EXEMPTION DOCUMENT

Gaming Innovation Group Inc.

(a corporation incorporated in the State of Delaware, USA)

Listing of 12,623,400 consideration shares issued in connection with the acquisition of Sportnco Gaming SAS

This exemption document (the "**Exemption Document**") has been prepared by Gaming Innovation Group Inc., a corporation incorporated in the State of Delaware, USA ("**GiG**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), in connection with the listing (the "**Listing**") on Oslo Børs, a regulated market being part of Euronext and operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 12,623,400 new shares in GiG, each with a par value of USD 1.00 (the "**Consideration Shares**"), issued as partial consideration in connection with GiG's acquisition of Sportnco Gaming SAS, a limited liability company incorporated in France, with business registration number 504 180 225 and registered business address at 425 Rue Jean Rostand, 31670 Labege, France ("**Sportnco**"), completed on 1 April 2022 (the "**Acquisition**").

Furthermore, in order to finance the main part of the cash consideration in the Acquisition, 13,487,500 new shares in GiG (the "**Issuing Shares**"), each with a par value of USD 1.00 have been issued to SkyCity Entertainment Group Limited, a public company incorporated in New Zealand, with business registration number 610568 and registered business address at Level 13, 99 Albert Street, Auckland, 1010, New Zealand ("**SkyCity**").

GiG's existing shares are and the Consideration Shares and the Issuing Shares will be, dual listed on the Oslo Stock Exchange under the ticker code "GIG" and on NASDAQ Stockholm with the ticker symbol "GIGSEK". Except where the context requires otherwise, references in this Exemption Document to "**Shares**" will be deemed to include the existing ordinary shares of GiG, the Consideration Shares and the Issuing Shares. The Shares are, and the Consideration Shares and the Issuing Shares will be, primary recorded and registered in Euronext's central securities depository in Norway, Euronext Securities Oslo ("**ESO**") in book-entry form. All Shares rank in parity with one another and carry one vote.

This Exemption Document is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Counsel of 14 June 2017 (the "**EU Prospectus Regulation**"), and therefore it has not been subject to scrutiny and approval by the relevant competent authority as set out in Article 20 of Regulation 2017/1129. This Exemption Document serves as a prospectus equivalent document for the purpose of listing the Consideration Shares to be issued in connection with the Acquisition, cf. the EU Prospectus Regulation Article 1 (5) point (f).

THIS EXEMPTION DOCUMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO BUY, SUBSCRIBE OR SELL THE SECURITIES HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT TO THIS EXEMPTION DOCUMENT.

The date of this Exemption Document is 13 July 2022.

IMPORTANT INFORMATION

This Exemption Document has been prepared by GiG in connection with the listing of the Consideration Shares and serves as a prospectus equivalent document cf. Article 1 (5) point (f) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Exemption Document has been prepared solely in the English language.

This Exemption Document does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Exemption Document. The content of this Exemption Document has been prepared on the basis of the European Commission's delegated regulation (EU) 2021/528 of 16 December 2020 supplementing the EU Prospectus Regulation as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division.

This Exemption Document does not constitute an offer of, or an invitation to purchase, any of the Shares described herein and no Shares are being offered or sold pursuant to this Exemption Document in any jurisdiction. All inquiries relating to this Exemption Document must be directed to GiG. No other person is authorized to give any information about, or to make any representations on behalf of GiG or Sportnco in connection with the Acquisition. If any such information is given or representation made, it must not be relied upon as having been authorized by GiG. The information contained herein is as of the date hereof and is subject to change, completion and amendment without further notice. The publication of this Exemption Document shall not under any circumstances create any implication that there has been no change in GiG or Sportnco's affairs or that the information set forth herein is correct as of any date subsequent to the date hereof. No person is authorised to give information or to make any representation in connection with the Acquisition other than as contained in this Exemption Document.

The contents of this Exemption Document are not to be construed as legal, business or tax advice. Each reader of this Exemption Document should consult with his or her own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Exemption Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

Readers are expressly advised that the Shares are exposed to financial and legal risk and they should therefore read this Exemption Document in its entirety, in particular Section 1 "Risk Factors".

The distribution of this Exemption Document may in certain jurisdictions be restricted by law. Persons in possession of this Exemption Document are required to inform themselves about and to observe any such restrictions. No action has been taken or will be taken in any jurisdiction by GiG or Sportnco that would permit the possession or distribution of this Exemption Document, in any country or jurisdiction where specific action for that purpose is required. This Exemption Document is not for publication or distribution, in whole or in part, directly or indirectly, in the United States or any other jurisdiction where such publication or distribution would violate applicable laws or rules or would require additional documents to be completed or registered or require any measure to be undertaken in addition to the requirements under Norwegian and Swedish law. In particular, neither the Consideration Shares nor any other securities referenced in this Exemption Document, including any of the Shares issued by GiG, have been registered or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States, and as such neither the Consideration Shares nor any other securities referenced in this Exemption Document, including the Shares, may be offered or sold, directly or indirectly, in the United States except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of securities in the United States.

This Exemption Document is governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Exemption Document.

All Sections of the Exemption Document should be read in context with the information included in Section 3 “General Information”.

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1 RISK FACTORS

1.1 Introduction

An investment in GiG involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Exemption Document, including the Financial Statements, and related notes incorporated by reference hereto. The risks and uncertainties described in this Section 1 are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that GiG believes to represent the most material risks for investors. An investment in GiG is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 1 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for GiG and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in GiG's Shares. Additional factors of which GiG is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects.

1.2 Risk factors related to the transaction

1.2.1 Integration risk

If the Group is not able to successfully integrate Sportnco's business, or if there are delays in integrating the businesses to drive the expected synergies promptly, the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected.

1.2.2 Risks related to the performance of the new business resulting from the Acquisition

GiG believes that the acquisition of Sportnco will result in certain benefits, including expand market coverage, grow client base, certain cost synergies, drive product innovations, and operational efficiencies. However, to realize these anticipated benefits, the businesses of the Group and that of Sportnco 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 Sportnco. The Group may fail to realize the anticipated benefits of the acquisition for a variety of reasons, including the following:

- failure to successfully manage relationships with customers, distributors and suppliers;
- failure of customers to accept new products or to continue as customers of the Group;
- revenue attrition in excess of anticipated levels;
- potential incompatibility of technologies and systems or delays in system integration;
- failure to leverage the increased scale of the combined Company quickly and effectively;
- potential difficulties integrating and harmonizing financial reporting systems;
- the loss of key employees; and

- significant costs involved to incorporate the two businesses.

A portion of Sportnco's workforce will be subject to collective bargaining agreements, and if the Group is unable to enter into new agreements or renew existing agreements before they expire, the employees subject to collective bargaining agreements could engage in labour actions that could materially disrupt the Group's ability to provide services to its customers.

1.3 Risks related to the Group's financial position

1.3.1 Liquidity risk and need for additional funding

The Group is financed mainly by bonds (see the tables in Section 8 "Regulatory Disclosures") and bank loan facilities in Sportnco.

The Group's business is to a great extent dependent on funding its activities with external capital. The Group cannot guarantee availability of cash flow from operations in order to meet its debt service requirements, that the market conditions will allow for the Group to obtain the necessary financing required to meet maturing debt liabilities in general or to fund its current operations in the future on favourable terms or at all. Should such financing be available only on unfavourable terms, this may result in lower profit margins and lead to a negative effect on the Group's ability to meet its payment obligations under the terms of the bonds or, in case new financing is unavailable to meet maturing debt liabilities, a default.

GiG considers the probability of the above risks materialising wholly or partially to be medium. If the above risks were to materialise, GiG considers the potential negative impact to be high.

1.3.2 Net operating loss carry-forward

As at 31 December 2021, GiG had approximately EUR 42,302,000 of net operating loss carry-forwards from its US operations adjusted for exchange fluctuations. The availability to offset losses against income taxes in future years in the U.S. can be restricted due to ownership changes. For the periods ended 31 December 2021 and 2020 the Parent incurred taxable losses for U.S. domestic income tax purposes and, as such, had no related U.S. federal or state income tax expense. Accordingly, given the inability to offset losses in future, the financial results of the Group may vary significantly from previous years' financial results which may negatively impact the financial condition of the Group and the Company's ability to perform its payment obligations under the terms of its bonds.

GiG considers the probability of the above risk materialising wholly or partially to be low. If the above risk was to materialise, GiG considers the potential negative impact to be low.

1.4 Risks related to the Group's business activities and industry

1.4.1 Acquisition risks

The Group evaluates and considers potential acquisition opportunities in the ordinary course of business and as a part of its growth strategy, including those that could be material in size and scope. Acquisitions involve a number of specific risks, including (i) the diversion of management's attention and resources, (ii) the incorporation of acquired products into the existing product and service offering of the Group, (iii) problems associated with maintaining relationships with employees and customers, (iv) the increasing demands on the Group's operational systems, (v) ability to integrate and implement effective control mechanisms, (vi) possible adverse effects on the Group's reported operating results; and (vii) the loss of key employees and the difficulty of presenting a unified corporate image. In addition, even if the Group finds suitable investment targets, it may fail to successfully acquire such businesses on acceptable terms or at all.

Until the Group assumes operating control of acquired businesses, it may not be able to ascertain the actual value or understand the potential liabilities of the acquired entities and their operations. Furthermore, it may not realize all cost savings and synergies the Group expects to achieve from individual acquisitions.

In addition, the Group may not be able to successfully integrate future acquisitions without substantial costs, delays or other problems.

The impact of failed acquisitions or inability to acquire new business or not being able to enforce indemnification rights upon the Group's financial condition, increases significantly the greater the investments were to be. However, the likelihood of a major investment failing completely in most, or all aspects, is considered less likely. However, should such failure occur it would have a detrimental effect on the Group’s business going forward and significantly impact the value of its assets, its growth rate, ability to generate revenue as projected and its future profit margins.

GiG considers the probability of the above risks materialising wholly or partially to be low. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.4.2 Reputational risk

The Group's commercial success is dependent on its reputation among its current and potential customers as well as owners. Unfavourable reputation could impact the Group's financial performance and affect its future cash flows.

A negative perception of gambling portrayed by some governments and media could impact the overall iGaming market and thus the Group’s ability to do business. This normally translates into complex onboarding procedures for the Group’s customers. Complex onboarding procedures may result in a reduced number of new customers, which could lead to lower revenues, reduced growth and lower profit margins for the Group. In addition, this could translate into higher operational costs in order to cover due diligence costs of the Group’s suppliers which may have a negative impact on the Group’s ability to procure and retain suppliers, which are material to the operations of the Group.

The iGaming market is a much debated industry and there is a risk that negative media attention for example claim that the provision of iGaming leads to gambling problems or is unlawful or immoral and could harm the Group's business and reputation. This could result in, for example, negative consequences such as lower confidence or damaged reputation with customers and partners and ultimately affect the growth prospects of GiG and the Group.

GiG considers the probability of the above risk materialising wholly or partially to be medium. If the above risk was to materialise, GiG considers the potential negative impact to be medium.

1.4.3 Third party risks

The Group is to a large extent dependent on suppliers, including¸ inter alia in relation to online games, payment processing, telecommunications, advertising, customer relationship management technology, banking, odds providers and other betting related suppliers. The willingness of such providers to provide services to the Group may be affected by each provider’s own assessment of the legality of the provision of services by the Group, of its business, or of the online gambling sector, and by political or other pressure impacting such providers. If one or more of these external parties do not meet their undertakings towards the Group or, if third party suppliers are unwilling or unable to provide services to the Group, it could affect the Group’s online operations and/or its gambling platforms, which may cause harm to the Group’s brand, market reputation, result in losses of income and/or impact long-term customer loyalty. In addition, if the odds provided by third party providers are materially deficient this could lead to sufficient losses, with little or no recourse to such providers.

The Group's ability to enter newly regulated markets and to enter into commercial arrangements with clients seeking licenses from regulated markets depends on the eligibility of the Group subsidiaries and their key representatives to receive any necessary permits. The Group's former activities may lead to ineligibility due to 'bad reputation' and the Group may face a permanent or temporary prohibition from doing business in that market.

