Company Registration No. 07728726 (England and Wales)

PLAYTIKA UK - HOUSE OF FUN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

UHY Hacker Young
Chartered Accountants

PLAYTIKA UK - HOUSE OF FUN LIMITED

COMPANY INFORMATION

Directors	Ron Korczak Craig Abrahams
Company number	07728726
Registered office	Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

PLAYTIKA UK - HOUSE OF FUN LIMITED

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PLAYTIKA UK - HOUSE OF FUN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

Playtika UK - House of Fun is a pioneer in the social games space, introducing free-to-play slots games to social networks. It is the creator of the popular game House of Fun, operates across multiple social networks and platforms including Apple iOS, Google Android, Facebook, Amazon and Windows. House of Fun is played by nearly 650 thousand people every day in 166 countries on 5 platforms. The company made a profit after taxation of $54,815,355 (2019: $56,411,210). Dividends of $nil (2019: $nil) were paid. The company's net assets at 31 December 2020 were $223,176,259 (2019: $168,360,904).

Key performance indicators

We measure our online business by using several key financial metrics, which include revenue, adjusted EBITDA before exchange rate gains or losses, ARPU and ARPPU, and operating metrics, which include DAUs, MAUs and MUUs. References to "DAUs" mean daily active users of our games, "MAUs" mean monthly active users of our games, "MUUs" mean monthly unique users of our games, "MUPs" mean monthly unique payers of our games, "ARPU" means average daily revenues per average DAU and "ARPPU" which means average revenue to per paying user. Unless otherwise indicated, these metrics are based on internally-derived measurements across all platforms on which our game is played. Our operating metrics help us to understand and measure the engagement levels of our players, the size of our audience and our reach. Our major key metrics for 2020 are noted in the table below:

	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Average DAUs	644,635	610,375	558,875	533,592
Average MAUs	2,368,967	2,173,436	1,936,351	1,828,277
Average MUPs	19,703	22,772	19,695	18,490
Net ARPU	0.70	0.89	0.90	0.90
Net ARPPU	22.75	23.78	25.66	25.95
ADJ EBITDA	25,519,490	32,837,529	27,880,288	26,840,473

Principal risks and uncertainties

Principal risks and uncertanties

If our game does not maintain their popularity, our results of operations could be harmed.

For a game to remain popular, we must routinely enhance, expand and/or upgrade the game with new features and content that players find attractive. Such enhancement requires the investment of significant resources, integration into new platforms, introduction of new languages, expansion into new jurisdictions and often presents new marketing and other challenges. We may not be able to successfully enhance, expand or upgrade our current library of games. Any decrease in the popularity of our online and mobile games, any breach of game-related security or prolonged server interruption, any loss of rights to any intellectual property underlying such games, or any other adverse developments relating to our most popular games, including House Of Fun, could have a material adverse effect on our business, financial condition or operating results.

Section 172 Statement

The Directors insist on high operating standards and fiscal discipline and routinely engage with management and employees of the company to understand the underlying issues within the organization. Additionally, the Board looks outside the organization at macro factors affecting the business. The Directors consider all known facts when developing strategic decisions and long-term plans, taking into account their likely consequences for the Company.

The Directors and management are committed to the interests and well-being of Playtika UK House of Fun's employees. Playtika UK House of Fun is committed to the highest levels of integrity and transparency possible with employees and other stakeholders. Safety initiatives, consistent training, strong benefit packages and open dialogue between all employees are just a few of the ways the Company ensures its employees improve skill sets and work hand-in-hand with management to improve all aspects of the Group's performance.

Other stakeholders include, customers, suppliers, debt holders, industry associations, government and regulatory agencies, media, local communities and shareholders. The Board, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Company as a whole. In order to do this, there is a process of dialogue with stakeholders to understand the issues that they might have. Playtika UK House of Fun believes that any supplier/customer relationship must be mutually beneficial and the Company is known for its commitment to details to its customers. Communications with debt holders and shareholders occur on an ongoing basis and as questions arise. The company also communicates through social media.

The Directors are committed to positive involvement in the local communities where we operate. Additionally, Playtika UK House of Fun strictly follows environmental regulations and supports sustainability practices where possible.

