# ANNUAL REPORT

# 2022

Gaming Innovation Group Inc

GiG

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2022

**≈580**
employees

**Offices**
in Malta, Denmark, Spain, France, Serbia and the US

Dual-listed on Oslo Børs (Norway) and at Nasdaq Stockholm (Sweden)

Over 25 primary countries target by Media assets

29 global platform licenses

## Our Vision

To be the industry-leading platform and media provider delivering world-class solutions to our iGaming partners and their customers.

## Our Mission

To drive sustainable growth and profitability of our partners through product innovation, scalable technology and quality of service.

# STRATEGIC
# REPORT

01

# 2022 Highlights

↑€90.1m
Revenues (norm.)
+36% Y/Y

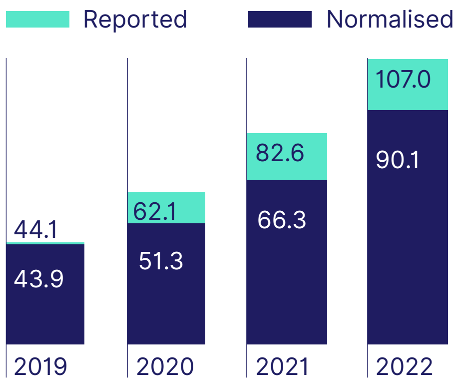
↑€34.2m
EBITDA
+51% Y/Y

↑38.0%
EBITDA margin (norm.)
+34.3% in 2021

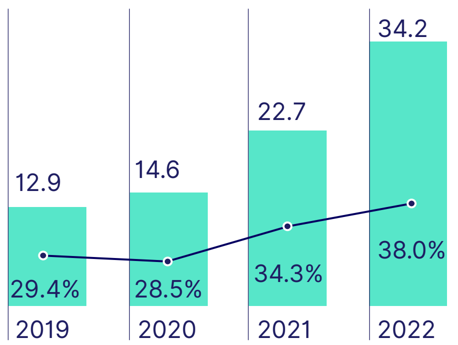
- Reported revenues for 2022 were EUR 107.1m (82.6), an increase of 30% from 2021
- Normalised revenues* for 2022 were EUR 90.1m (66.3), an increase of 36%, whereof 28% organic
- Adjusted EBITDA ended at EUR 34.2m (22.7), up 51%, EBITDA adj. margin* increased to 38.0% (34.3%)
- EBIT ended at EUR 11.8m (8.4), with an EBIT margin* of 13.1% (12.7%)
- Revenues in GiG Media at all-time high of EUR 61.7m (45.0), an increase of 37%, all organic, with an all-time high EBITDA adj. of EUR 29.6m (21.0)
- GiG Media reached all-time high in player intake, FTDs ended at 352,000 (197,800), up 78%
- GiG Media continued to grow in the US market throughout the year, present in 22 US states at year-end
- Revenues* for Platform & Sportsbook were EUR 28.3m (21.4), an increase of 33% whereof 8% organic, adjusted EBITDA of EUR 4.6m (1.8)
- Acquired Sportnco Gaming SAS on 1 April 2022
- Signed 22 new agreements for Platform Services in 2022
- Twelve new brands were launched on the platform in 2022 and five additional brands were development complete at year end
- Signed agreement to acquire AskGamblers and related affiliate websites in December

*Revenues are adjusted for revenues from a platform client where GiG recognczes the full operations in its profit and loss statement, see Note 34 in the Consolidated Financial Statements.

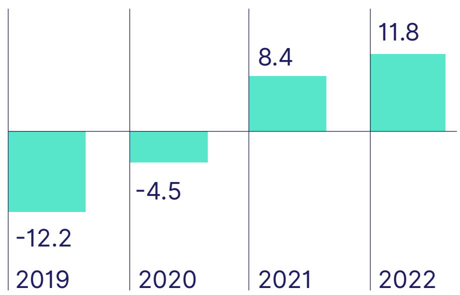
REVENUES (MEUR)




EBITDA adj. and margin (MEUR)




EBIT (MEUR)



GiG

# Yearly Timeline

## 2022

**FEB**

betsson

- Extended contract with Betsson Group to Q4 2025
- Powers launch of FeniBet casino in Latvia
- Completed acquisition of Sportnco
- GiG Media crowned 'Best casino affiliate' at iGB affiliate awards 2022

iGB AFFILIATE LONDON

**MAY**

- GiG signs sportsbook & platform partnership with Full Games SA in Angola

CRAB SPORTS

- GiG signs a head of terms agreement with Crab Sports in Maryland, US
- Signs platform and managed services partnership with UK tier 1 operator Aspers Group
- Awarded supplier licence in Ontario

**AUG**

b'play

- Expands its activity in Latin America with Grupo Boldt
- Formalise agreement with Crab Sports for Maryland, US
- GiG powered PlayStar brand goes live in New Jersey, US
- Granted authorisation in Pennsylvania

**NOV**

LUCKY DAYS

- LuckyDays goes live in Ontario, powered by GiG
- Gaming Innovation Group secures ISO 20000 certification
- Enters into a strategic commercial partnership with News UK

News UK

- Gaming Innovation Group confirms Switzerland market entry
- Completed acquisition of AskGamblers

## 2023

**FEB**

- Expands strategic commercial partnership with News UK
- Gaming Innovation Group awarded licences in Pennsylvania and Maryland
- Signs first agreement for new GiG Enterprise Solution

"Strategically, operationally and financially the group achieved a number of key milestones - unlocking a path to greater levels of scale, growth and profitability and continued creation of shareholder value"

# message from **the CEO**

## Richard Brown

Dear shareholders,

2022 marked a significant and meaningful step forward in Gaming Innovation Group's development and progress towards its long term vision of becoming one of the industry's leading suppliers across Media and Platform & Sportsbook. Strategically, operationally and financially the group achieved a number of key milestones and began to further unlock a path to greater levels of scale, growth and profitability and continued creation of shareholder value.

I am extremely pleased with the financial progress we made delivering annual normalised revenue growth of 36% and expansion of the EBITDA margin to 38% to deliver adjusted EBITDA of EUR 34.2 million. Importantly also we saw EBIT increase by 75% to EUR 11.8 million and for the first time in the Company's history we posted a positive pre tax profit of EUR 7.8 million. This impressive financial performance is an outcome of the extremely hard work that the teams across the Company have put in not only in 2022 but since the strategic repositioning of the business at the end of 2019. But at GiG we are never satisfied and a tremendous belief across the group is fostered that we have still a huge potential to continue increasing the business growth prospects and much of the work and investment last year was focused on the ability to continue to improve in the future years to come.

Strategically GiG took an important step forward with the completion of the acquisition of Sportnco in April, which has given us a strong foothold in a number of high growth markets through Latin America and Southern Europe. Through the acquisition we now have a sportsbook product that is of the highest quality and complements the platform offering extremely well. The business combination also allows us to pursue further synergies resulting in a greater efficiency and cost savings across the group.

The fourth quarter of 2022 also marked a strategic step forward for our Media business with two additional revenue streams added to the business. Firstly, the acquisition of the highly coveted AskGamblers website portfolio, giving GiG Media further scale and a strategic foothold in a number of new markets further diversifying and increasing the earnings quality of the unit, while providing the business with a number of operational synergies and growth levers to pull. Secondly we signed and began working on our first media partnership with News UK (owner of TheSun & talksport), a perfect demographic reach for betting and gaming content and we are excited about the partnership potential.

Our media business has continued to deliver operationally with significant expansion into new territories and channels which saw our revenues from the Americas increase by 174%. The operational focus resulted in consecutive quarters of financial growth and importantly our underlying growth driver, the number of first time depositors referred to partners increased 78% in 2022. GiG Media continues to show robust and high quality earnings, as we continue to build through on the underlying marketing technology and operational systems that will enable us to continue to drive forward in the coming years.

Platform & Sportsbook continued its strong expansion both across the number of regulated markets - up from 14 to 29 - and secured more than 20 additional contracts providing the business with additional revenue streams in the years to come. The business unit made meaningful steps in operational practises and optimisation that will drive further efficiency and is excitingly positioned to continue to deliver leading technology and services to the industry, pursuing growth and driving toward margin expansion, demonstrated by the financial performance with EBITDA increasing 163% year over year.

I take this opportunity to thank all the employees at Gaming Innovation Group for their consistent dedication towards our goals and continuous improvement that their tireless efforts enable us. I would of course also thank our shareholders for their continuing support of the group's ambitions.

**I am extremely pleased with the financial progress we made, delivering 36% revenue growth and expansion of the EBITDA margin to 38%**

GiG has executed on another strategically important year and a number of key milestones and we again start to look ahead being well positioned for multiple growth opportunities and increasing profitability through a determined focus on improved operational performance.

In 2023 we have initiated a strategic review for the purpose of separating GiG into two independent publicly listed companies. The work has started, and I strongly believe that a split has the potential to remove hurdles and unleash new possibilities for each business segment and that we can create two very successful companies.

# GiG Media

Gaming Innovation Group Inc. (GiG) is a technology company operating in the iGaming industry, offering cutting edge cloud-based services and performance marketing through leading B2B solutions. Founded in 2012, Gaming Innovation Group's vision is 'To be the industry-leading platform and media partner delivering world-class solutions to our iGaming partners' and their customers.' GiG's mission is to drive partners' sustainable growth and profitability through product innovation, scalable technology and quality of service. GiG's strategy is founded on three customer focused business areas, anchored to innovative technology and supported by its group ambition for top performance and operational excellence.

"To be the industry-leading platform and media partner delivering world-class solutions to our iGaming partners' and their customers."

## Introduction

GiG Media is a market-leading iGaming affiliate established in 2015 under GiG's subsidiary Innovation Labs Limited. After its founding, the company acquired several affiliate assets, including Rebel Penguin APS in 2017 and AskGamblers in 2023. It is now one of the biggest iGaming affiliates in the industry. GiG Media has offices in Copenhagen, Denmark, St. Julians, Malta and Belgrade, Serbia. GiG Media employs around 300 people with more than 45 different nationalities.

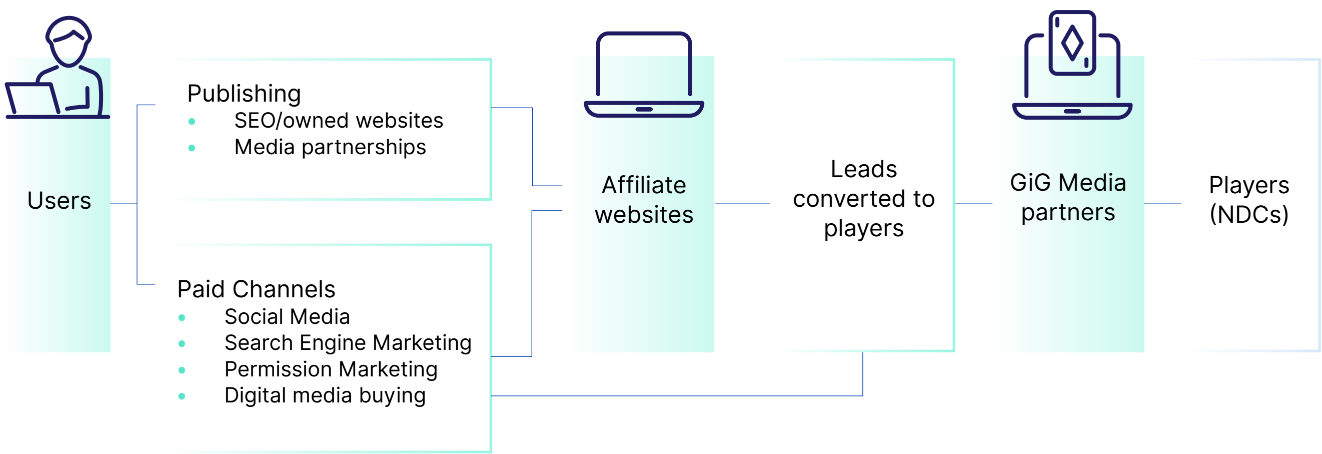
## Business Model

At GiG Media, our business generates customers for online casinos and sportsbooks. To achieve this, we leverage a combination of websites and paid campaigns to drive high-quality leads to our clients. Our commitment to providing valuable guidance and insights to users ensure that we empower potential players and connect them with iGaming operators that align with their interests and preferences.

## GiG Media:

### Connecting Customers and Betting Operators

Digital marketing and lead generation



## Publishing Services

Publishing operates 100+ casino and sports websites. Some of our flagship websites include wsn.com, askgamblers.com, and casinotopsonline.com, which have a global reach. We also operate a score of smaller locally-targeted websites tailored to the preferences of specific markets. Our websites serve as valuable resources for players, providing the information they need to make informed decisions about their online gaming preferences and choices. We publish commercial and informational content on our websites to engage the end user and optimise our presence on search engines like Google.

In addition to its website operations, GiG Media has forged a commercial partnership with the media powerhouse News Corp UK & Ireland Limited at the close of 2022. News UK is renowned for serving millions of online readers via its premium media websites, The Sun and talkSPORT. As part of this strategic partnership, GiG Media operates a betting-focused section on The Sun and talkSPORT's websites, providing readers with a centralised hub for all their betting needs. Since the start in December 2022, the partnership has yielded highly positive business results, prompting the expansion of our collaboration to include Ireland and the US.

By having a mix of established and emerging websites covering many markets, we reduce business risk through diversification, which we see as key to ensuring sustainable long-term growth.

## A Selection of Our Websites

### WSN.com

WSN, or World Sports Network, is a reputable and independent online sports and betting guide. Our team of sports and betting experts follows guiding editorial principles to deliver in-depth reviews of major legal sportsbooks, breaking sports news from the US and worldwide, comprehensive betting statistics and tips, previews, and the best predictions and odds coverage for hundreds of sports events.

In addition, WSN also hosts the Ride the Line podcast, covering the biggest headlines and providing tips for upcoming games. WSN promotes licensed sports betting and casino operators in 21 regions in North America. The website also covers daily fantasy sports and horse racing across the US.

### CasinoTopsOnline.com

CasinoTopsOnline.com (CTO) is a trusted online casino review site that has been providing gamblers safe and reliable information about online casinos and iGaming since 2011. The site has grown into a respected brand through our team's shared wisdom and skills. Our tagline, "We Review. You Play." reflects our mission of helping players choose an online gambling site that meets their needs.

CasinoTopsOnline.com is currently available in 23 regional and language versions, reflecting the scale of its global presence. Each casino listed on the website is carefully reviewed by a team of experts and assigned a CasinoTopsOnline TrustScore. The proprietary rating system considers a host of trust factors to ensure that visitors to the website are exposed to the most reliable operators regardless of location.

### AskGamblers.com

AskGamblers.com is an online casino review website that provides comprehensive and unbiased information on online gambling. The website features many reviews, ratings, and feedback from players and industry experts.

Established in 2006, AskGamblers has become a trusted source of information for players looking for the best online casinos and games. In addition to reviews, the website also provides up-to-date news, articles, and exclusive bonuses and promotions from the top online casinos in the industry.

The AskGamblers Casino Complaint Service is a key site component where the Complaints Service team helps players and operators resolve disputes. With over 80% resolved complaints, AskGamblers.com is an essential resource for new and experienced players in online gambling.

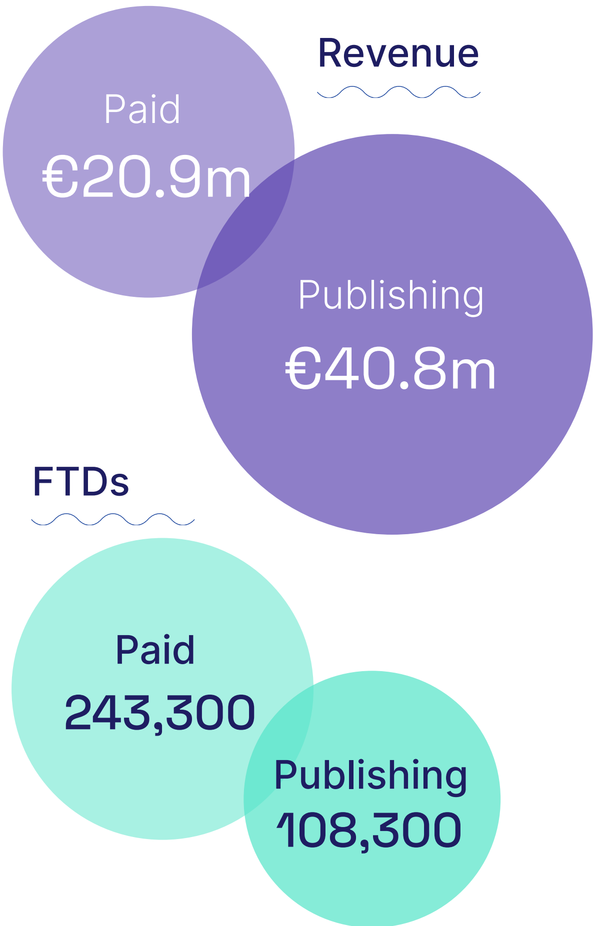
## Paid Services

Our Paid business engages in the launch and maintenance of various online campaigns, working with a range of channels and partners to generate players and leads for iGaming operators. Through this arm of our business, we can connect with a broad international audience and drive high levels of traffic to our partners' online sportsbooks and casinos.

GiG Media actively manages a diverse range of online paid campaigns as a part of our Paid business. These campaigns can be broadly classified into four categories: Search Engine Marketing, Display and Banner Advertising, Social Media Marketing, and Permission Marketing/CRM. We meticulously design and execute these campaigns to ensure maximum effectiveness in driving traffic and generating leads and players for our clients.

We utilise a data-driven approach to identify the most effective channels and strategies to reach our client's target audience. We also conduct ongoing testing and optimisation of campaigns to ensure they achieve the desired results and reach the highest return on investment (ROI).

Utilising a multi-channel approach in our Paid business, we position ourselves to take advantage of opportunities as they present themselves. Additionally, having multiple channels allows us to diversify our revenue and reduce our dependence on any one channel or partner, which aligns with our strategic goal of achieving sustainable, long-term growth.




## Paid Marketing Channels

Our paid marketing channels have a global reach and can be scaled up or down based on emerging business opportunities. We frequently utilise these channels to evaluate the potential of new markets before expanding our presence with the Publishing team and developing our websites in those markets. Some channels are good at engaging with users actively looking for a casino or sportsbook. In contrast, others are good at engaging with new potential players. A mix of these pull and push channels widens the potential user base we can market to.

Our paid marketing channels can be divided into four categories:

### Search Engine Marketing

Working with major search engines like Bing and Google, our SEM team ensures visibility in search engine results pages (SERPs) through paid advertising and optimisation techniques. For example, if a user searches for "Online Casino", an ad leading to one of GiG Media's sites should be shown at the top of the search engine results page.

### Social media

In the social media team, GiG Media builds audiences and pages with relevant content and ads. GiG Media uses a mix of paid and organic (community) ads to drive traffic to either our websites or directly to our clients.

### Permission marketing/CRM

Direct marketing to players promoting offers to users interested in online casinos or sportsbooks, for example, through emails. We use our websites to collect free leads for this channel.

### Display & banner advertising

Our Display channel uses a mix of various ad formats, for example, traditional banners or pop-up ads working with media partners worldwide.

### Our Marketing Platform and Proprietary Technology

Our marketing efforts are driven by our marketing platform, which empowers us to compete and achieve attractive profitability in our operations. We utilise centralised systems to power all our websites, with each domain having unique features while leveraging shared services from our marketing platform. This approach allows us to maintain high-quality website standards with compliant and accurate information at all times. It also allows us to expand into new markets without expanding our IT development team and increasing associated costs.

Our marketing platform comprises several layers that work together to manage the diverse requirements of running websites and online campaigns in different markets with distinct needs and focal points. These layers include: 1) Multiple front-end frameworks, 2) Various content management systems (CMS frameworks), 3) Tools for creating campaigns, 4) Business intelligence tools (BI), and 5) Marketing compliance tools.

A component of our marketing platform is our business intelligence tool, which gives our marketers a transparent view of the performance of our websites, campaigns, and clients. Our BI tool enables our organisation to make quick and accurate decisions, which is crucial in online marketing.

Our technology can manage additional websites with minimal impact on operating expenses. The infrastructure we have developed over the past several years provides significant economies of scale. A robust, centralised marketing platform guarantees the excellence of our procedures, products, and websites. Moreover, this system facilitates the future procurement and fast integration of affiliate assets or companies, as websites can be transferred to our marketing platform with enhanced quality and cost-effectiveness.

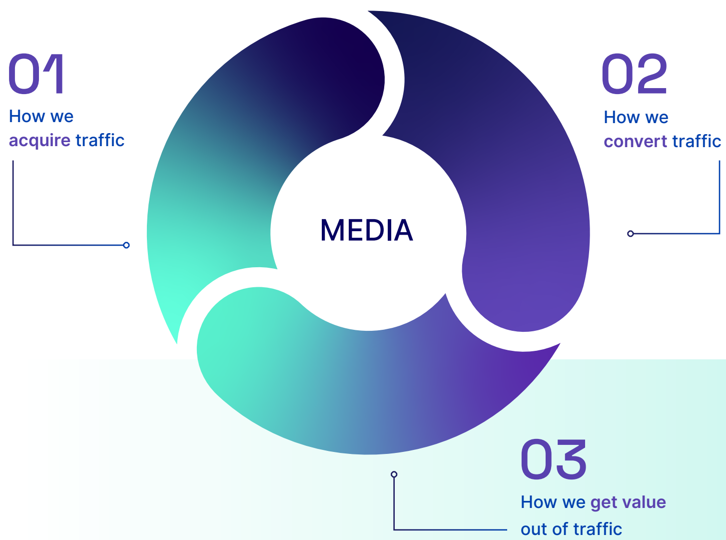
### The power of data

The presence and consumption of data are crucial to the success of our business. There are various ways in which data is indispensable for boosting our revenue and earnings:

- We can better understand our user's behaviour and preferences by analysing their data. This data analysis provides valuable insights into our users' desires, content preferences, and actions that motivate them to purchase or take other desired actions.
- Improving user experience: By examining user data, we can pinpoint areas that require improvement, such as website navigation, search functionality, and content recommendations. Enhancing these aspects leads to increased user engagement, loyalty, improved search rankings, and, ultimately, more revenue.
- Conducting marketing optimisation: We leverage data to optimise our marketing campaigns and target the right audience with relevant messages. Analysis of marketing data helps us identify audience segments that are most likely to convert, enabling us to tailor our marketing efforts accordingly.

### Cycle of Growth

- Our expertise in traffic acquisition directly impacts our ability to increase conversions in a constantly changing market
- With higher conversion rates, we gain leverage in negotiating better deals and accumulating valuable data on our partners and market performance
- Our deep understanding of various channels, markets, and partners enables us to strategically shape traffic and acquire the most valuable traffic at the best possible price



## Compliance

Compliance is essential to affiliate marketing, especially in the iGaming industry. It ensures a level playing field, fosters customer trust, and mitigates legal risks resulting from non-compliance. Compliance is an integral part of running a sustainable and ethical business. At GiG Media, we have developed our own compliance tool, GiG Comply, to monitor and ensure that our marketing activities align with regulatory requirements. The effectiveness of our product is demonstrated by its adoption by several operators and affiliates in the industry. As compliance continues to be a critical aspect of affiliate marketing in iGaming, we will continue to enhance our marketing compliance tool to maintain positive and stable relationships with our clients and users.

## Markets

GiG Media's websites have a widespread global presence from North America to Asia. Initially, we established a robust foothold in the Nordic markets and subsequently broadened our reach to encompass Germany and the UK. Over the last few years, we have expanded into other countries, effectively becoming a worldwide player with significant revenue streams from the Americas, Western and Eastern Europe, Nordic countries, and Asia. Our flagship website, CasinoTopsOnline.com, is available in 23 regional and language versions, while AskGamblers.com has a global presence. World Sports Network (wsn.com) targets North America and global users interested in US sports and gambling. Additionally, we conduct paid campaigns in over 100 markets.

Being a global actor increases diversification and reduces risk by being less exposed to specific markets or regions. Hence, it is a focal point for us to grow revenue in many territories as opposed to having a more narrow go-to-market strategy.

## Diversification

Since 2019, diversifying our business into more markets and broadening our portfolio of websites and campaigns to generate revenue has been a central strategy for us. Likewise, diversifying our customer base to include a higher number of different clients has been a priority. We aim to grow in both sports and casinos to mitigate the effects of seasonality, such as the typically lower demand for sports during summer months without significant events like the Euro or World Cup.

Diversification remains a key theme for our business and strategy in 2023. Having a more diversified business will reduce risks and create more growth opportunities - and, not the least, create sustainable long-term growth to benefit our partners, employees, and shareholders.

## Strategy for 2023

In 2022, GiG Media went through a significant transformation marked by an impressive increase in player intake, revenue, EBITDA, and several market entries. The Company aims to sustain this momentum by continuing to explore new markets in 2023 as one of the revenue growth drivers. Learnings from Paid campaigns will be applied to our Publishing services to determine what markets to enter with the longer-term build-up of websites.

Moreover, consolidating its current market position by enhancing websites and campaigns is viewed as a significant revenue potential for GiG Media. To this end, the Company invested a considerable amount of time in securing licenses for paid marketing in various territories, and it plans to ramp up its paid marketing efforts in these markets as 2023 unfolds. Throughout 2023, as we continue to enhance and consolidate our marketing platform, an increasing number of sites will be fully integrated into our marketing platform to maximise the benefits it provides. There is ample opportunity to increase market share by improving websites and campaigns. Several website assets and markets launched in 2022 are expected to deliver value in 2023.

In 2022, the Company's portfolio expanded with the acquisition of AskGamblers.com, a premium casino affiliate website. Additionally, GiG Media forged a commercial media partnership with News UK, which generated significant revenue in just a few months of operation. In 2023, the growth of AskGamblers.com and the company's media partnerships are expected to be important drivers of revenue growth.

GiG Media
Best Casino affiliate 2022

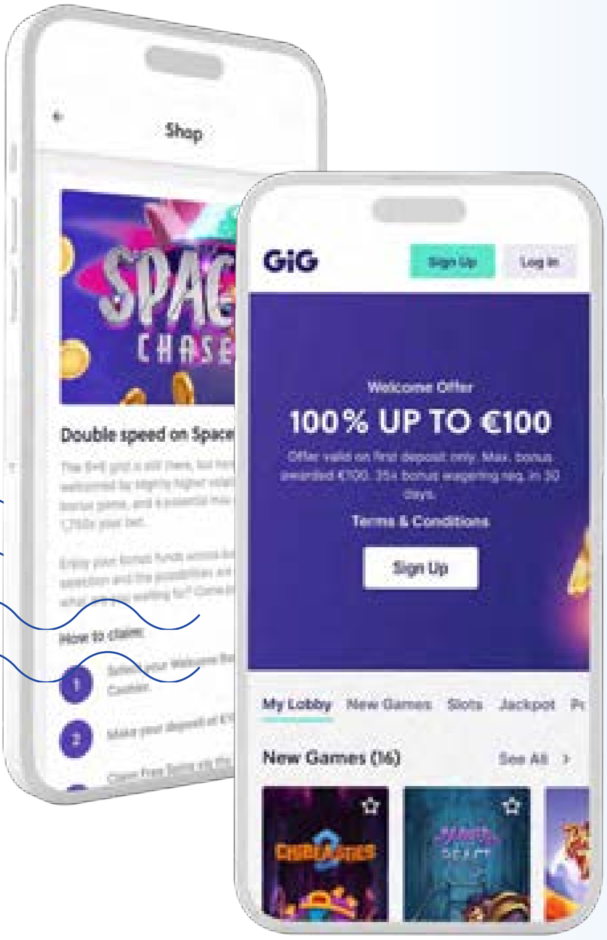
2023 iGB Nominations

Best Casino Affliate
Best Sports Betting Affiliate
Employer of the Year

#3 2021
EGR Power Affiliate
Rankings

#4 2022
EGR Power Affiliate
Rankings

# GiG **Platform** & **Sportsbook**




## Platform services

GiG delivers world-class igaming platform solutions and services to operators and their customers, via innovative and scalable technology. Our next-generation iGaming platform, composed of Player Account Management ("PAM"), Front-end, Back office and managed services is purpose-built for complex regulated markets and allows for accessible and compliant market entry into more than 30 regulated markets around the world. We specialise in helping our partners expand their business on a global scale, as our agnostic platform allows for innovation and customisation adapted to individual needs, localised customer experiences and user journeys. To provide a flexible solution, our platform rapidly integrates with partners' existing technology, preferred third parties as well as leading payment and game content providers. This allows operators to choose freely which content and services are best suited for their players' needs, providing the support needed to match their growth aspirations and localise their brands.