GiG considers the probability of the above risk materialising wholly or partially to be medium. If the above risk was to materialise, GiG considers the potential negative impact to be medium.

1.4.4 Risks related to licenses

A significant part of the Group's revenue is derived from licensed and regulated online gambling activities. Maintaining the licences and certifications and/or obtaining additional licences or certifications in the relevant jurisdictions are considered essential to ensure continuity of the Group's operations. GiG's subsidiaries MT SecureTrade Limited, Innovation Labs Limited, iGamingCloud Limited, iGaming Cloud Inc, Silvereye Entertainment Limited and Rebel Penguin AS have various licences granted by the Malta Gaming Authority, the United Kingdom Gambling Commission, the New Jersey Division of Gaming Enforcement, the Colorado Division of Gaming, the West Virginia Lottery Commission, the Romanian National Gambling Office, the Hellenic Gaming Commission in addition to certifications held in Sweden, Croatia, Argentina, Spain and Latvia. Following the Acquisition, GiG will also have a licence from the Hellenic Gaming Commission as well as certifications in France and Spain.

An increasing number of countries have started issuing local gambling licences which impose certification requirements on platform suppliers. Such development may open new market opportunities, however, it could also increase costs by fragmenting the international gaming market into national markets with a multitude of different requirements relating to aspects such as products, technology and reporting to authorities. This would be likely to lead to significant additional costs and accordingly lower profit margins for the Group's operations.

GiG considers the probability of the above risks materialising wholly or partially to be medium. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.4.5 Competition

The Group faces competition from a number of existing competitors active in iGaming and performance marketing markets providing similar technological solutions such as Playtech, Scientific Games Corporation, EveryMatrix, Bragg Gaming, Pragmatic Solutions, Gamysys, Aspire Global Plc, Catena Media plc, Better Collective, XL Media, Raketech, Kafe Rocks and Kambi Group plc, as well as potential new competitors, which could result in loss of market share and diminished profits for its operations. The Group's main markets are characterised by technological advances, changes in customer requirements and frequent new product introductions and improvements. The Group's future success will depend mainly on its ability to enhance its current technology offerings, its range of products, to maintain relations with existing and new technology and marketing providers, iGaming operators and affiliate businesses, as well as a positive cash flow. Any failure to keep up with competing operators in the iGaming markets may result in loss of market share, cash flows and as a consequence, revenues. Furthermore, there is increased risk of competition when entering newly regulated markets due to the fact that when doing so the Group is generally acting in competition with incumbent operators. State-owned monopolies normally exclude themselves from online operations pre-regulation. Following new regulations, these household brands in local markets are able to participate online and may acquire a substantial part of the online market share. These factors are likely to put pressure on pricing and therefore reduce profitability, or even lead to failure of establishing presence in certain markets despite significant investments, leading to unexpected losses and a negative impact on the Group's profitability.

GiG considers the probability of the above risks materialising wholly or partially to be medium. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.4.6 Currency fluctuations

The Group's revenues are deriving from several currencies, the largest being EUR, USD, GBP, SEK, NZD and NOK. Operating expenses are mainly split between EUR, DKK, NOK and USD. Exchange rates affecting the Group are mainly fluctuations in the DKK and NOK rate against EUR and the USD / EUR rate. In addition, fluctuations in the SEK / EUR rate will impact the bond which is denominated in SEK. Exchange rate fluctuations affect the Group in three main areas: 1) corporate payments in different currencies increase transaction risks; 2) receivables and debt in foreign currencies increase exchange rate differences when accounted in EUR and 3) the translation of shareholders' equity into EUR carries transaction differences that affect the consolidated shareholders' equity. To date, the Group has not used risk management techniques or "hedged" the risks associated with fluctuations in foreign currency exchange rates. However, should a significant fluctuation occur, the absence of any hedging could result in lower revenues from an entity with an impacted currency.

Such major fluctuations are rare, and GiG considers the probability of the above risk materialising wholly or partially to be low. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.4.7 The Group is dependent on key customers and partners

The Group provides platform services and supporting functions to a number of operations of varying size. There is a strong degree of dependency in this respect and loss of one or more such customers and/or partners could have a negative impact on the financial performance of the Group.

The Group also provide affiliate, promotional and advertising services to a large number of customers, however with a large part of the revenue generated by a small number of contracts. The loss of any high revenue generating customer could have a negative impact on the financial performance of the Group.

In addition, identifying and signing new, relevant customers is critical to the Group's growth and the failure to do so could prove detrimental to the Group's growth prospects. A related risk is the risk of not being able to retain existing customers of the Group upon expiration of the underlying agreement. The loss of existing customers in any wind or business vertical could have an immediate negative impact on the Group as a whole, its ability to generate revenue and maintain profitability.

GiG considers the probability of the above risk materialising wholly or partially to be medium. If the above risk was to materialise, GiG considers the potential negative impact to be medium.

1.5 Legal and regulatory risk

1.5.1 Risks related to the regulation of the gambling industry

The regulation of online gambling is continually subject to changes which could impact the Group's financial performance and could be split between (i) regulatory risks due to changing legislation and (ii) risks associated with more stringent regulatory conditions.

In respect of item (i), the Group is an active supplier in the online gambling market, which is subject to extensive regulation in many countries. Regulatory decisions and changes in legislation may impact the Group's operations, financials and commercial models, and the possibility to provide or market its services in specific countries. In some cases, the regulatory conditions or technical requirements of a market make it very cumbersome to enter that market and in addition, some countries adopt stringent advertising restrictions which make it challenging to advertise and promote gambling products and services, especially for affiliate websites which are reliant on advertising and other promotional activities.

Regulatory decisions may also have an indirectly adverse effect by restricting customers' use of gambling websites, or by requiring financial institutions to prevent transactions between customers and gambling operators. Although as a supplier the Group is not directly impacted by such regulatory decisions, as the Group's revenues are predominantly generated through revenue sharing agreements with operators, such decisions have an indirect impact on the Group. Regulatory decisions may also lead to the Group having to close down the promotion of certain services to certain markets in which the Group operate in today but are no longer accessible following regulatory changes. In addition, regulatory decisions, changes to existing regulatory frameworks and also new regulated markets which impose technical requirements lead to significant costs related to the implementation of new technology, the further development of existing technology and the maintenance thereof.

In respect of item (ii), regulators in certain regulated markets have recently increased their supervisory activities, especially in the areas of social responsibility, anti-money laundering and marketing compliance. The Group has witnessed several competing operators active within the same markets and adopting common systems and procedures formerly prevalent within the industry become subject to sanctions due to regulatory failings. Given the standards, interpretation of the regulations and expectations of regulators, the Group cannot be certain it will not be subject to regulatory sanctions. The Group is subject to stringent laws and regulations regarding player protection. Failure to identify and support players showing signs of problem gambling is both a legal and reputational risk which could give rise to substantial costs, impact trust and eventually have a negative effect on the Group's financial performance. As a result of this increased emphasis, certain high value customers may be hard to retain either due to the Group’s own risk management processes or otherwise that such customers turn away due to increased due diligence required on them which they may be unwilling to provide.

Furthermore, the Group is involved in the provision of affiliate services to operators. As a result of tightening marketing and advertising standards in the iGaming industry, there is a risk that customers of the Group may take steps to severely limit or abolish affiliate relationships.

GiG considers the probability of the above risk materialising wholly or partially to be medium. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.5.2 Risks related to taxation

Online gambling is increasingly subject to local taxes not only in the countries where the Group’s services are provided from, but also in the countries where the customers are located. Gambling taxes have often been introduced by EU member states in connection with the regulation of their online gambling markets. Typically, such gambling taxes are levied on gross gaming revenue (“GGR”), meaning the difference between the sum of stakes and other payments received to participate in gambling less amounts paid out as winnings. Tax rates vary among countries and products but have generally been in the region between 20 to 25 percent, but in some cases amount up to 40 percent of GGR. Some gambling services may also accrue value added tax in some countries. Unforeseen and adverse changes in tax regimes could result in negative effects on the profitability and could make provision of services to some countries unsustainable and jeopardize the Group's ability to serve those countries therefore reducing the Group’s revenues.

GiG considers the probability of the above risks materialising wholly or partially to be medium. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.5.3 Intellectual Property Rights (IPR)

The Group holds copyright and other intellectual property rights for software, its websites, webpages and related components. Certain employees within the Group and consultants employed within the Group, both on short, and long-term basis, have access to these rights and regularly contribute to the development of such rights. However, a failure to protect the Group's intellectual property rights could weaken its competitive position and result in a negative impact on its financial performance.

The Group is also active in the United States market where patents are granted on software. The Group’s commercial success in the United States depends in part on its ability to develop, manufacture, market and sell its software and licence its proprietary technology without infringing the patent rights of third parties. Patent discovery, which is the process to identify whether any patents exist that already cover the Group’s software, is a complex exercise and the Group's searches may not be complete or comprehensive. The Group may be subject to lawsuits by patent owners alleging patent infringement.

GiG considers the probability of the above risk materialising wholly or partially to be medium. If the above risk was to materialise, GiG considers the potential negative impact to be medium.

1.6 Internal control risk

1.6.1 Risks related to IT systems

The Group is exposed to certain risks attributable to the Group's information technology ("IT") systems that are central to the business activities and the operation of the Group's proprietary technical platform. The Group's business is heavily reliant on advanced IT-systems, for example, to operate online games, analyse user data, revenue and payment optimisation and to process customer payments. This technology requires maintenance and supervision that also includes compliance with laws and regulations protecting personal data and demands imposed by third parties, such as credit card companies. The development and maintenance of this technology could require significant investments. The Group's IT platform offers a shared system for operational reporting, forecasts, personnel planning, CRM and comparisons of key ratios and monitoring. This platform is a key tool for the success of the Group's operations and cost management. In addition, the number of people visiting the Group's websites and the customer online gambling websites are using technical equipment other than desktop computers, such as smartphones and tablets, has increased in recent years and is expected to continue to increase. It is difficult to predict the challenges the Group may encounter in the development of technical solutions since new technological developments and new platforms are continuously being launched. If the Group was to be unsuccessful in these efforts, this could have a material adverse effect on the Group's operations, financial position or earnings. Furthermore, information security risks in general have increased historically due to the spread of new technology and the increased occurrence of cyber-attacks. Information security intrusion in the Group's reporting systems, its business intelligence software, other IT systems or in business partners' IT systems may disrupt the Group's business and could also lead to leakage of confidential or proprietary information or other trade secrets. If the Group does not maintain adequate systems and internal controls, it may fail to prevent cyber-attacks and fraud, which could lead to fines, legal sanctions and impaired reputation, and as a result have a material adverse effect on the Group's business, financial condition and results of operations.

The Group processes large volumes of personal data, both in the roles of a data controller and data processor. The data processed relates 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 of up to the higher of EUR 20,000,000 or 4% of global turnover of the preceding year for the Group. The Group may be exposed to such fines either directly, or otherwise indirectly through contractual defaults in supply agreements with customers of the Group.

GiG considers the probability of the above risks materialising wholly or partially to be low. If the above risks were to materialise, GiG considers the potential negative impact to be medium.

1.6.2 Technology change and the introduction of new solutions and services

The industries servicing the iGaming market are characterised by technological advances, changes in customer requirements and frequent new product introductions and enhancements. The Group's future success will depend mainly upon its ability to enhance its current solutions and customer offering and to develop and introduce new products and services that keep up with the pace of technological development in the market. Furthermore, it is essential to respond to the changes in customer requirements and to achieve continued market acceptance. Any failure to anticipate or respond adequately to technological development and customer requirements, or any significant delays in product or application development and introduction, could result in a loss of competitiveness and customers and therefore, revenues.

Furthermore, in order to keep up with technological advances in the iGaming market the Group may need to make sizeable investments in the implementation of new technology, or upgrading of existing systems and technology leading to reduced liquidity and increased capital expenditures with no certainty of recovering such costs.

GiG considers the probability of the above risk materialising wholly or partially to be low. If the above risk was to materialise, GiG considers the potential negative impact to be medium.