Integrity is a key tenet for Playtika UK House of Fun's Directors and employees. Playtika UK House of Fun believes that any partnership must benefit both parties. We strive to provide our stakeholders with timely and informative responses and are always striving to meet or exceed customers' needs.

The Board recognises its responsibilities under section 172 as outlined above and has acted at all times in a way consistent with promoting the success of the Company with regard to all stakeholders.

On behalf of the board

Craig Abrahams
Director

23 December 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of the provision of social gaming.

Results and dividends

The results for the year are set out on page 11.

Going Concern & Covid-19

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company markets a diverse product base across the industry sector and operates in varied market sectors and from a number of operational bases.

The Covid-19 outbreak has further developed during 2020 and into 2021, resulting in wide spread infection throughout the globe. Measures taken by various governments to contain the virus have affected global economic activity.

The increasingly digital, recurring and cash-generative nature of our operations remains one of our fundamental strength. By strict adherence to Covid-19 guidelines, the company has been able to maintain production at all operational sites throughout lockdown.

By use of latest technologies, all aspects of commercial and administrative requirements have been handled remotely, and only in recent days have we seen any form of return to office working – again strictly managed, and subject to amended guidelines.

Liquidity is crucial to the business during these unprecedented times, and it is something that is monitored on a daily basis. Profitable trading, and judicious use of government support measures, mean that the company is working well within the limits of its funding facilities.

This situation will continue to be monitored closely.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Tian Lin	(Resigned 8 April 2021)
Ron Korczak	
Craig Abrahams	

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 1 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Research and development

The company has invested $37m (2019: S37.1m) in research and development during the financial year. The company continues to focus on developing technologies to enhance the app and its user engagement.
In addition the company has capitalised expenditure of S3m (2019: $1.9m) for expenditure in the development phase for an internal research and development project where the company is satisfied that the criteria for an intangible asset are met

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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 the 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 that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Statement of disclosure to auditor

Each director in office 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 auditor is 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 auditor is 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.

On behalf of the board

Craig Abrahams
Director

23 December 2021

UHY Hacker Young
Chartered Accountants

UHY Hacker Young LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLAYTIKA UK - HOUSE OF FUN LIMITED

Opinion

We have audited the financial statements of Playtika UK - House of Fun Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

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 company'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PLAYTIKA UK - HOUSE OF FUN LIMITED

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of our 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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
- we have not received all the 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 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 company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PLAYTIKA UK - HOUSE OF FUN LIMITED

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company laws, tax compliance legislation, workplace regulations, employment related laws, rules adopted by the payment card networks, Data Protection Act and the General Data Protection Regulation 2016/679, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Evaluation of design effectiveness of management's controls to prevent and detect irregularities.
- Enquiry with management and internal legal counsel about known or suspected instances of non-compliance with laws and regulations and fraud.
- Review of legal expense account code to assess if there are any undisclosed litigation and claim.
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combination.
- Reviewing minutes of meetings of management and the board of directors.

There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error. Fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through an act of collusion that would mitigate internal controls.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PLAYTIKA UK - HOUSE OF FUN LIMITED

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

Use of our 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 auditor's 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.

Matthew Anderson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young 23 December 2021

Chartered Accountants
Statutory Auditor

PLAYTIKA UK - HOUSE OF FUN LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $	2019 $
Revenue	3	246,483,195	235,157,076
Cost of sales		(62,791,937)	(63,170,159)
Gross profit		183,691,258	171,986,917
Other operating income		391,405	-
Administrative expenses		(115,695,043)	(96,533,374)
Operating profit	4	68,387,620	75,453,543
Finance costs	6	(219,426)	(3,038,838)
Profit before taxation		68,168,194	72,414,705
Income tax expense	7	(13,352,839)	(16,003,495)
Profit and total comprehensive income for the year		54,815,355	56,411,210

The income statement has been prepared on the basis that all operations are continuing operations.