## Sportsbook

The GiG Sportnco sportsbook combines an innovative and proprietary product with an unparalleled geographical footprint, following the acquisition of Sportnco by GiG in April 2022. Our sportsbook offers a complete end-to-end solution with the sportsbook and platform combined, to allow for a seamless user experience for all operators. Our partners benefit from one single integration point, and facilitate their onboarding and launch. Now a truly global offering, the GiG Sportnco Sportsbook enjoys access to over 30 markets, focused on flexibility to deliver tailored odds, personalised margins and tailored strategies to specific regulated markets.

Our sportsbook has enjoyed success with 13 new deals signed in 2022, and importantly, the year has helped establish a strong framework from which to grow towards. 2022 saw us enter 4 new jurisdictions and exceed 35 partners in total, enjoying an 18% growth in terms of unique users year on year. Our geographical footprint now covers clients all over the world, with new deals covering Angola, Province of Buenos Aires, City of Buenos Aires, Cordoba, Mendoza and Entre Rios in Argentina, Portugal, Maryland, Ontario, Latvia and the United Kingdom.

2022 also saw our centralised and experienced trading team enabling us to maximise customer satisfaction and revenue generation to deliver record numbers of activity during the Fifa World Cup.

Our Sportsbook is specifically designed to accommodate integrations as quickly and as easily as possible. Due to continuous frontend and automation development, our capacity and speed to market has increased by 50% over the last year allowing us to deploy and configure environments twice as fast as before, launching new customers in existing markets as fast as in 6 weeks. The past year has seen us integrate the sportsbook with our proprietary and market leading platform technology, and further deliver an additional 8 new URL's, 6 of those in complex regulated markets for brands in Portugal and in Latin America.

## From self-service to fully managed, it's all about choice.

By ensuring a strong relationship with our partners, we are able to identify together the best way to take their iGaming and sportsbook operation to launch and beyond, successfully giving them the freedom to choose if they want self-service, or to receive fully managed service. Our managed services support our partners with a dedicated account manager and an integrations manager. Available from pre-launch throughout the business lifecycle, providing operators with the operations, CRM and media services support they need to help manage and grow their business.

Whether they are looking for help with their acquisition strategy, faster payments, increased customer lifetime value or for advanced responsible gaming and player protection tools our managed services solution has every eventuality covered. This flexibility is built on our belief in long-term growth, ensuring brand loyalty and the highest quality of tailored services for our partners and their players.

## Committed to growth in regulated markets

Our next-generation iGaming platform and sportsbook are built specifically for accessible and compliant entry into regulated markets around the world. We specialise in helping our partners expand their business on a global scale, providing the localised knowledge, support and guidance to ensure they are fully informed on the requirements needed for a speedy and successful launch in new markets.

We are fully committed to growth in regulated markets as part of our strategy, as of today being authorised in four U.S. states, Ontario in Canada, 15 markets in Europe, and with others in Latin America, Africa and the rest of the world. Additionally, the platform is further certified in a further eight regulated jurisdictions in accordance with local technical standards. It is certified and compliant with internationally recognised GLI33 and GLI16 platform standards, with ISO27001 security and ISO20000 service management standards.

ISO 20000
BUREAU VERITAS
Certification

## Shaping a safer and more responsible Gambling industry

As a continued effort to build on and improve our technology to meet partners' demands, GiG has developed a suite of robust responsible gaming, risk & fraud and anti-money laundering features into our data platform. To help build a more sustainable future for operators and their players, our RG features allow operators to detect high-risk and vulnerable players by flagging patterns of abnormal behaviour, through our real-time automation tool Logic. Our Risk & Fraud prevention and incident control tools, allow operators to quickly identify potential high-risk cases, helping to identify and eliminate money laundering and financial crime, to ensure long-term sustainable player relationships. This is in addition to GiG's first-line customer support team, who are all required to have undergone GamCare accredited training, keeping with our commitment to responsible gaming is reflected in everything that we do.

## Harnessing the power of automation to drive sustainable performance

Automation is now more important than ever, particularly when it comes to improving the player experience, entering new markets, creating a safer playing environment and improving lifetime value. GiG's automated features help to improve the customer experience by allowing operators to create real-time actioned events, helping to drive a strong competitive advantage.

Our platform is built around flexible solutions and APIs that can be easily integrated with a variety of systems. New partners have the opportunity to tailor their needs whether it be for a completely new site or migrating from another platform. It offers different points of integration, directly to the platform, into our CMS layer and a full end-to-end solution, including frontend development. The platform boasts a unique frontend experience and is built mobile-first, to ensure that operators provide their players with the same quality across all devices.

Right place, right time. Choosing the perfect partners. GiG believes in the power of the partnerships we form, building relationships so that we can fully focus on long-term growth, together. This helps us ensure brand loyalty and the highest quality of tailored services for our partners and their players, working together to identify the best way to take their iGaming operation to launch and beyond, successfully.

## Security as a priority

At GiG, security is considered a strategic priority, as a platform and sportsbook partner that operates in heavily regulated markets such as the UK and US, it is imperative to GiG that it is ahead of the curve when it comes to certification. In February 2021, GiG was awarded an ISO 27001:2021 certification for its frontend development solution and content management system. The certification now covers development, infrastructure, network configuration and associated product operations for frontend, middleware and backend Gaming services hosted on GiG's infrastructure. In addition, GiG is also ISO 27001 certified for the real-time data platform. The accreditation means that through its agile security framework, GiG is protecting its partners and their players with the highest level of information security available, further demonstrating its commitment to continuous improvement and in providing its partners with a secure solution they can trust.

## Licences and certification

GiG's iGaming platform and sportsbook solution is licenced by the Malta Gaming Authority (MGA), United Kingdom Gambling Commission (UKGC) and is offered under a Casino services industry enterprise licence (CSIE) issued by the Division of Gaming Enforcement (DGE) in New Jersey. We are licensed as a full Interactive Gaming Manufacturer License in Pennsylvania by the Pennsylvania Gaming Control Board (PGCB),by the the Alcohol and Gaming Commision (AGCO) in Ontario and as an Online Sports Wagering Operator in Maryland. This is alongside two class II licences for the management and hosting facilities on its iGaming platform and for the production and distribution of software services in the field of iGaming in Romania. It is certified in Sweden, Spain, Germany, Iowa (USA), Argentina, Croatia, Latvia and is also compliant with internationally recognised GLI33 and GLI16 platform standards, as well as ISO27001 security standards. At GiG, we understand the importance of entering new markets for our partners' growth. Therefore we have a dedicated team of experts with extensive knowledge and experience of building iGaming solutions that comply with regulatory requirements around the globe. We ensure that our partners are fully informed of the requirements needed for a speedy and successful launch in new markets.

## Product showcase

### Platform

Our next-generation iGaming platform is at the core of our business, built upon agile technology specifically designed for complex regulated markets to allow for accessible and compliant entry into 30+ regulated markets around the world. We specialise in helping our partners expand their business on a global scale, as our agnostic platform allows for innovation and customisation adapted to individual needs, localised customer experiences and user journeys. Our platform is built around flexible solutions and APIs that can be easily integrated with a variety of systems. New partners have the opportunity to tailor their needs whether it be for a completely new site or migrating from another platform. It offers different points of integration, directly to the platform, into our CMS layer and a full end-to-end solution, including frontend development. The platform boasts an unique frontend experience and is built mobile-first, to ensure that operators provide their players with the same quality across all devices. To provide a flexible solution, our platform rapidly integrates with partners' existing technology and preferred third parties, integrating with all of the leading payment and content providers. All of this allows the operators to choose freely which content and services are best suited for their players' needs, providing the support needed to match their growth aspirations and localise their brands.

### Data

GiG's real-time data platform, GiG Data, allows operators access to key intelligence at the right time, placing their brands ahead of the curve in competitive markets. The platform provides several features to allow users to retrieve and build their own reporting across all areas of the business, including marketing, retention, financial and AML.

GiG Data also forecasts behaviour of players in real time, and the product has helped operational teams be more lean and operationally efficient. It's a main ingredient for pivotal areas such as acquisition, retention, personalisation and player safety. All intel is propagated to our real time rules engine, GiG Logic, where an operator can not only access predictions in real time, but also create tailored automated actions. All in all, allowing operators to be proactive and heads and shoulders above the rest.

### Logic

GiG's real-time rules engine, Logic, allows operators to orchestrate features by building business rules without the need of coding knowledge or development teams. With Logic, GiG's partners are able to leverage the integrations available, both from GiG Platform and beyond, to reduce operational costs. Such a product enables the brands to optimise their time to market. GiG Logic utilises transactional data from all other products within GiG Platform, including GiG Data. Tailored automated actions can be built around players' experience and their current life cycle.

Logic has over 100 pre-defined building blocks and processes over 52 million messages a day.

#### How it works

Logic absorbs messages by reading what players are doing both offline and online through any API call. For example, if a player spins a game or makes a deposit, logic reacts in milliseconds to whatever that player is doing. The unique user interface then allows operators to drag and drop rules and building blocks in a flow chart style design, helping them to build their logic within these messages and tailor them to their players.

### Frontend

GiG works closely with its partners to digitally recreate the look and feel of their on-site casino. The frontend framework and CMS solutions work together to keep players engaged with a consistent gaming experience and enables our clients to continue to stand out from their competitors online as they do offline.

Through machine learning applications, GiG's feature-rich CMS automatically provides players with recommendations of games and presents them with automated promotions such as tournaments, races, automated cash-back and more. This allows operators to tailor their content and cross-sell marketing campaigns to ensure they are always in front of their players with engaging content.

### Managed services

GiG's managed services solution provides operators with a tailor-made package of turnkey services to suit their individual business needs' including media services, operations services and customer relationship management. All of GiG's turnkey managed services are available from pre-launch throughout their business lifecycle, providing operators with the support needed to help manage and grow your gaming business.

### Operations

Our dedicated and experienced operations team takes care of all operational aspects of our partners' organisation  including support, compliance, risk and fraud and KYC.

GiG's first-line customer support team are highly skilled and have undergone GamCare accredited training ensuring that our commitment to responsible gaming is reflected in everything we do.

### Customer relationship management section

At GiG, customer relationship management is so much more than a CRM tool, it's all about creating an integrated customer strategy that focuses on our partners' customers journey and lifetime value. With over a decade of experience from within a B2C gaming environment, and with expert knowledge of our in-house CRM system and tools, and of its products, GiG's CRM team is committed to delivering a proactive approach to customer relationships.


"It's all about creating an integrated customer strategy that focuses on our partners' customer's journey and lifetime value"

## Sportnco: our Sportsbook

The GiG Sportnco Sportsbook combines an innovative and proprietary product with an unparalleled geographical footprint, following the acquisition of Sportnco by GiG in April 2022. Our sportsbook offers a complete end-to-end solution with the sportsbook and platform combined, to allow for a seamless user experience for all operators. Our partners benefit from one single integration point to facilitate their onboarding and launch. Now a truly global offering, the GiG Sportnco Sportsbook enjoys access to over 30 markets, focused on flexibility to deliver tailored odds, personalised margins and tailored strategies to specific regulated markets. Our geographical footprint now covers clients all over the world, with new deals covering Angola, Province of Buenos Aires, City of Buenos Aires, Cordoba, Mendoza and Entre Rios in Argentina, Portugal, Maryland, Ontario, Latvia and the United Kingdom.

Our Sportsbook is specifically designed to accommodate integrations as quickly and as easily as possible. Due to continuous frontend and automation development, our capacity and speed to market has increased by 50% over the last year allowing us to deploy and configure environments twice as fast as before, launching new customers in existing markets as fast as in 6 weeks.

The success of our Sportsbook is born out of our obsession with sports, and that passion is perfectly encapsulated by our specialised in-house trading team. Centred around bespoke offerings for key markets, 24/7 availability, proactivity, personalised risk management and personalised customer support, we are able to build a truly tailored experience for our clients, regardless of their location around the world. We are able to offer dedicated odds, dedicated markets and a customised pricing strategy, which enables the sportsbook to be personalised and tailored to suit both the market and partner. The team designs solutions for the preferences and habits of local operators and their players, while remaining 100% compliant with the regulated markets in which it operates.

- We work with the leading data and odds suppliers in addition to newly integrated suppliers, ensuring our betting content is always rich, varied and up-to-date for an ultimate player experience for our partners' players.
- Innovation is ingrained within our culture, and development of a multi-bet feature is designed to deliver more opportunities for partners to tailor margins, adapted to unique market needs.
- This flexibility increases the control of margins, allowing us to offer the most attractive odds package for the client, therefore maximising revenue-generating opportunities and increasing customer retention, acquisition and satisfaction.

Our websites are all designed to cater for this flexible centric approach, allowing our partners to customise their promotional and SEO content thanks to the full control we give them over their advertising and marketing activities.

The bespoke approach is not limited to our trading capabilities. We are able to offer regular reporting, day to day if required, and report on dedicated needs, all supported by a team of dedicated account managers, specialised for each market. The new back office has a strong CMS that allows the client to take full control over the promotions display, customised banners for every sport, category, competition and event and the SEO meta elements and text content. The back office and reporting system also allows our customers to track the effectiveness of their marketing in real-time. This is done pre-match, giving them the opportunity to modify or adjust their promotions, or in-play with the event in progress. Our system's features enable our clients to assess their efficiency and tailor their offerings to ensure specific bets and features can be found by the players in optimal fashion, whether pre-match or in a live setting.

The interface is simple and intuitive and provides unique tabs and access for each department and their teams: customer service, marketing, management or affiliates. Each department can consult the system and use it for marketing analysis, trading and risk management assessment or affiliate reporting.

We have been working extremely hard over the last 12 months to ensure we offer, and will continue to offer, what the market needs to build growth and success. GiG's Sportnco sports betting solution is more than a betting solution, it is a global and bespoke service that includes a team of over 100 highly skilled professionals who bring development, odds and risk management, consultancy and personal attention to our partners so that we can launch, at unparalleled speed, in any jurisdiction and grow their business together. This is the key to our commercial success in demanding regulations. This is why operators trust us year after year.

### Key benefits

- Dedicated trading and risk management
- Mobile and apps (native and hybrid) responsive frontend design
- Extensive knowledge and expertise on auditing requirements for regulatory authorities
- Business analysis, consultancy and marketing advisory services
- 50,000+ pre-match events per month
- 25,000+ real-time live events per month
- 600+ betting markets
- 5000+ leagues
- 50+ Sports

## Omnichannel

GiG works closely with its partners to ensure that their digital transformation is a smooth process that offers players a tailored and seamless customer journey. GiG's omnichannel solution can be integrated with any casino management system allowing its partners to seamlessly combine their retail and digital offering. This not only helps to increase customer convenience but also to increase player lifetime value and retention.

The GiG omnichannel approach allows operators to support and complement their retail offering, giving them a strong presence in both the online and offline worlds, which makes them more accessible to their customers. GiG's omnichannel solution can be integrated with any casino management system allowing operators to harmoniously combine their retail and digital offering.

Some of the main benefits to GiG's omni solution is the single wallet, registration and shared loyalty system, each of which come with significant benefits to both the operator and their players. The GiG omnichannel approach adds a high level of value throughout the entire customer journey, placing our partners' customers at the centre of their brand.

"The GiG omnichannel approach allows operators to support and complement their retail offering, giving them a strong presence in both the online and offline worlds, which makes them more accessible to their customers"

# SUSTAINABILITY REPORT

02

# Our **strategic approach** to Sustainability:

## Foreword

**Our people and practices** are continually improving to focus on creating a truly sustainable business which adds value to the world in which we live. From adopting all ESG and United Nations standards and values, to the key measurements and KPIs, we are encompassing them all in our sustainability strategy and planning. We are excited to help lead the industry into a better tomorrow, for people and for planet.

We are starting from the very foundations of the organisation, looking at everything through an ESG lens, and have identified a number of areas and ways to improve what we are doing. Defining two clear sustainability goals has meant we can identify what is and is not working. 2022 has been a year of research and development, where the team has created partnerships with leading B Corp certified companies to guide us, these include leading carbon management platform Greenly, and leading consultancy Legacy, which improves the understanding and activation of our investment, and means we can measure everything we do moving forward.

We continually build and develop upon our regulatory compliance, information security and platform management efforts to provide our partners and the communities in which they operate in, with the safest, most secure and innovative service, including AML, Player Protection, Safer Gambling, ISO 27001 and ISO 20000 certificates. Our climate action includes partnering with Greenly to accurately measure, manage and inturn **reduce our Scope 1, 2 and 3 GHG emissions**. We have also **stopped gifting merchandise**, as the emissions produced impact the climate negatively, and are now offering well-being top-ups, a Reward Toolkit for Managers and their teams, and we will shortly provide **truly sustainable welcome gifts** which offset carbon emissions around the world, including **tree planting** or **donation to biodiverse projects** through Switzerland based The Gold Standard's organisation "for a climate secure and sustainable world". We have also offset **167,000kg Co$^2$** (100% of our recorded business travel footprint) through The Gold Standards **Verified Emission Reductions scheme**. In 2022 our People team collected, compiled and addressed over **63,000 feedback points** through annual and monthly Voice of Employee and engagement surveys, to improve the employee experience, and developed a new and improved perks and benefits package. The team also **established GiG's first DEI allyship called GiG Allies**, with full training and certifications achieved by all members.

Whilst we have some way to go to reach our sustainability targets, you will read in this report that we are constantly improving. Add to this the **extensive sustainability review planned for H2 2023** with Bureau Veritas in collaboration with RSM, GiG undertaking it's first ESG rating analysis which benchmarked the organisation overall, at a **fair 47** (50 is good), and our recently attained **NASDAQ ESG Transparency Partner** stamp of approval, we can further define, develop and inform the next stage of our journey to sustainability in 2023/4. We look forward to updating our stakeholders on our progress in upcoming quarterly and annual reports.

**Gemma Edward**,
Director of PSS and Sustainability

# 2022 Highlights

## Business goal 2022

| | |
|---|---|
| Expanded and doubled our addressable markets. | The acquisition of Sportnco completed April 2022, and an agreement signed to acquire the casino affiliate websites AskGamblers.com, Johnslots.com, Newcasinos.com and several smaller domains. |
| Increased and renewed ISO certifications. | As well as our recertification for the coveted ISO 27001 for information security, for all products and services across GiGH's operations, GiG was awarded the ISO 20000 certification for the platform after an extensive review of internal service management system, framework and practices. |
| Recognised as Best Casino Affiliate. | GiG Media was awarded "best casino affiliate" award at the iGB Affiliate Awards in London. |
| Partnered with premium Media organisation. | GiG Media entered into a new commercial partnership with News Corp UK & Ireland Limited for sports betting and casino content to their premium media websites The Sun and talkSPORT in Q4 2022. |
| Signed 20 deals and entered into new and emerging markets. | Platform and Sportsbook signed a vast array of platform, managed services, PAM and sportsbook deals with; Betsson, SkyCity, Aspers UK, Crab Sports, Full Games, Betway, Grupo Boldt (Bplay), Fenibet, Strike Games, Luckybet, Luckydays and Spinaway, StarCasino resulting in GiG's exciting position in emerging, new and existing markets like Africa, US, Europe, Canada, UK, LATAM and Serbia. The total number of live brands was 62 at the end of Q4 2022. |
| US and Canada Expansion. | From being granted authorisation in three States in the US (New Jersey, IOWA and Pennsylvania), to GiG's Ontario licence being granted, and Ben Clemes leading the creation of a North American hub, GiG's plans to expand successfully in this territory are well underway. |
| Reduced GHG emissions with office reviews. | Workplace Services team along with support from the office environment committees comprising representatives from IT, Finance and People, have successfully subleased 2 levels in GiG Beach, moved the Marbella office, to reduce emissions and costs, and increase services and engagement. |

# People goal 2022

| | |
|---|---|
| Improved employee experience. | Our people deserve a company without bias, who cares and provides them with the very best service and experience. We reviewed our most pertinent policies, including Right to Disconnect, Flexi-working and Health and Well-being, which are industry leading policies, including best practices. We also continued to work through the 63,000 feedback points and work on a brand new perks and benefits package which includes Me Time day, Birthday leave, GiG Gives paid volunteer day, 350 euro Well-being allowance, which can be used for personal care, clothing, appliances and charity donations, a very broad spectrum, plus many more initiatives, all to ensure our people felt supported and catered for in every way. |
| Implemented Your Voice. | As part of the EU Whistleblower directive, we have provided 'Your Voice' on Hibob which is an anonymous reporting tool that protects our people and enables them to speak up in a safe and secure environment. This directive was passed into national law on December 17 2021, for companies with more than 249 people. |
| Listened to our people. | We sent monthly and quarterly engagement surveys in Media, Group and Platform in 2022 and extended to Sportnco Group in early 2023, and the first Have Your Say survey in Oct 2021, with an 87% participation rate, which collected almost 40,000 feedback points to shape many aspects of our people employee experience throughout 2022, and launched the second Have Your Say survey in March 2023. The feedback gathered is used to see what is working, what to stop doing and what we need to improve. In total we collected, compiled and used 63,000 points of feedback to directly shape and improve the employee experience throughout 2022. |
| Improved recognition. | With 22 teams and individuals winning GiGstars of the month and held our 3rd Annual GiGstars Awards in Dec 2022 with 446 nominations, 28 judges, 24 finalists and 8 winners, where the prizes were focussed on improving well-being through experiences. |
| Created new perks and benefits package. | We want to foster a trusted and rewarding company culture, with flexibility at its core and attractive benefits to retain our people by giving the best all round experience from personal development and progression, remuneration and investment, environment and accompanying perks. We researched the global employment market and used the data and feedback from Have Your Say, Stay and Monthly Engagement surveys to put together a personalised, forward looking and industry leading benefits and perks package |
| Protected the planet through further ESG exploration. | From reducing merchandise, use of couriers, and looking into ways to decarbonise our operations, multiple teams contributed to offsetting GiG's carbon footprint and the reduction of GHG emissions in 2022. |

# Key focus areas for 2023

## Business goal 2023

| | |
|---|---|
| Execute strategic review. | It's all hands on deck to plan and implement the separation of the organisation into two publicly listed companies. |
| Acquisition of AskGamblers. | Acquisition was completed end of January with several initiatives to grow revenue and EBITDA for the asset being identified. |
| Complete Sportnco Integration. | Continually innovate in the regulatory compliance arena, from the building of advanced RG Risk Profiling solutions supported by capabilities that automate customer interactions and interventions, to safer gambling training and meticulous safer gambling and social responsibility reviews by external consultants |
| Increase Safer Gambling and Player Protection offering. | Continually improve the innovations in the regulatory compliance arena, from RG Risk Profiling to RG training, and how GiG communicates with partners and their end users. |
| Regulated market expansion. | Continue work maintaining current licenses in regulated markets, look to expand into new markets, and we completed Maryland and Pennsylvania licences in March 2023. |
| Improve overall ESG rating. | Complete a review of the organisation's activities towards ESG targets and assess the organisation's readiness to report under the CSRD directive with Bureau Veritas (in collaboration with RSM) and use partnership with Greenly and Legacy to create an informed and specific emissions reduction plan, focussing on supply chain, increasing efficiencies, improving retention of talent and more. |

## People goal 2023

| | |
|---|---|
| Improve employee experience. | Rolling out new perks and benefits package, continued focus on well-being with new partner, maintaining flexibility, increase recognition schemes, more dedicated training and development resources and time, personal development planning and support etc. |
| Greater recognition and reward through perks and benefits package. | Increased office and team building events, Increased well-being allowance, Introduced Birthday leave and"Me Time" Day, Work anniversary manager reward toolkit, Sustainable new joiner gift of tree planting / supporting biodiverse start ups. |
| Streamline office environments and improve workplace services. | Continue the work on office environments and use of space, including further subleasing and review of office space. |
| Leadership programme and training. | With the success of the 2022 Leadership programme our People team will expand this to include further investment in training and workshops in 2023. |
| Found GiG Gives and solidify philanthropic direction. | Complete the official foundation of GiG Gives and establish one partnered charity in each location, which matches our values and targets. |

# ESG

In 2021 we embarked on the journey every company should be taking to record and report on the 4 categories and 12 subcategories of ESG reporting. We are fully committed to reducing our impact on the planet and supporting our people, and we are excited to begin our journey in earnest to achieve Net Zero through analysis, reduction and neutralisation. We have partnered with leading carbon management accounting platform, Greenly, to accurately measure and report on GiG's GHG emissions, and put in place an informed roadmap for decarbonisation, once this has been completed we will share the roadmap with all stakeholders and our target date for reaching NetZero. Also, we commissioned a full ESG analysis for 2022, with consultancy Legacy so we can better monitor our global standing, highlighting the areas which need greater focus moving forward. Both of these companies are B Corp Certified, the highest sustainability standards achievable.

Please see our Annual Sustainability Report 2022 for further details.

**Our areas of focus**

- Scope 1, 2 and 3 carbon emissions assessment with partner Greenly, with the following targets:
    - Reducing consumption and waste. We are recycling paper, plastic, glass, organic material, printer toner and batteries in all of our locations, including electronic waste, and we have started to record all of our energy consumption. **We aim to reduce our energy and water consumption by 5% in 2023.**
    - **Improving merchandise practices.** We're also changing our current merchandise to sustainable products, and reducing CO2 emissions caused by shipments, couriers by changing the shipment type and frequency and awarding digital prizes and rewards instead of physical items. **We have stopped gifting merchandise which reduced associated GHG emissions in 2022. Once the results from Greenly's carbon management platform are calculated, we will update on specific numbers by the end of 2023.**

GiG

## Overall Rating: 47

### Category Ratings

| | |
|---|---|
| Community | 47 |
| Employees | 47 |
| Environment | 46 |
| Governance | 49 |

### Subcategory Ratings

| | | |
|---|---|---|
| **Community** | Community Dev and Philanthropy | 51 |
| | Human Rights and Supply Chain | 40 |
| | Product | 49 |
| **Employees** | Compensation and Benefits | 49 |
| | Diversity and Labour Rights | 47 |
| | Training, Health and Safety | 46 |
| **Environment** | Energy and Climate Change | 56 |
| | Environment Policy and Reporting | 41 |
| | Resource Management | 41 |
| **Governance** | Board | 51 |
| | Leadership Ethics | 50 |
| | Transparency and Reporting | 45 |

# **BOARD OF** DIRECTOR'S REPORT

03

# Board of director's report

## Description of the Business

Gaming Innovation Group ("GiG" or the "Company") is headquartered in Malta. The parent in the group, Gaming Innovation Group Inc., is a US corporation incorporated in the state of Delaware, USA, and is dual listed on the Oslo Stock Exchange, Norway, with the ticker symbol "GIG" and at Nasdaq Stockholm, Sweden, with the ticker symbol "GIGSEK".

The Company's vision is to be the industry leading platform and media provider delivering world class solutions to our iGaming partners and their customers and the mission is to drive sustainable growth and profitability of our partners through product innovation, scalable technology and quality of service. To reach this vision, GiG uses its own proprietary technology and products, offering an open and connected ecosystem of products, services and solutions benefiting end users, suppliers and operators alike.

GiG's principal activities during 2022 were the provision of online gaming services, primarily the provision of remote gaming platforms, sportsbook, and affiliate marketing operations divided into the following two segments:

**GiG Media** refers users to operator partners across casino, poker and sports betting, mainly by operating websites that rank high in search results for specific keywords and pay-per click advertising. The vision is to enhance touchpoints where people discover iGaming online by emphasising educational, informational, and valuable content about the industry and promoting top-tier games, operators, and offerings through web portals and online campaigns. Media Services generates revenue through perpetual revenue share agreements, cost per acquisition (CPA), hybrid models, and listing fees for prominent positions on our websites. Affiliate marketing offers solid margins and benefits from economies of scale, making GiG Media one of the leading iGaming affiliates for revenue and traffic-driving capabilities.

**Platform & Sportbook** contains GiG's proprietary technical platforms - player account management platforms (PAM) - offering the full range of services needed for an iGaming operator and proprietary sportsbook including trading tools and front end. The platform is integrating application developers such as game and payment providers, who can access an ecosystem of operators through a single integration. The operator can utilise open APIs to connect its front-end website and customer management system (CMS) to the system and gain access to all the game service providers (GSPs), payment service providers (PSPs) and ancillary services including live chat, email systems, affiliate systems and CRM. All features and functionality are offered as a Software-as-a-Service (SaaS). The platform itself is fully scalable both horizontally and vertically with individual modules being scalable in anticipation of increased load. The sportsbook is a multi-tenant system, which gives scalability, speed to market and simplifies B2B management. It also gives operators the freedom to take control of their offering, choosing their odds, margins and limits for every sporting event and market, without being dependent on their supplier.