1.6.3 Dependence of management and key employees

The Group's success is driven by and is to a great extent dependent on its ability to recruit, train and retain key personnel such as the Board of Directors, the CEO, the Executive Management and certain skilled specialist employees, particularly operational and technical personnel. Failure to hire key employees, integrate new talent, or to retain or sufficiently motivate its existing team, could negatively affect the Group's ability to successfully implement its business objectives and to meet its growth targets, which in turn could negatively affect future revenue generated within the Group and potentially even its ability to maintain existing profit margins.

GiG considers the probability of the above risk materialising wholly or partially to be low. If the above risk was to materialise, GiG considers the potential negative impact to be low.

1.7 Risk factors related to the shares

1.7.1 Share volatility

The returns on investments in the shares have historically been volatile. GiG's shares have been listed on the Oslo Stock Exchange since January 2005 and on Nasdaq Stockholm from March 2019 and have subsequently been subject to fluctuations in the share price. This may give reason to expect a relatively high future volatility for the shares.

1.7.2 Share price fluctuation due to external factors

The share price might fluctuate in response to factors that are beyond GiG's control, such as changes in online gaming regulations, increased use of alternative technology, global economic recession or other adverse business developments.

1.7.3 Shareholders' rights in Delaware

GiG is incorporated in Delaware, United States, and is therefore governed by Delaware and United States law. Delaware company law differs markedly from Norwegian company law. For example, in the absence of a separate agreement providing for such rights, the shareholders of GiG do not have any pre-emption rights for share issues in general.

1.7.4 GiG might not pay dividends in the immediate future

As GiG sees extensive growth opportunities within the online gaming industry, both organically and inorganically, there is a risk that GiG will not pay dividends in the immediate future.

2 RESPONSIBILITY FOR THE EXEMPTION DOCUMENT

2.1 Declaration by persons responsible for the exemption document

This Exemption Document has been prepared by Gaming Innovation Group Inc. in connection with the listing of the Consideration Shares issued in connection with the Acquisition.

The Board of Directors of Gaming Innovation Group Inc. accepts responsibility for the information contained in this Exemption Document. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Exemption Document is in accordance with the facts and that the Exemption Document makes no omission likely to affect its import.

13 July 2022

The Board of Directors of Gaming Innovation Group Inc.

____________________	____________________
Johan Petter Erik Nylander	Mikael Riese Harstad
Chairman of the Board	*Board member*
____________________	____________________
Kjetil Garstad	Kathryn Moore Baker
Board member	*Board member*
____________________	____________________
Hesam Yazdi	Nicolas Holger Fredrik Adlercreutz
Board member	*Board member*
____________________	
Michael Ahearne	
Board member	

3 GENERAL INFORMATION

This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Exemption Document. You should read this information carefully before continuing.

3.1 Cautionary Note regarding Forward-looking Statements

This Exemption Document includes forward-looking statements that reflect GiG's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in Section 5 "Business of the Group", and include statements regarding GiG's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as, but not limited to, statements relating to:

- the Group's strategy, outlook and growth prospects;
- the Group's operational and financial objectives, including statements as to GiG's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Group operates and the competitive pressure and competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries which the Group operates;
- the Group's planned investments;
- forecasts; and
- the Group's liquidity, capital resources, capital expenditures, and access to funding.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Exemption Document. GiG cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that are currently known to GiG and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 1 “Risk Factors”.

The information contained in this Exemption Document identifies additional factors that could affect the Group's financial position, operating results, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Exemption Document for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in GiG.

These forward-looking statements speak only as of the date on which they are made. GiG undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to GiG or to persons acting on GiG's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Exemption Document.

3.2 Presentation of Financial Information

3.2.1 Historical financial information related to GiG

GiG has published consolidated audited financial statements as of and for the year ended 31 December 2021 with comparable numbers for 2020 and unaudited interim financial statements as of 31 March 2022 and for the period between 1 January and 31 March 2022 (the "**GiG Financial Statements**"). The GiG Financial Statements are incorporated into this Exemption Document by reference, see Section 9.4 "Incorporated by reference".

The GiG Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and have been audited by GiG's independent auditor REID CPAs LLP.

The Acquisition (as elaborated in Section 4 "The Acquisition") was completed on 1 April 2022, and the first reported financial information to include the combined Company will be the interim report as of and for the three months ending 30 June 2022. The financial information of the combined Company going forward will be prepared in accordance with IFRS.

3.2.2 Financial information for Sportnco

GiG is considered to have a complex financial history as referred to in Article 18(3) of the Commission Delegated Regulation (EU) 2019/980 since the GiG Financial Statements alone do not represent the combined group's financial position accurately. As a consequence, and in accordance with Article 4(1) of the Commission Delegated Regulation (EU) 2021/528, this Exemption Document also contains Sportnco's audited financial statements as per and for the year ended 31 December 2021 with comparable numbers for 2020 (the "**Sportnco Financial Statements")**. However, since these financial statements include Sportnco's B2C business, which shall not be consolidated into the combined group's financial statements moving forward (see Section 4.5 "the Carve-out" below), GiG has also prepared unaudited carve-out management accounts for the business-to-business (B2B) activity of Sportnco as per and for the year ended 31 December 2021 (the "**Sportnco 2021 Carve-out Management Accounts**"). The Sportnco Financial Statements and the Sportnco 2021 Carve-out Management Accounts have been prepared in accordance with French GAAP and are included in this Exemption Document as Appendices B and C.

As a consequence of the Carve-out (as further elaborated on in Section 4.5 "The Carve-out"), the B2C business of Sportnco shall not be consolidated into GiG's consolidated financial statements. Therefore, the Sportnco 2021 Carve-out Management Accounts have been prepared reflecting the acquired B2B business only while not accounting for the financial performance of the B2C business.

GiG is of the view that inclusion of the Sportnco 2021 Carve-out Management Accounts will provide prospective investors with an adequate understanding of the effects of the Acquisition on its results of operations and financial position, as well as the historical performance of Sportnco.

3.2.3 Pro forma financial information

The Acquisition is considered to constitute a "significant gross change" within the meaning of Article 1 (e) of the Delegated Regulation (EU) 2019/980, as the size of the Acquisition represents a variation of more than 25% relative to GiG's business before the Acquisition took place in terms of its profit/loss and its balance sheet. As a consequence, and in accordance with Annex 1 item 5.6 of the Commission Delegated Regulation (EU) 2021/528 of 16 December 2020 supplementing the Prospectus Regulation, unaudited pro forma financial information has been included in Section 7 of this Exemption Document. The unaudited pro forma financial information consists of the pro forma condensed statement of financial position as of 31 December 2021 which has been prepared as if the Acquisition had taken place on 31 December 2021 and the unaudited pro forma condensed income statement for the year ended 31 December 2021 which has been prepared as if the Acquisition had taken place on 1 January 2021. The pro forma financial information is based upon, derived from, and should be read in conjunction with the GiG Financial Statements, see Section 3.2.1 above, and the Sportnco 2021 Carve-out Management Accounts, see Section 3.2.2 above. The pro forma report and the Independent Practitioner's Assurance Report on Pro Forma Financial Information prepared are included in Appendix D to this Exemption Document.

3.3 Presentation of other information

3.3.1 Industry and market data

This Exemption Document contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects GiG's estimates based on analysis, research and surveys of multiple sources, including data compiled from professional organisations and analysts and information otherwise derived from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as GiG. Unless otherwise indicated in the Exemption Document, the basis for any statements regarding GiG's competitive position in the future is based on GiG's own assessment and knowledge of the potential market in which it may operate. The relevant information and data is sourced herein as "**Company Information**".

GiG confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as GiG is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Exemption Document.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. GiG has not independently verified and neither GiG nor any third party can give any assurances as to the accuracy or completeness of market data contained in this Exemption Document. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

GiG cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Exemption Document, any statements regarding the Group's competitive position are based on GiG's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Exemption Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of GiG's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 “Risk Factors" and elsewhere in this Exemption Document.

3.3.2 Other information

In this Exemption Document, all references to "**NOK**", "**EUR**", "**USD**", "**GBP**", "**SEK**", "**NZD**" and "**DKK**" are to the lawful currencies of Norway, the European Union, the United States, the United Kingdom, Sweden, New Zealand and Denmark, respectively. No representation is made that the NOK, EUR, USD, GBP, SEK, NZD and DKK amounts referred to herein could have been or could be converted into NOK, EUR, USD, GBP, SEK, NZD or DKK as the case may be, at any particular rate, or at all. The GiG Financial Statements and the Sportnco 2021 Carve-out Management Accounts are presented in EUR.

In this Exemption Document all references to "EU" are to the European Union and its Member States as of the date of this Exemption Document; all references to "EEA" are to the European Economic Area and its member states as of the date of this Exemption Document; and all references to "US", "U.S." or "United States" are to the United States of America.

Certain figures included in this Exemption Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4 THE ACQUISITION

4.1 Introduction and description of the Acquisition

On 22 December 2021, GiG and GiG's subsidiary, Gaming Innovation Group Plc. (Malta) ("GiG Plc.") signed a share purchase agreement with the previous owners of Sportnco pursuant to which GiG Plc. would acquire all the shares in Sportnco and GiG would, inter alia, issue settlement shares in order to finance the main part of the cash consideration (the "**SPA**"). On 1 April 2022, necessary approvals were received from relevant authorities, and the board of directors of GiG and GiG Plc. resolved to complete the Acquisition.

The initial consideration in the Acquisition was EUR 51.37 million, whereof EUR 27.87 million was paid in cash and EUR 23.50 million was paid by issuing the Consideration Shares in GiG at a price of NOK 18.08 per share, equal to the WAP of the GiG share for the past ten days of trading. In addition, GiG has assumed existing debt in Sportnco of EUR 18.63 million. The purchase price is subject to customary post-closing balance sheet adjustments reflecting net debt and any deviations from normalised working capital at the time of closing. The Acquisition was based on an enterprise value of EUR 70 million, including approx. EUR 19.2 million in existing long term loans with French banks that will be rolled over.

GiG also entered into an agreement with SkyCity in December 2021, whereby SkyCity invests EUR 25 million in GiG through a directed share issue of the Issuing Shares at NOK 18.00 per share, financing the main part of the cash consideration to the shareholders of Sportnco.

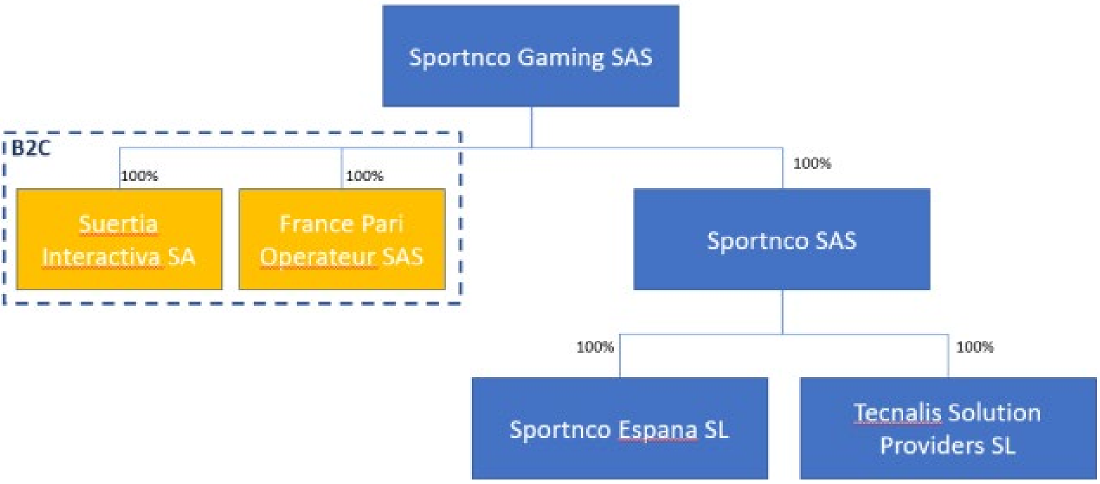
In total, GiG issues 26,110,900 new shares to the shareholders of Sportnco and to SkyCity, increasing the number of outstanding shares from 96,675,626 to 122,786,526. The shares issued to the shareholders of Sportnco are subject to a 6-month lock-up period.