PLAYTIKA UK - HOUSE OF FUN LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 $	2019 $
Non-current assets			
Intangible assets	**8**	4,290,445	1,895,407
Investments	**9**	238,166,596	209,432,606
Deferred tax asset	**16**	661,750	633,379
		243,118,791	211,961,392
Current assets			
Trade and other receivables	**11**	17,197,213	21,836,476
Current tax recoverable		678,608	-
Cash and cash equivalents		52,475,340	15,940,682
		70,351,161	37,777,158
Total assets		313,469,952	249,738,550
Current liabilities			
Trade and other payables	**15**	90,293,693	63,748,895
Current tax liabilities		-	10,756,877
		90,293,693	74,505,772
Net current liabilities		(19,942,532)	(36,728,614)
Non-current liabilities			
Trade and other payables	**15**	-	6,871,874
Total liabilities		90,293,693	81,377,646
Net assets		223,176,259	168,360,904
Equity			
Called up share capital	**19**	528	528
Share premium account	**20**	42,102,866	42,102,866
Retained earnings		181,072,865	126,257,510
Total equity		223,176,259	168,360,904

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:

Craig Abrahams
Director

Company Registration No. 07728726

PLAYTIKA UK - HOUSE OF FUN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital $	Share premium account $	Retained earnings $	Total $
Balance at 1 January 2019		528	5,712,866	69,846,300	75,559,694
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	56,411,210	56,411,210
Issue of share capital	**19**	-	36,390,000	-	36,390,000
Balances at 31 December 2019		528	42,102,866	126,257,510	168,360,904
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	54,815,355	54,815,355
Balances at 31 December 2020		528	42,102,866	181,072,865	223,176,259

PLAYTIKA UK - HOUSE OF FUN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $	2020 $	2019 $	2019 $
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**24**		93,332,047		(5,290,125)
Interest paid			(219,426)		(3,038,838)
Tax paid			(24,816,695)		(15,456,356)
Net cash inflow/(outflow) from operating activities			68,295,926		(23,785,319)
Investing activities					
Capitalisation of internal use software costs		(3,027,278)		(1,895,407)	
Purchase of subsidiaries		(28,733,990)		(185,400,841)	
Net cash used in investing activities			(31,761,268)		(187,296,248)
Financing activities					
Proceeds from issue of shares		-		36,390,000	
Net cash (used in)/generated from financing activities			-		36,390,000
Net increase/(decrease) in cash and cash equivalents			36,534,658		(174,691,567)
Cash and cash equivalents at beginning of year			15,940,682		190,632,249
Cash and cash equivalents at end of year			52,475,340		15,940,682

1 Accounting policies

Company information

Playtika UK - House of Fun Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House - Floor 6, 4 Thomas More Square, London, E1W 1YW. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in $, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest $.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Playtika UK - House of Fun Limited is a wholly owned subsidiary of Playtika Holding Corporation and the results of Playtika UK - House of Fun Limited are included in the consolidated financial statements of Playtika Holding Corporation which are available from the registered office.

1 Accounting policies **(Continued)**

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company markets a diverse product base across the industry sector and operates in varied market sectors and from a number of operational bases.

The Covid-19 outbreak has further developed during 2020 and into 2021, resulting in wide spread infection throughout the globe. Measures taken by various governments to contain the virus have affected global economic activity.

The increasingly digital, recurring and cash-generative nature of our operations remains one of our fundamental strength. By strict adherence to Covid-19 guidelines, the company has been able to maintain production at all operational sites throughout lockdown.

By use of latest technologies, all aspects of commercial and administrative requirements have been handled remotely, and only in recent days have we seen any form of return to office working – again strictly managed, and subject to amended guidelines.

Liquidity is crucial to the business during these unprecedented times, and it is something that is monitored on a daily basis. Profitable trading, and judicious use of government support measures, mean that the company is working well within the limits of its funding facilities.

This situation will continue to be monitored closely.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1 Accounting policies **(Continued)**

The company primarily derive revenue from the sale of virtual items associated with our online games.

The company distributes its games to the end customer through Digital Storefronts and social networks. Within these Digital Storefronts, users can download the Company's free-to-play games and can purchase virtual currency to obtain virtual goods or virtual goods directly (together, defined as "virtual items").

The company recognises revenue at an amount which reflects the consideration that the Company expects to be entitled to receive in exchange for transferring goods or services to its customers.

