) before tax, EBT	**49**	4,286	**(64)**	4,207	2,850
Tax expense	–	–	–	–	–
Total comprehensive income/(loss) for the period	**49**	4,286	**(64)**	4,207	2,850

All amounts are presented in EUR '000 unless stated otherwise

STATEMENT OF FINANCIAL POSITION – COMPANY

	June 30 2019	March 31 2019	Dec 31 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	**9,133**	9,133	9,133
Property and equipment	**2**	2	2
Total non-current assets	**9,135**	9,135	9,135
Current assets			
Trade and other receivables	**14,738**	17,028	16,108
Cash and cash equivalents	**156**	347	2,084
Total current assets	**14,894**	17,375	18,192
TOTAL ASSETS	**24,029**	26,510	27,327
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**50**	50	50
Capital reserve	**4,726**	4,726	4,726
Share option reserve	**129**	112	112
Retained earnings	**1,164**	1,115	1,228
Total equity attributable to the shareholders	**6,069**	6,003	6,116
Non-current liabilities			
Borrowings	**16,950**	16,526	16,399
Total non-current liabilities	**16,950**	16,526	16,399
Current liabilities			
Trade and other payables	**233**	188	241
Borrowings and accrued interest	**277**	3,293	3,191
Other liabilities	**500**	500	1,380
Total current liabilities	**1,010**	3,981	4,812
TOTAL LIABILITIES	**17,960**	20,507	21,211
TOTAL EQUITY AND LIABILITIES	**24,029**	26,510	27,327

All amounts are presented in EUR ‘000 unless stated otherwise

Definition and purpose of alternative performance measure | In this interim report, we are using the following alternative key figures, as we believe they are relevant in follow-up of our strategy and financial goals.

Alternative performance measure	Definition	Purpose
Adjusted Operating Profit	Operating profit adjusted for non-recurring expenses	Monitors normalised operating profit.
Adjusted Operating Profit Margin	Adjusted operating profit as a percentage of revenue	Monitors normalised operating profitability.
EBITDA	Operating result before depreciation and amortisation.	Monitors operating profit and cash-flow.
EBITDA Margin	EBITDA as a percentage of Revenue	Monitors operational profitability.
Adjusted EBITDA	EBITDA adjusted for non-recurring expenses.	Monitors normalised operating profit and cash- flow.
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of revenue.	Monitors normalised operational profitability
NDC (New Depositing Customers)	A new customer placing a first deposit on a client's website.	The Group reports these key figures as they are key drivers for organic growth and revenues.
NIBD / TTM Adjusted EBITDA	Interest bearing debt adjusted for fair value movements, cash, and treasury bonds divided by trailing twelve months EBITDA adjusted for fair value movements and non-recurring expenses	Monitors leverage as defined in the Bond prospectus