Sportnco has 84 shareholders whereof the largest being its CEO and founder Hervé Schlosser (15.6%), Olivier Marchal, President at Bain&Co France (9.1%) and BNP Paribas Développment (6.6%), and these will hold 1.6%, 0.93% and 0.67% respectively in GiG. SkyCity will hold 10.98% in GiG.

In addition, the shareholders of Sportnco are entitled to a two year earn-out based on the performance in 2022 and 2023 with up to EUR 11.5 million per year. 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 VWAP of the GiG share at the time of payment, expected in April 2023 and April 2024. Further, to keep key employees in Sportnco, a 3-year option program will be entered into, whereby the option holders, pending continued employment, will receive shares in GiG at future VWAP valuation up to a total aggregate value of EUR 4 million.

For more information about the business of Sportnco, see Section 6 "The Business of Sportnco".

Below is a structure chart for Sportnco:



Below is a structure chart showing the Group structure after completion of the Acquisition:

4.2 Background and reason for the Acquisition

4.2.1 Purpose of the Acquisition

Sportnco is one of the leading platform providers of turnkey betting and gaming solutions for operators in regulated markets through its inhouse developed sportsbook and PAM. Sportnco will enhance and strengthen 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 regulated geographical footprint.

Sportnco has international presence and operates as a leading B2B supplier in France and Spain and is active in other European jurisdictions such as Belgium, Portugal, and Greece, as well as in several high growth Latin American markets and is well positioned to enter the US sportsbook lead states. Sportnco's geographical presence is highly complementary to GiG's current offering and combined, GiG and Sportnco have regulatory certifications covering 17 regulated markets, and be licensed in 5 jurisdictions, including Malta, UK, Romania, Greece and the US, currently with around 55 clients. Through the acquisition, GiG has increased both short- and long-term addressable markets meaningfully. Sportnco's tier 1 sportsbook product is strong, and the acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth.

Sportnco's tier 1 sportsbook product is strong, and the Acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth. The combined Company will have increased profitability, value proposition with ever increasing growth prospects and further diversification of revenue and geographical reach.

4.2.2 Anticipated benefits resulting from the Acquisition

GiG's strategy is profitable growth through consolidation and acquisition. Through the Acquisition, GiG will strengthen its position as one of the industry leading platforms and media providers with innovative and proprietary products and creating a large and fast growing providers in regulated iGaming with a large geographical footprint.

The combined Company will be licensed in 5 jurisdictions and have regulatory certifications covering 17 regulated markets, currently with around 55 clients, as Sportnco's geographical presence is highly complementary to GiG's current offering. Sportnco's tier 1 sportsbook product is industry leading, supporting profitable operators in some of the most regulated markets in the world, such as France, Spain and across LATAM. The Acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth. Sportnco will enable GiG to expand its addressable markets through their extensive presence in regulated markets in addition to targeting partners looking for a standalone sportsbetting solution.

4.3 Consideration under the Acquisition

The agreed consideration for Sportnco was the result of commercial negotiations and was primarily based on expectations of future performance and expected synergies and to a limited extent looked at historical figures for Sportnco. The part of the purchase price paid in shares was determined by a volume weighted average price for the GiG share 10 days prior to closing.

4.4 Conditions of the Acquisition

The terms of the Acquisition are set out in the SPA dated 22 December 2021.

The completion of the Acquisition was, among other things, subject to necessary approvals from relevant gaming authorities, shareholder approval to increase the authorised shares in GiG, bondholder approval on the rollover of loans in Sportnco, and final approval by the Board of Directors.

The SPA and any dispute or claim arising out of or in connection with the SPA or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

4.5 Impact of the Acquisition on GiG

4.5.1 Strategy and objectives

With the Acquisition, GiG strengthens its position in the platform and sports segments of the iGaming industry and will have multiple possibilities going forward by increasing its product portfolio driving toward a profitable and cash generating business segment. For the full year 2022, the combined operations should generate revenues of EUR 87-93 million with an EBITDA of EUR 30-35 million. The Board of Directors will have a strong focus on overall operations, including the post-merger integration of Sportnco, and will continue to look at possible strategic options to increase shareholder value going forward.

4.5.2 Material contracts

No material contracts of GiG or of Sportnco are materially affected by the Acquisition.

4.5.3 Disinvestment

Except for the Carve-out as described in Section 4.5 "The Carve-out", GiG has not decided to carry out any material disinvestments. Neither has GiG decided to make any material cancellations of future investments or disinvestments previously announced.

4.5.4 Corporate governance

Completion of the Acquisition has not entailed any changes to the composition of the GiG's executive management or Board of Directors.

4.6 The Carve-out

Sportnco currently operates both within the business-to-consumer (B2C) and business-to-business (B2B) segments. Due to administrative and tax considerations of the sellers, GiG, through GiG Plc., has formally acquired both the B2C and the B2B businesses of Sportnco. However, pursuant to the SPA, the B2C business has been carved out in the SPA and has not been taken into consideration in determining the consideration under the Acquisition. According to the SPA, the B2C business is acquired on a temporary basis only, and the B2C business, consisting i.a. of Sportnco's shares in its directly held subsidiaries Suertia Interactiva S.A.U (Spain) and FP Opérateur SAS (France) (see the group chart in Section 4.1 above) shall be operated by, and at the risk of, the sellers of Sportnco.

Pursuant to the SPA, the B2C business shall be sold by Sportnco to a third party within 12 months after closing of the Acquisition (the "**Carve-out**"). If no buyer is identified during that time, the B2C business shall be transferred back to the sellers pursuant to a put and call agreement giving GiG and GiG Plc. the right to require the sellers to buy back the B2C business at no consideration. In either case, the terms and conditions of the sale is the risk of the sellers, and the operational and financial risk for the B2C business shall also be for the account of the sellers during the time the B2C business is held by GiG Plc.

Although the B2C business has been legally acquired by GiG through entities controlled by voting rights, the contractual arrangements between GiG and the sellers are such that GiG has no substantive decision-making power over the B2C business. Moreover, the B2C assets cannot be used to freely service the other part of the acquired business, being the B2B net assets, and conversely, the B2B net assets also cannot be used to freely service the B2C assets, other than, in both cases, on market terms.

GiG has, under the SPA, an obligation to transfer any net cash flows emanating from the operation of the B2C business to the sellers. Additionally, the sellers have an obligation to transfer to GiG any net cash flows that GiG may incur from being the legal operator of the B2C business. In both instances, such net cash flows are not subject to interest.

Other cash flows that may be linked to the B2C business, for example a sale of the B2C business, will not be for the benefit (or detriment) of GiG, but the sellers. Such cash flows must, similar to the operating cash flows, be transferred (or remitted) to GiG (as sellers of the B2C business) without material delay.

The sellers have undertaken to fully indemnify GiG with respect to any lawsuits related to the B2C business that may emanate.

As consideration for the sellers using the GiG's back-end for the operation of the B2C business, GiG and the sellers have separately negotiated a service agreement which both parties consider to be reflective of the market price of B2B arrangements for similar services.

4.7 The Sellers' lock-up obligations

The shareholders of Sportnco have undertaken not to offer, sell or otherwise dispose of the Consideration Shares within a 6-month lock-up period.

For an additional 6-month period, the same parties have undertaken to only sell any number of Consideration Shares through a broker jointly selected by the Sellers and GiG, and limited to volumes and times as the broker in its absolute discretion may allow so as to ensure an orderly market and to minimize the impact on the share price by any proposed disposal.

4.8 Agreements to the benefit of board members or management in GiG and Sportnco

On 2 February 2022, the Board of Directors granted a total of 1,700,000 options to all members of the Executive Management. The exercise price was NOK 22.00 per share, and the options are exercisable with 20% after 1 January 2023, 30% after 1 January 2024 and 50% after 1 January 2025. All options expire on 31 December 2027 and are conditional upon employment at time of exercise. The options are granted under the option plan approved by the General Meeting in May 2019. GiG has 150,000,000 authorized shares, whereof 96,675,626 are issued and outstanding. After the grant, a total of 3,420,000 options are outstanding.

Sportnco Gaming SAS has entered into an indefinite term employment agreement with Herve Schlosser. Additionally, Gaming Innovation Group PLC has agreed that Mr. Schlosser be compensated should his employment be terminated prior to the earn-out component of the consideration being paid, other than for any reason of underperformance against financial targets.

The Company has also entered into several free share allocation agreements with employees (including key employees and directors) of SportNCo and its subsidiaries, allocating to such persons a value which will determine the number of free shares to be allotted to the holder on vesting date.

Other than set out above, no agreements have been entered into, or are planned to be entered into, in connection with the Acquisition for the benefit of senior employees or members of the board of directors of GiG or Sportnco.

4.9 Conflicts of interest

There are no known actual potential conflicts of interest of GiG, Sportnco or any of its shareholders in respect of the Acquisition.

4.10 Expenses for the Acquisition

The costs for the Acquisition and for the issuing of the Issuing Shares were approximately EUR 1.5 million. The transaction costs consisted mainly of external costs to financial and legal advisors.

4.11 The Consideration Shares

The Consideration Shares were resolved to be issued by the Board of Directors on 31 March 2022 pursuant to the general authorisation to the Board of Directors under the number of authorised shares approved by GiG's General Meeting held on 22 January 2022.

The Consideration Shares have been registered on a separate ISIN pending publication of this Exemption Document, and will upon publication of this Exemption Document be transferred to the same ISIN as the Shares listed on the Oslo Stock Exchange (ISIN US36467X2062) and become listed and tradable on the Oslo Stock Exchange as at the time of completion of such transfer.

The Consideration Shares are ordinary Shares in GiG, each having a par value of USD 1.00, and are registered in book-entry form with ESO. The Consideration Shares carry full shareholder rights, in all respects equal to GiG's existing Shares.

4.12 Dilution

As of 31 March 2022, which is the latest financial reporting date for GiG before the Acquisition, the net asset value per GiG share was NOK 1.32. The issue price per Consideration Share within the Acquisition was NOK 18.08.

Upon completion of the Acquisition, the previous shareholders of Sportnco received 12,623,400 new shares in GiG, corresponding to approximately 10.28% of the outstanding shares in GiG at the time of the completion of the Acquisition.

Below is an overview of the number of outstanding Shares and share capital in GiG at the date prior to the Acquisition, and the number of Shares and share capital in issue of GiG upon completion of the Acquisition and issuance of the Issuing Shares.

As per the date before the Acquisition		Upon completion of the Acquisition	
Shares in issue	Share capital (USD)	Shares in issue	Share capital (USD)
96,675,626	**96,675,626**	122,786,526	**122,786,526**
27% dilution, including dilution in voting rights			

5 BUSINESS OVERVIEW - THE GROUP

This Section provides an overview of the Group's business as of the date of this Exemption Document. The following discussion contains forward-looking statements that reflect the Group's plans and estimates, see Section 3.1 "Cautionary note regarding forward-looking statements" above, and should be read in conjunction with other parts of this Exemption Document, in particular Section 1 "Risk factors".

5.1 Incorporation; registration number; registered office and other company information

GiG's registered name is "Gaming Innovation Group Inc." and its commercial name is GiG. GiG is a corporation incorporated in the State of Delaware, United States, in accordance with Delaware law. GiG's registration number is 2309086. GiG was incorporated in Delaware on 10 September 1992, and its Shares were listed on the Oslo Stock Exchange on 27 January 2005, and on NASDAQ Stockholm on 26 March 2019.

GiG's registered business address is 1209 Orange Street, Wilmington, DE 19801, United States. The telephone number to GiG's principal offices is +356 27110277 and the website www.gig.com The information included on the website does not form part of this Exemption Document.

The Shares are registered in book-entry form with ESO under ISIN NO US36467X2062. GiG's register of shareholders with ESO is administrated by the ESO Registrar, DNB Bank ASA. GiG's LEI-code is 549300Z7163BIIXBP377.

GiG has one class of shares, and there are no differences in the voting rights among the Shares. The Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or existing shareholders' rights of first refusal.

5.2 Legal structure

Please refer to Section 4.1 "Introduction and description of the Acquisition" for an overview of the legal structure of the combined Company upon completion of the Acquisition.