For purposes of determining when the service has been provided to the player, we determined that the company's performance obligation is to provide on-going game services to players who purchased virtual items to gain an enhanced game-playing experience.

Accordingly, we categorise our virtual items as either consumable or durable. Consumable virtual items represent items that can be consumed by a specific player action. Most of our revenue consists of consumable virtual items, common characteristics of consumable virtual items may include items that are no longer displayed on the player's game board after a short period of time, do not provide the player any continuing benefit following consumption, or often times enable a player to perform an in-game action immediately. For the sale of consumable virtual items, we recognise revenue as the items are consumed, which is usually up to one week. Durable virtual items represent items that are accessible to the player over an extended period of time. We recognise revenue from the sale of durable virtual items rateably over the average estimated consumption time of the durable virtual item or the estimated average playing period of payers which is usually up to 1 year.

Advance payments received from customers for virtual items that are non-refundable and relate to non-cancellable contracts that specify our obligations are recorded to contract liabilities.

For most of the revenues generated from consumption of virtual items the Company has determined that it is generally acting as a principal and is the primary obligor to its end-users. Therefore, the Company recognises revenue related to these arrangements on a gross basis, when the necessary information about the gross amounts or platform fees charged, before any adjustments, are made available by the Digital Storefronts.

1 Accounting policies **(Continued)**

1.4 Intangible assets other than goodwill

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognised separately as intangible assets and initially measured at the fair value at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the company. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the company.

Intangible assets having a definite useful life are mainly developed games, user base, licenses and others. An intangible asset with a definite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a definite useful life, the company reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

The company classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred.

Expenditure on the development phase is capitalised only when the company can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

The useful lives of the intangible asset is 3 years.

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1 Accounting policies **(Continued)**

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

1 Accounting policies **(Continued)**

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1 Accounting policies **(Continued)**

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1 Accounting policies **(Continued)**

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the company applies the low credit risk simplification. At each reporting date, the company evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the company reassesses the external credit ratings of the debt investments. In addition, the company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

1 Accounting policies **(Continued)**

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below:

Stage 1 - Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 - Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 - Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach
For account receivables and receivables due from third-party game distribution platform and payment channels and contract assets that do not contain a significant financing component or when the Company applies the practical expedient of not adjusting the effect of a significant financing component, the Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic

For accounts receivable that contain a significant financing component, the Company chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1 Accounting policies **(Continued)**

1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

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 computation 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 from the initial recognition 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 reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

2 Adoption of new and revised standards and changes in accounting policies (Continued)

- Amendments to References to the Conceptual Framework - Amendments to IFRS 3 Business Combinations (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (effective 1 January 2023)
- IFRS 9 Financial Instruments - Fees in the 10 percent test for derecognition of financial liabilities (effective 1 January 202)

The directors do not expect that the adoption of the other standards listed above will have a material impact of the company in future periods.

3 Revenue

	2020	2019
	$	$
Revenue analysed by class of business		
Online gaming	246,483,195	235,157,076

4 Operating profit

	2020	2019
	$	$
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(1,161,209)	(1,255,389)
Research and development costs	36,967,488	37,130,033
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	25,000
Amortisation of intangible assets (included within administrative expenses)	632,240	-

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
UK Staff	14	10

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020	2019
	$	$
Wages and salaries	158,647	774,887
Social security costs	21,291	80,932
Pension costs	2,126	11,455
	182,064	867,274

6 Finance costs

	2020	2019
	$	$
Other interest payable	219,426	3,038,838

7 Income tax expense

	2020	2019
	$	$
Current tax		
UK corporation tax on profits for the current period	13,182,312	15,977,059
Adjustments in respect of prior periods	198,898	-
Total UK current tax	13,381,210	15,977,059
Deferred tax		
Origination and reversal of temporary differences	(28,371)	26,436
Total tax charge	13,352,839	16,003,495

7 Income tax expense (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020	2019
	$	$
Profit before taxation	68,168,194	72,414,705
Expected tax charge based on a corporation tax rate of 19.00% (2019: 19.00%)	12,951,957	13,758,794
Effect of expenses not deductible in determining taxable profit	7,042	2,856,411
Adjustment in respect of prior years	382,114	-
Other permanent differences	11,726	(704,218)
Deferred tax not recognised	-	92,508
Taxation charge for the year	13,352,839	16,003,495