GiG has strategically positioned itself towards larger and more complex operators where the Company can support an operator across all the major parts of the iGaming value chain, including offering a seamless omnichannel solution from retail to online and managed services.

Licensed in

37

markets
(incl. pipeline)

## Sportnco Gaming

On 1 April 2022, GiG acquired the iGaming company Sportnco Gaming SAS ("Sportnco"). Sportnco is one of the leading platform providers of turnkey betting solutions for operators in regulated markets through its inhouse developed sportsbook. The combined company enhances and strengthens GiG's position as one of the industry leading platforms and media providers with innovative and proprietary products and creating one of the largest and fastest growing providers in regulated iGaming with an unparalleled geographical footprint.

## AskGamblers

In December, GiG signed an agreement to acquire the casino affiliate website Askgamblers.com and several other domains. Askgamblers.com is an awardwinning website recognised as a well-trusted source in the iGaming industry with strong brand recognition by users. The acquisition was completed in January 2023 and cements GiG Media's position as the leading casino affiliate and will provide the business with several keystrategic assets and multiple revenue opportunities.

## Outlook

Media Services witnessed a strong performance in 2022, with the growth in player intake and positive developments in website rankings supporting further expansion in this segment. Approximately 95% of new first-time depositors (FTDs) are on a revenue share or hybrid deals, bolstering GiG's extensive player database with perpetual revenue share. As GiG increases its geographical diversification, sustainable revenue growth for Media Services is anticipated.

For Platform & Sportsbook, GiG offers innovative and proprietary products with an unparalleled geographical footprint covering 37 markets worldwide including the pipeline. This gives GiG a large overall addressable market and focus will be to sign new clients but also to offer growth and diversification to existing clients through extended geographical presence. New clients are added each quarter, building a sustainable and recurring SaaS revenue stream that will improve the operational performance for the segment going forward. The full effects of the cost initiatives taken in 2022 will be seen through increased contribution from Platform & Sportsbook in 2023.

The Board of Directors has decided to initiate a strategic review with the intention to split the Company into two separate companies, by distributing one of the business segments, GiG Media or Platform & Sportsbook, to GiG's shareholders. The purpose of the split is to optimise growth opportunities and ensure each business can benefit from the strategic and financial flexibility of their distinctive business models. The split will form two industry leading businesses with the potential to grow faster than in the current corporate structure. Planning has begun, and is expected to continue throughout 2023, focusing on outlining the strategic and operational objectives that need to be achieved in order to execute the split. A final execution will be subject to all necessary corporate actions, including shareholder approval.

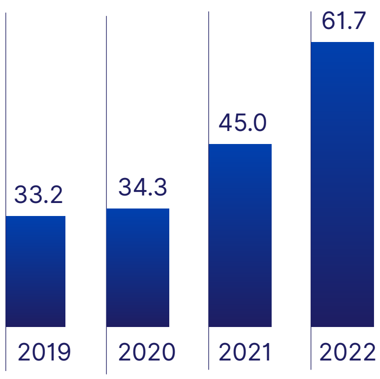
GiG has made good progress towards its operational and financial targets in 2022, with 28% organic growth, an increase in adjusted EBITDA margin from 34% to 38%, and decrease of leverage ratio from 1.9 to 1.6. The Company remains confident and committed to its long-term financial targets which are as follows:

- **Growth:** To achieve annual organic revenue growth in the region of 20%
- **Profitability:** To achieve an adj. EBITDA margin in excess of 50% during 2024
- **Leverage:** Cash generated from the business will be used to lower leverage ratio while continually pursuing growth opportunities in the rapidly growing iGaming sector.

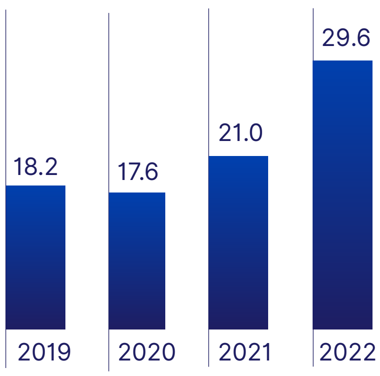
## Operational Performance

### Media Services

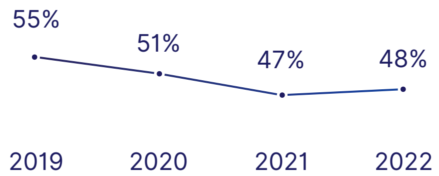
GiG MEDIA
Revenues (MEUR)




GiG MEDIA
EBITDA adj. (MEUR)




GiG MEDIA
EBITDA margin adj.




GiG Media delivered an all-time high in revenues in 2022, up 37% from 2021, continuing the positive development over the past years. Player intake continues to be strong and reached 352,000 first time depositors (FTDs) in 2022, up 78% from 197,800 in 2021. Both within Paid and Publishing, GiG Media continues to scale up marketing spend in line with the ambition to grow revenue and business further. The growth in player intake provides a strong foundation for future revenue with most of the players generated having a revenue share component, with players referred on either pure revenue share or hybrid.

In December 2022, GiG Media entered a strategic partnership with News UK to drive betting-related traffic in the UK through The Sun and talkSPORT. The partnership has yielded positive results already in its first months of operation, with strong organic rankings in the English market. GiG Media believes that this partnership will generate significant revenue in the future. Additionally, plans to explore new partnerships is a key area of focus in the coming years.

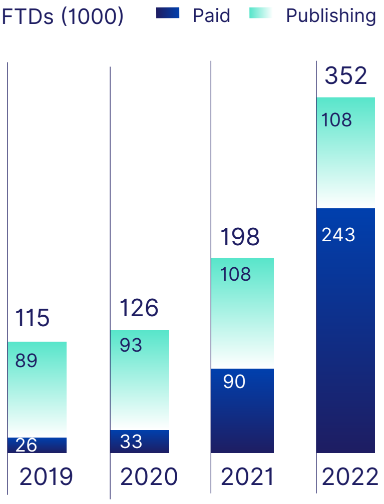
Expanding into new regions resulted in a more diverse geographical spread in both revenues and FTDs in 2022, reducing the overall operational risk and increaseing geographical diversification. New markets in which to operate with paid campaigns includes Greece, Italy and the United Kingdom, and GiG Media currently holds a total of 15 licenses from Meta. Publishing experienced positive search rankings and launched several new websites in 2022 and entered six new markets during the year in line with the strategy to diversify revenue streams further.

Marketing spend increased in 2022 in line with the ambition to diversify and invest in a broader composition of markets and channels to drive sustainable long-term growth. Given the substantial growth and further potential within both Publishing and Paid in conjunction with new market openings via regulation, GiG will continue to invest to capitalise on the future potential in this business area.

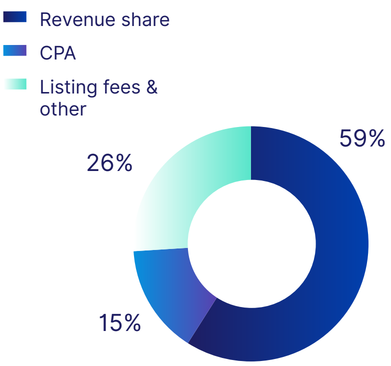
Diversity also increased for Paid in 2022, with growth in the market portfolio for all significant channels. Social Media's license portfolio broadened by including six new markets. PPC launched multiple new websites in existing markets while also adding ten new markets to the portfolio, ensuring an even wider client reach, including expanding into four US states. The display channel has equally focused on diversifying and increasing its performance, ensuring a more stable channel, resulting in the entrance of 25 new markets, including a vast presence in the US.

GiG Media increased its market coverage in the US in 2022, reflecting the ambition to be an influential player within this important market. GiG holds 13 licences and vendor registrations in the US and is qualified to do business in 22 states as well as

GiG MEDIA
FTDs (1000)




GiG MEDIA
Revenue split




Washington D.C. US organic traffic increased 87% in 2022 compared to 2021. Strong growth was also seen in Latin America, and combined revenues from the Americas increased 174% in 2022 compared to 2021.

GiG's proprietary compliance tool, GiG Comply, is based on proprietary technology and monitors advertising partners towards regulatory bodies to ensure compliance. GiG Comply signed six new clients and re-signed 17 existing clients in 2022, continuing the positive developments for GiG Comply as the focus on compliance is increasing in the iGaming industry.

### Acquisition of Askgamblers

In December 2022, GiG Media signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains for a total consideration of EUR 45 million. EUR 20 million was paid in cash on closing in January 2023, and the balance will be paid with EUR 10 million in January 2024 and the EUR 15 million balance in January 2025.

Askgamblers.com is an award-winning website recognised as a well-trusted website source in the iGaming industry with strong brand recognition by users. The acquisition will diversify GiG Media's business further in line with the strategy to create sustainable long-term growth through diversification. The acquired websites are strong in markets that currently are non-core markets for GiG Media, notably with the strong global reach of Askgamblers.com, therefore expanding the current geographical reach. In addition to revenue growth potential, operational synergies are expected to be realised after the acquisition via the shared use of marketing technologies, business intelligence systems and key functions.

The management team at GiG Media has identified multiple strategies to improve the performance of the acquired business. By utilising GiG's technical SEO optimisation techniques and proprietary marketing technology in conjunction with the expertise of Askgamblers, GiG Media anticipates an increase in revenue and optimisation of costs of the acquired business.

### Revenues and EBITDA

Revenues for GiG Media were EUR 61.7 million in 2022, increasing 37% from EUR 45.0 million in 2021, all organic growth. 60% of revenues in 2022 came from revenue share (62% in 2021), 14% from CPA (14%) and 26% from listing fees and other services (24%).

Publishing revenue grew by 27% in 2022, while Paid Media grew by 62%. Paid Media represented 34% of Media Services revenues in 2022 compared to 29% in 2020, adding to the improvement of the long-term sustainability of GiG Media's business.

GiG Media significantly increased marketing spend to support its goal of diversifying and investing in a broader range of markets, and marketing expenses were EUR 18.2 million in 2022, an increase of 66% from EUR 11.0 million in 2021. Marketing expenses included Paid Media's "pay-per-click" costs, which amounted to EUR 12.1 million in 2022, a 57% increase from EUR 7.7 million in 2021. Marketing expenses were 29% of GiG Media's revenues in 2022, an increase from 24% in 2021.

Adjusted EBITDA for Media Services was EUR 29.6 million in 2022 with an EBITDA margin of 48%, compared to EUR 21.0 million (47%) in 2021.

### Strategy

Media Services will continue to expand its global footprint, aiming to diversify the business and drive sustainable long-term revenue growth while increasing revenue outside core markets for both Publishing and Paid. GiG is focused on optimising website asset creation, traffic conversion, and player monetisation while enhancing SEO, content management, and technology development. This effort has been rewarded with recent search ranking updates for the Company's websites, indicating further growth potential. As part of its ongoing strategy, GiG Media will maintain its commitment to expanding its global presence and fostering growth outside core markets in both Publishing and Paid segments.

62
live brands on platform

29
regulated markets

## Platform and Sportsbook

Platform & Sportsbook offers a full turnkey solution across the main verticals in iGaming, including fully managed services. All products and services can also be sold separately as modular sales. The addressable market includes strong brands in segments such as retail and landbased casinos with whom GiG can partner for the long term to support growth in the digital space. Target markets are regulated or soon-to-be regulated markets globally, with clients in regions through the North America, Europe, Latin America and Africa.

The sales pipeline for Platform & Sportsbook developed positively and 22 new agreements were signed in 2022, including market expansion deals with existing clients. 12 brands went live in 2022 and another five where development complete at year end, pending regulations or clients' decision to launch. Four brands ceased operations in 2022, resulting in 62 brands live at year-end 2022, with an additional integration pipeline standing at 17 brands for launch in 2023 and into 2024.

Through the Sportnco transaction, the geographical footprint for Platform & Sportsbook increased significantly, and subsequently GiG's has launched into ten new regulated markets. Included are the Ontario province in Canada, Portugal and certain provinces in Argentina. At year-end 2022, the platform and sportsbook products were certified in 29 regulated markets worldwide, and the current pipeline will add another eight new regulated markets. This gives GiG a large overall addressable market and focus will be to sign new clients but also to offer growth and diversification to existing clients through extended geographical presence.

With the acquisition of Sportnco, GiG's sportsbook will be phased out as a standalone product with Sportnco's sportsbook being the preferred product going forward. GiG has a vision to offer a sportsbook agnostic platform and will consider integrating third-party sportsbooks in conjunction with GiG's own propriety platform solutions to broaden the potential client base.

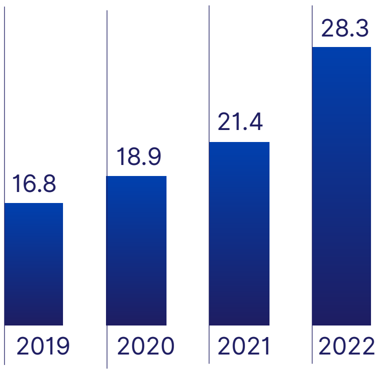
GiG offers managed services to its customers, and around 75 of staff are handling the day-to-day operations for certain clients, including casino management, media services, payments, risk and fraud, player safety, customer support and KYC on a 24/7 basis. The cost base for this operation is stable, and with new clients signed in 2022, margins should improve, and managed services will contribute to the overall performance for Platform & Sportsbook.

### ISO certification

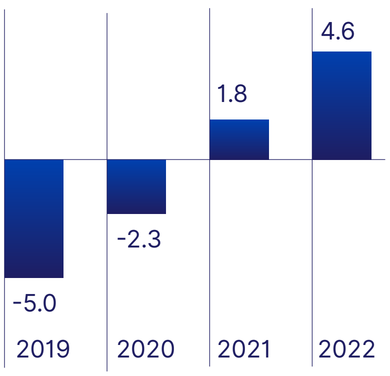
GiG focuses on security in all aspects of its operations, and the data platform has been ISO 27001 certified since 2018. In 2021, GiG completed the re-certification of the ISO 27001 and is now ISO 27001 certified across front end development, content management system, core, logic, data and sports, The certification covers development, infrastructure, network configuration and associated product operations as well as backend gaming services hosted on GiG's infrastructure.

In November 2022, GiG was awarded the ISO 20000 certification for its platform, following an extensive review of its internal service management system, framework

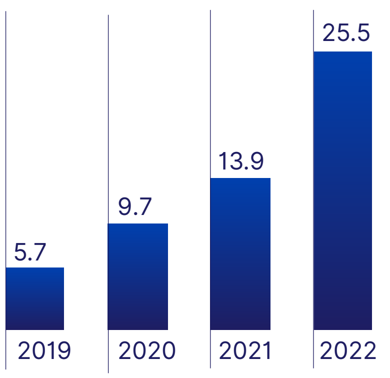
PLATFORM
Normalised revenues (MEUR)




PLATFORM
Normalised EBITDA (MEUR)




SaaS and related revenues (MEUR)




and practices. As an internationally recognised mark of quality, the certification awarded by the International Organisation for Standardization (ISO) and International Electrotechnical Commission (IEC), demonstrates an organisation's ability to efficiently and effectively align its management processes in accordance with international best practices. This certification guarantees that GiG meets global standards for business, and establishes credibility and trust within consumers, stakeholders and other business partners.

As part of a concerted program of service accreditation, GiG has proven that its service offering is in line with all requirements for the ISO 20000 standard in ensuring the optimal delivery and support of services, having the ability to respond to increasing service demands and demonstrating the reliability, high quality and level of service.

### Revenues and EBITDA

GiG completed the acquisition of Sportnco Gaming SAS ("Sportnco") on 1 April 2022, and Sportnco has been consolidated in the Platform & Sportsbook segment from this date.

Revenues for Platform & Sportsbook were EUR 45.3 million in 2022, a 22% increase from EUR 37.2 million in 2021, whereof 8% organic. Included are revenues from a platform client where GiG recognizes the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. By assuming standard white-label agreement accounting principles, normalised revenues for Platform & Sportsbook were EUR 28.3 million in 2022, a 33% increase from EUR 21.4 million in 2021.

Previously, GiG operated its own B2C brands and also had the majority of is clients on the platform on a white-label model, where the clients operated on GiG's own licenses. The B2C operations were sold in 2020 and subsequently the Company started to discontinue the white-label model by converting certain clients to SaaS agreements, while others were discontinued. The transition from white-labels to a pure SaaS offering was completed early in 2022, and when adjusting for this impact as well as premium fees and other one-offs related to the sale of B2C operations, the underlying SaaS and related revenues has seen a strong growth over the past years with a 65% CAGR for the period 2019-2022 (45% excl. Sportnco).

In 2022, initiatives were taken to reduce operating expenses for GiG's platform operations. The cost reductions progressed according to plan through the year, and the main effects will be realised in the during 2023 and onward due to completion of planned new market entries. The anticipated annualised savings will be in the region of EUR 8 million when completed, including synergies from the Sportnco integration.

EBITDA showed a positive development through the year and for the full year 2022, adjusted EBITDA for Platform & Sportsbook ended at EUR 4.6 million, a 163% improvement from EUR 1.8 million in 2021.

### Strategy

The transition from white-labels to a pure SaaS offering is complete, and the negative impact on revenues from regulatory changes as seen in Germany and the Netherlands in prior years should be limited going forward, due to increased geographical diversification. With an increasing number of new clients going live, and anticipated growth for existing clients, it is expected that revenues for Platform & Sportsbook will grow going forward. Combined with the cost savings, an improvement in operational performance and cash generation for Platform & Sportsbook in 2023 and onwards is expected.

€107 million in revenues

+30% revenue growth

## Financial Performance

### Revenues

Consolidated revenues amounted to EUR 107.0 million in 2022. This is a 30% increase from EUR 82.6 million in 2021. Reported revenues include revenues from a platform client where GiG recognizes the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses (included under marketing). See Note 34 in the Consolidated Financial Statements for more details. Adjusted for these, normalised revenues were EUR 90.1 million for the full year 2022, a 36% increase from EUR 66.3 million in 2021. Organic growth was 28%. The increase in revenues results mainly from the positive development in GiG Media and the acquisition of Sportnco together with onboarding of new customers in Platform & Sportsbook.

### Cost of Sales

For the full year 2022, cost of sales amounted to EUR 5.4 million, an increase of 17% from EUR 4.6 million in 2021, whereof EUR 4.5 million (EUR 3.3 million in 2021) was related to the platform client mentioned above. Cost of sales includes fees to game and payment suppliers, gaming taxes and other variable expenses.

### Gross profit

Gross profit amounted to EUR 101.7 million in 2022, an increase of 30% from EUR 78.0 million in 2021. The gross profit margin was 95% compared to 94% in 2021. Adjusted for the platform client, normalised gross profit amounted to EUR 89.2 million, an increase of 36% from EUR 65.5 million in 2021, with a gross profit margin of 99% (99% in 2021).

### Operating expenses

Personnel expenses were EUR 26.7 million in 2022, an increase of 21% from EUR 22.1 million in 2021, mainly du to the acquisition of Sportnco from April. Capitalised personnel expenses related to the Company's development of technology and future products amounted to EUR 14.1 million in 2022, compared to EUR 8.0 million in 2021, and are amortised over three years. These costs are mainly related to the development of GiG's platform and sportsbook products.

Marketing expenses were EUR 31.2 million in 2022, an increase of 36% from EUR 23.0 million in 2021. Adjusted for the platform client, marketing expenses were EUR 18.8 million, an increase of 68% from EUR 11.2 million in 2021. Normalised marketing expenses share of total revenues was 21% in 2022 compared to 17% in 2021. Marketing expenses are mainly related to GiG Media, hereunder PPC (pay-per click) payments for traffic in Paid.

Other operating expenses are mainly related to technology and general corporate purposes and amounted to EUR 11.2 million in 2022, a decrease of 8% from EUR 12.2 million in 2021. The decrease is a result of initiatives taken early 2022 to reduce operating expenses in Platform & Sportsbook, including synergies effects from the acquisition of Sportnco.

### Depreciation and amortisation

Depreciation and amortisation amounted to EUR 20.7 million in 2022 compared to EUR 14.6 million in 2021, whereof depreciation was EUR 1.4 million (EUR 1.7 million in 2021). The increase is mainly related to the acquisition of Sportnco, which resulted in EUR 6.1 million in amortisation in 2022.

Amortisation related to the affiliate acquisitions completed in 2015-2017 were EUR 4.4 million in 2022, compared to EUR 4.3 million in 2021. Acquired affiliate assets have been conservatively amortised over 8 years for domains/SEO, and in 2021 the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets, see Note 10 in the Consolidated Financial Statements.

Amortisation of capitalised development expenses were EUR 16.2 million in 2022, an increase of 38% compared to EUR 11.7 million in 2021. Depreciation expense related to IFRS 16 was EUR 1.7 million in 2022 compared to EUR 2.6 million in 2021.

### Operating result

Operating profit was EUR 11.8 million in 2022, an increase of 91% from EUR 6.2 million in 2021. The improvement results from increased revenues and overall improved operational performance.

### Other income/(expense)

Net other expenses for 2022 were EUR -4.0 million, compared to EUR -6.3 million in 2021. The interest expense on the Company's bonds were EUR -5.3 million in 2022, compared to EUR -4.3 million in 2021. Included in other income/expense is a net unrealised foreign exchange gain of EUR 3.9 million in 2022 on the bond due to the weakening of the SEK towards the EUR during 2022, compared to EUR 1.1 million in 2021.

Interest expense related to leases was EUR -0.8 million in 2022 compared to EUR -0.9 million in 2021.

### Results before income taxes

Results before income taxes were EUR 7.8 million in 2022, compared to a loss of EUR -0.1 million in 2021.

### Tax

GiG had a net tax expense of EUR -2.1 million in 2022, compared to a net tax income of EUR 0.5 million in 2021. The tax income in 2021 includes recognition of a deferred tax asset as a result of a reassessment of prior year taxable losses that is expected to be utilised in the coming years. Taxes are paid for the Company's operations in Spain, Norway, Denmark and France where inter-company agreements include satisfactory transfer-pricing mechanisms.

### Net result

The net income from continuing operations was EUR 5.7 million in 2022, an improvement from EUR 0.4 million in 2021.

The loss from discontinuing operations was EUR -2.6 million in 2022, compared to loss of EUR -0.5 million in 2021.

Net profit for the year was EUR 3.1 million in 2022, compared to a loss of EUR -0.1 million in 2021.

### Earnings per share

The weighted and diluted average number of shares outstanding was 118.9 million in 2022 and 95.2 million in 2021. Basic and diluted loss per share was EUR 0.03 in 2022 compared to EUR 0.00 in 2021.

## Financial position

### Assets

As at 31 December 2022, GiG had total assets of EUR 185.0 million, compared to EUR 87.7 million as at 31 December 2021. Goodwill generated through business combinations were EUR 75.3 million, an increase from EUR 16.3 million in 2021 due to the acquisition of Sportnco. Other intangible assets were EUR 61.0 million (EUR 31.7 million in 2021), which comprises the Company's technology platforms with EUR 29.6 million (EUR 9.3 million in 2021) and acquired affiliate assets with EUR 17.3 million in domains/SEO (EUR 21.2 million in 2021).

Current assets as of year-end 2022 included EUR 23.2 million in trade and other receivables, all related to ongoing operations (EUR 17.6 million as of year-end 2021). Cash and cash equivalents amounted to EUR 15.2 million as at 31 December 2022, compared to EUR 8.6 million as at 31 December 2021. Customer monies that are held in fiduciary capacity amounted to EUR 1.4 (1.6) million, which are partly secured by balances with payment providers and partly by cash balances.

### Equity

Total equity was EUR 65.0 million as at 31 December 2022, with an equity ratio of 35%, an improvement from EUR 11.9 million as at 31 December 2021 (14% equity ratio).

### Liabilities

Trade payables and accrued expenses related to ongoing operations amounted to EUR 22.5 million as at 31 December 2022, an increase from EUR 17.2 million as at 31 December 2021.

The Company's SEK 550 million 2021-2024 bond is included under long-term liabilities with EUR 48.2 million (EUR 42.7 million in 2021). Lease liabilities as per IFRS 16 are included with EUR 3.2 million (EUR 2.4 million in 2021) under current liabilities and EUR 6.8 million (EUR 10.2 million in 2021) under long term liabilities.

Through the acquisition of Sportnco, GiG assumed a number of loans with credit institutions, that are included with EUR 3.8 million under current liabilities and EUR 12.7 million under long-term liabilities. In addition, the contingent consideration

Assets:
€185
million

Goodwill:
€75.3
million

(earn-out) related to the Sportnco acquisition is included with EUR 8.9 million under current liabilities and EUR 9.6 million under long-term liabilities. See also Note 7.

Total liabilities amounted to EUR 120.0 million as at 31 December 2022, an increase from EUR 75.7 million as at 31 December 2021, the increase being mainly attributable to the Sportnco acquisition.

### Cash flow

The consolidated net cash flow from operating activities amounted to EUR 31.8 million in 2022, compared to EUR 12.6 million in 2021. Included in the net cash flow from operating activities are changes in operating assets and liabilities.

The net cash used for investment activities was EUR -48.1 million in 2022, compared to EUR -9.2 million in 2021, whereof EUR 14.9 million were capitalised development expenses (EUR 8.4 million in 2021). Included are the EUR 31.9 million cash element related to the acquisition of Sportnco on 1 April 2022.

Cash flow from financing activities for 2022 amounted to EUR 23.0 million (EUR -6.3 million in 2021), whereof interest paid on bonds were EUR -5.0 million (EUR -3.8 million in 2021) and lease payments EUR -3.2 million (EUR -3.0 million in 2021). Cash flow from financing activities includes a EUR 8.4 million net cash infusion from the SEK 100 million bond tap in January 2022 and EUR 25.0 million in net proceeds from the share issue related to the Sportnco acquisition.

Cash and cash equivalents increased by EUR 6.6 million in 2022, compared to a decrease of EUR -2.9 million in 2021.

### Summary

The Board of Directors proposes that the Company's net profit shall be applied to other equity. The Board of Directors confirms that the financial statements have been prepared based on the assumptions of a going concern. In our opinion, the consolidated financial statements present, in all material respects, the financial position of Gaming Innovation Group Inc. and subsidiaries, as of 31 December 2022. For more information, see the attached 2022 Consolidated Financial Statements with accompanying notes.

## Corporate Governance

The Board of Directors has, to the best of its knowledge, ensured that the Company has implemented sound corporate governance, and that the Board of Directors and management comply with the Norwegian Code of Practice for Corporate Governance and the Swedish Corporate Governance Code. Adherence to the Codes is based on the "comply-or-explain" principle; a detailed description of the Company's adherence to the Codes is included on page 53 of this annual report.

## Bonds

In June 2019, Gaming Innovation Group Plc. issued a SEK 400 million senior secured bond with maturity in June 2022. In June 2021, the 2019-22 bond was refinanced through the issuance of a new 3-year SEK 450 million senior secured bond with more favourable terms and a SEK 550 million borrowing limit. The new bond has a floating coupon of 3 months STIBOR + 8.50% per annum and is listed on Nasdaq Stockholm, Sweden.

To cater for the acquisition of Sportnco, certain amendments including the rollover of the existing long-term loans in Sportnco, was approved by the bondholders in January 2022. Also in January 2022, GiG completed a SEK 100 million subsequent bond issue under the existing bond framework, to be used towards partially finance the acquisition of Sportnco and general corporate purposes.

As at 31 December 2022, the outstanding bond amount was SEK 550 million (EUR 48.2 million). The leverage ratio as per the bond terms was 1.6 as at 31 December 2022, compared to 1.9 as at 31 December 2021.

Management have commenced discussions with at least two parties with regards to the refinancing of the SEK 550 million bond, however timings of refinancing are yet to be determined taking into consideration the strategic review with the intention to split current GiG into two main business segments.

## Shareholder Matters

Gaming Innovation Group Inc. is dual-listed on the Oslo Stock Exchange, Norway, with the ticker symbol "GiG", and on Nasdaq Stockholm, Sweden, with the ticker symbol "GIGSEK". The ISIN code for the share is US36467X2062.

As at 31 December 2022, the total number of shares outstanding in GiG was 122,786,526 (par value USD 1.00), divided between approximately 9,850 shareholders registered in the Norwegian VPS system and with Euroclear Sweden.

A Special Meeting of Shareholders in January 2022 approved to increase the number of authorized shares from 110,000,000 to 150,000,000 to allow for the share issues in relation to the acquisition of Sportnco.

In February 2022, 1,700,000 options were granted to key employees. The exercise price is NOK 22.00 per share, and the options vests over three years with expiry on 31 December 2027, and are conditional upon employment at time of exercise.