5.3 Overview of the Group's operations

5.3.1 Principal activities

GiG's vision is "To be the industry-leading platform and media provider delivering world-class solutions to our iGaming partners and their customers". GiG's offering consists of a range of business-to-business products, services and solutions, all developed in-house, which connect end-users, operators and suppliers, creating synergistic effects and enhanced margin potential for all. The model enables GiG to enter markets at multiple points, each of which being mutually reinforcing, enabling GiG to take individual elements or aggregate slices of the markets in question.

GiG's offering consists of the following verticals: Media Services, Platform Services, Sports Betting Services and Managed Services.

GiG's business verticals include:

- Media Services: Through online media buys and publishing, Media Services finds leads, which are referred to customers on a perpetual revenue share and/or a flat fee for each provided lead converted to a customer. It also offers marketing agency services as part of its customer solutions.
- Platform Services: The technical platform is comprised of user management systems that administer user accounts and provide the transactional engine handling bets and payments, the wallet holding players' funds and ancillary features such as a bonus system, KYC tools and other analytics tools. GiG has

developed an open platform from the first line of code, which is sold to external operators both on a fixed fee model and a revenue share model. The features offered on the platform may also be sold as managed services. Through the Acquisition, GiG acquired two additional platforms (PAMs), the Tecnalis PAM known as Alira and the Sportnco PAM that is used in France.

- Sports Betting Services: GiG's sportsbook solution was launched in 2018 and provides all the building blocks to empower an operator to offer a betting experience unique to its players and brand. Through the Acquisition, GiG acquired the Sportnco sportsbook and trading operations, and when this is integrated into the current GiG platform, GiG’s existing sportsbook will be decommissioned. GiG’s Sports Betting Services offers operators full flexibility for both an online and an offline offering via a seamless so-called omni-channel solution.
- Managed Services: The managed services solution provides GiG’s customers with a tailor-made package of turnkey services to suit individual business needs’ including media services, operations services and customer relationship management. All of the turnkey managed services are available from pre-launch throughout the clients business lifecycle, providing the support needed to help manage and grow their gaming business.

5.3.2 Significant changes having an impact on GiG's operations and principal activities since 31 December 2021

There have been no significant changes since 31 December 2021 impacting GiG's operations and principal activities, except for the Acquisition and related financing (bond tap issue and SkyCity share issue).

5.3.3 Principal markets

• New Zealand – skycitycasino.com, operated by GiG’s subsidiary Silvereye Entertainment Limited, solely accepts clients from New Zealand. Silvereye Entertainment Limited has obtained rights from SkyCity Malta Limited to operate the SkyCity brand against remuneration paid to SkyCity Malta Limited. As at 31 December 2021, New Zealand made up 49% of the revenues made by our software services and managed services combined on a gross basis, i.e. prior to the revenue share being paid out to SkyCity Malta Limited.

• Germany – Germany is a material market for both the Group's software services and media services businesses. As at 31 December 2021, it made up 11% of the revenues of the software division and 9% of the media services.

• The Nordic countries is a material market for media services businesses and to some extent for the Group's software services. As at 31 December 2021, they made up 28% of the revenues of the media services and 10% of the software division.

5.4 Investments

5.4.1 Material investments since 31 December 2021

GiG has not made any material investment decisions since 31 December 2021, other than the decision to carry out the Acquisition.

5.5 Members of the Board of Directors and Executive Management

5.5.1 Board of Directors

The names and positions, current term of office and shareholdings of the Board Members as of the date of this Exemption Document are set out in the table below. GiG's registered business address, serves as business address for the members of the Board of Directors as regards their directorship in GiG.

Name	Position	Served since	Term expires	Shares
Johan Petter Erik Nylander	Chairman	December 2018	May 2023	119,800
Kjetil Garstad	Board Member	May 2020	May 2023	334,531
Kathryn Moore Baker	Board Member	May 2021	May 2023	20,000
Nicolas Holger Fredrik Adlercreutz	Board Member	May 2020	May 2023	22,500
Michael Ahearne	Board Member	April 2022	May 2023	0
Mikael Riese Harstad	Board Member	May 2022	May 2023	1,342,136
Hesam Yazdi	Board Member	May 2022	May 2023	917,150

The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code, which sets out that at least to board members shall be independent of the company's main shareholder, and that the majority of the members elected to the board of directors by shareholders should be independent of the company's executive personnel and main business connections. The Corporate Governance Code provides that a board member is generally considered to be independent when he or she does not have any personal, material business or other contacts that may influence the decisions it makes as a board member.

5.5.2 Executive Management

The Group's management currently consists of nine individuals. The names of the members of Management and their respective positions are presented in the table below. GiG's registered business address serves as business address for all members of Management in relation to their positions with GiG.

Name	Position	Position held since	Shares	Options
Richard Alex Brown	Chief Executive Officer	September 2019	120,000	110,000
Tore Formo	Chief Financial Officer, Group	January 2005	458,167	60,000
Justin Psaila	Chief Financial Officer	July 2015	2,100	132,000
Christopher Armes	Chief Information Officer	August 2019	0	210,000
Jonas Warrer	Chief Marketing Officer	April 2021	400,886	60,000
Claudio Gustav Caruana	General Counsel	August 2020	100	60,000
Claudia Ginex	Chief People Officer	April 2021	0	60,000
Nicola Fitton	Chief Operating Officer	January 2022	0	88,000

5.5.3 Disclosure of conflicts of interest

During the last five years preceding the date of this Exemption Document, none of the Board Members or the members of the Management has, or had, as applicable:

a) any convictions in relation to indictable offences or fraudulent offences;

b) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

c) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or manager of a company.

As set out above, certain members of the Board of Directors and the Management have financial interests in GiG through direct and indirect shareholdings. In addition, members of the Board of Directors and the Management may be board members or managers of other companies and hold shares in other companies, and in the event any such company enters into business relationships with GiG, the members of the Board of Directors and Management may have a conflict of interest, which is managed by the person concerned not being involved in the handling of the matter on behalf of GiG. Except as specified, no members of the Board of Directors or the Management has any private interest which may conflict with the interests of GiG.

There are no family ties between any of the members of the Board of Directors and/or the members of the Management

5.6 Corporate governance

5.6.1 Identity of major shareholders

Shareholders owning 5% or more of the Shares have an interest in GiG's share capital which is notifiable pursuant to the Norwegian Securities Trading Act.

There exist no different voting rights for major shareholders, and all shares carries one vote.

As of 31 May 2022, GiG had approximately 9,700 shareholders. The largest shareholders of GiG are SkyCity Entertainment Group Limited, holding 13,487,500 shares (11.0%), Optimus Invest Limited, holding 7,603,559 shares (6.2%) and Myrlid AS, holding 6,866,574 shares (5.6%). GiG does not hold any treasury shares, nor do any of GiG's subsidiaries hold shares in GiG.

The Certificate of Incorporation and the By-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of GiG.

5.6.2 Number of employees

By the end of 2021, the Group had 468 employees spread throughout Malta, Spain, Denmark, Latvia and some satellite offices at other locations. Approximately 230 people contributed towards Platform Services, 145 were focusing into Media Services and 20 in Sports Betting Services with the balance in corporate functions.

The Acquisition of Sportnco in Q1 2022 brought about 120 employees with office presence in Toulouse, Madrid and Barcelona.

Further, GiG collaborates with approximately 50 full time consultants (based across Europe and USA) and almost 100 outsourced resources dedicated to tech departments for delivery of key projects.

The table below shows the numbers of full-time employees of the Group as of 31 December 2021 and as of the date of this Prospectus.

	As of 31 December 2018	As of 31 December 2019	As of 31 December 2020	As of 31 December 2021	As of the date of this Exempted Document
Total Group	681	658	477	513	670
By legal entity:					
GiG Central Services Ltd.	458	457	327	348	344
Rebel Penguin ApS	49	55	49	57	63
GiG Norway AS	35	23	6	4	2
GiG Spain	132	115	93	82	90
GiG Gibraltar	7	8	0	0	0
Sia GiG Riga (Latvia)	0	0	0	19	18
Sportnco (France)	0	0	0	0	13
Sportnco (Spain)	0	0	0	0	13
Tecnalis (Spain)	0	0	0	0	67

Suertia (Ceuta)	0	0	0	0	16
GiG Inc. (USA)	2	3	3	4	3

5.7 Significant changes in GiG's financial position since 31 March 2022

There have been no significant changes in the financial or trading position of the Group since 31 March 2022 except for the changes due to the Acquisition.

5.8 Legal and arbitration proceedings

From time to time, GiG and the other Group companies are involved in litigation.

The Group has appealed a sanction decision against Zecure Gaming Limited for offering of one prohibited event to end consumers. The Group is appealing on the basis that the penalty at SEK 3,500,000 is disproportionate when considering that no bets were taken on the event in question and other circumstances that led to the inadvertent offering of such event. Despite Zecure Gaming Limited being sold as part of the B2C business sale in 2020, the Group controls the defence and provides indemnification to the buyers for the value of the penalty.

The Group has ongoing cases in Germany and Austria related to its discontinued business-to-consumer business. The cases relate to claims by former players for a return of their lost deposits during the period prior to Interstate Treaty 2021 coming into force.

Following the Acquisition, a newly acquired subsidiary, Sportnco SAS, is engaged in an ongoing legal dispute before the Spanish courts relating to an alleged payment default under a share purchase agreement for the acquisition of Tecnalis Solution Providers SL. The claim has been brough by the former owner of Tecnalis Solutoin Providers SL claiming additional consideration. Sportnco SAS refutes that any payment is due.

Apart from the above, neither GiG nor the Subsidiaries is or has, during the previous twelve months, been a party to and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, a significant effect on GiG's, the Subsidiaries' and/or the Group's financial position or profitability.

5.9 Public takeover bids

The Shares have not been subject to any public takeover bids during the current or last financial year.

5.10 Working capital statement

GiG is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Exemption Document.

5.11 Issue authorisations

5.11.1 Authorisation to increase the share capital and issue new shares

At the Special Meeting of Shareholders held on 22 January 2022, the number of authorised shares were increased from 110,000,000 to 150,000,000. As per Delaware law, the Board of Directors are authorised to increase the number of issued shares, and thus the share capital of GiG, up to the 150,000,000 authorised shares.

6 BUSINESS OVERVIEW - SPORTNCO

This Section provides an overview of the Sportnco business at the time of the completion of the Acquisition. The following discussion contains forward-looking statements that reflect the Group's plans and estimates, see Section 3.1 "Cautionary note regarding forward-looking statements" above, and should be read in conjunction with other parts of this Exemption Document, in particular Section 1 "Risk factors".

6.1 Incorporation; registration number; registered office and other company information

Sportnco's registered name is "Sportnco Gaming SAS" and its commercial name is Sportnco. Sportnco is a corporation incorporated in France, in accordance with French law. Sportnco's registration number is 504 180 225. Sportnco was incorporated in France on 15 May 2008.

Sportnco's registered business address is 425 Rue Jean Rostand, 31670 Labege, France. The telephone number to Sportnco's principal offices is +33 5 62 26 75 72 and the website is www.sportnco.com. The information included on the website does not form part of this Exemption Document.

6.2 Legal structure

Please refer to Section 4.1 "Introduction and description of the Acquisition" for an overview of the legal structure of the combined Company upon completion of the Acquisition.

6.3 Overview of Sportnco's operations

6.3.1 Key principal activities

Sportnco is an independent sports betting and iGaming business with international presence in Europe, South America and the US through a combination of tier 1 clients and strong local players. Sportnco has been successful in entering into new geographical markets and currently has around 40 partners working in 12 countries across Europe and Latin America and currently being launched in new regions in North America.

Sportnco started in 2008 as a B2C operator, then evolving to become a B2B solution provider and is a specialist in online sports betting for regulated markets, starting in France, then Spain and expanding to other markets as their sports betting activity was getting regulated. GiG has developed its own proprietary betting platform, offering a complete live and pre -match betting offer on more than 50 sports. It includes an experienced team of sports traders who perform betting quotation and counterparty risk management to deliver both attractive odds and high level of margin. Sportnco operates the leading B2B betting networks in France and Spain and is active in other European jurisdictions such as Belgium, Portugal, and Greece, as well as in South America and the US. GiG has been developing a responsible gaming policy since its launch, which has led it to be present only in highly regulated markets.