8 Intangible assets

	Development costs
	$
Cost	
Additions	1,895,407
At 31 December 2019	1,895,407
Additions - purchased	3,027,278
At 31 December 2020	4,922,685
Amortisation and impairment	
Charge for the year	632,240
At 31 December 2020	632,240
Carrying amount	
At 31 December 2020	4,290,445
At 31 December 2019	1,895,407

8 Intangible assets **(Continued)**

During the year the company has incurred expenditure for a project to develop a game infrastructure, which will be universal gaming platform that will provide all the necessary infrastructure components for online social and casual games. Capitalized costs are payroll costs and payroll related costs (including benefits) for R&D team members, which are directly involved in software development. The project is in the early development stages and therefore no amortisation has been recognised as at the year ended. The company will start amortising the project in the following financial year.

9 Investments

	Current		Non-current	
	2020	2019	2020	2019
	$	$	$	$
Investments in subsidiaries	-	-	238,166,596	209,432,606

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

On 16 January 2019, SASR Alpha Sechsundzwanzigste Beteiligungsverwaltung GmbH, the subsidiary of the company aquired 100% shareholding in Supertreat GmbH, a company registered in Austria. The acquisition term contains pricing adjustment based on the performance of the following one year after the purchase date. The company paid additional capital contribution of $147.6m including $29.7m earn-out payment into the subsidiary which was used to acquire the share capital of Supertreat GmbH.

10 Subsidiaries

The company acquired the wholly owned subsidiary Wooga ParentCo.DE GmbH during the prior financial year. As at the year ended 31 December 2020, the subsidiary reported a profit of €19,062,376 and reported capital & reserves of €37,186,546. At the time of signing the annual report, the subsidiary's financial statements are drafted but not yet finalised.

During the prior financial year SASR Alpha Sechsundzwanzigste Beteiligungns GmbH, the subsidiary of the company acquired the entire share capital of Supertreat GmbH for a consideration of $147.6m. As at the year ended 31 December 2020, Supertreat GmbH reported a profit of €25,222,352 and reported capital & reserves of €37,862,047.

As at the year ended 31 December 2020 the subsidiary, SASR Alpha Sechsundzwanzigste Beteiligungns GmbH reported a loss of €23,901 and reported capital & reserves of €154,054,193.

On 2 January 2021, SASR Alpha Sechsundzwanzigste Beteiligungns GmbH was renamed to Playtika ST Holding GmbH.

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	% Held Direct	% Held Voting
Playtika ST Holding GmbH	Austria	100.00	100.00
Wooga ParentCo.DE GmbH	Germany	100.00	100.00

11 Trade and other receivables

	2020 $	2019 $
Trade receivables	16,267,463	19,769,175
VAT recoverable	463,527	853,972
Amounts owed by fellow group undertakings	86,763	779,630
Other receivables	-	85,256
Prepayments	379,460	348,443
	17,197,213	21,836,476

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

12 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables differs from fair value as follows:

	Carrying value		Fair value	
	2020	2019	2020	2019
	$	$	$	$
Trade receivables net of allowances	16,267,463	19,769,175	16,267,464	19,769,175
Other debtors	-	85,256	-	85,256
Prepayments	379,460	348,443	379,460	348,443
	16,646,923	20,202,874	16,646,924	20,202,874

No significant receivable balances are impaired at the reporting end date.