In December 2021, GiG entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity"), whereby SkyCity agreed to invest EUR 25 million in GiG through a directed share issue at NOK 18.00 per share, to finance the main part of the cash consideration for the Sportnco acquisition. On 1 April 2022, GiG completed the acquisition of Sportnco, and 26,110,900 new shares were issued, whereof 13,487,500 to SkyCity and 12,623,400 to the previous owners of Sportnco.

In January 2023, 4,267,112 new shares were issued at a share price of NOK 25.61 to a group of investors to finance the equity part of the AskGamblers acquisition. In addition, 78,400 new shares were issued for exercises of options, whereof 66,400 to employees exercising options in 2022 where GiG borrowed shares for the transfer of the option shares to the employees.

As of the date of this report, the Company has 150,000,000 authorised shares, whereof 127,132,038 are issued and outstanding. In addition, a total of 2,746,950 options are outstanding. For more details on shares and options, see Note 21 in the Consolidated Financial Statements.

## Board of Directors and Management

From 1 January 2022, the Company's Board of Directors comprised six members with Petter Nylander as Chairman and Helge Nielsen, Henrik Persson Ekdahl, Nicolas Adlercreutz, Kathryn Moore Baker and Kjetil Garstad as Directors.

In the Special Meeting of Shareholders in January 2022 the shareholders approved to increase the number of board members from six to seven, and to authorize the Board to appoint a new member to the Board of Directors. In April 2022, Michael Ahearne was appointed as new director, representing SkyCity, increasing the Board of Directors to seven members. Mr. Ahearne is related to SkyCity, that held 11.0% of shares in GiG as of 31 December 2022.

The Annual Meeting of Shareholders held in May 2022 resolved that the Board of Directors should consist of seven members and resolved to re-elect Petter Nylander as Chairman of the Board, to re-elect Nicolas Adlercreutz, Kjetil Garstad, Kathryn Moore Baker and Michael Ahearne, and to elect Hesam Yazdi and Mikael Riese Harstad as new Directors.

The Company has an audit committee consisting of Nicolas Adlercreutz (committee chair) and Kjetil Garstad, and a remuneration committee consisting of Petter Nylander (committee chair) and Kathryn Moore Baker.

In January 2023, Michael Ahearne resigned as a Director of the Company. The remaining six board members are independent of the Company's large shareholders and all board members are independent of senior management. In the opinion of the Board, the composition of the Board of Directors responds to the Company's needs for varied competency, continuity and changes in ownership structure.

None of the directors hold any options or are entitled to any severance payment upon termination or expiration of their service on the Board. For details about compensation to board members and senior management, see Note 29 in the Consolidated Financial Statements.

### Board of Directors' and Management's shareholdings

The following table shows the number of shares, options and warrants held by the members of the Board of Directors and top management of GiG and close associates, or companies controlled by the Board of Directors or the management, as at 31 December 2022:

| Name | Position | Shares | Options |
|---|---|---|---|
| Petter Nylander | Chairman | 119,800 | - |
| Nicolas Adlercreutz | Director | 25,000 | - |
| Kjetil Garstad | Director | 334,531 | - |
| Kathryn Moore Baker | Director | 20,000 | - |
| Hesam Yazdi | Director | 927,150 | - |
| Mikael Riese Harstad | Director | 1,342,136 | - |
| | | | |
| Richard Brown | CEO | 171,000 | 60,000 |
| Tore Formo | Group CFO | 458,167 | 60,000 |
| Ben Clemes | GM for GiG North America | 1,707,146 | 60,000 |
| Jonas Warrer | CMO | 400,886 | 60,000 |
| Justin Psaila | CFO | 2,100 | 132,000 |
| Nicola Fitton | COO | - | 60,000 |
| Claudia Ginex | CPO | - | 60,000 |
| Claudio Caruana | General Counsel | 100 | 60,000 |
| Marcel Elfersy | CCO | - | - |

583
employees

375
Platform & Sportsbook

155
Media

## People and Environments

GiG's headquarter is in Malta with operations in Denmark, Spain and France as well as some satellite offices. At the end of 2022, 583 (468) employees were spread throughout Malta, Spain, France and Denmark. Approximately 375 people contributed towards Platform & Sportsbook, 155 were focusing into GiG Media with the balance in corporate functions. The above numbers include approximately 80 full time consultants and remote workers with which at present GiG collaborates across Europe and USA. Additionally, GiG is contracting approximately 100 outsourced tech resources to be dedicated to the delivery of key projects.

The personnel are 54% employed in Malta, 29% in Spain, 10% in Denmark, 7% in France. The acquisition of AskGamblers added around 90 employees in GiG Media from the first quarter 2023.

GiG is a people first organization, and the health and wellbeing of its workforce are of high importance. The Company implemented a flexi-working approach from 2021, giving much needed stability to employees and the ability to improve their work-life balance, whilst ensuring that productivity remains high. This work model is allowing GiG to optimize investments on office space across all locations and is proving the commitment towards a long-term sustainable plan towards optimal use of facilities. Whilst always monitoring local and world-wide health issues, GiG aims to hold more and more activities and events within its office walls and on digital platforms, breaking down social and geographical barriers experienced by GiG employees - bringing people together at every opportunity. For more information, see the sustainability section on page 23.

## Internal control and risk management

The Board of Directors is responsible for the internal control, and has established policies, procedures and instructions related to risk management and internal control. These documents are distributed to the relevant employees and other stakeholders, and it is mandatory for all employees to read, understand and sign off on Company policies and to comply with the code of conduct. The internal control framework is a direct result of continuous risk management processes, which take into consideration the Company's business operations, as well as the external environment in which GiG operates.

The CEO and Group CFO are responsibility for managing issues concerning insider information and monitoring the Company's IR function.

## Risks

GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19 and the war in Ukraine, have an adverse impact on the global economy, and may lead to a global recession. GiG does not have business in the impacted conflict regions of Ukraine and Russia, and while difficult to predict the wider impact on consuming spending, no material impact is experienced so far in GiG's operations. Historically, the online gambling industry has proved robust and normally not been materially affected by uncertain periods for the global economy.

For further description on different risk factors that may impact the Company, see details on pages 44-46 and in Note 2.1 and Note 32 in the Consolidated Financial Statements.

## Directors' Responsibility Statement

Today, the Board of Directors and Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company's consolidated financial statements for the year ended 31 December 2022. We confirm that, to the best of our knowledge, the consolidated financial statements as of and for the year ended 31 December 2022 have been prepared in accordance with prevailing financial reporting standards, and give a true and fair view of the assets, liabilities, financial position and results of operations as a whole for the group and parent company.

We also confirm that, to the best of our knowledge, the Board of Directors' report provides a true and fair review of the development and performance of the business and the position of the Company, together with a description of the most relevant risks and uncertainties the Company is exposed to, and that any description of transactions with related parties are correct.

**The Board of Directors of Gaming Innovation Group Inc.**

**21 April 2022**

Petter Nylander
**Chairman**

Nicolas Adlercreutz
**Director**

Kjetil Garstad
**Director**

Kathryn Moore Baker
**Director**

Hesam Yazdi
**Director**

Mikael Riese Harstad
**Director**

Richard Brown
**CEO**

# Risk Factors

## Financial

The continuation of the Company as a going concern is dependent on its ability to generate revenues and profits from its operations and its ability to raise sufficient funding to meet any short-term or long-term needs. There is no assurance that the Company will be profitable in the future, which could obstruct the raising of new capital, if necessary. In addition to the above, the Group faces the risk that customers are not able to pay for the services rendered when these falls due.

## Competition

The Company faces competition from current competitors, as well as potential new competitors, which could result in loss of market share and diminished profits for its operations. The Company's main markets are characterised by technological advances, changes in customer requirements and frequent new product introductions and improvements. As well as a positive cash flow, the Company's future success will depend on its ability to enhance its current products, maintain relations with existing and new providers, and develop and introduce new products, services and solutions. In addition, there is risk associated with the marketing and sale of new products.

## Customer development

The top 10 customers represent around XX% of total revenues in 2022. The performance of the customers and market-related dynamics have an impact on the Company's performance. GiG seeks long-term partnerships with its customers and is reliant on the strength of the relationship and service to its customers as an asset.

## Unsuccessful Integration of AskGamblers

The Company believes that the acquisition of AskGamblers will result in certain benefits, including expanded market coverage and client base as well as certain cost synergies and operational efficiencies. However, to realize these anticipated benefits, the businesses of GiG and that of AskGamblers must be successfully integrated. The success of the acquisition will depend on the Group's ability to realize these anticipated benefits from combining the businesses of the Group and AskGamblers. The Group may fail to realize the anticipated benefits and not benefit from the economies of scale anticipated.

## Regulation

Gaming Innovation Group Inc. is a holding company and does not conduct any operations itself. Through its subsidiaries, GiG is active in a highly regulated online gaming market as well as several markets which are not yet regulated. Depending on the regulatory structure of a given jurisdiction, GiG may require licences to offer its various services, may become subject to pay licence or regulatory fees or become subject to additional taxes. It may be the case that a market which is of significant importance to GiG and which is presently unregulated becomes subject to commercially unfeasible or unfavourable regulation or fiscal regimes which could be to the detriment of GiG. Any changes in regulations, laws, or other political decisions in the jurisdictions where the Company operates, may have a positive or negative effect on its operations.

Where GiG acts as a B2B supplier, regulatory risks as described above are still indirectly applicable to GiG as GiG's main source of income is generated through revenue sharing arrangements with operators.

The Company's continuing international expansion brings further complexity to its multijurisdictional regulatory position and its task to fulfil regulatory requirements.

## B2B

GiG conducts B2B (Business-to-Business) activities through the offer of its in-house-developed online gaming platform software (PAM) and sportsbook platform. The software has been certified as compliant or passed regulatory audits in accordance with the technical standards of Malta, Spain, City of Beunos Aires, Province of Buenos Aires, Colombia, New Jersey, Greece, France, Sweden, Latvia, Romania, Croatia, Serbia and Portugal.

One of the B2B activities carried out by GiG involves the provision of white-label services to a certain client, whereby gaming activities are carried out in reliance of licences held by GiG, placing GiG accountable for regulatory compliance affairs of the relevant brand. Following the divestment of its B2C segment, together with the de-risking strategy to discontinue the white-label model carried out during 2020 and 2021, GIG is less directly exposed to legal and compliance risks associated with gaming operations.

GiG's B2B services described above are carried out in a highly regulated and supervised environment, where the pace of change is fast, and regulatory demands on aspects such as social responsibility are ever evolving and becoming more stringent. Even where GiG does not operate on the strength of its own licences or may not be directly subject to regulation, GiG may be contractually responsible to satisfy the compliance requirements applicable in the markets in which its gaming platform is in use or where its operations managed services are used. The failure to meet the requirements whether through technical incident, fault or negligence may lead to financial or regulatory repercussions for GiG.

Additionally, GiG's platform services are mainly compensated on a revenue sharing basis (subject to monthly minimums to cover a portion of GiG's costs). The introduction of regulation restricting advertising, imposing affordability checks and the tightening of regulations in the prevention of money laundering and social responsibility generally can have a negative impact on GiG's revenue sharing arrangements.

## Claims for Restitution of Player Losses

There are currently numerous proceedings pending against online operators in various countries relating to claims for the repayment of gaming losses which are being pursued by aggrieved parties supported by litigation financiers. A number of lower court, higher court, but also Supreme Court decisions upholding these claims for repayment already exist in various countries where the courts have found that since the activity of the operators is unlawful, then the contract between the operator and the player is null and void and the player needs to be restored to the same financial position they were in prior to the gaming losses being incurred.

As a former operator of a number of proprietary business to consumer brands and white labels, GiG is exposed to a number of such claims. Many such proceedings have ended in a settlement.

## Affiliate marketing

GiG conducts affiliate marketing activities, by directing internet users to online gaming websites through various group-owned websites. Affiliate marketing business is not regulated in the markets in which GiG carries out the majority of its business, however such are applicable by extension and through laws and regulations which are applicable to operators who are clients of GiG. Certain markets may enact legislation which may restrict marketing activities, including affiliation, and rules may also be adopted to prohibit commercial model generally adopted to compensate for affiliate referrals, including GiG.

GiG currently holds authorisations to carry out its affiliate marketing activities in 13 US states, holds a Class II licence from ONJN of Romania and a licence from the Hellenic Gaming Commission.

The affiliate business generates most of its revenues from users received from internet searches and any changes in the way internet searches are regulated, the algorithms used to rank websites or any change in user habits in their way they seek information (such as the use of AI Searches to present singular results) may impact this activity.

Furthermore, various governments have passed or are mulling the idea of passing laws or regulations intended to put limits on gambling advertising. Whereas in some markets such laws and regulations are nuanced and directly aimed at protecting the young and vulnerable (such as the regulations in force in Sweden and Great Britain) some countries (such as Belgium) are introducing blanket advertising bans severely restricting GiG's ability to carry out its business.

## Increase in Cost of Living

The increase in cost of living poses a risk that players will have less discretionary income available for entertainment purposes. Moreover, a cost of living crisis could lead to various governments introducing protective measures limit or reduce the amount of spend by customers on gambling.

## IT systems

GiG is dependent on the stability and the correct performance of its systems. Failure can result from bugs, errors (including fault and negligence-based errors), capacity amongst others. Failure could have an adverse effect on the business and financial performance. Consequences of an IT failure range from direct loss of revenue, penalties or sanctions, compensation by way of service credits, compensation by way of damages or through indemnification to clients of GiG's B2B services. There are systems put in place to detect and prevent adverse effects should they occur.

The Group processes large volumes of personal data related to players, employees, customers or suppliers. It is of material importance that the Group adheres to the requirements of the General Data Protection Regulation (EU2016/679) ("GDPR"), to safeguard personal data, to respect the privacy and the rights of data subjects, and to adopt technical and organisational measures to protect personal data. Any default under GDPR could lead to administrative fines either directly, or otherwise indirectly through contractual defaults with customers of the Group.

## Cybersecurity

At GiG, the confidentiality, availability and integrity of end users and employee information is of the utmost importance. The Company maintain a rigorous, risk-based information security programme aligned with the business strategy and objectives. GiG's information security processes are regularly tested by independent auditors, and are ISO 27001:2013 certified. There are, however, no certainty of avoiding attacks or other hostile attempts to systems and servers, which could lead to downtime and negatively impact operations and financial performance. Cybersecurity risks have increase after the Covid-19 pandemic broke out and have further increased after geo-political tensions in the Eastern European region.

## Currency

The Company is exposed to exchange rate fluctuations, with revenues and operating expenses divided primarily between EUR, DKK, NOK, SEK, GBP, NZD, AUD and USD. In addition, the Company is exposed to the SEK/EUR rate on its bond that is denominated in SEK.

## Key personnel and the recruitment of talent

The Company's largest asset, other than its customers, is its employees. It is dependent on the ability of attracting and retaining talent and key personnel such as the Board of Directors, the CEO, the rest of the management team and other key individuals to perform relevant duties. If they are unable to continue fulfilling their duties, or were to resign, this might have an adverse effect on the Company's reputation and financial performance.

## COVID-19

The COVID-19 virus spread across the world in 2020 and caused disruption to businesses and economic activity. GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy. The Company's operations has not been negatively affected by COVID-19 and GiG has applied a work from home policy, operating in a work from home and hybrid office set up allowing, when possible and safe, to employees to work from the Company's facilities which are constantly sanitised and respectful of all local and WHO's protocols and regulations. It is difficult to ascertain any longer term impact of COVID-19 on the Company's operations.

## GeoPolitical Conflict

Against the backdrop of rising tensions between the West and Russia, particularly as it relates to Russia's actions in Ukraine, and the sanctions imposed against Russia and Belarus, Russian and Belarusian officials, companies and individuals, the Company may have an indirect impact through inflation, rising operational costs, loss of supply chains, loss of potential future business and general market challenges affecting the global financial markets and global economies.

For further description on risk factors, see Note 2.1, Note 4.1 and Note 32 to the Consolidated Financial Statements.

# The **Share**

↑ Highest

NOK 28.8

2 December 2022

↓ Lowest

NOK 15.26

8 March 2022

Gaming Innovation Group has been listed on the Oslo Stock Exchange (Norway) main market since 2015, with the ticker symbol "GIG". From March 2019, it has been dual-listed on the Nasdaq Stockholm (Sweden) main list, with the ticker symbol "GIGSEK". GiG has Norway as its home member state.

| | |
|---|---|
| **Industry Oslo Børs** | Electronic Equipment Manufacturers |
| **Industry Nasdaq Stockholm** | Technology |
| **ISIN code** | US36467X2062 |

As at 31 December 2022, GiG had a total number of issued shares of 122,786,526 (par value USD 1.00), divided between approximately 9,850 shareholders registered in the Norwegian VPS system and with Euroclear Sweden. All shares carry one vote. The number of authorised shares is 150,000,000 as at 31 December 2022.

Opening share price on 3 January 2022 was NOK 8.00. Closing price on 30 December 2022 was NOK 26.16, corresponding to a market cap of NOK 3,212 million (EUR 306m). Highest closing price was NOK 28.28 on 2 December 2022 and lowest closing price was NOK 15.26 on 8 March 2022.

## Bond Program

Gaming Innovation Group Plc. refinanced its previous 2019-22 SEK 400 million bond with a new SEK 450 million senior secured bond with a SEK 550 million borrowing limit in June 2021. The bond has a floating coupon of 3 months STIBOR + 8.5% per annum and maturity on 11 June 2024. The bond is guaranteed by GiG and certain subsidiaries.

In January 2022, GiG completed a SEK 100 million subsequent bond issue under the existing bond framework, to be used towards partially finance the acquisition of Sportnco and general corporate purposes. The outstanding bond as at 31 December 2022 was SEK 550 million.

The 2021-24 bonds are listed at Nasdaq OMX Nordic in Stockholm with ISIN code: NO0011017097.

# Board of directors

## Petter Nylander
**Chairman of the Board and Chairman of the Remuneration Committee**

Petter Nylander has a long and successful career within iGaming and media enterprises. Starting his career in MTG, he held various management positions such as CEO of Unibet (now separately listed as Kindred Group & Kambi at Nasdaq OMX), CEO of TV3 Scandinavia and CEO of OMD Sweden (part of Omnicom Group). Petter Nylander has also held positions of trust such as Chairman of the Board of G5 Entertainment AB since 2013- (Nasdaq OMX), Cherry AB and Cint AB. He is currently serving as Global CEO for Besedo AB. He brings unparalleled industry knowledge as well as great experience within corporate governance and Swedish Code of Conduct. Petter Nylander has a Bachelors Degree in Business and Economics from the University of Stockholm, Sweden.

**Nylander has been a director in GiG since December 2018 and close associates of Nylander holds 119,800 shares in GiG.**

## Nicolas Adlercreutz
**Director and chairman of the Audit Committee**

Nicolas Adlercreutz has a strong background within finance and has held numerous finance C-level management positions. For example, Nicolas has held positions such as CFO of Bluestep Bank, CFO of Qliro Group AB (Nasdaq OMX) and CFO at PA Resources (Nasdaq OMX), he is currently CFO of NOD Group AB. Nicolas is expected to bring and contribute with great financial occupational experience and finance competence to the Board of Directors of the Company. Nicolas has a Bachelor's Degree in Business and Economics from the Mid Sweden University.

**Adlercreutz has been a director since May 2020 and holds 25,000 shares in GiG.**

## Kjetil Garstad
**Director and member of the Audit Committee**

Kjetil Garstad is a highly experienced analyst and investor with many years of experience within various financial institutions and investment firms. Kjetil currently works as an analyst at Stenshagen Invest AS, a shareholder of the Company, but has previously held positions such as research analyst at Arctic Securities and at SEB Enskilda. He is also holding other positions of trust such as director of B2 Holding, Norwegian Finans Holding and Protector Insurance. Kjetil is expected to contribute with strategic and analytical advice to the Board of Directors of the Company. Kjetil has a Master's degree in Business and Economics from the Norwegian School of Economics.

**Garstad has been a director since May 2020 and close associates of Garstad holds 334,531 shares in GiG.**

## Kathryn Moore Baker
**Director**

Kathryn Baker has a long and successful career, both as a professional director and as a partner within private equity and finance. Kathryn has an MBA from Darthmouth College and worked for 14 years as a partner at the private equity firm Reiten & Co. She has served as a director on over 30 boards, of which several as Chairwoman, and was Chairwoman of Catena Media Ltd for 5 years, a director of American Chamber of Commerce in Norway, Investment Committee Member at Norfund and a board member of the Central Bank of Norway, just to name a few assignments. Kathryn is expected to bring vast knowledge and experience not only within online gambling but also within the strategic development and corporate governance of the Company.

**Baker has been a director since May 2021 and close associates of Baker holds 20,000 shares in GiG.**

## Hesam Yazdi
**Director**

Hesam Yazdi has been a very active shareholder in the Company for many years and for the last 12 months, he has actively been responsible for the Company's investor relations and also been providing investor relations advice to the Board of Directors. Hesam is also running his own investment company, Mocca Investment Group, which invest in both listed and unlisted companies.

**Yazdi has been a director since May 2022 and Yazdi and close associates holds 927,150 shares in GiG.**

## Mikael Riese Harstad
**Director**

Mikael Riese Harstad is a partner of Optimizer Invest Ltd and has been a major shareholder in the Company, both through Optimizer Invest and personally, since 2016. Mikael has a long experience in both online gambling and mergers and acquisitions and has been acting as board member and senior advisor for companies like Catena Media, The Game Day, the Betit Group, Skilling and Speqta. Mikael has a Masters of Laws degree from the University of Lund.

**Harstad has been a director since May 2022 and holds 1,342,136 shares in GiG.**

# Management

### Richard Brown
**Chief Executive Officer**

Richard Brown joined GiG in February 2016 as Managing Director for GiG Media, and after almost two years, progressed to Chief Digital Officer, and subsequently took the position of Chief Operating Officer. In November 2019 Richard was appointed as CEO. Before GiG, Richard worked in various senior and directorial roles in companies such as Highlight Media Group, Web Guide Partner and THG Sports delivering exceptional results in line with strategic goals. Richard is responsible for aligning the business to the strategic initiatives, and lead the Company into future growth.

**Richard Brown and close associates holds 171,000 shares and 60,000 options in GiG.**

### Tore Formo
**Group CFO**

Tore Formo has acted as Chief Financial Officer in the US parent company since 2005 and joined GiG through the reversed merger with Nio Inc. in 2015. Tore is in charge of Investor Relations and corporate functions related to shareholders, stock listings, bonds etc. He has more than 30 years of financial experience including banking, the equity market as an analyst and start-ups.

**Tore Formo holds 458,167 shares and 60,000 options in GiG.**

### Ben Clemes
**General Manager GiG, North America**

Ben Clemes oversees the Commercial team, with responsibility for commercial agreements with our various suppliers and pricing models for GiG's ever expanding product range. His background is casino management, including MGM in Las Vegas, and Head of Casino Operations for Nordic Gaming Group. Ben joined GiG in 2013, as Head of Casino Operations and co-founder of Guts, and progressed to Managing Director of iGaming Cloud (now Platform Services) in 2016, and was announced as CCO in late 2017.

**Ben Clemes holds 1,728,146 shares and 39,000 options in GiG.**

### Justin Psaila
**Chief Financial Officer**

Justin Psaila is responsible for managing the financial risks of the group, analysing and reviewing financial data, preparing budgets and monitoring and controlling expenditure against budgets as well as making sure that management are supplied with appropriate financial reporting in order to take effective business decisions. He has 10+ years of experience in iGaming, of which eight years were as Management Accountant for Betsson Group, and has been with GiG since 2015.

**Justin Psaila holds 2,100 shares and 132,000 options in GiG.**

### Nicola Fitton
**Chief Operations Officer**

Nicola Fitton joined GiG in early 2019 as Director of Media Managed Services, fresh from Betsafe as their Managing Director. With over 17 years extensive experience working in the global gaming sector in leading and directorial roles for GVC, NetEnt and Sportingbet to mention a few, and across Sports, Poker and Casino products, Nicola soon imparted her extensive knowledge and market expertise in and beyond her department, and with clients. After three years of impressive results and inspirational leadership skills, Nicola was promoted to Chief Operating Officer in 2022, and is creating a strategic approach which will benefit GiG for the years to come.

**Nicola Fitton holds 0 shares and 88,000 options in GiG.**

### Claudia Ginex
**Chief People Officer**

Claudia Ginex is an experienced HR professional, and GiG employee since November 2016. Claudia is enthusiastic about people management and development. Claudia's main passion is providing HR strategies & solutions by helping business executives and managers in building their people operations through technology, coaching, compliance and leadership. She currently leads GiG's People Operations - HR, TA training, internal communication and facilities teams.

**Claudia Ginex holds 0 shares and 60,000 options in GiG.**

## Jonas Warrer
**Managing Director of Media**

With more than 16 years of experience in the iGaming industry, Jonas Warrer established the media/affiliate firm Rebel Penguin in 2007. He successfully positioned his company as a leading iGaming affiliate in the paid marketing space, and sold it to GiG in 2017. Warrer began his career with GiG Media as the General Manager of its Copenhagen office and later served as the Interim Director of Marketing for GiG Gaming. In 2019, he was promoted to the role of Managing Director of GiG Media, where he has been driving the business to greater success in the years since.

**Jonas Warrer holds 400,886 shares and 60,000 options in GiG.**

## Claudio Caruana
**General Counsel**

Claudio Caruana has been active in the gaming industry for over ten years, starting his career in a full-service law firm specialising in gambling regulation, privacy, and corporate law. Throughout his career, he has been involved in and led the legal process of several M&A transactions spanning various industries. Claudio has been representing GiG since 2013, and in 2017 joined the company to lead and expand the legal, compliance and regulatory affairs department in the face of an ever-evolving risk environment. He holds a doctorate in law from the University of Malta and a masters' degree in Internet, Telecommunications Law and Policy from the University of Strathclyde.

**Claudio Caruana holds 100 shares and 60,000 options in GiG.**

## Marcel Elfersy
**Chief Commercial Officer for Platform and Sportsbook**

Marcel Elfersy is GiG's new chief commercial officer, joining in December 2022, and leads the sales and business development teams for both Platform and Sportsbook. Having been a key player over the last 14 years, developing and strategically advising within the iGaming industry, Marcel is able to leverage this considerable experience to focus efforts across GiG towards strategic growth and development as a top tier B2B provider.

**Marcel Elfersy holds 0 shares and 0 options in GiG.**

# CORPORATE GOVERNANCE

04

# Corporate governance

Gaming Innovation Group is committed to good corporate governance to ensure trust in the Company and to maximise shareholder value over time. The objective of the Company's corporate governance framework is to regulate the interaction between the Company's shareholders, the Board of Directors and the executive management.

## 1. Implementation and reporting on corporate governance

Gaming Innovation Group Inc. ("GiG" or the "Company") is a US corporation incorporated in the state of Delaware with corporate number 2309086. The headquarters is in Malta with operations in Denmark, Spain, France and Serbia.

Being a Delaware company, GiG is subject to Delaware company legislation and regulation. In addition, certain aspects of the Norwegian Securities law and the Swedish Financial Instruments Trading Act apply to the Company due to its listing on both the Oslo Stock Exchange and on NASDAQ Stockholm, including the requirement to publish an annual statement of the Company's policy of corporate governance.

The Company's Board of Directors and management adheres to the Norwegian Code of Practice for Corporate Governance, last revised 14 October 2021 (the "Norwegian Code") and the Swedish Corporate Governance Code, last revised 1 January 2020 (the "Swedish Code"), both referred to as "the Codes" in this document. The Company has Norway as its home member state, and thus Norwegian regulations and the Norwegian Code will supersede in case of conflicts.

The Company aims for compliance in all essential areas of the Codes; however, as a Delaware company, there will be topics where the Codes are not fully complied with. The Codes are available at www.nues.no/eng and www. corporategovernanceboard.se.

The application of the Codes is based on a "comply or explain" principle and any deviation from the Codes is explained under each item. The corporate governance framework of the Company is subject to annual review by the Board of Directors and the annual corporate governance report is presented in the Company's annual report and on the Company's website.

This corporate governance report is currently structured to cover all sections of the Norwegian Code of Practice as a base, with extended sections to cover the Swedish Corporate Governance Code. Further explanation describes the Company's corporate governance in relation to each section of the respective Codes.

The Company complies with the Codes in all material respects; however, it deviates on the following topics: Board authorisation to issue new shares (section 3) and formulation of guidelines for use of the auditor for services other than auditing (section 15).

## 2. Business

The Codes are in material respects complied with through the Company's Certificate of Incorporation and By-Laws (combined Articles of Association) and the annual report.