Sportnco's platform offers a player account management (PAM) system that enable its clients to launch a complete offer of online casino games, sports betting, poker and bingo, as it is connected to more than 40 game providers. This powerful technological integration tool allows operators to manage all the key aspects of their activities: players KYC, CRM and bonusing, regulatory report through its proper digital vault.

6.3.2 Significant changes having an impact on Sportnco's operations and principal activities since 31 December 2021

Except for the change of ownership due to the Acquisition, there have not been any significant changes since 31 December 2021 impacting Sportnco's operations and principal activities.

6.3.3 Principal markets

Please see Section 5.3.3 for a description of the principal markets for the combined group.

6.4 Financial information

Sportnco has issued the Sportnco Financial Statements and has also prepared the Sportnco 2021 Carve-out Management Accounts, attached hereto as Appendices C and D respectively.

6.5 Material investments since 31 December 2021

Sportnco has not made any material investment decisions since 31 December 2021.

6.6 Significant changes in Sportnco's financial position since 31 December 2021

There have been no significant changes in the financial position of Sportnco since 31 December 2021.

6.7 Legal and arbitration proceedings

Please refer to Section 5.8 for information on legal and arbitration proceedings relating to the combined Company upon completion of the Acquisition.

7 PRO FORMA FINANCIAL INFORMATION

Pro forma financial information and the auditor's assurance report are attached hereto as appendix D.

8 REGULATORY DISCLOSURES

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by GiG pursuant to the Norwegian Securities Trading Act on its ticker "GIG" on www.newsweb.no during the last twelve months prior to the date of this Exemption Document.

Financial reporting		
Date disclosed	**Title**	**Summary of the information given**
22 April 2022	Gaming Innovation Group - Annual Report and Sustainability Report	GiG published its 2021 annual report and sustainability report.
15 February 2022	Gaming Innovation Group reports Q4 2021	GiG reported fourth quarter results of EUR 18.2 million and an EBITDA of EUR 5.6 million. The results were characterised by all-time high revenues, up 29%, and an EBITDA up 35% compared to the fourth quarter of 2020.
9 November 2021	Gaming Innovation Group reports Q3 2021	GiG reported third quarter results of EUR 17 million and an EBITDA of EUR 5.3 million.
18 August 2021	Gaming Innovation Group reports Q2 2021	GiG reported second quarter results of EUR 16.2 million and an EBITDA of EUR 5.3 million. The results were characterised by meaningful growth in revenues, EBITDA and EBIT as well as underlying business dynamics.
6 May 2021	Gaming Innovation Group reports Q1 2021	GiG reported first quarter results of EUR 18.3 million and an EBITDA of EUR 4.6 million.

Additional regulatory information to be disclosed		
Date disclosed	**Title**	**Summary of the information given**
29 April 2022	Gaming Innovation Group signs head of terms agreement with UK tier 1 retain casino operator	Announcement that GiG has signed a head of terms agreement with a Tier 1 retain operator in the UK for the provision of its turnkey managed service solutions.
22 April 2022	Gaming Innovation Group Inc. – Notice of Annual Meeting of Shareholders 19 May 2022	Notice that the Annual General Meeting of GiG will be held on Thursday 19 May 2022 at Scandic Anglais, Humlegårdsgatan 23, Stockholm, Sweden.
1 April 2022	Gaming Innovation Group – appointment of new board member	Announcement that the Board of Directors has appointed Michael Ahearne as a new board member.
1 April 2022	Gaming Innovation Group completes acquisition of Sportnco	Announcement that GiG has received the necessary approvals from relevant authorities, and that the Board of Directors has resolved to complete the Acquisition, hereunder to issue new shares to the shareholders of Sportnco and to SkyCity.
11 February 2022	Gaming Innovation Group extends contract with Betsson Group	Announcement that GiG has signed an extension to the long-term agreement with Betsson Group for the provision of Platform & Managed Services. The contract extension is for an additional three years taking the term of the contract to Q4 2025.

26 January 2022	Gaming Innovation Group – Successful placement of a SEK 100 million bond tap issue	Announcement that GiG has successfully completed a SEK 100 million subsequent bond issue under the Group's existing senior secured bond framework with ISIN NO0011017097.
21 January 2022	Gaming innovation Group: Notice from Written Resolution	Notice that a written resolution was resolved pursuant to the notice of a written resolution dated 7 January 2022 in accordance with the voting requirements of the bond terms (ISIN NO0011017097).
20 January 2022	Gaming Innovation Group – Minutes from Special Meeting of Shareholders	Announcement that a Special Meeting of Shareholders was held in GiG on 20 January 2022 in Stockholm, Sweden. The Special Meeting of Shareholders resolved an amendment to GiG's Amended and Restated Certificate of Incorporation authorizing an increase in the number of shares of stock which GiG is authorized to issue from 110,000,000 to 150,000,000. The Special Meeting further resolved an increase of the number of board members from six to seven and give the Board of Directors authority to consult the nomination committee and appoint a new board member.
30 December 2021	Gaming Innovation Group Inc. Notice of Special Meeting of Shareholders 20 January 2022	Notice that a Special Meeting of Shareholders will be held on 20 January 2022 at 7A Posthuset, meeting room no. 312, Vasagatan 28, Stockholm, Sweden.
22 December 2021	Gaming Innovation Group acquires Sportnco	Announcement that GiG has signed the SPA to acquire Sportnco and an agreement with SkyCity, whereby SkyCity will invest EUR 25 million in GiG.
14 December 2021	Gaming Innovation Group signs platform agreement with retail player Rank Entertainment Holdings	Announcement that GiG has signed a long-term agreement with Rank Entertainment Holdings, for the provision of GiG's player account management (PAM), the delivery of frontend, via the CMS, and managed services, including media and business operations.
10 November 2021	Financial calendar	Notice of the financial calendar for GiG.
1 July 2021	Gaming Innovation Group signs Pennsylvania platform agreement with partner PlayStar	Announcement that GiG has signed a long-term agreement with current partner PlayStar Casino, for the provision of GiG's iGaming platform technologies to power the brand's expansion into the state of Pennsylvania.
27 May 2021	Gaming Innovation Group – Successful placement of SEK 450 million senior secured bond	Announcement that GiG's subsidiary, Gaming Innovation Group Plc., has successfully completed the issuance of a new 3-year SEK 450 million secured bond with a SEK 550 million borrowing limit.
27 May 2021	Gaming Innovation Group is contemplating SEK bond issue	Announcement that GiG has mandated ABG Sundal Collier and Pareto Securities to arrange a fixed income investor call on 27 May 2021, and that a 3-year senior secured floating rate bond issue of minimum SEK 425 million may follow, subject to inter alia market conditions.
20 May 2021	Gaming Innovation Group – Annual Meeting of Shareholders	Announcement that an Annual Meeting of Shareholders was held in GiG on 20 May 2021 in Stockholm, Sweden.

9 ADDITIONAL INFORMATION

9.1 Independent auditors

GiG's independent auditor is REID CPAs LLP, with registration number 069512 (New York State) and registered address 7600 Jericho Turnpike, Suite 400, Woodbury, NY 11797. REID CPAs LLP has been GiG's independent auditor since 2021. Israeloff Trattner & Co CPAs PC was GiG's auditor from 2003 and until they merged with REID CPAs LLP in 2020. REID CPAs LLP is a member of the Public Company Oversight Board and the American Institute of Certified Public Accountants.

The GiG Financial Statements have been audited by REID CPAs and are incorporated by reference into this Exemption Document, see Section 9.4 "Incorporation by reference". REID CPAs LLP has not audited, reviewed or reproduced any report on any other information provided in this Exemption Document.

With respect to the unaudited pro forma financial information included herein, REID CPAs LLP has applied assurance procedures in accordance with ISAE 3420 Assurance Engagement to Report on Compilation of Pro Forma Financial Information Included in a Prospectus in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of GiG as stated in their report included herein.

Sportnco's independent auditor is EXCO, with registration number 434 752 010 and registered address 200 Boulevard du Four à Creux 06100 Le Cannet (France). EXCO has been Sportnco's independent auditor since the incorporation of GiG in 2008. EXCO is a member of the Compagnie Nationale des Commissaires aux Comptes, the French statutory auditors association.

9.2 Advisors

Wikborg Rein Advokatfirma AS (Dronning Mauds gate 11, 0250 Oslo, Norway) is acting as Norwegian legal counsel to GiG.

9.3 Documents on display

Copies of the following documents will be available for inspection at GiG's offices at @GiG Beach, Triq Id-Dragunara, St Julian's, STJ 3148, Malta, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Exemption Document:

- GiG's certificate of incorporation and By-laws;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at GiG's request any part of which is included or referred to in this Exemption Document; and
- this Exemption Document.

The documents are also available at GiG's website www.gig.com. The contents of this website are not incorporated by reference into, or otherwise form part of, this Exemption Document.

9.4 Incorporated by reference

The information incorporated by reference in this Exemption Document should be read in connection with the cross reference table set out below. Except as provided in Section 9.4 "Incorporated by reference", no information is incorporated by reference into this Exemption Document.

Minimum disclosure requirement for exemption documents		Reference document and link	Page of reference document
Item 2.5	Audited historical financial information and unaudited interim financial statements	**The GiG Financial Statements** https://www.gig.com/wp-content/uploads/2022/04/Annual-Report-2021.pdf	-
Item 2.5	Audit reports	**GiG Audit Report 2021** https://www.gig.com/wp-content/uploads/2022/04/Annual-Report-2021.pdf	P. 55

10 DEFINITIONS AND GLOSSARY

Acquisition	GiG's acquisition of Sportnco.
Board Members	The members of GiG's Board of Directors.
Board of Directors	The Board of Directors of GiG.
By-Laws	GiG's by-laws attached as Appendix A to this Exemption Document.
CEO	Chief executive officer.
Carve-out	The carve-out of the B2C business of Sportnco by way of a sale by Sportnco to a third party within 12 months after closing of the Acquisition.
Company or GiG	Gaming Innovation Group Inc., a corporation incorporated in the State of Delaware, USA, in accordance with Delaware law with business registration number 2309086 and registered address 1209 Orange Street, Wilmington, DE 19801, United States.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, published 14 October 2021
Consideration Shares	12,623,400 new shares in GiG, each with a par value of USD 1.00, issued as part of the total consideration paid to the sellers in connection with the Acquisition, at a share price of NOK 18.08.
DKK	Danish Kroner, the lawful currency of Denmark.
EEA	The European Economic Area.
ESO	Euronext Securities Oslo (the Norwegian central securities depository.
ESO Registrar	DNB Bank ASA, with business registration number 984 851 006.
EU	The European Union.
EUR or Euro	The lawful common currency of the participating member states in the European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Text with EEA relevance.
Exemption Document	This Exemption Document dated 13 July 2022.
GBP	British pound sterling, the lawful currency of the United Kingdom.
General Meeting	GiG's general meeting of shareholders.
GiG Financial Statements	GiG's consolidated audited financial statements as of and for the year ended 31 December 2021 with comparable numbers for 2020 and unaudited interim financial statements as of 31 March 2022 and for the period between 1 January 2022 and 31 March 2022.
GiG Plc.	Gaming Innovation Group Plc., a public limited company registered in Malta, in accordance with Maltese law, with business registration number C44319 and registered business address at @GIG Beach, Triq id-Dragunara, St Julians STJ 3148, Malta.
Group	GiG together with its consolidated subsidiaries.
IASB	The International Accounting Standards Board.
IFRS	International Financial Reporting Standards as adopted by the EU.
Issuing Shares	13,487,500 new shares in GiG, issued and delivered to SkyCity through a directed share issue at NOK 18.00 per share.
LEI	Legal Entity Identifier.
Listing	The listing by Gaming Innovation Group Inc. on the Oslo Stock Exchange of the Consideration Shares and Issuing Shares.
Executive Management	The senior management team of GiG.
NOK	Norwegian Kroner, the lawful currency of Norway.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 No 75 (Nw.: verdipapirhandelloven).
NZD	New Zealand Dollars, the lawful currency of New Zealand.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
SEK	Swedish Kroner, the lawful currency of Sweden.
Share(s)	Means the shares of GiG, each with a par value of USD 1.00, or any one of them.
SkyCity	SkyCity Entertainment Group Limited, a public company incorporated in New Zealand, in accordance with New Zealand law, with business registration number 610568 and registered business address at Level 13, 99 Albert Street, Auckland, 1010, New Zealand.
SPA	Share purchase agreement of 22 December 2021 between GiG, GiG Plc. and the shareholders of Sportnco for the acquisition of 100% of the shares in Sportnco.
Sportnco	Sportnco Gaming SAS, a limited liability company incorporated in France, in accordance with French law, with business registration number 504 180 225 and registered address 425 Rue Jean Rostand, 31670 Labege, France.