13 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

14 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month	3 months to 1 year	1 – 5 years	Total
	$	$	$	$
At 31 December 2019				
Trade payables	2,911,671	-	-	2,911,671
Amounts owed to fellow group copanies	-	41,078,793	-	41,078,793
Accruals	-	18,855,513	6,871,874	25,727,387
Social security and other taxation	320	-	-	320
Other payables	902,598	-	-	902,598
	3,814,589	59,934,306	6,871,874	70,620,769
At 31 December 2020				
Trade payables	2,262,666	-	-	2,262,666
Amounts owed to fellow group copanies	-	61,104,149	-	61,104,149
Accruals	-	26,921,489	-	26,921,489
Social security and other taxation	3,714	-	-	3,714
Other payables	1,675	-	-	1,675
	2,268,055	88,025,638	-	90,293,693

15 Trade and other payables

	Current		Non-current	
	2020	2019	2020	2019
	$	$	$	$
Trade payables	2,262,666	2,911,671	-	-
Amounts owed to fellow group undertakings	61,104,149	41,078,793	-	-
Accruals	26,921,489	18,855,513	-	6,871,874
Social security and other taxation	3,714	320	-	-
Other payables	1,675	902,598	-	-
	90,293,693	63,748,895	-	6,871,874

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Timing differences $
Deferred tax asset at 1 January 2019	(659,816)
Deferred tax movements in prior year	
Charge/(credit) to profit or loss	26,437
Deferred tax asset at 1 January 2020	(633,379)
Deferred tax movements in current year	
Charge/(credit) to profit or loss	(28,371)
Deferred tax asset at 31 December 2020	(661,750)

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

17 Pending litigation

In April 2018, Sean Wilson, a resident of Washington state, filed a complaint in the United States District Court, Western District of Washington, against Playtika Ltd and Caesars Interactive Entertainment, LLC. The Plaintiff demanded the defendants stop running the illegal gambling games, compensate his losses and damages, refund gains from the involved games and apply to the court to approve this case as a class suit.

On June 11, 2020, the parties filed a stipulated motion seeking a stay of all proceedings and notifying the court that they had reached a binding agreement in principle to resolve all of Plaintiff's claims. The agreement involves certification of a settlement class of Washington state purchasers, establishment of a USD38,000,000 non-reversionary settlement fund and certain non-monetary prospective measures. The parties executed a definitive settlement agreement, which is now subject to court approval. As the House of Fun App was also part of this lawsuit, the company paid part of the settlement amounting to S7.9m.

On 31 December 2020, a freelance writer who had provided game plot writing services for Wooga GmbH filed a lawsuit against Wooga GmbH, asking it to pay additional remuneration and stop reusing the written plot in the games under Wooga GmbH. As of the approval date of the financial statements, the lawsuit is still in the hearing stage. The court preliminarily estimated that the amount of dispute is EUR 1,546,000. As the obligation formed by the pending litigation is a present obligation, provision was recognised in the subsidiary' s financial statements as at 31 December 2020.

18 Retirement benefit schemes

Defined contribution schemes
The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is $2,126 (2019 - $11,455).

19 Share capital

	2020	2019	2020	2019
Ordinary share capital	**Number**	**Number**	**$**	**$**
Issued and fully paid				
Ordinary of 1p each	32,463	32,463	526	526
B Ordinary of £1 each	1	1	2	2
	32,464	32,464	528	528

The B share has no voting or dividend rights; nor does it count in a quorum at general meetings nor have any interest in any capital distribution.

In the previous year the company issued one ordinary share of 1p for a premium at $36,390,000.

20 Share premium account

	2020	2019
	$	$
At the beginning of the year	42,102,866	5,712,866
Issue of new shares	-	36,390,000
At the end of the year	42,102,866	42,102,866

21 Contingent liabilities

The company has granted a fixed and floating charge over the company's assets in favour of Credit Suisse AG on behalf of its parent entity, Playtika Holding Corp.

22 Capital risk management

The company is not subject to any externally imposed capital requirements.

23 Controlling party

The immediate parent company was Playtika Holding Corporation, a company registered in Delaware.

The ultimate parent company was Alpha Frontier Limited, a company registered in Cayman Island.

24 Cash generated from/(absorbed by) operations

	2020	2019
	$	$
Profit for the year after tax	54,815,355	56,411,210
Adjustments for:		
Taxation charged	13,352,839	16,003,495
Finance costs	219,426	3,038,838
Amortisation and impairment of intangible assets	632,240	-
Movements in working capital:		
Decrease in trade and other receivables	4,639,263	2,464,120
Increase/(decrease) in trade and other payables	19,672,924	(83,207,788)
Cash generated from/(absorbed by) operations	93,332,047	(5,290,125)