As a Delaware corporation, the Company's business is not defined in the Articles of Association. A description of the business is available on the Company's website and in the annual report. The Company's objectives, strategy and risk profile are described in more detail in the annual report and on the Company's website.

Given the nature of GiG's business, the Company is constantly working to improve its ethical and fair business practice. The Company is committed to being compliant with all the laws and regulations affecting its business. The Company has defined ethical and sustainability guidelines in accordance with the Company's corporate values and as recommended by the Codes.

## 3. Equity and dividends

The Codes are in material respects complied with. GiG's equity as at 31 December 2022 was EUR 65.0 million. Apart from financing of normal operating expenses, GiG's business model requires low tied-up capital in fixed assets and the Board of Directors considers the current capital as sufficient. The Board of Directors constantly assesses the Company's need for financial strength based on the Company's objectives, strategy and risk profile.

The Company has adopted a dividend policy under which, all else being equal, the Company will aim to pay a dividend according to continued self-imposed restrictions concerning financial solidity and liquidity, all of which should be complied with. To date, the Company has not paid any dividends to shareholders and no dividends are proposed by the Board of Directors for the year 2022.

According to common practice for Delaware companies, the Company has an authorised number of shares available which is higher than the current number of issued shares. The authorised number of shares has been approved by the shareholders in a shareholder meeting. In compliance with the Company's Articles of Association and Delaware corporate law, the Board of Directors may issue shares up to this limit without any further shareholder approval. As at 31 December 2022, the number of authorised shares was 150,000,000 (par value USD 1.00) whereof 122,786,526 were issued and outstanding (see also Note 21). The ISIN code is US36467X2062.

## 4. Equal treatment of shareholders

The Codes are in material respects complied with. The Company has only one class of shares, which is listed on both the Oslo Stock Exchange and NASDAQ Stockholm.

Under Delaware law, no pre-emption rights of existing shareholders exist, however the Company aims to offer pre-emption rights to existing shareholders in the event of increases in the Company's share capital through private share issues for cash. If the Board of Directors carries out an increase in share capital by cash and waives to offer a pre-emption right to existing shareholders, this will be a minor increase, or if not, a justification will be publicly disclosed in connection with such increase in the share capital.

## 5. Shares and negotiability

The Company is compliant with the Codes. The Company has no limitations on the ownership or sale of the Company's shares. All GiG shares are freely negotiable and no form of restriction on negotiability is included in the Company's Articles of Association.

## 6. General meetings

The Codes are, in material respects, complied with as stated below. A shareholder meeting ensures the shareholders' participation in the body that exercises the highest authority in the Company and in which the Company's Articles of Association are adopted.

Notices for shareholder meetings with proposed resolutions and any supporting documents are announced on the Oslo Stock Exchange, on Nasdaq Stockholm and on the Company's website and sent by mail to all shareholders registered in the VPS according to the Company's Articles of Association. The Company's by-laws require a minimum of 10 days' notice to the shareholders; however, the Company has given the shareholders longer notice when calling for shareholder meetings, and the Company aim to apply the Swedish Code for notice and other procedures regarding shareholder meetings.

The Company allows shareholders to vote by proxy and prepares a form of proxy that is sent to shareholders and nominates a person who will be available to vote on behalf of shareholders as their proxy. Shareholders are allowed to vote separately on each candidate nominated for election to the Company's corporate bodies.

The Company has decided to apply the Swedish Code by using English only for all communication, including the notice, as the ownership structure warrants it. The same applies to the minutes of the meeting. The Swedish Code will be applied when verifying and signing the minutes of shareholder meetings. A shareholder, or a proxy representative of a shareholder, who is neither a member of the Board nor an employee of the Company is to be appointed to verify and sign the minutes of shareholder meetings.

The Company's chairman attends shareholder meetings, and the Company further aims that the requirements in the Swedish Code regarding other members of the board, the CEO, the nomination committee and the Company's auditors to attend the annual general meeting. For the past years, COVID-19 set restrictions to normal practice.

## 7. Nomination committee

The Codes are complied with. As a Delaware corporation, the governing law does not require a nomination committee; however, the Company has a nomination committee.

The nomination committee is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors and for making the appropriate recommendations to the Board. In 2022, the nomination committee held individual one-to-one interviews with each member of the Board and the CEO.

The annual shareholder meeting on 19 May 2022, decided that the nomination committee of Gaming Innovation Group shall consist of not less than three and not more than four members, to represent all shareholders and be appointed by the three largest shareholders at 31 August 2022. The members of the committee are: Julie Amey (nominated by SkyCity Entertainment Group Ltd., Helge Nielsen (nominated by Myrlid AS) and Dan Castillo (committee chair, nominated by Jesper Ribacka).

## 8. Board of Directors: composition and independence

For the Board of Directors, the Codes are in material respects complied with. The shareholder meeting elects representatives to the Board. The resolution on the composition of the Board takes place with a simple majority. The Company seeks to nominate members of the Board representing all shareholders and independent from management. All board members are, on a yearly basis, up for re-election.

The current Board of Directors consists of six members, where all are independent of the Company's main shareholders. All board members own shares in the Company, either directly or indirectly. Information about the current board members, their expertise, independency and shareholdings can be found on pages 48-49 and on the Company's website.

As a Delaware company, the board members have unlimited periods, however the board members must be proposed, elected and re-elected at the annual shareholder meeting. The Chairman of the Board is formally elected by the Board of Directors according to the Company's by-laws.

## 9. The work of the Board of Directors

The Codes are in material respects complied with. The Board of Directors has the prime responsibility for the management of the Company and holds a supervisory position towards the executive management and the Company's activities. The Company has established rules of procedures for the Board of Directors and executive management.

In addition to monitoring and advisory duties, the Board of Directors' main tasks consist of participating in compiling the Company's strategy and establishing the overall goals.

The Board of Directors appoints the CEO; the Swedish Code will be applied when it comes to appointing, evaluating and, if necessary, dismissing the CEO. The Board has to approve any significant assignments the CEO has outside the Company.

The Board of Directors will ensure that the Company's six- or nine-month report is reviewed by the Company's auditor according to the Swedish Code. There is no such equivalent rule in the Norwegian Code.

The Board of Directors appoints a remuneration committee and an audit committee and establishes an annual plan for its work, with internal allocation of responsibilities and duties.

The Board of Directors has evaluated its work through individual interviews with the nomination committee.

Members of the Board of Directors and senior management shall notify the Board of Directors in case of material direct or indirect interests in transactions entered into by the Company.

The Chairman of the Board is responsible for leading the work of the Board and to lead the board meetings. Continual contact with the CEO shall ensure that the Chairman of the Board monitors the Company's development and that the Board receives the information required to be able to meet its commitments. The Chairman of the Board shall also represent the Company in matters concerned with ownership.

The Board held 10 minuted meetings in 2022, where 8 meetings had all members present. The minutes were taken by the Group CFO, as secretary to the Board. At every board meeting a business and financial update was given by the CEO.

| Name | Period | Attendance |
|---|---|---|
| Petter Nylander | Chairman | 10 out of 10 |
| Nicolas Adlercreutz | Director | 9 out of 10 |
| Kjetil Garstad | Director | 9 out of 10 |
| Kathryn Moore Baker | Director | 10 out of 10 |
| Hesam Yazdi | Director from May | 7 out of 7 |
| Mikael Riese Harstad | Director from May | 7 out of 7 |
| Michael Ahearne | Director from April | 6 out of 8 |
| Helge Nielsen | Director until May | 3 out of 3 |
| Henrik Persson Ekdahl | Director until May | 3 out of 3 |

## 10. Risk management and internal control

The Codes are complied with. The Board of Directors constantly assesses the Company's need for necessary internal control systems for risk management covering the size and complexity of the Company's business. The Company employs various area-specific policies and procedures designed to manage the Company's risk.

The Board of Directors has also established an independent audit committee which oversees the Company's implementation of policies and procedures. The committee receives regular reports from the internal auditor on key risk areas which would have been subject to a detailed evaluation by the internal auditor. The internal auditor is independent and freely chooses areas to assess at his own discretion, generally focusing on business activities that could bring legal, security, financial or other operational risks.

In connection with the annual report, the most important areas of risk exposure and internal controls are reviewed.

## 11. Remuneration to the Board of Directors

The Codes are complied with and variable remuneration for the Board is not allowed in the Norwegian Code, which the Company follows. The remuneration to board members is at a sufficiently competitive level in order to ensure the desired composition of the Board. The remuneration is resolved by the annual shareholder meeting and is a fixed amount and has no performance-related elements.

The annual shareholder meeting in May 2022 resolved the remuneration of the Board of Directors, including remuneration for the remuneration committee and the audit committee. Remuneration to the Board is listed in Note 29 in the 2022 Consolidated Financial Statements.

No board members have share options and no board members take part in incentive programs available for management and/or other employees.

A general rule is that no members of the Board of Directors (or companies with which they are associated) shall take on specific assignments for the Company in addition to their appointment as Director. If such assignments are made, it shall be disclosed to the Board of Directors and the remuneration shall be approved by the Board of Directors.

## 12. Remuneration of the executive personnel

The Codes are complied with. The remuneration for the CEO is set by the Board. The Board also establishes guidelines for the remuneration of other members of senior management, including both the level of fixed salaries, the principles for and scope of bonus schemes and any option grants. Performance-related remuneration are subject to an absolute limit. The Company have so far not issued a remuneration report, however the policy for remuneration to senior management and the amounts paid in 2022 are described in Note 29 and the Company's incentive stock option programs are described in Note 21 in the 2022 Consolidated Financial Statements.

The Company has a remuneration committee, consisting of two directors, Petter Nylander (committee chair) and Kathryn Moore Baker. For the fiscal year 2022, the remuneration committee had four committee meetings with both members present in all meetings, together with the Company's CEO and CPO.

## 13. Information and communications

The Code of Practice is complied with. The Company assigns importance to informing its owners and investors about the Company's development and economic and financial status. Prompt financial reporting reduces the possibility of leakage and contributes to the equal treatment of shareholders.

Responsibility for investor relations (IR) and price sensitive information rests with the Company's CEO and Group CFO, including guidelines for the Company's contact with shareholders other than through general meetings.

All information distributed to the Company's shareholders is available through the Company's website. Each year the Company publishes to the market the dates of reporting for planned major events.

The Company provides annually a sustainability report that are made available on the Company's website. The Company has not presented a separate remuneration report, but information on remuneration to the Board of Directors and management, and share option plans, are available in the annual report.

## 14. Take-overs

The Code of Practice is complied with. The Company has no restrictions in its Articles of Association regarding company take-overs, and the Board of Directors is pragmatic with respect to a possible takeover of the Company.

If a takeover bid is made for the Company, the Board of Directors will ensure that shareholders are given sufficient and timely information and make a statement prior to expiry of the bid, including a recommendation as to whether the shareholders should accept the bid or not. The main responsibility of the Board of Directors under such circumstances is to maximise value for the shareholders, while simultaneously looking after the interest of the Company's employees and customers.

## 15. Auditor

The Company has an audit committee consisting of two directors, Nicolas Adlercreutz (committee chair) and Kjetil Garstad. For the fiscal year 2022, the audit committee had 6 audit committee meetings with both members present in 5 meetings and had meetings with the external auditors regarding the third quarter review and the annual financial statements. The auditors have presented to the audit committee a review of their work and the Company's internal procedures, including explanation of the results and information about the statutory audit.

The Company has not developed any specific guidelines for the management's opportunity to use the auditor for other services than audit. The auditors are used as advisors for general financial purposes and in connection with the preparation of tax returns and general tax advice.

The auditors did not participate in the board meeting which finally approved the annual financial statements for 2022, but participated in the audit committee meeting that approved the annual financial statements and the auditors' comments were presented to the Board of Directors by the audit committee. The auditors have been available for questions and comments at the Board of Directors' discretion.

## Shareholder Meetings

### Special Meeting of Shareholders January 2022

A Special Meeting of Shareholders was held on 20 January 2022 in Stockholm, Sweden. 50.47% of the shareholders were represented at the meeting in person or by proxy.

The Special Meeting of Shareholders resolved to amend the Company's Amended and Restated Certificate of Incorporation to reflect an increase in the number of shares of stock which the Company is authorized to issue 110,000,000 to 150,000,000. The meeting also resolved that the number of Board members shall increase from 6 to 7 and to give the Board of Directors authority to consult the nomination committee and appoint one representative of SkyCity Entertainment Group Limited to the board of directors of GiG, subject to final closing of the acquisition of Sportnco Gaming SAS.

### Annual Meeting of Shareholders May 2022

The Annual Meeting of Shareholders was held on 19 May 2022 in Stockholm, Sweden. 41.16% of the shareholders were represented at the meeting in person or by proxy.

The Annual Meeting of Shareholders resolved that the Board of Directors should consist of seven members and resolved to re-elect Petter Nylander as Chairman of the Board and to re-elect Nicolas Adlercreutz, Kjetil Garstad, Kathryn Moore Baker and Michael Ahearne, and to elect Hesam Yazdi and Mikael Riese Harstad as new Directors. The meeting furthermore resolved that the nomination committee shall consist of not less than three, and not more than four, members, to represent all shareholders and be appointed by the three largest shareholders as at 31 August 2022. The meeting reappointed REID CPAs LLP as auditors of the Company. All other proposals were resolved by the Annual Meeting of Shareholders.

### Annual Meeting of Shareholders May 2023

The Annual Meeting of Shareholders will be held on 23 May 2023 in Stockholm, Sweden.

**Minutes from the shareholder meetings and Notice for the upcoming annual shareholder meeting can be found on the Company's website: www.gig.com**

## Legal disclaimer

Gaming Innovation Group Inc. gives forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

## Financial calendar

| | |
|---|---|
| Q1 2023 Interim Report | 4 May 2023 |
| 2023 Annual Meeting of Shareholders | 23 May 2023 |
| Q2 2023 Interim Report | 16 Aug 2023 |
| Q3 2023 Interim Report | 8 Nov 2023 |
| Q4 2023 Interim Report | 14 Feb 2024 |

## Contacts

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# CONSOLIDATED FINANCIAL STATEMENTS

05

# Statements of Comprehensive Income (Loss)

For the years ending 31 December 2022 and 2021

| EUR 1000 | | | Company | | Parent |
|---|---|---|---|---|---|
| | Notes | 2022 | 2021 | 2022 | 2021 |
| **Revenues** | 2,4,22 | **107 022** | **82 574** | **-** | **-** |
| Cost of sales | 23 | 5 362 | 4 564 | - | - |
| Gross profit | | 101 660 | 78 010 | - | - |
| **Operating expenses** | | | | | |
| Personnel expenses | 29 | 26 678 | 22 059 | 366 | 390 |
| Depreciation & amortization | 2,10,11 | 20 506 | 14 593 | - | - |
| Impairment of intangible assets | 2,10 | 241 | - | - | - |
| Marketing expenses | | 31 237 | 23 005 | - | - |
| Other operating expenses | 24 | 11 203 | 12 197 | 898 | 774 |
| **Total operating expenses** | | **89 865** | **71 854** | **1 264** | **1 164** |
| **Operating income (loss)** | | **11 795** | **6 156** | **-1 264** | **-1 164** |
| Other Income (expense) | 27 | -4 026 | -6 272 | 44 | -565 |
| Results before income taxes | | 7 769 | -116 | -1 220 | -1 729 |
| Income tax (expense) credit | 25 | -2 057 | 519 | - | - |
| **Income (loss) from continuing operations** | | **5 712** | **403** | **-1 220** | **-1 729** |
| Loss from discontinuing operations | 8 | -2 608 | -465 | - | - |
| **Income (loss) for the year** | | **3 104** | **-62** | **-1 220** | **-1 729** |
| Other comprehensive income (loss): | | | | | |
| Exchange differences on translation of foreign operation | 2 | -104 | -323 | - | - |
| Total other comprehensive income (loss) | | -104 | -323 | - | - |
| **Total comprehensive income (loss)** | | **3 000** | **-385** | **-1 220** | **-1 729** |
| Total comprehensive income (loss) attributable to: | | | | | |
| Owners of the parent | 2,12 | 2 782 | -393 | | |
| Non-controlling interests | 2,12 | 218 | 8 | | |
| Total comprehensive income (loss) | | 3 000 | -385 | | |
| Earnings per share attributable to Gaming Innovation Group Inc. | | | | | |
| Basic and diluted income per share from continuing operations | | 0.05 | 0.00 | | |
| Basic and diluted loss per share from discontinuing operations | | -0.02 | -0.01 | | |
| Basic and diluted income per share attributable to GiG Inc. | | 0.03 | 0.00 | | |
| Weighted average shares outstanding (1000) | | 116 348 | 94 018 | | |
| Diluted weighted average shares outstanding (1000) | | 118 947 | 95 247 | | |

# Statements of Financial Position

## For the years ending 31 December 2022 and 2021

| EUR 1000 | | Company | | | Parent | | |
|---|---|---|---|---|---|---|---|
| | **Notes** | **31.12.2022** | **31.12.2021** restated | **31.12.2021** as reported | **31.12.2022** | **31.12.2021** restated | **31.12.2021** as reported |
| **ASSETS** | | | | | | | |
| **Non-current assets** | | | | | | | |
| Goodwill | 2,10 | 75 340 | 16 325 | 16 325 | 10 448 | 10 448 | 10 448 |
| Intangible assets | 2,10 | 61 020 | 31 732 | 31 732 | - | - | - |
| Property, plant and equipment | 2,11 | 1 421 | 1 763 | 1 763 | - | - | - |
| Right-of-use assets | 6 | 7 563 | 11 123 | 11 123 | - | - | - |
| Investment in subsidiaries | 12 | - | - | - | 119 603 | 65 615 | 65 615 |
| Deferred income tax assets | 20 | 120 | 78 | 78 | - | - | - |
| Other non-current assets | 13,17,20 | 1 086 | 517 | 517 | 306 | 311 | 311 |
| **Total non-current assets** | | **146 550** | **61 538** | **61 538** | **130 357** | **76 374** | **76 374** |
| **Current assets:** | | | | | | | |
| Trade and other receivables | 14 | 23 221 | 17 570 | 17 570 | 3 724 | 5 135 | 5 135 |
| Cash and cash equivalents | 15 | 15 209 | 8 561 | 8 561 | 91 | 78 | 78 |
| **Total current assets** | | **38 430** | **26 131** | **26 131** | **3 815** | **5 213** | **5 213** |
| **TOTAL ASSETS** | | **184 980** | **87 669** | **87 669** | **134 172** | **81 587** | **81 587** |
| **Liabilities and Shareholders' Equity** | | | | | | | |
| **Shareholders' equity:** | | | | | | | |
| Share capital issued | 21 | 107 967 | 84 323 | 84 323 | 112 217 | 88 749 | 88 749 |
| Share premium | 21 | 61 889 | 35 492 | 35 492 | 58 933 | 34 058 | 34 058 |
| Accumulated translation income (loss) | | -2 343 | -2 239 | -2 239 | - | - | - |
| Retained earnings (deficit) | | -102 787 | -105 673 | -105 673 | -85 230 | -84 010 | -84 010 |
| **Total equity attibutable to owners of the Company** | | **64 725** | **11 903** | **11 903** | **85 920** | **38 797** | **38 797** |
| Non-controlling interests | | 241 | 23 | 23 | - | - | - |
| **Total equity** | | **64 966** | **11 926** | **11 926** | **85 920** | **38 797** | **38 797** |
| **Liabilities** | | | | | | | |
| Long term liabilities: | | | | | | | |
| Bond payable | 9 | 48 191 | 42 703 | 38 850 | 48 191 | 42 703 | 38 850 |
| Lease liabilities | 6 | 6 828 | 10 168 | 10 168 | - | - | - |
| Contingent consideration | 7 | 9 591 | - | - | - | - | - |
| Other long term payables | | 2 181 | 2 856 | - | - | - | - |
| Long term loans | 22 | 12 687 | - | - | - | - | - |
| Deferred income tax liabilities | 20 | 2 118 | 416 | 416 | - | - | - |
| **Total long term liabilities** | | **81 595** | **56 143** | **49 434** | **48 191** | **42 703** | **38 850** |
| **Current liabilities:** | | | | | | | |
| Trade payables and accrued expenses | 18 | 22 549 | 17 213 | 20 069 | 61 | 87 | 87 |
| Lease liabilities | 6 | 3 163 | 2 388 | 2 388 | - | - | - |
| Contingent consideration | 7 | 8 942 | - | - | - | - | - |
| Short term loans | 19 | 3 764 | - | - | - | - | - |
| Bond payable | 9 | - | - | 3 853 | - | - | 3 853 |
| **Total current liabilities** | | **38 418** | **19 601** | **26 310** | **61** | **87** | **3 940** |
| **Total liabilities** | | **120 013** | **75 744** | **75 744** | **48 252** | **42 790** | **42 790** |
| **TOTAL EQUITY AND LIABILITIES** | | **184 979** | **87 669** | **87 669** | **134 172** | **81 587** | **81 587** |

# Statements of Changes in Equity

## For the years ending 31 December 2022 and 2021

| Company (EUR 1000) | Common Stock Shares issued | Common Stock Shares Outstanding | Common Stock Amount | Share Premium/ Adjustment | Non-controlling interest | Translation reserve | Retained Earnings (Deficit) | Total Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2021** | **90 075 626** | **90 075 626** | **78 915** | **32 204** | **14** | **-1 916** | **-105 611** | **3 606** |
| Conversion of loan | 6 600 000 | 6 600 600 | 5 408 | 2 643 | - | - | - | 8 051 |
| Exercise of options and issuance of shares for cash | - | - | - | - | - | - | - | - |
| Share compensation expense | - | - | - | 651 | - | - | - | 651 |
| Adjustment in relation to prior period | - | - | - | -7 | - | - | 9 | 2 |
| Net results from continuing operations | - | - | - | - | 9 | - | 394 | 403 |
| Net results from discontinuing operations | - | - | - | - | - | - | -465 | -465 |
| Exchange differences on translation | - | - | - | - | - | -323 | - | -323 |
| **Balance at 31 December 2021** | **96 675 626** | **96 675 626** | **84 323** | **35 492** | **23** | **-2 239** | **-105 673** | **11 926** |
| Issue of shares | 26 110 900 | 26 110 900 | 23 644 | 24 680 | - | - | - | 48 324 |
| Share compensation expense | - | - | - | 1 717 | - | - | - | 1 717 |
| Net results from continuing operations | - | - | - | - | 218 | - | 5 494 | 5 712 |
| Net results from discontinuing operations | - | - | - | - | - | - | -2 608 | -2 608 |
| Exchange differences on translation | - | - | - | - | - | -104 | - | -104 |
| **Balance at 31 December 2022** | **122 786 526** | **122 786 526** | **107 967** | **61 889** | **241** | **-2 343** | **-102 787** | **64 966** |

| Parent (EUR 1000) | Common Stock Shares issued | Common Stock Shares Outstanding | Common Stock Amount | Share Premium/ Adjustment | Retained Earnings (Deficit) | Total Equity |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2021** | **90 005 626** | **90 005 626** | **78 858** | **35 364** | **-80 794** | **33 428** |
| Conversion of convertilble loan | 6 600 000 | 6 600 000 | 9 834 | -2 184 | - | 7 650 |
| Share compensation expense | - | - | - | 9 | - | 9 |
| Net results | - | - | - | - | -1 729 | -1 729 |
| **Balance at 31 December 2021** | **96 675 626** | **96 675 626** | **88 749** | **34 508** | **-84 010** | **38 797** |
| Issuance of shares | 26 110 900 | 26 110 900 | 23 468 | 28 496 | - | 51 964 |
| Share compensation expense | - | - | - | 19 | - | 19 |
| Net results | - | - | - | - | -1 220 | -1 220 |
| **Balance at 31 December 2022** | **122 786 526** | **122 786 526** | **112 217** | **58 933** | **-85 230** | **85 921** |

# Statements of Cash Flows

For the years ending 31 December 2022 and 2021

| EUR 1000 | | Company | | Parent | |
|---|---|---|---|---|---|
| | **Notes** | **2022** | **2021** | **2022** | **2021** |
| **Cash flows from operating activities** | | | | | |
| Results before income taxes | | 7 769 | - 116 | -1 220 | -1 729 |
| Loss from discontinued operations | 7 | -2 608 | -465 | - | - |
| Taxes | | -2 057 | 520 | - | - |
| Amortization of intangible assets | 10 | 1 270 | 10 341 | - | - |
| Depreciation of property, plant and equipment | 11 | 20 263 | 4 252 | - | - |
| Share based compensation | | 1 717 | 645 | 19 | 9 |
| Impariment of assets | | 206 | - | - | - |
| Change in trade and other receivables | | -6 647 | 6 261 | 1 415 | 767 |
| Change in current assets | | - | -54 | - | - |
| Change in non-current assets | | 362 | 855 | - | - |
| Change in trade and other payables | 15 | 11 563 | -9 632 | -201 | -102 |
| **Net cash (used in)/generated from operating activities** | | **31 839** | **12 607** | **13** | **-1 055** |
| **Cash flows from investing activities** | | | | | |
| Purchases of intangible assets | 10 | -15 335 | -8 625 | - | - |
| Purchases of property, plant and equipment | 11 | -834 | -577 | - | - |
| Acquisition of associates | | -31 922 | -26 | - | - |
| **Net cash used in investing activities** | | **-48 091** | **-9 228** | **-** | **-** |
| **Cash flows from financing activities** | | | | | |
| Repayment of loans | 22 | -2 293 | -2 327 | - | -2 328 |
| Proceeds from issuance of shares | 21 | 25 000 | - | - | - |
| Proceeds from bond issue | 9 | 8 446 | 2 799 | - | - |
| Lease liability principal payments | | -3 196 | -2 993 | - | - |
| Interest paid on bond | | -4 953 | -3 801 | - | - |
| **Net cash generated from financing activities** | | **23 004** | **-6 322** | **-** | **-2 328** |
| Translation loss | | -104 | - | - | - |
| Net movement in cash and cash equilalents | | 6 648 | -2 943 | 13 | -3 383 |
| Cash and cash equivalents at beginning of year | 15 | 8 561 | 11 504 | 78 | 3 461 |
| **Cash and cash equivalents at end of year** | **15** | **15 209** | **8 561** | **91** | **78** |

# Notes to Consolidated Financial Statements

For the years ending 31 December 2022 and 2021

## 1. Corporate Information

Gaming Innovation Company Inc. ("GiG" or the "Company") is a US corporation incorporated in the state of Delaware and traded on the Oslo Stock Exchange with the ticker symbol "GIG" and on Nasdaq Stockholm with the ticker symbol "GIGSEK" (dual listing). Gaming Innovation Company Plc. ("Plc") is incorporated and domiciled in Malta, having a registered office at @GiG Beach, The Golden Mile, Trig Id-Dragunara, St. Julian's STJ 3148, Malta.

The Company's principal activities during 2022 were the provision of online gaming services, primarily casino and sports, provision of a remote gaming platform and affiliate marketing operations.

The consolidated financial statements of the Company as of and for the years ended 31 December 2022 and 2021 comprise of Plc and Plc's accounting basis subsidiaries.

### Sportnco Gaming SAS

In December 2021, the Company signed a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco"). On 1 April 2022, the transaction was closed following all the necessary approvals from relevant gaming authorities, shareholders and bondholders. The Company acquired 100% of the issued shares of Sportnco, an unlisted Company based in France. As a result of the acquisition of Sportnco, the Company took the decision to divest its Sportsbook.

As part of the Sportnco acquisition, GiG acquired the legal title of certain B2C (business-to-consumers)assets and liabilities. The B2C net assets have been carved out in the SPA, and were not taken into consideration by both parties in determining the consideration price. The contractual arrangements between GiG and the vendor are such that GiG has no substantive decision-making power over the B2C net assets and are fully indemnified with respect to any lawsuits related to B2C net assets that may emanate. The Spanish B2C assets and liabilities has been disposed on the 29 March 2023 whilst the French B2C assets and liabilities is in the process of being disposed by the vendor. The deadline to dispose of the B2C net assets has been extended from the original twelve month period post acquisition date to later during 2023.