Sportnco 2021 Carve-out Management Accounts	Sportnco's unaudited carve-out management accounts for its business-to-business (B2B) activity as per and for the year ended 31 December 2021.
Sportnco Financial Statements	Sportnco's audited financial statements as per and for the year ended 31 December 2021 with comparable numbers for 2020.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States of America.
U.S. or United States	The United States of America.
U.S. Securities Act	The United States Securities Act of 1933, as amended.

Gaming Innovation Group Inc.
1209 Orange Street
Wilmington, DE 19801
United States

Legal advisor to the Company

Wikborg Rein Advokatfirma AS
Dronning Mauds gate 11
N-0250 Oslo
Norway

Appendix A – By-Laws of Gaming Innovation Group Inc.

BY-LAWS
of
GAMING INNOVATION GROUP INC.
(A Delaware Corporation)

ARTICLE I
Stockholders

Section 1. Place of Meetings
Meeting of Stockholders shall be held at such place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors.

Section 2. Annual Meetings
Annual meetings of stockholders shall be held on such date during the first half of each year and at such time as shall be designated from time to time by the Board of Directors. At each annual meeting the stockholders shall elect a Board of Directors by plurality vote and transact such other business as may be properly brought before the meeting.

Section 3. Special Meetings
Special meetings of the stockholders may be called by the Board of Directors.

Section 4. Notice of Meetings
Written notice of each meeting of the stockholders stating the place, date and hour of the meeting shall be given by or at the direction of the Board of Directors to each stockholder entitled to vote at the meeting at least ten, not more than sixty, days prior to the meeting. Notice of any special meeting shall state in general terms the purpose or purposes for which the meeting is called.

Section 5. Quorum; Adjournments of Meetings
The holders of one third of the issued and outstanding shares of the capital stock of the corporation entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at such meeting; but, if there be less than a quorum, the holders of a majority of the stock so present or represented may adjourn the meeting to another time or place, from time to time, until quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice, except as required by law, and any business may be transacted thereat which might have been transacted at the meeting as originally called.

Section 6. Voting
At any meeting of the stockholders every registered owner of share entitled to vote may vote I person or by proxy and, except as otherwise provided by statue, in the Certificate of Incorporation or these By-Laws, shall have one vote for each such share standing in his name on the books of the corporation. Except as otherwise required by statute, the Certificate of Incorporation or these By-Laws, all matters, other than the election of directors, brought before any meeting of the stockholders shall be decided by a vote of a majority in interest of the stockholders of the corporation present in person or by proxy at such meeting and voting thereon, a quorum being present.

Section 7. Inspectors of Election

The Board of Directors, or, if the Board shall not have made the appointment, the chairman presiding at any meeting of stockholders, shall have power to appoint one or more persons to act as inspectors of election at the meeting or any adjournment thereof, but no candidates for the office of director shall be appointed as an inspector at any meeting for the election of directors.

Section 8. Chairman of Meetings

The Chairman of the Board or, in his absence, the President shall preside at all meetings of the stockholders. In the absence of both the Chairman of the Board and the President, a majority of the members of the Board of Directors present in person at such meeting may appoint any other officer or director to act as Chairman of the meeting.

Section 9. Secretary of Meetings

The Secretary of the corporation shall act as secretary of all meetings of the stockholders. In the absence of the Secretary, the chairman of the meeting shall appoint any other person to act as secretary of the meeting.

Section 10. Stockholders' Action Without Meetings

Any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting, if a written consent thereto is signed by all the stockholders, and such written consent is filed with the minutes of proceedings of the stockholders.

ARTICLE II
Board of Directors

Section 1. Number of Directors

The Board of Directors shall consist of at least one (1) and not more than twenty (20) members; provided, however, that such number may from time to time be increased or decreased by the Board of Directors or by the stockholders.

Section 2. Vacancies

Whenever any vacancy shall occur in the Board of Directors by reason of death, resignation, removal, increase in the number of directors or otherwise, it may be filled by majority of the directors then in the office, although less than a quorum, or by a sole remaining director, for the balance of the term, or, if the Board has not filled such vacancy, it may be filled by the stockholders.

Section 3. First Meeting

The first meeting of each newly elected Board of Directors, of which no notice shall be necessary, shall be held immediately following the annual meeting of stockholders or any adjournment thereof at the place the annual meeting of stockholders was held at which such directors were elected, or at such other place as a majority of the members of the newly elected Board who are then present shall determine, for the election or appointment of officers for the ensuing year and the transaction of such other business as may be brought before such meeting.

Section 4. Regular Meetings

Regular meetings of the Board of Directors, other than the first meeting, may be held without notice at such times and places as the Board of Directors may from time to time determine.

Section 5. <u>Special Meetings</u>

Special meetings of the Board of Directors may be called by order of the Chairman of the Board, the President or any two directors. Notice of the time and place of each special meeting shall be given by or at the direction of the person or persons calling the meeting by mailing the same at least three days before the meeting or by telephoning, telegraphing, or delivering personally the same at least twenty-four hours before the meeting to each director. Except as otherwise specified in the notice thereof, or as required by statute, the Certificate of Incorporation or these By-Laws, any and all business may be transacted at any special meeting.

Section 6. <u>Place of Conference Call Meeting</u>

Any meeting at which one or more of the members of the Board of Directors or of a committee designated by the Board of Directors shall participate by means of conference telephone or similar communications equipment shall be deemed to have been held at the place of designated for such meeting, provided that at least one member is at such place while participating in the meeting.

Section 7. <u>Organization</u>

Every meeting of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, the President. In the absence of the Chairman of the Board and the President, a presiding office shall be chosen by majority of the directors present. The Secretary of the corporation shall act as secretary of the meeting, but, in his absence, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. <u>Quorum; Vote</u>

A majority of the directors then in office (but in no event less than one-third of the total number of directors) shall constitute a quorum, for the transaction of business, but less than a quorum may adjourn any meeting to another time or place from time to time until a quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice. Except as otherwise required by statute, the Certificate of Incorporation or these By-Laws, all matter coming before any meeting of the Board of Directors shall be decided by the vote of a majority of the directors present at the meeting, a quorum being present.

Section 9. <u>Removal of Directors</u>

Any one or more of the directors shall be subject to removal with or without cause at any time by the stockholders.

Section 10. <u>Directors' Action With or Without Meetings</u>

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a written consent thereto is signed by all members of the Board of Directors, and such written consent is filed with the minutes of proceedings of the Board of Directors.

ARTICLE III
<u>Officers</u>

Section 1. <u>General</u>

The Board of Directors shall elect the officers of the corporation, which shall include a President, a Secretary and a Treasurer and such other or additional officers (including, without limitation, a Chairman of the Board, one or more Vice-Chairmen of the Board, Vice-Presidents, Assistant Vice-Presidents, Assistant Secretaries and Assistant Treasurers) as the Board of Directors may designate.

Section 2. Term of Office; Removal and Vacancy

Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Any officer or agent shall be subject to removal with or without cause at any time by the Board of Directors. Vacancies in any office, whether occurring by death, resignation, removal or otherwise, may be filled by the Board of Directors.

Section 3. Powers and Duties

Each of the officers of the corporation shall, unless otherwise ordered by the Board of Directors, have such powers and duties as generally pertain to his respective office as well as such powers and duties as from time to time may be conferred upon him by the Board of Directors. Unless otherwise ordered by the Board of Directors after the adoption of these By-Laws, the Chairman of the Board, or, when the office of Chairman of the Board is vacant, the President shall be the chief executive officer of corporation.

Section 4. Power to Vote Stock

Unless otherwise ordered by the Board of Directors, the Chairman of the Board and the President each shall have full power and authority on behalf of the corporation to attend and to vote at any meeting of stockholders of any corporation in which this corporation may hold stock, and may exercise on behalf of this corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting and shall have power and authority to execute and deliver proxies, waivers and consents on behalf the corporation in connection with the exercise by the corporation of the rights and powers incident to the ownership of such stock. The Board of Directors, from time to time, may confer like powers upon any other person or persons.

ARTICLE IV
Capital Stock

Section 1. Certificates of Stock

Certificates of stock of the corporation shall be in such form as the Board of Directors may from time to time prescribe and shall be signed by the Chairman of the Board or Vice Chairman of the Board or the President or a Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. The Stock of the corporation may, should the Board of Directors wish, be uncertificated and be registered in a paper less securities system.

Section 2. Transfer of Stock

Shares of capital stock of the corporation shall be transferable on the books of the corporation only by the holder of record thereof, in person or by duly authorized attorney, if certificated, upon surrender and cancellation of certificates for a like number of shares, with an assignment or power of transfer endorsed thereon or delivered therewith, duly executed, and with such proof of the authenticity of the signature and of authority to transfer, and of payment of transfer taxes, as the corporation or its agents may require. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Section 151, 156, 202(a) or 218(a) of the Delaware General Corporation Law or statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participation, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions and/or rights.

Section 3. Ownership of Stock

The corporation shall be entitled to treat the holder of record of any share or shares of stock as the owner thereof in fact and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

ARTICLE V
Miscellaneous

Section 1. Corporate Seal

The seal of the corporation shall be circular in form and shall contain the name of the corporation and the year and State of incorporation.

Section 2. Fiscal Year

The Board of Directors shall have power to fix, and from time to time change, the fiscal year of the corporation.

ARTICLE VI
Amendment

The Board of Directors shall have the power to make, alter or repeal the By-Laws of the corporation subject to the power of the stockholders to alter or repeal the By-Laws made or altered by the Board of Directors.

ARTICLE VII
Indemnification

The corporation may indemnify any director, officer, employee or agent of the corporation to the full extent permitted by law.