The initial consideration was EUR 51.4 million (net of debt assumed), whereof EUR 23.5 million was paid in 12,623,400 new shares in GiG at a share price of NOK 18.08 and EUR 27.9 million in cash. In addition, GiG assumed existing debt in Sportnco of EUR 18.6 million and there will be an earn-out of up to EUR 23.0 million based on Sportnco's performance in 2022 and 2023. The earn-out will be paid 50% in cash and 50% in new shares in GiG, where the number of shares to be issued shall be based on a 10-day Volume-Weighted Average Price ("VWAP") of the GiG share at the time of payment, expected in April 2023 and April 2024. The earn-out payment to be paid in April 2023 is EUR 8.5 million whereas EUR 4.25 million will be paid in cash and EUR 4.25 million will be paid in shares. The earn-out liability payable in 2023 provided for in the balance sheet at year end is higher than the amount payable by EUR 0.4 million as the earn-out payment of 2024 includes catch up structures. Further, to keep key employees in Sportnco, a 3-year option program was entered into, whereby the option holders, pending continued employment, will receive shares in GiG at an agreed VWAP of EUR 2.11 per share up to a total aggregate value of EUR 4 million.

As part of the consideration paid for Sportnco, the Company's parent also entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity") in December 2021, whereby SkyCity invested EUR 25 million through a directed share issue at NOK 18.00 per share, equal to 13,487,500 new shares, financing the main part of the cash consideration to the shareholders of Sportnco.

### AskGamblers

In December 2022, one of the Company's subsidiaries signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The total consideration is EUR 45 million, of which EUR 20 million was paid in cash on closing, EUR 10 million will be paid twelve months after closing and the EUR 15 million balance 24 months after closing. Closing was completed on 31 January 2023.

The transaction is structured by way of a Share Purchase Agreement (SPA) with the Company's subsidiary Innovation Labs Ltd. and includes the acquisition of the two companies Catena Publishing Ltd (Malta) and Catena Media D.O.O. Beograd (Serbia). These companies employ around 96 people.

GiG financed the initial consideration through a combination of its own cash,  a revolving credit facility (RCF) and a share issue. Existing shareholders participated in the share issue and the RCF, securing sufficient financing to complete the transaction at closing.

Askgamblers.com is an award-winning website recognised as a well-trusted website source in the iGaming industry with strong brand recognition by users.

Refer to Note 7 'Business Combinations' and Note 31 'Events after reporting period' for further information.

### Financing

In May 2021, the Company successfully completed the issuance of a new 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit.

The net proceeds were used to refinance the existing SEK 400 million bond including call premium and transaction costs with the balance towards general corporate purposes.  Settlement of the new bond issue happened during June 2021.  The new bond has a floating coupon of 3 months STIBOR + 8.50% per annum and with more favourable terms than the prior SEK 400 million bond. The new bond is listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market.

In January 2022, the Company successfully completed a SEK 100 million subsequent bond issue under the above bond framework, to be used towards partially finance the acquisition of Sportnco and general corporate purposes. The borrowing limit of SEK 550 million was therefore fully utilised.

The outstanding balance of the bond on 31 December 2022 was EUR 48.2 million (2021: EUR 42.7 million). As of this report, the principal amount of the bond is fully classified as long-term debt, adjusting the preceding year comparatives. This was not including accrued interest of EUR 535k (2021: EUR 404k).

Also in May 2021, the Company agreed to convert the EUR 8.5 million convertible loan entered into in December 2020. The conversion lowered the overall leverage ratio and strengthened the balance through increased equity. The Company issued 6.6 million new shares to the lenders that covered the outstanding loan, accrued interest and a termination fee for early termination.

With the shares issued in connection with the acquisition of Sportnco in April 2022, the Company's share capital increased from USD 96,675,626 to USD 122,786,526 and the number of outstanding shares increased from 96,675,626 to 122,786,526 (par value USD 1.00) during 2022.

### Extraordinary events

The Company does not have business in the impacted conflict regions of Ukraine and Russia, and while difficult to predict the wider impact on consuming spending, no material impact is experienced so far in the Company's operations. Historically, the online gambling industry has proved robust and normally not been materially affected by uncertain periods for the global economy.

## 2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

### 2.1 Basis of preparation

### Statement of Compliance and Presentation of Financial Statements

The consolidated Company financial statements include the financial statements of the accounting parent, Plc, and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The consolidated financial statements report the full year of operations of 2022 and 2021.

The consolidated financial statements are presented on the historical cost basis and reflect all acquisitions, adjusted for all post acquisition gains, earnings and losses. Parent only financial statements report the results of GiG the legal parent. The statements were approved by the Board of Directors and issued on 21 April 2023.

### Significant risks and uncertainties

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, as the internet operations can be linked to several jurisdictions and there are legal doubts on whether the availability of a site within foreign markets constitutes a solicitation to persons residing within that market. Legislation concerning online gaming is under review in certain jurisdictions, and in some circumstances, previous opportunities to offer gaming products to certain customers based in some markets on principles of freedom to provide services, may be impacted by legal restrictions being imposed. In other cases, previously unregulated jurisdictions pass legislation regulating the market creating new opportunities to offer products and services to those markets with legal certainty.

Following the divestment of its B2C segment, together with the de-risking strategy to discontinue the white label model carried out during 2020, GiG is less directly exposed to legal and compliance risks associated with gaming operations. This strategic decision resulted in a reduction from 15 brands operating on white-label agreements to only one remaining at the end of 2022 (SkyCity). The majority of white labels were terminated and/or migrated to other white-label platforms although the larger white-labels converted to a SaaS agreement with GiG. As part of the strategy to terminate white-label agreements, GiG rescinded its Swedish and UK B2C licenses in October 2020, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds. As at the year end, GiG has one B2C license with the Malta Gaming Authority, together with various B2B licenses in various regulated markets.

The Company will continue to primarily operate in the online gambling industry. The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty. In certain countries online gambling is prohibited and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators that are also the Company's customers, the Company's revenue streams from such customers may be adversely affected. The Company aims to mitigate this risk through a fixed pricing model that is being adopted for platform services where possible.

This evolving environment makes compliance an increasingly complex area with the risk of non-compliance with territory specific regulations, including responsible gaming and anti-money laundering obligations. These uncertainties represent a risk for the Company's ability to develop and grow the business, as changes in legislation or enforcement practices could force the Company to exit markets, or even result in financial sanctions, litigation, license withdrawal or unexpected tax exposures, which have not duly been provided for in the financial statements. These risks continue to stem from past exposures on B2C and white-labels, for as long as related warranties may continue to apply, and until the B2C MGA license is relinquished. During November 2020, one of the Company's subsidiaries was subject to a review by the FIAU in relation to controls on money laundering and counter terrorism. The outcome of this review is not yet finalised and based on the information available as at the date of reporting, Management does not anticipate that there will be any material financial consequence emerging from such review.

It is the Company's view that the responsibility for compliance with laws and regulations rests with the customers for both the Media and Platform business activities. Although gaming laws and regulations of many jurisdictions do not specifically apply to the supply of B2B services, certain countries have sought to regulate or prohibit the supply of such services. The Company may therefore be subject to such laws, directly or indirectly. The Company mitigates this risk through monitoring of legal developments, contractual arrangements, and by seeking external advice to assist with the assessment of risk exposures as appropriate.

In addition to the above, the Company faces the risk that customers are not able to pay for the services rendered when these fall due. Specifically, for Media services, the Company faces operational risks arising from Google's changes of its algorithm that could temporarily impact rankings, and hence also impact revenues.

### Use of Estimates, Judgements and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values cannot be derived from other sources. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the revisions are made and in any future periods affected.

The following are significant areas in the Company's consolidated financial statements where estimates and judgment are applied to account balances: Goodwill, intangibles, property, plant and equipment, related write-offs, depreciation, amortisation and income taxes. The amount and timing of recorded expenses for any period would vary by any changes made to such estimates.

## 2.2 Consolidation

#### (a) Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 2.9).

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost includes directly attributable costs of the investment. Cost also includes the vested portion of the grant date fair value of share options which the Company grants as remuneration to employees and other consultants who provide services to the Company's subsidiaries.

Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### (b) Transactions with non-controlling interests

The Company treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Company's ability to control the subsidiary's financial and operating policies, as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## 2.3 Business combinations between entities under common control

Business combinations between entities under common control, which do not fall within the scope of IFRS 3, are accounted for using predecessor method of accounting. Under the predecessor method of accounting, assets and liabilities are incorporated at the predecessor carrying values which are the carrying amounts of assets and liabilities of the acquired entity from the financial statement amounts of the acquired entity.

No new goodwill arises in predecessor accounting, and any differences between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity, is included in equity in a separate reserve. The financial statements incorporate the acquired entities' results and balance sheet prospectively from the date on which the business combination between entities under common control occurred.

## 2.4 Segment Information

The Company determines and presents operating segments based on the information that internally is provided to the Company's management team, which is the Company's chief operating decision-maker in accordance with the requirements of IFRS 8 'Operating segments'.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Company's management team to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision-maker.

## 2.5 Foreign Currency Translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euros (EUR), which is the functional currency of the Company.

### (b) Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The Company's accounting policy is to present all exchange differences within other income (expense), including exchange differences arising on cash and cash equivalents and amounts due from payment providers.

### (c) Subsidiaries

Income statements of foreign entities are translated into the Company's presentation currency at the average exchange rates for the year and statements of financial position are translated at the exchange rates ruling at year-end. All resulting translation differences are recognised in other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. On disposal or partial disposal of a foreign entity, translation differences that were previously recognised in other comprehensive income are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences are recognised in other comprehensive income.

## 2.6 Financial instruments

The Company's financial instruments include cash and cash equivalents, trade accounts and credit card receivables, bond payable, trade payables and accrued expenses and related party debt. Such instruments are carried at cost which approximates fair value due to the short maturities of these instruments.

## 2.7 Cash and cash equivalents

For purposes of the statement of cash flows, the cash and cash equivalents are comprised of cash on hand, deposits held at call with banks and e-wallets.

## 2.8 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 2.13). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

## 2.9 Intangible assets

### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### (b) Domains

Domains comprise the value of domain names acquired by the Company as well as the value derived from the search engine optimisation activity embedded in the acquired portfolios. Separately acquired domains are shown at historical cost, which represent their acquisition price and certain domains are expected to have a useful life of 8 years. Amortisation is calculated using the straight-line method to allocate the cost of domains over their estimated useful lives. Other domains have an indefinite useful life.

### (c) Affiliate contracts

Acquired affiliate contracts are shown at historical cost and are deemed to have a useful life of 3 years, determined by reference to the expected user churn rate. Amortisation is calculated using the straight-line method to allocate the cost of affiliate contracts over their estimated useful lives.

### (d) Trademarks

Separately acquired trademarks and licences are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have indefinite useful lives and are subsequently carried at cost less impairment losses. The trademarks are not amortised and are held indefinitely because trends show that they will generate net cash inflows for the Company for an indefinite period.

### (e) Computer software and technology platforms

Acquired computer software and platforms are capitalised on the basis of the costs incurred to acquire and bring to use these assets. These costs are amortised over their estimated useful lives of 2 to 3 years or, in the case of computer software, over the term of the licence agreement, if different.

Development costs that are directly attributed to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of these intangible assets include the development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## 2.10 Property, plant and equipment

All property, plant and equipment are initially recorded at historical cost and subsequently carried at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

| | Years |
|---|---|
| Installations and improvements to premises | 3 - 6 |
| Computer and office equipment | 3 |
| Furniture and fittings | 3 - 6 |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains and losses on disposals of plant and equipment are determined by comparing the proceeds with carrying amount and are recognised within profit or loss.

## 2.11 Leases

### Company as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives
- received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### Company as a lessor

Leases where the Company has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Initial direct costs incurred by the Company in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

Leases where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

## 2.12 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow CGU's. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 2.13 Financial assets

### 2.13.1 Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### 2.13.2 Recognition, de-recognition and measurement

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Parent classifies its debt instruments:

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

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

**FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### (b) Equity instruments

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

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

### 2.13.3 Impairment

From 1 January 2021, the Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 4.1 for further details.

## 2.14 Share-based compensation

The Company operates a number of equity-settled and cash-settled, share-based compensation plans. Through these plans, the Company receives services from employees and consultants, or purchases intangible assets, as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised by the Company as an expense.

For equity-settled share-based payments, the total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity’s share price);
- including the employee remaining in employment for a specific time period;
- including the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specific period of time).

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company transfers shares to the employees.

## 2.15 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilise the same numerator, but outstanding shares in gain periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. In years when the Company has losses reported, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation. For the year ended 31 December 2022, the Company had 2,804,600 options outstanding.

## 2.16 Inter-company transactions

Inter-company balances and unrealised income and expenses arising from inter-company transactions are eliminated upon consolidation.

## 2.17 Foreign currency transactions

Transactions in currencies other than the EUR are recorded in EUR at the exchange rates prevailing at the transaction dates. Exchange gains and losses are included in the Company's results of operations.

## 2.18 Revenue recognition policy

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Company's activities. The Company recognises revenue, including other operating revenue, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met as described below.

### (a) Gaming

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, is recognised as a net fair value gain or loss after the deduction of players' winnings, bonuses and gaming taxes. The revenue recognised in this manner relates to casino. These are governed by IFRS 9 and thus out of scope of IFRS 15.

Revenue from transactions where the Company is taking positions against players, such as sports betting and online casino, is recognised when the outcome of an event is known.

In contracting with white label operators, the Company considers that it is acting as an intermediary between the third-party platform and the related service providers. On this basis revenue is recognised net of payments made to service providers. For one particular client, the Company has the primary responsibility for fulfilling the promise to provide specific services making the Company the principal. On this basis, the revenues are recognised gross of payments made to service providers in line with this accounting policy.

### (b) Platform and sportsbetting services

In contracting with own license operators, the Company generates revenue by entering into a revenue share deal or a fixed deal where such revenue is apportioned on an accrual basis over the whole term of the contract. The consideration for such services is generally split between an initial setup to configure the software as per the customer's requirements and on-going charge invoiced monthly.

The uncertainty on the amount of revenue to be received is resolved at each calendar month-end since the contracts are such that the amounts reset to zero on a monthly basis. Management has determined that it is appropriate for the Company to recognise the monthly amounts invoiced as revenue in the Income Statement as this best represents the Company's enforceable rights to income, as well as the value of services received by the Company's customers.

In accordance with IFRS 15, the set-up is not seen as a distinct PO as the customer cannot benefit from the set-up itself but from the agreement as a whole. Accordingly, the set-up fee is simply seen as being part of the consideration receivable for the software-as-a service (SaaS) agreement and should therefore be deferred over the period of the agreement. Management performed a detailed analysis of such impact and concluded that this has an immaterial effect for the Company. Management will continue to monitor this matter due to the increase in customers in this segment.

### (c) Performance Marketing

For a revenue share deal, the Company receives a share of the revenues that the gaming operator has generated as a result of a player playing on their iGaming site. Revenue is recognised in the month that it is earned by the respective gaming operator.

For a cost acquisition deal, a client pays a one-time fee for each player who deposits money on the client's site. Cost per acquisition contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

For a listing deal, a client pays a fixed fee to be listed and critically reviewed on the Company's websites. Such revenue is apportioned on an accrual basis over the term of the contract.

Management considers the Company's contracts to represent a series of distinct performance obligations to stand ready to redirect players on a constant basis. Such contracts give rise to variable consideration from an IFRS 15 point of view since the revenues are not fixed at the outset. In view of the nature of the service provided as a monthly stand-ready obligation the Company recognises the income in the month in which it has a contractual right to bill the iGaming operators.

### (d) Other

Interest income is recognised in profit or loss for interest-bearing instruments as it accrues, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

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

## 2.19 Non controlling interest

GiG has a 99.99% interest in all Maltese companies which represents controlling interest in these companies and therefore has consolidated its financial statements and has presented a non-controlling interest for the portion the Maltese companies that it does not own.

## 2.20 Share capital

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

## 2.21 Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2.22 Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as "Other liabilities) under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

## 2.23 Borrowings

Borrowings are recognised initially at the fair value of proceeds received; net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effect interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

## 2.24 Current and deferred taxation

Tax expense for the year comprises current and deferred tax. Tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxing authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company files U.S. federal income tax returns and state income tax returns in Florida, New Jersey and California. Returns filed in these jurisdictions for tax years ended on or after 31 December 2019 are subject to examination by the relevant taxing authorities. In addition, Plc and its subsidiaries, and GiG Properties file tax returns in Malta, Spain, Gibraltar, Norway, Denmark and France.

## 2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the obligation to pay a dividend is established.

## 2.26 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 2.27 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred

tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the —date of the sale of the noncurrent asset is recognised at the date of derecognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal Company classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal Company classified as held for sale are presented separately from other liabilities in the balance sheet.
A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss

### 2.28 Restatement of Balance sheet

The 2021 balance sheet has been restated to reflect a correction of classification of the Company's bond as long term.

## 3. Segment Information

The Company operates two segments: Platform offering front-end services ('Platform'); and Affiliate marketing ('Media')

The Company's internal reporting to its management team focuses on Platform and Media separately and the segment information is being disclosed accordingly.

| 2022 (EUR 1000) | Media | Platform | TOTAL |
|---|---|---|---|
| **Revenue** | 61 738 | 45 284 | 107 022 |
| **Cost of sales** | - | -5 362 | -5 362 |
| **Marketing costs** | -18 150 | -13 087 | -31 237 |
| **Other operating expenses** | -13 962 | -22 221 | -36 183 |
| **EBITDA adjusted** | 29 626 | 4 614 | 34 240 |
| **Share Option expense** | -275 | -1 424 | -1 699 |
| **EBITDA** | 29 351 | 3 190 | 32 541 |
| **Depreciation & Amortisation** | -8 095 | -13 403 | -21 498 |
| **Other income** | 497 | 497 | 994 |
| **EBIT** | 21 547 | -9 751 | 11 796 |

| 2021 (EUR 1000) | Media | Platform | TOTAL |
|---|---|---|---|
| **Revenue** | 44 970 | 37 185 | 82 155 |
| **Cost of sales** | - | -4 564 | -4 564 |
| **Marketing costs** | -10 959 | -12 046 | -23 005 |
| **Other operating expenses** | -12 178 | -21 434 | -33 612 |
| **EBITDA adjusted** | 21 833 | -440 | 21 393 |
| **Share option expense** | -274 | -370 | -644 |
| **EBITDA** | 21 559 | -810 | 20 749 |
| **Depreciation & Amortisation** | -7 715 | -6 878 | -14 593 |
| **Other income** | 426 | 426 | 851 |
| **EBIT** | 14 269 | -7 262 | 7 007 |

Similarly, the Company has assets at 31 December 2022 and 2021 by continent (EUR 1000's):

| 2022 (EUR 1000) | Media | Platform | TOTAL |
|---|---|---|---|
| **Nordic countries** | 12 537 | 3 879 | 16 416 |
| **Europe excl. Nordic countries** | 32 060 | 12 436 | 44 496 |
| **Rest of world** | 373 | 21 289 | 21 662 |
| **TOTAL** | **44 970** | **37 604** | **82 574** |

| 2021 (EUR 1000) | Media | Platform | Elimin. | TOTAL |
|---|---|---|---|---|
| **Nordic countries** | 8 710 | 6 030 | - | 14 740 |
| **Europe excl. Nordic countries** | 25 575 | 16 129 | -1 838 | 39 866 |
| **Rest of world** | 31 | 8 389 | - | 8 420 |
| **TOTAL** | **34 316** | **30 548** | **-1 838** | **63 027** |

The following table presents the number of Company personnel by continent:

| | 2022 | 2021 |
|---|---|---|
| **Europe** | 538 | 461 |
| **North America** | 2 | 3 |
| | **540** | **464** |

The primary measure used by the CEO and the Board of Directors to assess the performance of operating segments is profit from operations. For product analysis, the primary measure is net revenue in line with the Company's internal reporting. The Company operates an integrated business model and does not allocate either assets or liabilities of the operating segments in its internal reporting.

# 4. Financial Risk Managment

## 4.1 Financial risk factors

The Company's activities potentially expose it to a variety of financial risks principally comprising market risk (including foreign exchange risk, price risk and fair value interest rate risk), credit risk and liquidity risk. The Company provides principles for overall risk management. The Company did not make use of derivative financial instruments to hedge risk exposures during the current and preceding period.

### (a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the SEK, GBP, NZD, CAD, DKK, USD and NOK. The Company is primarily exposed to foreign exchange risk with respect to SEK arising on the bond issuance.  Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the period was deemed necessary for liabilities denominated in SEK.  At the end of the reporting period, had the SEK exchange rate strengthened or weakened against the euro by 7.4% (2021: 0.15%) with other variables held constant, the increase or decrease respectively in net assets of the Company would amount to approximately EUR 3,851k (2021: EUR 64k). At the end of the reporting period, had the NZD exchange rate strengthened or weakened against the euro by 9.3% with other variables held constant, the increase or decrease respectively in net assets of the Company would amount to approximately EUR 318k respectively. A sensitivity analysis for all other assets and liabilities was not deemed necessary on the basis that management considered it to be immaterial.

(ii) Interest rate risk and cash flow interest rate risk

As at 31 December 2022, the Company is exposed to cash flow interest rate risk arising on the floating rate note bonds in issue at this date (Note 19).  The bond has a 3 monthly STIBOR plus fixed interest rate of 8.5%.  The STIBOR rate has changed materially over the past year and is expected to continue to increase further. Management has performed a sensitivity analysis was whereby the maximum increase of 3.39% is expected resulting in a yearly increase of interest expense of EUR 212k.

As disclosed in Note 7, upon the acquisition of Sportnco, the Company acquired debt in the form of loans with credit institutions amounting to EUR 18,628k. These loans, as detailed in Note 9, carry different fixed interest rates except for a particular loan having a 3 monthly EURIBOR plus a variable interest rate. The variable interest rate is dependent on the financial performance of Sportnco as a stand-alone sub-company. The interest rate varies from 1.20% per annum to 1.90% per annum and is based on the EBITDA result generated by Sportnco. The EURIBOR rate has changed materially over the past year and is expected to continue to increase further. Management has performed a sensitivity analysis was whereby the maximum increase of 3.64% is expected resulting in a yearly increase of interest expense of EUR 161k.

Other than as disclosed above, there are no other significant exposures to floating rates of interest as at 31 December 2022, and the Company was not significantly exposed to floating rates of interest as at 31 December 2021.

### (b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from outstanding receivables due to the Company's customers and cash and cash equivalents.

| EUR 1000 | Company 2022 | Company 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|
| **Financial assets at amortised cost:** | | | | |
| Trade and other receivables (Note 14) | 22 328 | 16 584 | - | - |
| Amounts due from payment providers (Note 14) | 893 | 716 | - | - |
| Cash at bank and other intermediaries | 15 209 | 8 561 | 92 | 78 |
| **Exposure** | **38 430** | **26 131** | **92** | **78** |

The Company assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has processes in place to ensure that sales of products and services are affected to customers with an appropriate credit history. The Company manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customersare within controlled parameters. The Company monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Company's receivables taking into account historical experience in collection of accounts receivable.

### Impairment of financial assets

The Company's trade receivables are subject to the expected credit loss model. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but due to the low credit risk the loss allowance was deemed to be immaterial in both current and prior years. The loss allowance in relation to amounts due from payment providers was deemed to be nil as at 31 December 2022 and 31 December 2021.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on historical experience, as adjusted for qualitative factors, as further described below.

The Publishing unit within performance marketing reported trade receivables of EUR 6,284k as at 31 December 2022 (2021: EUR 4,634k), and a loss allowance of EUR 371k (2021: EUR 252k). The Paid unit within performance marketing reported trade receivables of EUR 3,687k as at 31 December 2022 (2021: EUR 1,918k), and a loss allowance of EUR 189k (2021: EUR 171k). The newly acquired BE Marketing Ltd reported trade receivables of EUR 1,027k as at 31 December 2022. Since this company has recently been acquired, the Company does not hold sufficient history to calculate any potential loss allowance.

Trade receivables from platform services amounted to EUR 3.340k as at 31 December 2022 (2021: EUR 2,265k). As at 31 December 2022, management recorded a loss allowance of EUR 265k (2021: nil), and EUR 785k (2021: EUR 285k) was written off as uncollectible. Management has considered the quality of counterparties as at 31 December 2022 and 2021, and concluded that no further loss allowance should be recorded on the basis of payment experience, where relevant, and management's credit risk assessment.

Trade receivables of sublease of property amounting to EUR 964k (2021: nil) does not carry any loss allowance since there is limited credit history available.

#### (c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables, interest on bonds and loans (refer to Notes 9 and 19). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by reviewing expected cash flows and assesses whether additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments. Further information linked to liquidity and the going concern basis of preparation is found in Note 2.1 to the financial statements.

## 4.2 Capital risk management

The Company's capital comprises its equity as included in the statements of financial position. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital structure (including the additional paid-in capital) is monitored at a Company level with appropriate reference to subsidiaries' financial conditions and prospects.

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

## 4.3 Fair values of financial instruments

### Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company's instrument included in level 3 comprise a private equity investment, disclosed in Note 13 of these financial statements, which also includes a reconciliation from opening to closing value of the instruments.

| EUR 1000 | | Company | | Parent |
|---|---|---|---|---|
| **Assets (level 3):** | **2022** | **2021** | **2022** | **2021** |
| **Financial assets at fair value through profit or loss (recorded in other non-current assets):** | | | | |
| Derivative instruments - purchase call options (Note 15) | - | -206 | - | - |
| **Financial liabilities at fair value through profit or loss:** | | | | |
| Contingent consideration | 8 942 | - | - | - |
| **Total financial assets (liabilities)** | **8 942** | **-206** | **-** | **-** |

Level 3 valuations are reviewed regularly by the Management. The Company's derivative financial instrument, comprising an option to purchase intangible assets, is also included in level 3, and is disclosed in Note 13. Further details on how the fair value of these instruments was calculated are disclosed in the respective notes to these financial statements.

There were no transfers between levels of the fair value hierarchy during 2022 and 2021.

### Financial instruments not carried at fair value

As at 31 December 2022 and 2021 the carrying amounts of cash at bank, receivables, payables, and borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The bond is held at amortised cost and the fair value is disclosed in Note 19.

## 5. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, other than the uncertainty associated with the legal environment that the Company operates in (disclosed in Note 32), are addressed below.

(i) Impairment test of goodwill and other intangible assets

The Company tests whether goodwill and other intangible assets with indefinite lives have suffered any impairment on an annual basis. As at 31 December 2022 the Company operated three CGU comprising of performance marketing, platform services and Sportnco.

Performance marketing accounts for 32% (2021: 75%) of the carrying amount of intangibles. The Directors consider that the impairment assessment for this business component is less sensitive to changes in key assumptions due to the level of headroom between the reported intangible assets and the respective value-in-use.

The Directors consider the impairment assessment for Platform services, which accounts for 20% (2021: 25%) of intangible assets, to be more sensitive to key assumptions, which include the successful onboarding of new clients, projected revenue growth and improved EBITDA margin.

Sportnco accounts for 48% (2021: Nil) of the carrying amount of intangibles and as a recently acquired business unit, the Group is on an on-going process to create and enhance synergies across various levels with the aim of improving the operational and financial performance.

(ii) Contingent liability

In November 2020, one of the Company's subsidiaries was subject to a review by the FIAU in relation to controls on money laundering and counter terrorism. The outcome of this review is not yet finalised and, based on the information available as at the date of reporting, Management does not anticipate that there will be any material financial consequence emerging from such review.

(iv) Sportnco acquisition

As disclosed in Note 7 below, the Company acquired 100% of the issued shares of Sportnco, an unlisted Company based in France.

The final consideration of this acquisition is contingent to an arrangement which requires the Company to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR 11.5 million per year (undiscounted).

The earn-out will be paid 50% in cash and 50% in new shares in the Company, where the number of shares to be issued shall be based on a 10-day VWAP of the Company Parent's share at the time of payment, expected in April 2023 and April 2024.

Given the nature of the arrangements, all the contingent consideration is classified as a liability in the Company's financial statements. The potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is between EUR 8.5 million and EUR 23 million.

The earn-out payment to be paid in April 2023 based on the performance in 2022 is of EUR 8,495k whereby 50% in cash and 50% in shares.

Due to the earn-out catch-up structure mechanism where over performance in 2023 could benefit the earn-out payment in 2022, a higher prudent provision than the estimated earn-out amount was provided for in the balance sheet. The fair value of the contingent consideration arrangement of EUR 18.5 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs.

The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco. The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to an 85% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR 1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

(v) Valuation of intangible assets in business combinations

The Company exercises judgement in determining the fair value of acquired intangibles on business combinations. Such assets mainly consist of customer contracts. The judgements made are based on recognised valuation techniques such as the cash flow free method with assumed discount rate of 15% and a perpetual growth rate of 2% for contracts and the Group's industry experience and specialist knowledge. See Note 7 for additional information.

(vi) Amortisation rate of the intangible asset in business combinations

The Group assessed the useful life of the intangible asset acquired on business combinations and determined that these assets shall be amortised over a period of 7 years. This was determined by analysing the average churn rates for each contract to the average contract value for each client.

## 6. Leases

The Company leases various properties. Rental contracts are typically made for fixed periods of 1 to 8 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of properties across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

### Judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. No change was required in 2022 or in 2021 that would have resulted in a change in the lease term.

This note provides information for leases where the Company is a lessee. For leases where the Company is a lessor, see Note 6 (c).

#### (a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

| (EUR 1000) | As at 31 December 2022 | As at 31 December 2021 |
|---|---|---|
| Right-of-use-assets: | | |
| Buildings | 7 563 | 11 123 |
| Lease liabilities: | | |
| Non-current | 6 828 | 10 168 |
| Current | 3 163 | 2 388 |
| **Total** | **9 991** | **12 556** |

Additions to the right-of-use assets during the 2022 financial year were EUR 424k (2021: EUR 841k). Disposals to the right-of-use assets during the current year were EUR 1,494k (2021: 154k) of which EUR 958k (2021: nil) relates to sub-lease arrangements entered into by the Company.

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

The statement of profit or loss shows the following amounts relating to leases:

| (EUR 1000) | As at 31 December 2022 | As at 31 December 2021 |
|---|---|---|
| Depreciation charge of right-of-use assets | 2 662 | 2 592 |
| Interest expense (included in other expenses) | 770 | 908 |

The total cash outflow included lease principal payments amounting to EUR 3,196k (2021: EUR 2,332k) and leasehold interest payments amounting to EUR 770k (2021: EUR 906k).

| Maturity analysis - contractual undiscounted cash flows (EUR 1000) | As at 31 December 2022 | As at 31 December 2021 |
|---|---|---|
| Less than one year | 3 155 | 3 356 |
| One to five years | 9 312 | 11 045 |
| | **12 467** | **14 401** |

(c) The Company as a lessor

### Leasing arrangements classified as operating leases

During 2022 and 2021, the Company has sub-leased parts of its office to a number of tenants under operating leases with rentals payable monthly. The Company has recognised rental income from operating leases of EUR 994k (2021: EUR 852k).

The offices are sub-leased to tenants under operating leases with rentals payable monthly. Lease payments include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Minimum lease payments receivable on sub-leasing of office space are as follows:

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

### Leasing arrangements classified as finance leases

During 2022, the Company has sub-leased parts of its office to a tenant under a finance lease with rentals payable quarterly. The Company's sub-lease of its right-of-use of the office space is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease. The ROU asset relating to the head lease with sub-lease classified as finance lease is derecognised. The net investment in the sub-lease is recognised under "Trade and other receivables" (Note 14).

Finance income on the net investment in sub-lease during 2022 amounted to EUR 0.233k (2021: nil). There are no other variable lease payments that depend on an index or rate.

## 7. Business Combinations

### Acquisition of Sportnco Gaming SAS

Subsequent to a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco") on 22 December 2021, the Company received the necessary approvals from relevant authorities, and GiG's Board of Directors resolved to complete the acquisition with effect on 1 April 2022. GiG acquired 100% of the issued shares of Sportnco, an unlisted Company based in France.

The goodwill of EUR 59.0 million arising from the acquisition consists largely of the synergies, increased value proposition with ever increasing growth prospect and further diversification of revenue and geographical reach expected from combining the operations of the Company and Sportnco. Part of the goodwill recognised is expected to be deductible for income tax purposes (to be determined). The following table summarises the consideration paid for Sportnco and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

| EUR 1000 | 1 April 2022 |
|---|---|
| **Consideration** | |
| Equity instruments issued by the Company Parent (i) | 23 500 |
| Cash transfer | 31 922 |
| Initial consideration | 55 422 |
| Contingent consideration (ii) | 18 526 |
| **Total Purchase Price (Equity value)** | **73 948** |
| | |
| **Asset Valuation** | |
| Cash and cash equivalents | 4 149 |
| Debt | -18 628 |
| Trade and other receivables | 1 718 |
| Trade and other payables | -1 711 |
| Deferred Tax | -377 |
| Technology Platform | 16 242 |
| Other tangible assets | 199 |
| Contracts – Fair Value | 14 037 |
| Deferred tax liability on Contract – Fair Value | -701 |
| **Net identifiable assets acquired** | **14 927** |
| Goodwill | 59 021 |
| **Net assets acquired** | **73 948** |

(i) Equity instruments

As part of the consideration paid for Sportnco, EUR 23.5 million was agreed to be paid in ordinary shares issued by the Company. 12,623,400 ordinary shares were issued and measured using the volume-weighted average price ("VWAP") of the Company's oridinary shares for the ten days of trading preceding the acquisition date (NOK 18.08). In addition, the Company raised another EUR 25 million through a direct share issuance at NOK 18.00 per share equal to 13,487,500 new shares.

(ii) Contingent consideration

The contingent consideration arrangement requires the Company to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR 11.5 million per year (undiscounted).

The earn-out will be paid 50% in cash and 50% in new shares in the Company, where the number of shares to be issued shall be based on a 10-day VWAP of the Company's share price at the time of payment, expected in April 2023 and April 2024.

Given the nature of the arrangements, all the contingent consideration is classified as a liability in the Company's financial statements. The potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is between EUR 8.5 and EUR 23.0 million.

The earn-out payment to be paid in April 2023 based on the performance in 2022 is EUR 8,495k whereby 50% in cash and 50% in shares.

Due to the earn-out catch-up structure mechanism where over performance in 2023 could benefit the earn-out payment in 2022, a higher prudent provision than the estimated earn-out amount was provided for in the balance sheet. The fair value of the contingent consideration arrangement of EUR 18.5 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs.

The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco. The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to an 85% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR 1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

(iii) Other information

The fair value of the financial assets acquired includes receivables with a fair value of EUR 1.7 million. The gross amount due approximates the fair value of the financial assets and no material adjustments are required to the fair value. The revenue included in the consolidated statement of comprehensive income until 31 December 2022 contributed by Sportnco was EUR 8.1 million. Sportnco also contributed an operating loss of EUR 0.48 million over the same period. Had Sportnco been consolidated from 1 January 2022, the consolidated statement of comprehensive income would have included revenue of EUR 10.9 million and an operating loss of EUR 0.51 million.

Acquisition-related costs of EUR 662k has been recognised in the income statement and in operating cash flows in the statement of cash flows.

The following table summarises the net cash used for the Sportnco acquisition:

| EUR 1000 | |
|---|---|
| Initial cash consideration | 31 922 |
| Less cash acquired upon acquisition | -4 149 |
| Cash used for acquisition, net of cash acquired | 27 773 |

(iv) Transactions recognised separately from the acquisition

Further, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, pending continued employment, will receive shares in the Company at a VWAP valuation of EUR 2.11 per share up to a potential total aggregate value of EUR 4.0 million. The Company recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in its share option reserves as a component of equity.

## Acquisition of casino affiliate websites

In December 2022, one of the Company's subsidiaries signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The total consideration is EUR 45 million, of which EUR 20 million was paid in cash on closing, EUR 10 million twelve months after closing and the EUR 15 million balance 24 months after closing. Closing was completed on 31 January 2023.

The transaction is structured by way of a Share Purchase Agreement (SPA) with the Company's subsidiary Innovation Labs Limited and includes the acquisition of the two companies Catena Publishing Ltd (Malta) and Catena Media D.O.O. Beograd (Serbia). These companies currently employ around 96 people.

GiG financed the initial consideration through a combination of own cash, a revolving credit facility and a share issue. Existing shareholders participated in the share issue and the credit facility, securing sufficient financing to complete the transaction at closing.

Askgamblers.com is an award-winning website recognised as a well-trusted website source in the iGaming industry with strong brand recognition by users. Johnslots.com and Newcasinos.com build on GiG Media's strategy to diversify its business.

The acquisition will diversify GiG Media further in line with the strategy to create sustainable long-term growth and provide the business with several key strategic assets and multiple revenue opportunities. The acquired websites are strong in markets that currently are non-core markets for GiG Media, therefore expanding our current geographical reach. Further to the revenue growth potential, operational synergies are expected to be realised after the acquisition via the shared use of marketing technologies, business intelligence systems and key functions.

| EUR 1000 | 31 Jan 2023 |
|---|---|
| **Consideration** | |
| Cash transfer | 20 000 |
| **Initial consideration** | **20 000** |
| Future consideration - cash transfer | 25 000 |
| **Total Purchase Price (Equity value)** | **45 000** |
| | |
| **Asset Valuation** | |
| Cash and cash equivalents | 2 697 |
| Trade and other receivables | 2 571 |
| Trade and other payables | -650 |
| Deferred Tax | -1 268 |
| Domains - fair value assets | 22 239 |
| Affiliate contracts - fair value | 3 333 |
| Other intangible assets | 2 045 |
| **Net identifiable assets acquired** | **30 966** |
| Goodwill | 14 033 |
| **Net assets acquired** | **45 000** |

## 8. Discontinued operations

Following the acquisition of Sportnco, the Company's own sportsbook will be phased out as a standalone product as Sportnco's sportsbook is expected to be the preferred product going forward. Thus, in accordance with IFRS 5, the results from Sports Betting Services are reported as a discontinued operations in the Company's financial statements.

During 2022, the Company incurred additional expenses of EUR 3.143k (2021: EUR 0.466k) related to the divested business, and these expenses have also been presented with results from the discontinued operation. During the year, the Company received claims for overpaid taxes to the relevant authorities amounting to EUR 0.533k (2021: nil).

Financial performance and cash flow information:

| EUR 1000 | 2022 | 2021 |
|---|---|---|
| Net revenue | - | - |
| Other income | 534 | - |
| Expenses | -3 142 | -465 |
| Impairment losses | - | - |
| **Operating loss** | **-2 608** | **-465** |
| Income tax expense | - | - |
| **Operating loss from discontinued oerations** | **-2 608** | **-465** |
| **Loss from discontinued operations attributable to:** | | |
| Owners of the Company | -2 608 | -465 |
| Non-controlling interest | - | - |
| | **-2 608** | **-465** |
| Net cash flow from operating activities | -2 563 | -1 148 |
| Net cash from investingactivities | - | - |
| Net cash inflow/(outflow) from financing activities | - | - |
| **Net increase in cash generated by discontinued operations** | **-2 563** | **-1 148** |

## 9. Short term and long term loans payable

In June 2021, the Parent's parent entered into a NOK 25 million (EUR 2.3 million) credit facility with a shareholder based on market terms at that point in time. The facility was subject to a commitment fee of 3% per annum on the full amount and an interest rate of 15% per annum on the amount withdrawn and matured on 31 March 2022. NOK 14.0 million was drawn under the facility in July 2021 and a further NOK 11.0 million in November 2021. The credit facility was repaid in January 2022.

In December 2020 the Company issued a subordinated convertible loan of EUR 8.5 million to two Nordic investment funds bearing an interest rate of 8% per annum.  This loan is classified as convertible loan with equity portion of Euro 0.8 million. The loan was convertible into shares in the Company at NOK 15 at the option of the lenders, or repayable net of transaction costs in cash on 18 June 2023.  This loan was converted into 6,600,000 shares in May 2022.

Through the business combination transaction with Sportnco (see Note 7), the Company acquired a number of loans with credit institutions with the following terms (EUR 1000):

| Date of subscription | Date of maturity | Interest rate | Balance as at 31 Dec 2022 (EUR 1000) |
|---|---|---|---|
| June 2016 | January 2024 | 2.24% | 325 |
| May 2019 | June 2025 | 1.25% | 450 |
| April 2020 | April 2026 | 0.75% | 1 066 |
| April 2020 | March 2026 | 0.25% | 1 041 |
| December 2020 | December 2027 | 3m EURIBOR & variable margin (1.20% - 1.90%) | 10 700 |
| December 2020 | December 2027 | 1.85% | 2 000 |
| January 2021 | January 2026 | 2.48% | 569 |
| January 2022 | January 2026 | 0.00% | 300 |

## 10. Goodwill and intangibles

A reconciliation of goodwill and intangibles for the years ended 31 December 2022 and 2021 is as follows:

| Company (EUR 1000) | Goodwill | Trade-marks | Domains | Affiliate contracts & customer database | Technology platform | Computer software | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Balance 1 January 2021 | 16 287 | 841 | 24 971 | 15 | 5 893 | 599 | 692 | 49 298 |
| Additions | 38 | - | - | - | 8 400 | 653 | - | 9 091 |
| Exchange differences | - | - | - | - | - | - | - | - |
| Reclassification | - | - | - | - | - | - | - | - |
| Amortisation charge | - | - | -3 772 | - | -4 988 | -880 | -692 | -10 332 |
| Balance 31 December 2021 | 16 325 | 841 | 21 199 | 15 | 9 305 | 372 | - | 48 057 |
| Additions | - | 22 | 696 | 267 | 14 926 | 712 | 80 | 16 703 |
| Impairment losses | - | - | - | - | - | -36 | - | -36 |
| Exchange differences | -7 | - | - | - | 5 | - | - | -2 |
| Acquisition of subsidiary | 59 021 | - | - | 14 037 | 16 242 | - | - | 89 300 |
| Amortisation charge | - | -2 | -4 610 | -1 507 | -10 921 | -569 | -53 | -17 662 |
| Balance 31 December 2021 | 75 340 | 861 | 17 285 | 12 812 | 29 557 | 479 | 27 | 136 361 |

As at 31 December 2022 the net book value of internally generated intangible assets amounted to EUR 29,555k (2021: EUR 9,305k).

| Parent (EUR 1000) | Platform | Computer software | Total |
|---|---|---|---|
| Balance 1 January 2021 | 12 | 2 | 14 |
| Amortisation | -12 | -2 | -14 |
| Balance 31 December 2021 | - | - | - |
| Amortisation | - | - | - |
| Balance 31 December 2022 | - | - | - |

## Impairment test for goodwill and intangible assets

The Company's reported goodwill as at 31 December 2022 primarily relates to the acquisition of Sportnco, one of the leading platform providers of turnkey betting and gaming solutions for operators in regulated markets through its inhouse developed sportsbook and PAM.

Media goodwill relates to the acquisition of Rebel Penguin ApS, a company offering digital marketing services. Trademarks acquired in 2017 are considered to have an indefinite life. Trademarks comprise of gig.com domain which is split equally between the Media and Platform cash generating units.

For the purposes of the impairment testing of goodwill and intangibles three cash generating units ('CGU') were identified, comprising of performance marketing, platform services and Sportnco. The determination of CGUs reflects how the Company manages the day-to-day operations of the business, and how decisions about the Group's assets and operations are made.

| 2022 | Cash generating unit | | |
|---|---|---|---|
| (EUR 1000) | Media | Platform | Sportnco |
| Goodwill | 16 319 | - | 59 021 |
| Intangible assets: | | | |
| - with definite lives | 19 581 | 11 591 | 29 216 |
| - with indefinite lives | 432 | 432 | - |
| Balance 31 December 2022 | 25 866 | 12 022 | 88 255 |

| 2021 | Cash generating unit | |
|---|---|---|
| (EUR 1000) | Media | Platform |
| Goodwill | 5 853 | - |
| Intangible assets: | | |
| - with definite lives | 21 916 | 8 974 |
| - with indefinite lives | 421 | 421 |
| Balance 31 December 2021 | 28 190 | 9 395 |

The key assumptions on which management has based its impairment test are reflected in the cash flow projections comprising the budget for 2023 as confirmed by the entity's Board and estimated cashflows for years 2024 - 2026 (2021: 2023 - 2025).

The key assumptions include

- Revenue percentage annual growth rate;
- Gross margin;
- Total operating expenses percentage annual growth rate; and
- EBITDA margin.

The post-tax discount rate applied to the cash flow projections for performance marketing was 15% (2021: 15%) and for platform services was 17% (2021:17%). The perpetual growth rate, as assumed in the CGU's residual value, is 2% (2021: 2%) based on the estimated long-term inflation.

## Performance Marketing

With regards to performance marketing, the directors consider that the impairment assessment for this activity is less sensitive due to the level of headroom between the carrying amount of the intangible assets and the respective value-in-use. Goodwill attributed to this CGU was EUR 5,853k as at 31 December 2022 and 2021, and domains are amortised over a period of 8 years.

During the preceding year the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets. The net effect of the changes in the current year was a decrease in amortization expense of EUR 1,558k. Assuming the assets are held until the end of their re-assessed estimated useful lives, amortization in future years in relation to these assets will increase/(decrease) by the following amounts:

| Year ending 31 December | EUR 1000 |
|---|---|
| 2021 | -1 558 |
| 2022 | -1 558 |
| 2023 | -1 739 |
| 2024 | -1 673 |
| 2025 | 999 |
| 2026 | 3 121 |
| 2027 | 1 204 |
| 2028 | 842 |

## Platform Services

The impairment assessment for this business component is sensitive to the Company achieving projected growth, representing an annual CAGR of 25% over the projected period (2023-2025), and an improved EBITDA margin. Intangible assets under platform services accounts for 67% of the total carrying amount of intangibles, and a maintainable free cashflow after tax of at least c. EUR 0.9m is required to sustain the carrying value of the intangible assets, excluding the allocation of corporate assets and liabilities allocation to this business activity. The impairment assessment of this activity is susceptible to the Company achieving projected growth and an improvement in EBITDA.

## Sportnco

The impairment assessment for the Sportnco business component is sensitive to the Company achieving projected growth as well as continuation of processes integration and synergies across various operating levels over the projected period (2023-2025). Intangible assets under Sportnco amounts for 48 % of the total carrying amount of intangibles. Goodwill attributed to this CGU was EUR 59.0 million as at 31 December 2022 (2021: nil). Goodwill attributed to this CGU was EUR 59.0 million as at 31 December 2022 (2021: nil)

## 11. Property, plant and equipment

| Company (EUR 1000) | Installations and improvement to premises | Furniture & fittings | Computer & office equipment | Total |
|---|---|---|---|---|
| At 1 January 2021 | | | | |
| Cost | 4 061 | 1 584 | 5 499 | 11 144 |
| Additions | 46 | 4 | 327 | 378 |
| Disposals | - | - | - | - |
| Exchange differences | - | 2 | - | 2 |
| As at 31 December 2021 | 4 107 | 1 590 | 5 826 | 11 523 |
| Acquisition of subsidiary | - | - | 199 | 199 |
| Additions | 92 | 2 | 757 | 851 |
| Disposals | - | - | -2 | -2 |
| Exchange differences | - | -2 | - | -2 |
| At 31 December 2022 | 4 198 | 1 590 | 6 780 | 12 568 |
| Accumulated depreciation | | | | |
| As at 1 January 2021 | 3 460 | 1 071 | 3 569 | 8 100 |
| Depreciation charge | 450 | 199 | 1 011 | 1 660 |
| As at 31 December 2021 | 3 910 | 1 270 | 4 580 | 9 760 |
| Depreciation charge | 288 | 128 | 971 | 1 387 |
| As at 31 December 2022 | 4 198 | 1 398 | 5 551 | 11 147 |
| Net book value | | | | |
| As at 1 January 2021 | 601 | 513 | 1 930 | 3 043 |
| As at 31 December 2021 | 196 | 320 | 1 246 | 1 763 |
| As at 31 December 2022 | - | 193 | 1 228 | 1 421 |

## 12. Investments in Subsidiaries

| EUR 1000 | 2022 | 2021 |
|---|---|---|
| **At 1 January:** | 65 615 | 62 365 |
| Additions | 53 988 | 3 256 |
| Sale of investment | - | - |
| Write off | - | -6 |
| **At 31 December** | **119 603** | **65 615** |
| | | |
| **At 31 December:** | | |
| Cost | 119 603 | 65 615 |
| **Carrying amount** | **119 603** | **65 615** |

| Subsidiaries | Country of incorporation | Class of shares held | Percentage of ownership and voting rights held directly by the Company | | Percentage of ownership and voting rights held by the Parent | |
|---|---|---|---|---|---|---|
| | | | 2022 | 2021 | 2022 | 2021 |
| NV Securetrade | Curacao | Ordinary shares | - | - | - | 100 |
| iGamingCloud NV | Curacao | Ordinary shares | - | - | 100 | 100 |
| Innovation Labs Limited | Malta | Ordinary shares | 100 | 100 | 100 | 100 |
| MT Secure Trade Limited | Malta | Ordinary shares | 100 | 100 | 100 | 100 |
| iGamingcloud Limited | Malta | Ordinary shares | 100 | 100 | 100 | 100 |
| Online Performance Marketing Limited | British Virgin Islands | Ordinary shares | - | - | - | 100 |
| iGamingCloud SLU | Spain | Ordinary shares | 100 | 100 | 100 | 100 |
| iGamingCloud (Gilbraltar) Ltd | Gilbraltar | Ordinary shares | - | 100 | - | 100 |
| GiG Norway AS | Norway | Ordinary shares | 100 | 100 | 100 | 100 |
| Gaming Innovation Group Inc. | USA | Ordinary shares | 100 | 100 | 100 | 100 |
| GIG Central Services Limited | Malta | Ordinary shares | - | - | 100 | 100 |
| Rebel Penguin ApS | Denmark | Ordinary shares | - | - | 100 | 100 |
| iGamingCloud Inc. | United States | Ordinary shares | - | - | 100 | 100 |
| SIA YSG International Services Limited | Latvia | Ordinary shares | - | - | 100 | - |
| Silvereye International Limited Operations plc | Malta | Ordinary shares | 100 | - | 100 | - |
| BE Marketing Limited | Malta | Ordinary shares | - | - | 100 | 100 |
| Sportnco Gaming SAS | France | Ordinary shares | 100 | - | 100 | - |
| Sportnco SAS | France | Ordinary shares | - | - | 100 | - |
| Tecnalis Solution Providers SLU | Spain | Ordinary shares | - | - | 100 | - |
| Sportnco Espana SA | Spain | Ordinary shares | - | - | 100 | - |

Under Maltese law, certain corporations are required to be owned by a minimum of two entities/persons, as such in some 1 share is owned by an officer of the Company or fiduciary agent (see Note 2.19 Non-Controlling interest).

## 13. Derivative financial asset (recorded in other non-current assets)

| | | Company |
|---|---|---|
| **EUR 1000** | **2022** | **2021** |
| Call option to acquire intangible assets Non-current | | |
| **At 31 December** | **-** | **206** |

### Valuation of call option to acquire intangible assets

During 2016, the Company acquired the right to buy the remaining 50% of the risks and rewards of 'development domains' at any time during March 2018 and June 2021.

The Company did not exercise this option during 2021 and consequently, the option expired in June 2021. As of 31 December 2021, management was still discussing the extension of the option whilst assessing the option to purchase the asset. As of 31 December 2021, management estimated the fair value of the option to be EUR 206k. During 2022, management concluded not to purchase the asset and the call option was written off during the year.

## 14. Trade and other receivables

| | | Company | | Parent |
|---|---|---|---|---|
| **EUR 1000** | **2022** | **2021** | **2022** | **2021** |
| **Non-current:** | | | | |
| Finance lease receivable - gross | 543 | - | - | - |
| Other receivables | 236 | - | - | - |
| **Current:** | | | | |
| Trade receivables - gross | 14 570 | 8 817 | - | - |
| Less loss allowance | -675 | -423 | - | - |
| Net | 13 895 | 8 394 | - | - |
| Amounts due from payment providers | 893 | 717 | - | - |
| Amounts due from company undertakings | 149 | 149 | 3 724 | 5 135 |
| Amounts due from related parties | 44 | - | - | - |
| Indirect taxation | 3 862 | 4 801 | - | - |
| Finance lease receivable | 420 | - | - | - |
| Other receivables | 1 271 | 2 100 | - | - |
| Accrued income | 1 332 | - | - | - |
| Prepayments | 1 631 | 1 409 | - | - |
| **Balance sheet** | **23 221** | **17 570** | **3 724** | **5 135** |

Other receivables of EUR 0.711k (2021: EUR 2.101k) for the Company are receivables related to the lease of a domain, which are expected to reduce in line with the contractual obligations of the counterparty.  A portion of EUR 0.236k is included in non-current assets as the Company does not expect to receive such amounts in the next twelve months.

In the preceding year, the Company has accrued from EUR 1.9 million in terms of a claim for overpaid tax to relevant authorities which has been settled during the year.

Amounts due from group undertakings, subsidiaries in the Company and related parties are unsecured, interest free and repayable on demand.

## 15. Cash and cash equivalents

Cash and cash equivalents recorded in the Statements of Financial Position and the Statements of Cash Flows comprise the following:

| | | Company | | Parent |
|---|---|---|---|---|
| **EUR 1000** | **2022** | **2021** | **2022** | **2021** |
| Cash and cash equivalents | 15 209 | 8 561 | 91 | 78 |
| Restricted cash | -1 387 | -1 630 | - | - |
| **Cash, net of restricted cash** | **13 822** | **6 931** | **91** | **78** |

Included in the Parent's cash at bank are amounts of EUR 1,387k (2021: EUR 1,630k) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Malta Remote Gaming Regulations, 2018. Included in net cash generated from operating activities is the opening cash position acquired from the Sportnco transaction, amounting to EUR4.1m, included in change in trade and other receivables.

## 16. Prepaid and other current assets

Other current assets include prepayments to vendors and advances to employees incurred in the normal course of business.

## 17. Other non-current assets

Other assets include security deposits on office leases, derivative assets and certain value added tax refunds due from various taxing authorities.

## 18. Trade and other payables

| | | Company | | Parent |
|---|---|---|---|---|
| **EUR 1000** | **2022** | **2021** | **2022** | **2021** |
| **Non-current:** | | | | |
| Indirect taxation and social security | 2 180 | 2 856 | - | - |
| **Current:** | | | | |
| Trade payables | 6 010 | 2 686 | - | - |
| Jackpot balances | 983 | 1 178 | - | - |
| Players' accounts | 403 | 452 | - | - |
| Other payables | 2 223 | 2 309 | 61 | 87 |
| Accruals | 4 176 | 925 | - | - |
| Indirect taxation | 8 751 | 9 663 | - | - |
| | **22 546** | **17 213** | **61** | **87** |

In the preceding year, the Company’s accruals include a provision for a potential fine from the SGA related to its discontinued operations sold in 2020. The amount was settled during 2022.

Amounts due to subsidiaries and related parties are unsecured, interest-free and repayable on demand.

Some of the Company's subsidiaries postponed the remittance of certain indirect taxes. Management has entered into a payment plan with the relevant authorities for any overdue balances relating to 2020 and preceding years. Amounts for which the renegotiated payment does not fall due within 12 months are presented as non-current liabilities. Subsequent to the year-end some of the Company's subsidiaries entered into a payment plan with the relevant authorities for any overdue tax balances related to 2022 and preceding years.

The contingent consideration relates to the Sportnco acquisition as disclosed in Note 7.

## 19. Bonds

As at 31 December 2022, the Company hade the following outstanding bond:

| Issued | Maturity date | Seniority | Currency | Nominal amount | Interest rate |
|---|---|---|---|---|---|
| 2021 | 11 June 2024 | Senior secured | SEK | 550 million | 3 month STIBOR + 8.5% p.a. |

In January 2022, the Company successfully completed a SEK 100 million subsequent bond issue under the above bond framework, to be used towards partially finance the acquisition of Sportnco and general corporate purposes. The borrowing limit of SEK 550 million was therefore fully utilised after the reporting period.

The 2021-24 bonds are registered in the Norway Central Securities Depository and are dual listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market. Their quoted price as at 31 December 2022 was SEK 558.3 million (EUR 50.2 million) which in the opinion of the directors fairly represents the fair value of these liabilities. This fair value estimate is deemed to fall under level 2 of the fair value measurement hierarchy, as it is based on a quoted price in a market with low trading volume.

## 20. Deferred income taxation

| | Company | | Parent | |
|---|---|---|---|---|
| EUR 1000 | 2022 | 2021 | 2022 | 2021 |
| Deferred tax asset to be recovered in more than 12 months | 120 | 78 | - | - |
| Deferred tax liability to be recovered in more than 12 months | -2 118 | -416 | - | - |
| | **-1 998** | **-338** | **-** | **-** |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

| | Company | | Parent | |
|---|---|---|---|---|
| EUR 1000 | 2022 | 2021 | 2022 | 2021 |
| **As at 1 January** | **-338** | **-1 469** | **-448** | **-448** |
| Deferred tax assets acquired upon merger | - | - | - | - |
| Deferred tax liability on temporary differences | -1 660 | 1 131 | - | - |
| **As at 31 December** | **-1 998** | **-338** | **-448** | **-448** |

Deferred taxes are calculated based on temporary differences under the liability method using the principal tax rate within the relevant jurisdiction.  The year-end balance comprises:

| | Company | | Parent | |
|---|---|---|---|---|
| EUR 1000 | 2022 | 2021 | 2022 | 2021 |
| Net operating loss carryforwards from US operations | 9 813 | 11 845 | - | - |
| Net valuation allowance on US net operating losses | 9 693 | 2 032 | - | - |
| **TOTAL** | **120** | **9 813** | **-** | **-** |

As at December 2022, the Company also had unrecognised unutilised tax credits amounting to EUR 17,097k (2021: EUR 17,097k) arising from unabsorbed tax losses and capital allowances, and net deductible temporary differences arising from intangible assets and property, plant and equipment amounting to nil (2021: EUR 1,226k). These give rise to a net deferred tax asset for the Company amounting to nil (2021: EUR 1,904k), which is not recognised in these financial statements.

As at 31 December 2022 the Company had approximately EUR 38,551k (2021: 42,302k) of net operating loss carryforwards from its US operations  adjusted for exchange fluctuations.

For the years ended December 31 2022 and 2021, the Company incurred taxable losses in the U.S. and as such had no related U.S. Federal or State income tax expense.  In assessing the realizability of the deferred tax assets related to net operating losses from its US operations, management considered whether it is probable that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets depends on the Company's ability to generate taxable income in the future. The Company has determined that it is uncertain to what extent it will realize the benefit of its deferred tax assets and as such has recorded an allowance against 100% of its deferred balance.

## 21. Equity

### Oslo Bors Registration

The Company's shares are traded on the Oslo Stock Exchange ("Oslo Bors") with the "GIG" ticker symbol and on Nasdaq Stockholm ("Nasdaq") with the "GIGSEK" ticker symbol.

### Authorized Shares

The Annual Meeting of Shareholders in May 2021 resolved to increase the number of authorised shares which the Company is authorized to issue from 100,000,000 to 110,000,000. A Special Meeting of Shareholders in January 2022 approved to further increase the number of authorized shares from 110,000,000 to 150,000,000 to allow for the share issues in relation to the acquisition of Sportnco.

### Share issues

In May 2021, 6,600,000 shares were issued for the conversion of a convertible loan. 96,675,626 shares (par value USD 1.00) were outstanding as at 31 December 2021, where of the Company owned no treasury shares.

On 1 April 2022, the acquisition of Sportnco Gaming SAS was completed. 26,110,900 new shares were issued, whereof 12,623,400 to the shareholders of Sportnco at a share price of NOK 18.08 (total EUR 23.5 million), and 13,487,500 to SkyCity Entertainment Company Limited at a share price of NOK 18.00 (total EUR 25.0 million). 122,786,526 shares (par value USD 1.00) were outstanding as of 31 December 2022, whereof the Company owned no treasury shares.

### Share Based Payment Option Plans

The Company has over time had various share-based payment plans where the exercise and vesting terms are established by the Board at the time of grant.

In February 2016, 150,000 options were granted to a key employee at an exercise price of NOK 24.00 per share. The options vested in three equal tranches in February 2018, February 2019 and February 2020, and expires in March 2023. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise. There were no options outstanding from this grant as at 31 December 2022 (50,000 as at 31 December 2021).

In May 2016, a total of 222,000 options were granted to key employees at an exercise price of NOK 40.00 per share. Of the options granted, 72,000 vested in three equal tranches in May 2018, May 2019 and May 2020, and expires in May 2023. The remaining 150,000 options vests in three equal tranches in September 2018, September 2019 and September 2020, and expires in September 2023. All options are conditional upon employment at the time of exercise. There were 36,000 options outstanding from this grant as at 31 December 2021 (36,000 as at 31 December 2020).

In February 2017, 1,027,500 options were granted to key employees at an exercise price of NOK 40.00 per share. The options vested in three tranches: 20% in January 2018, 30% in January 2019 and 50% in January 2020, and expired in December 2022. There were no options outstanding from this grant as at 31 December 2022 (55,000 as at 31 December 2021).

In March 2018, 210,000 options were granted to key employees at an exercise price of NOK 75.00 per share. The options vests in three tranches: 20% in April 2019, 30% in April 2020 and 50% in April 2021, and expires in March 2024. There were no options outstanding from this grant as at 31 December 2022 (30,000 as at 31 December 2021.

In April 2019, 500,000 options were granted to key employees at an exercise price of NOK 30.00 per share. The options vests in three tranches: 20% in April 2020, 30% in April 2021 and 50% in April 2022. There was 170,000 options outstanding from this grant as at 31 December 2022 (170,000 as at 31 December 2021). All options are conditional upon employment at the time of exercise.

In May 2019, the Annual Meeting of Shareholders approved the 2019 Share Option Plan for managers and key employees, where the Board are authorised for a period of three years to issue options up to a total of 5% of the issued Common Shares of the Company from time to time. The exercise price shall be minimum 20% above the average share price in the 10 working days prior to the grant. The options will have a three year vesting period from grant and will vest with 20% after one year, 30% after two years and 50% after three years. The options will expire six (6) years after grant and exercise is contingent on employment at time of exercise.

In January 2021, 1,500,000 options were granted to key employees at an exercise price of NOK 15.00 per share. The options vests in three tranches: 20% in January 2022, 30% in January 2023 and 50% in January 2024, and expires in December 2026. There was 1,024,600 options outstanding from this grant as at 31 December 2022 (1,229,000 as at 31 December 2021). All options are conditional upon employment at the time of exercise.

In January 2022, 1,700,000 options were granted to key employees at an exercise price of NOK 22.00 per share. The options vests in three tranches: 20% in January 2023, 30% in January 2024 and 50% in January 2025, and expires in December 2027. There was 1,574,000 options outstanding from this grant as at 31 December 2022. All options are conditional upon employment at the time of exercise.

| Exercise Prices NOK | Outstanding and Exercisable at 31 Dec 2022 | Weighted Average Contractual Life in Years | Weighted Average Exercise Price NOK |
|---|---|---|---|
| 40.00 | 36 000 | 0.41 | 40.00 |
| 30.00 | 170 000 | 2.25 | 30.00 |
| 15.00 | 1 024 600 | 4.00 | 15.00 |
| 22.00 | 1 574 000 | 5.00 | 22.00 |
| **TOTAL** | **2 804 600** | **4.41** | **20.16** |

| Exercise Prices NOK | Outstanding and Exercisable at 31 Dec 2021 | Weighted Average Contractual Life in Years | Weighted Average Exercise Price NOK |
|---|---|---|---|
| 24.00 | 50 000 | 1.16 | 24.00 |
| 40.00 | 36 000 | 1.41 | 40.00 |
| 40.00 | 55 000 | 1.00 | 40.00 |
| 75.00 | 30 000 | 2.17 | 75.00 |
| 30.00 | 320 000 | 3.25 | 30.00 |
| 15.00 | 1 229 000 | 5.00 | 15.00 |
| **TOTAL** | **1 720 000** | **4.31** | **20.42** |

The fair value of stock options granted is determined using the Black-Scholes option-pricing model. The significant inputs into the model were weighted average share price of EUR 1.47 (2021: EUR 1.47) at the grant date, exercise price shown above, volatility of 53% (2021: 53%), dividend yield of nil (2021: nil), an expected option life of 3 years (2021: 3), exercisable until end of 2026 with an annual risk-free interest rate of 0.3% (2021: 0.3%). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last 3 years.

**Share-based payments relating to Sportnco**

As disclosed in Note 7, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, contingent on continued employment, will receive shares in the Company at a VWAP of EUR 2.11 per share up to a maximum total aggregate value of EUR 4.0 million. The Company recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in equity.

### Top 20 shareholders at 31 December 2022

| Name | Shares | Percentage |
|---|---|---|
| SkyCity Entertainment Group Limited | 13 487 500 | 10.98 % |
| Optimus Invest Limited | 7 603 559 | 6.19 % |
| Myrlid AS | 7 115 491 | 5.80 % |
| Nordea Livsförsäkring Sverige AB | 4 752 205 | 3.87 % |
| True Value Limited | 4 217 631 | 3.43 % |
| LGT Bank, nom. | 4 091 800 | 3.33 % |
| Symmetry Invest A/S | 4 000 000 | 3.26 % |
| Betplay Capital sp | 3 988 412 | 3.25 % |
| Riskornet AB | 2 634 579 | 2.15 % |
| G.F. Invest AS | 2 500 000 | 2.04 % |
| Stenshagen Invest AS | 2 478 585 | 2.02 % |
| Hans Mikael Hansen | 2 435 709 | 1.98 % |
| MJ Investments sp | 2 322 256 | 1.89 % |
| Avanza Pension | 2 122 656 | 1.73 % |
| Kvasshøgdi AS | 2 009 437 | 1.64 % |
| Hervé Schlosser | 1 969 393 | 1.60 % |
| Ben Clemes | 1 707 146 | 1.39 % |
| Saxo Bank A/S nom. | 1 630 770 | 1.33 % |
| Nordnet Bank AB, nom. | 1 379 264 | 1.12 % |
| Mikael Riese Harstad | 1 342 136 | 1.09 % |
| **Total shares owned by the 20 largest** | **73 788 529** | **60.09 %** |
| Other | 48 997 997 | 39.91 % |
| **Total Shares Issued** | **122 786 526** | **100.00 %** |

## 22. Revenues

The Company's revenue comprises the following:

| Company - EUR 1000 | 2022 | 2021 |
|---|---|---|
| Affiliate marketing services | 61 738 | 44 970 |
| Platform services | 45 284 | 37 604 |
| | **107 022** | **82 574** |

## 23. Cost of sales

Cost of services provided refers to expenditures within the gaming operations for gaming taxes, licensing fees to games providers, costs for payment services via bank and credit cards for deposited bets and payment of winning and costs for fraud. Cost of sales includes:

| Company - EUR 1000 | 2022 | 2021 |
|---|---|---|
| Odds setting fees | 688 | - |
| Fraud costs | - | 30 |
| Platform and service provider fees | 4 674 | 4 534 |
| Software development services | - | - |
| | **5 362** | **4 564** |

## 24. Other operating expenses

Other operating expenses include:

| | Company | | Parent | |
|---|---|---|---|---|
| **EUR 1000** | **2022** | **2021** | **2022** | **2021** |
| **Combined** | | | | |
| Gaming taxes | 194 | 201 | - | - |
| Consultancy fees | 8 032 | 5 184 | 61 | 138 |
| Other operating expenses | 2 922 | 6 812 | 837 | 636 |
| | **11 203** | **12 197** | **898** | **774** |

Included on the face of the Income Statement are marketing costs amounting to EUR 31,237k (2021: EUR 23,005k), out of which EUR 12,452k (2021: EUR 11,656k) relate to SkyCity which is accounted for on a gross basis.

Fees charged by the Company's auditors for services rendered during the financial period ended 31 December 2022 and 2021 are shown below:

| | Company | | Parent | |
|---|---|---|---|---|
| **EUR 1000** | **2022** | **2021** | **2022** | **2021** |
| Annual statutory audit | 410 | 236 | 20 | 20 |
| Tax advisory and compliance services | 63 | 97 | 3 | 3 |
| Other non-audit services | 41 | 162 | - | - |
| **TOTAL** | **514** | **495** | **23** | **23** |

## 25. Tax expense

| EUR 1000 | Company 2022 | 2021 | Parent 2022 | 2021 |
|---|---|---|---|---|
| Current tax (income)/expense - current year | -924 | 612 | - | - |
| Deferred tax (credit)/expense (Note 20) - current year | -1 133 | -1 131 | - | - |
| | **-2 057** | **-519** | **-** | **-** |

The tax on the profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

| EUR 1000 | Company 2022 | 2021 | Parent 2022 | 2021 |
|---|---|---|---|---|
| Profit/(loss) before tax | 5 161 | -581 | -1 220 | -1 729 |
| Tax calculated at domestic tax rates to (losses)/profits in the respective countries applicable | 671 | -507 | -440 | -624 |
| **Tax effect of:** | | | | |
| Income subject to tax | 319 | - | - | - |
| Disallowed expenses | 833 | 1 119 | 1 660 | 2 431 |
| Movements in unrecognised deferred tax assets | 42 | -1 131 | - | - |
| Other differences | 192 | - | - | - |
| **Tax expense** | **2 057** | **-519** | **-** | **-** |

## 26. Employee benefit expense

| EUR 1000 | Company 2022 | 2021 | Parent 2022 | 2021 |
|---|---|---|---|---|
| Gross wages and salaries | 35 911 | 27 391 | 366 | 390 |
| Employee costs capitalized as part of software development | -14 098 | -7 995 | - | - |
| **Net wages and salaries, including other benefits** | **21 813** | **19 396** | **366** | **390** |
| Taxes and costs | 3 148 | 2 020 | - | - |
| Share options (forfeited)/granted to employees | 1 717 | 642 | - | - |
| | **26 678** | **22 059** | **366** | **390** |

| The Company employed, on average: | Company 2022 | 2021 |
|---|---|---|
| Managerial | 9 | 9 |
| Administrative | 531 | 455 |
| | **540** | **464** |

## 27. Other income (expense) net

| EUR 1000 | Company 2022 | 2021 | Parent 2022 | 2021 |
|---|---|---|---|---|
| Finance expense - net | -3 034 | -6 272 | 44 | -565 |
| Other income (expense) | - | - | - | - |
| | **-3 034** | **-6 272** | **44** | **-565** |

## 28. Litigation

The Company has ongoing cases in Germany and Austria related to its discontinued business-to-consumer business, related to claims by former players for a return of their lost deposits during the period prior to Interstate Treaty 2021 coming into force. Also, from time to time, the Company is involved in litigation brought by previous employees or other persons. The Company and its legal counsel believe that these claims are without merit.

## 29. Wages paid to the Company's board of directors and management

**Establishment of Salaries to Board of Directors and Management**

The Company's policy is that the remuneration of the executive management is based on a salary which reflects the tasks and responsibility of their employment and the value added to the Company. This remuneration is established on an individual basis. The fixed salary is based on the following factors:

- Experience and competence of the executive person
- Responsibility
- Competition from the market

In addition, the Company has granted stock options to part of its executive management and other key employees in recognition of services rendered (Note 21). Fees below were expenses of the periods covered by these statements.

The table below summarises payments made to key management personnel in 2022 and 2021 (EUR 1000's):

| 2022 | Position | Board fees | Salary | Other | Option Expense | Total |
|---|---|---|---|---|---|---|
| Petter Nylander | Chairman | 76.5 | - | - | - | 76.5 |
| Nicolas Adlercreutz | Board member | 46.0 | - | - | - | 46.0 |
| Kjetil Garstad | Board member | 41.0 | - | - | - | 41.0 |
| Kathryn Moore Baker | Board member | 37.6 | - | - | - | 37.6 |
| Michael Ahearne | Board member from April | 27.0 | - | - | - | 27.0 |
| Hezam Yazdi | Board member from May | 22.6 | - | - | - | 22.6 |
| Mikael Riese Harstad | Board member from May | 22.1 | - | - | - | 22.1 |
| Helge Nielsen | Board member until May | 13.8 | - | - | - | 13.8 |
| Henrik Persson Ekdahl | Board member until May | 13.7 | - | - | - | 13.7 |
| Richard Brown | CEO | - | 300.0 | 192.0 | 15.3 | 507.3 |
| Other members of executive management | | - | 1 749.7 | 364.8 | 105.4 | 2 219.9 |
| | | **306.1** | **2 049.7** | **556.8** | **120.7** | **3 033.3** |

| 2021 | Position | Board fees | Salary | Other | Option Expense | Total |
|---|---|---|---|---|---|---|
| Petter Nylander | Chairman | 84.8 | - | - | - | 84.8 |
| Helge Nielsen | Board member | 37.5 | - | - | - | 37.5 |
| Henrik Persson Ekdahl | Board member | 40.0 | - | - | - | 40.0 |
| Nicolas Adlercreutz | Board member | 47.5 | - | - | - | 47.5 |
| Kjetil Garstad | Board member | 42.5 | - | - | - | 42.5 |
| Kathryn Moore Baker | Board member from May | 22.8 | - | - | - | 22.8 |
| Richard Brown | CEO | - | 300.0 | 192.0 | 9.0 | 501.0 |
| Other members of executive management | | - | 1 360.0 | 468.0 | 68.0 | 1 896.0 |
| | | **275.2** | **1 660.0** | **660.0** | **77.0** | **2 946.0** |

## 30. Related party transactions

There were no material related party transactions in 2022.

## 31. Events after reporting period

In January 2023, as part of the financing of the initial consideration of the AskGamblers transaction, the Board of Directors of the Company approved a EUR 10.2 million equity raise from a group of investors to finance the equity part of the acquisition. Pursuant to agreed terms, the share price was set at NOK 25.61, which represented a discount of 2.6% from the volume-weighted average share price for the GiG share so far in 2023. On 30 January 2023, the Company issued 4,267,112 new shares of its common stock to the above-mentioned group of investors.

Also in January 2023, the Company entered into a NOK 20 million (EUR 1.9 million) credit facility with a shareholder based on market terms. The facility is subject to a commitment fee of 3% per annum on any undrawn amounts and an interest rate of 12% per annum on the amount drawn and matures on 30 September 2023. NOK 11.0 million was drawn under the facility in January 2023 and a further NOK 9.0 million in April 2023.

In February 2023, the Board of the Company decided to initiate a strategic review with the intention to split the Company into two separate companies, by distributing one of the business segments, GiG Media or Platform & Sportsbook, to GiG's shareholders. The purpose of the split is to sharpen the focus for each business segment, optimise growth opportunities and ensure each business can benefit from the strategic and financial flexibility of their distinctive business models. The split will form two industry leading businesses with the potential to grow much faster than in the current corporate structure.

The strategic review will continue throughout 2023 and will initially focus on outlining the strategic and operational objectives that need to be achieved in order to execute the split. Final execution will be subject to all necessary corporate actions, including shareholder approvals.

Any other subsequent events were already addressed in other sections within this report.

## 32. Significant risks and uncertainties

For internet-based betting operations, there is uncertainty as to which country's law ought to be applied, as the internet operations can be linked to several jurisdictions and there are legal doubts on whether the availability of a site within foreign markets constitutes a solicitation to persons residing within that market.  Legislation concerning online gaming is under review in certain jurisdictions, and in some circumstances, previous opportunities to offer gaming products to certain customers based in some markets on principles of freedom to provide services, may be impacted by legal restrictions being imposed. In other cases, previously unregulated jurisdictions pass legislation regulating the market creating new opportunities to offer products and services to those markets with legal certainty.

Following the divestment of its B2C segment, together with the de-risking strategy to discontinue the white label model carried out during 2020, GiG is less directly exposed to legal and compliance risks associated with gaming operations.  This strategic decision resulted in a reduction from 15 brands operating on white-label agreements to only remaining at the end of 2022 (SkyCity). The majority of white labels were terminated and/or migrated to other white-label platforms although the larger white-labels converted to a SaaS agreement with GiG. As part of the strategy to terminate white-label agreements, GiG rescinded its Swedish and UK B2C licenses in October 2020, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.  As at the year end, GiG has one B2C license with the Malta Gaming Authority, together with various B2B licenses in various regulated markets.

The Group will continue to primarily operate in the online gambling industry.  The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty.  In certain countries online gambling is prohibited and/or restricted.  If enforcement or other regulatory actions are brought against any of the online gambling operators that are also the Group's customers, the Group's revenue streams from such customers may be adversely affected.  The Group aims to mitigate this risk through a fixed pricing model that is being adopted for platform services where possible.

This evolving environment makes compliance an increasingly complex area with the risk of non-compliance with territory specific regulations, including responsible gaming and anti-money laundering obligations. These uncertainties represent a risk for the Group's ability to develop and grow the business, as changes in legislation or enforcement practices could force the Group to exit markets, or even result in financial sanctions, litigation, license withdrawal or unexpected tax exposures, which have not duly been provided for in the financial statements.  These risks continue to stem from past exposures on B2C and white labels, for as long as related warranties may continue to apply, and until the B2C MGA license is relinquished.  During November 2020, one of the Group's subsidiaries was subject to a review by the FIAU in relation to controls on money laundering and counter terrorism. The outcome of this review is not yet finalised and based on the information available as at the date of reporting, Management does not anticipate that there will be any material financial consequence emerging from such review.

It is the Group's view that the responsibility for compliance with laws and regulations rests with the customers for both the Media and Platform business activities.  Although gaming laws and regulations of many jurisdictions do not specifically apply to the supply of B2B services, certain countries have sought to regulate or prohibit the supply of such services.  The Group may therefore be subject to such laws, directly or indirectly.  The Group mitigates this risk through monitoring of legal developments, contractual arrangements, and by seeking external advice to assist with the assessment of risk exposures as appropriate.

In addition to the above, the Group faces the risk that customers are not able to pay for the services rendered when these fall due. Specifically, for Media services, the Group faces operational risks arising from Google's changes of its algorithm that could temporarily impact rankings, and hence also impact revenues.

## 33. Statutory information

The Company, Gaming Innovation Group Inc. is a Corporation registered in the state of Delaware, United States of America.

## 34. Alternative performance measures

Certain financial measures and ratios related thereto in this interim report are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this report because they are the measures used by management and they are frequently used by other interested parties for valuation purposes. In addition, the Company provides information on certain costs in the income statement, as these are deemed to be significant from an industry perspective.

**Deposits:** Money deposited in the customer accounts

**EBIT**: Operating profit

**EBIT margin:** EBIT in percent of normalised revenues

**EBITDA:** Operating profit less depreciation, amortization and impairments

**Adjusted EBITDA:** EBITDA less option expenses

**EBITDA margin:** EBITDA in percent of normalised revenues

**First Time Depositor (FTD):** A first time depositor is a person who places wagers or deposits an amount of money for the very first time

**Gaming tax:** Taxes paid on revenues in regulated markets

**Gross Gaming Revenue (GGR):** Total cash deposits less all wins payable to customers

**Gross profit:** Operating revenue less cost of sales

**Gross margin:** Gross profit in percent of revenues

**Interest bearing debt:** Other long-term debt and short-term borrowings

**Net Gaming Revenue (NGR):** Total cash deposits less all wins payable to customers after bonus costs and external jackpot contributions

**Organic growth**: Growth excluding acquisitions

**Normalised revenues:** Reported revenues include revenues from a platform client where GiG recognizes the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. By assuming standard white-label accounting principles, normalised revenues, cost of sales and marketing cost will, in the opinion of management, give a more comparable view on the Company's operational performance. The differences are shown in the table below.

| | Reported numbers | | Normalised numbers | |
|---|---|---|---|---|
| EUR 1000 | 2022 | 2021 | 2022 | 2021 |
| **Revenues** | **107 022** | **82 574** | **90 066** | **66 343** |
| Cost of Sales | 5 362 | 4 564 | 858 | 868 |
| **Gross profit** | **101 660** | **78 010** | **89 208** | **65 475** |
| Personnel expenses | 26 678 | 22 059 | 26 678 | 22 059 |
| Depreciation & amortization | 21 498 | 14 593 | 21 498 | 14 593 |
| Marketing expenses | 31 237 | 23 005 | 18 784 | 11 208 |
| Other operating expenses | 11 203 | 12 197 | 11 203 | 12 197 |
| **Total operating expenses** | **90 857** | **71 854** | **78 404** | **60 057** |
| **Operating income (loss)** | **10 804** | **6 156** | **10 804** | **6 156** |

# AUDITOR'S REPORT

06

# Independant Auditor's Report

**To the Shareholders of Gaming Innovation Group, Inc.**
**Report on the Audit of the Financial Statements**

## Opinion

We have audited the consolidated financial statements of Gaming Innovation Group, Inc. and its subsidiaries (the Group), and the financial statements of the Parent, each of which comprise the applicable statements of financial position as of 31 December 2022, and the statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Group consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

In our opinion, the accompanying Parent financial statements give a true and fair view of the financial position of the Parent as of 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and Sweden Accounting Act and accounting standards and practices generally accepted in Sweden.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report below. We are independent of the Group and the Parent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REID

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### Impairment assessment of goodwill and other intangible assets

As described in the accounting policies note 2 and note 10 to the financial statements, the Group tests whether goodwill and other intangible assets are impaired on an annual basis. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, referred to as a cash generating unit ("CGU"). the Group operates three CGUs comprising the performance marketing (Media) segment and the platform services segment and its newly acquired Company Sportnco.

As described in Note 10, the impairment assessment for goodwill and other intangible assets for the above-mentioned CGUs relied on value-in-use calculations. The cash flow projections were based on the Group's approved budget for 2023, projection of free cash flows for the period 2024 – 2026, as well as an estimate of the residual value. As of December 31, 2022 Goodwill and trademarks with a carrying amount of € 76m have an indefinite useful life. The carrying amount of all intangibles assets as at 31 December 2022 was €136m.

The underlying forecast cash flows, and the supporting assumptions, reflect significant judgements as these are affected by future market or economic conditions, changes to laws and regulations as well as management's success in achieving growth targets. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement.

Judgement is also applied in the assessment of useful lives of intangible assets that are amortized over a defined period.

The extent of judgment, and the size of goodwill (including that of the new acquired Sportnco) and intangible assets resulted in this matter being identified as an area of audit focus.

As part of our work on the impairment assessment of goodwill and other intangible assets, we evaluated the appropriateness of the methodology used, and the assumptions underlying the discounted cash flow model prepared by management, by involving our valuation experts. The calculations underlying the impairment model were reviewed in order to check the model's accuracy.

For the performance marketing CGU, we carried out sensitivity analysis to assess whether or not a reasonable possible change in key assumptions could result in impairment and concur with management's view that this component is less sensitive due to the level of headroom between the reported intangible assets and the respective value-in-use. On the other hand, the recoverable amount of the platform services and Sportnco CGU is very susceptible to the Group achieving the projections as included in the value-in-use calculation.

As part of our work, we assessed the accuracy of management's historic forecasting ability when considering assumptions used within the value in use model. In particular, we assessed each CGU's historical performance including actual results for 2022.

As part of our work, we assessed the appropriateness of disclosures made in relation to the impairment assessment of the intangible assets.

Based on the work performed, we found the assessment of the recoverable amount of goodwill and other intangible assets and the related disclosures, to be consistent with the explanations and evidence obtained.

### Acquisition accounting in relation to SportNCo.

Refer to Note 2 -Use of estimates, judgements and assumptions and Note 7 -Business combinations

On April 1, 2022, The Company completed the acquisition of 100% of the shares of Sportnco Gaming SAS and its subsidiaries ("Sportnco") for an initial consideration of € 55.4m an a contingent consideration of € 18.5m. The transaction attributed a total value the acquired shares of approximately € 73.9m (equity value).

Accounting for the acquisition required a fair value exercise to assess the assets and liabilities acquired including valuing any separately identifiable intangible assets and the resulting goodwill.

Management identified € 14m of identifiable intangible assets in respect of contracts.

The residual goodwill arising from this acquisition amounted to € 59m.

As part of our work, we performed procedures on the Group's purchase price allocation as follows:

We audited the Group's valuation of assets and liabilities acquired and the methods used for these valuations;

We assessed management's judgements and estimate made in preparing these valuations, including the key assumptions applied such as the growth rate and discount rate, and the useful economic lives assigned to the intangible assets.

We also assessed whether the accounting principles and disclosures in the Annual Report are in accordance with IFRSs.

From the procedures performed set out above, we did not find any significant differences in the identified intangible assets and the arising values recognized in the financial statements.

As a result of our work, we determined that the acquisition of Sportnco has been appropriately accounted for and disclosed.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

## Other Information

Other information consists of the information included in the Company's annual report other than the consolidated financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the consolidated financial statements does not cover the Board of Directors Report nor the other information accompanying the consolidated financial statements and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Board of Directors Report and the other information we are required to report that fact. We have nothing to report in this regard.

REID

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free form material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group and Parent'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 management either intends to liquidate the Group and Parent or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Parent to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Opinion on the Board of Directors Report, Corporate Governance Report and Sustainability Report

Based on our audit of the consolidated financial statements as described above, it is our opinion that the information presented in the Board of Directors Report, Corporate Governance Report and Sustainability Report concerning the financial statements and the going concern assumption is consistent with the consolidated financial statements and complies with the applicable laws and regulations.

## Report on Other Legal and Regulatory Requirements

The Annual Report and Consolidated Financial statements contains other areas required by legislation or regulation on which we are required to report. The Board of Directors are responsible for these other areas.

## Report on compliance with Regulation on European Single Electronic Format (ESEF)

### Opinion

As part of the audit of the Financial Statements of Gaming Innovation Group Inc. we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name gaminginnovationgroupinc-2021-12-31-en.zip have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 of the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

## Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

REID

## Auditor’s Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with International Standards for Assurance Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the Company’s processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML- format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management’s use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Woodbury, New York, 21 April 2023

Reid CPAs, LLP

**REID CPAs LLP**

GiG

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