Appendix B – Sportnco Audited Financial Statements

GROUP

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

S.A.S. SPORTNCO GAMING

Société par Actions Simplifiée au capital de 3 243 571 €
425 Rue Jean Rostand
31670 LABEGE
RCS TOULOUSE 504 180 225

Consolidated Statement of Financial Position

(thousands euros)	Notes	at 31 December 2021	at 31 December 2020
Non-current assets		**23 724**	**25 821**
Intangible assets	7.1	23 282	25 293
Tangible assets	7.2	234	317
Financial assets	7.3	208	211
Investment in associates			
Current assets		**4 237**	**7 669**
Inventory and work-in-progress			
Trade receivables	7.4	514	947
Deferred tax assets	7.13	87	701
Other receivables and prepayments	7.5	1 070	1 165
Cash and cash equivalents	7.6	2 566	4 856
Total Assets		**27 961**	**33 490**
Equity		**4 001**	**8 918**
Equity attributable to owners		**3 910**	**8 827**
Issued Capital	7.7.1	3 244	3 244
Share premium		1 916	1 916
Retained earnings		3 667	1 989
Net income (loss) for the year		(4 917)	1 678
Non-controlling interests			
Non-controlling interest reserves			
Non-controlling interests of the period			
Other equity	7.8	**91**	**91**
Provisions	7.9		**454**
Liabilities		**23 960**	**24 118**
Financial liabilities	7.10	19 831	19 190
Trade payables	7.11	761	1 185
Deferred tax liabilities	7.13	456	44
Other liabilities	7.12	2 912	3 699
Total Liabilities and Equity		**27 961**	**33 490**

Consolidated Income Statement

(thousands euros)	Note	December 31, 2021	December 31, 2020
Revenue	8.1	14 806	14 701
Capitalized production	8.2	3 730	1 558
Other operating income	8.2	343	362
Operating income		**18 878**	**16 622**
Tax on games expenses		(3 076)	(3 522)
Bonus for players		(1 464)	(1 306)
Technological services		(1 629)	(1 847)
External services and other expenses		(2 527)	(2 443)
Employee expenses	8.3	(6 662)	(3 620)
Tax expenses		(81)	(108)
Net depreciation	8.4	(4 212)	(1 844)
Net provisions and amortizations	8.4	(10)	(70)
Operating expenses		**(19 660)**	**(14 760)**
Operating income before goodwill impairment		**(782)**	**1 862**
Impairment of goodwill	8.4	(2 487)	
Operating income		**(3 269)**	**1 862**
Financial income		1	31
Financial expenses		(378)	(86)
Financial income	8.5	**(376)**	**(55)**
Recurring income		**(3 645)**	**1 806**
Non-recurring income		515	59
Non-recurring expenses		(926)	(647)
Non-recurring income	8.6	**(411)**	**(587)**
Income tax expense	8.7	(861)	459
Net income before results in investments of associates		**(4 917)**	**1 678**
Income from investments of associates			
Net income		**(4 917)**	**1 678**
Attributable to owners of the Group		*(4 917)*	*1 678*
Attributable to non-controlling interests			
EBITDA	9.3	***3 440***	***3 775***

Consolidated Cash-Flow Statement

(thousands euros)	Notes	December 31, 2021	December 31, 2020
Net income		(4 917)	1 678
Allowances for provisions and depreciations	8.4	6 245	1 797
Net gain/ (loss) on disposal of fixed assets	8.6	163	478
Interest expense	8.5	(0)	55
Increase / decrease in deferred tax		856	(612)
Other non cash movements		0	0
Gross operating cash flow before tax and financial cost		**2 347**	**3 396**
(Increase) / decrease in trade receivables	7.14	433	(127)
(Increase) / decrease in other receivables and prepayments	7.14	95	(445)
Increase / (decrease) in trade payables	7.14	(424)	538
Increase / (decrease) in other payables	7.14	(787)	1 475
Changes in working capital requirements (WCR)	7.14	**(683)**	**1 442**
Net cash from operating activities (A)		**1 663**	**4 838**
Acquisition of assets (net of liabilities and advances paid)	7.1 7.2	(4 598)	(13 023)
Disposal of assets (net of receivables)	8.8	9	0
Cash inflows from financial assets		2	3
Net cash from change in consolidation scope	7.1	(8)	(4 848)
Net cash from investing activities (B)		**(4 594)**	**(17 868)**
Payment of dividends			
Net change of other equity	7.8	0	61
Issue of borrowings	7.10	1 029	17 742
Cost of debt issued	7.5	0	(174)
Repayment of bank loans	7.10	(391)	(2 274)
Repayment of other financial liabilities	7.10	(0)	11
Interest expense paid	8.5	0	(55)
Net cash from financing activities (C)		**639**	**15 311**
Net change in cash and cash equivalents (A) + (B) + (C)		**(2 292)**	**2 280**
Net cash and cash equivalents at the beginning of the period	7.6	4 841	2 561
Net cash and cash equivalents at the end of the period	7.6	2 549	4 841
Cash change		**(2 292)**	**2 280**

Consolidated Statement of Changes in Equity

(thousands euros)	Note	Share capital	Share premium	Retained Earnings	Net income	Equity attributable to owners of the Group	Non-controlling interests	Total
Total Equity at 31 December 2019		**3 244**	**1 916**	**759**	**1 230**	**7 149**		**7 149**
Net income					1 678	**1 678**		**1 678**
Allocation of Net income to Retained Earnings				1 230	(1 230)			
Issuance of share capital								
Change in consolidation scope								
Total Equity at 31 December 2020		**3 244**	**1 916**	**1 989**	**1 678**	**8 827**		**8 827**
Net income					(4 917)	**(4 917)**		**(4 917)**
Allocation of Net income to Retained Earnings				1 678	(1 678)			
Issuance of share capital								
Change in consolidation scope								
Total Equity at 31 December 2021		**3 244**	**1 916**	**3 667**	**(4 917)**	**3 910**		**3 910**

TABLE OF CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of the SPORTNCO GAMING Group

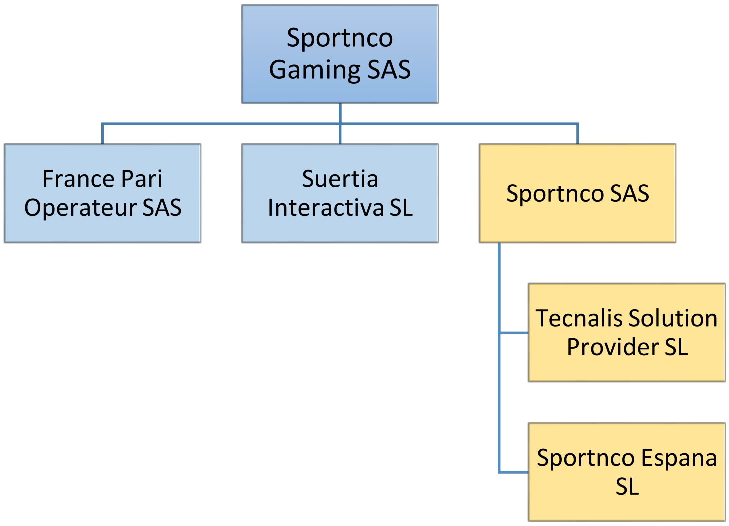
This document presents the consolidated financial statements of SPORTNCO GAMING Group, formerly named FRANCE PARI SAS, and its subsidiaries, referred to as "SPORTNCO GAMING Group" or "Group", for the period January 1st, 2021 to December 31, 2021.

SPORTNCO GAMING is a *Société par Action Simplifiée* ruled under French law that is registered at Toulouse's Register of Commerce and Companies under the number 504 180 225. Its registered office is located at 425 Rue Jean Rostand – 31670 LABEGE.

The SPORTNCO GAMING Group operates in the industry of providing technology and services to online sports betting, horse betting and casino games operators (B2B activities) in countries or geographical areas where these activities are regulated. It is also operator for its own benefit of online sports and horse betting in France and of online sports betting and casino games in Spain through respectively SPORTNCO GAMING & SUERTIA INTERACTIVA (B2C activities).

The consolidated financial statements have been made in accordance with French GAAP and approved by the President as of March 31st, 2022.

Group organizational chart as of December 31st, 2021



2. Main events

Tax reassessment

In the context of the litigation procedure which opposes us to the tax authorities concerning the reconsideration of our *Crédit Impôt Recherche* (Research Tax Credit) for 2014, 2015 and 2016, the last appeal to the tax authorities was examined by the CIR Advisory Committee on February 22, 2021. This committee issued a negative opinion on our appeal.

As a result, we were under the obligation to pay a total amount of €488 thousand to the tax authorities. This sum represents the full amount requested by the tax authorities in respect of this litigation, and this payment fully clears the debt that had been provisioned.

The Group has however initiated an appeal procedure with the Toulouse Administrative Court in order to continue to contest this reassessment by all possible means.

Change in the name of the parent company

In order to clarify the Group's image and to separate its activities as operators in France and Spain from its activities as a supplier of technological solutions for operators on regulated markets, the name has been changed from "FRANCE PARI SAS" to "SPORTNCO GAMING SAS".

Memorandum for the sale of 100% of the group's capital

The shareholders of the SPORTNCO GAMING group have examined several takeover proposals received during the fiscal year 2021. At the beginning of October 2021, the Group's Strategy Committee decided to enter into exclusive discussions with GAMING INNOVATION GROUP INC, a company incorporated in the United States whose shares are listed on the Oslo and Stockholm stock exchanges.

These exclusive discussions led the shareholders of the SPORTNCO GAMING group to sign a memorandum of understanding on December 22, 2021 for the sale of 100% of the shares of SPORTNCO GAMING SAS to GAMING INNOVATION GROUP PLC, a wholly-owned subsidiary of GAMING INNOVATION GROUP INC.

This memorandum of understanding is subject to conditions to be met in the following weeks and expects the sale to be completed no later than April 30, 2022. These conditions concern in particular the approval of the operation by the Ministry of Finance and the Gaming Regulatory Authority (*ANJ – Autorité nationale de régulation des jeux*).

Reminder of the main events during the year ended December 31, 2020:

Partial contribution of assets - spin off and combination of the B2B activity within SPORTNCO SAS:

By a partial asset contribution agreement signed on August 7th, 2020 and definitively approved by the Company's general meeting on September 30th, 2020, SPORTNCO GAMING fully transferred its B2B business to its subsidiary, SAS SPORTNCO, hereinafter "SPORTNCO". In accordance with the terms of the article L.236-4 of the French Commercial Code, the transaction has been retroactive for accounting and tax purposes to January 1, 2020.

In consideration for the partial contribution of assets, SPORTNCO GAMING received from its subsidiary SPORNTCO 4,960,400 new shares with a par value of €1.

As internal transaction, this partial contribution of assets has had no effect on the Group's consolidated accounts.

Acquisition of the company TECNALIS SOLUTION PROVIDERS:

On December 21, 2020, acquired 100% of the shares of TECNALIS SOLUTION PROVIDERS, a company under Spanish law, for an amount of €5,552 thousand, taking into account a total amount of net cash of €998 thousand as of December 31, 2020 in the acquired company.

At the same time, the company acquired a product it used to sell, the software ALIRA, for an amount of €10,000 thousand.

In order to finance these operations, the Group has:

- Subscribed to new loans for a total amount of €15,700 thousand with the Group's traditional banks: BNP Paribas, Arkea and BPI
- Repaid in advance to BNP Paribas and ARKEA the loans issued for the acquisition of the company SUERTIA INTERACTIVA SA in July 2016 for a total amount of €1,320 thousand
- Cancelled a credit line granted in June 2019 by the banks BNP Paribas and ARKEA for an unused amount of €2,850 thousand

Covid-19 health crisis - State-guaranteed loans in France and Spain

Since the beginning of this crisis, the Group has taken out loans guaranteed by the French and Spanish governments:

- In April 2020 in France: subscription of two loans for a total amount of €2,500 thousand with BNP Paribas and Arkea Credit Mutuel, for a 6-year period with a two-year period of deferred reimbursement.

- In April 2020 in Spain: SUERTIA INTERACTIVA subscribed to a loan for a total amount of €500 thousand with BBVA, the loan is repayable on a straight-line basis over a 5-year period after a deferred reimbursement period of 1 year.

The health crisis has initially had a significant impact on sports betting activity since January 1, 2020, particularly in the first half of the year, due to the cancellation of almost all sporting events in France and in most countries. However, the improvement in the activity in the second half of the year allowed to offset the decline in the activity recorded in the first six months.

As the pandemic was still underway at the date of closing of the annual financial statements, the Group is unable to assess its consequences with any degree of precision for the coming years, but does not expect any negative impact on the growth of its activities and results.

3. Subsequent events

Sale of 100% of the group's capital

Following the signature of the memorandum of understanding for the sale, on December 22, 2021, and as all conditions having been met in the first quarter of 2022, the sale of 100% of the shares of SPORTNCO GAMING SAS was signed on April 1st, 2022, effective on that date.

The activities of SPORTNCO GAMING SAS and all its subsidiaries will therefore, as of this date, be consolidated into those of GAMING INNOVATION GROUP INC.

4. Accounting standards, consolidation methods, valuation methods and rules

4.1. Accounting standards

4.1.1. Basis of preparation of the consolidated financial statements

The accounting policies used in the preparation of the Group's consolidated financial statements comply with the accounting standards applicable in France as defined by the Code de commerce (art. L.123-12 et seq. and R.123-172 to R.123-208) and by the Plan Comptable Général (ANC Regulation n° 2020-01 and ANC Regulation n° 2014-03 updated in 2019).

The presentation currency for the consolidated financial statements and the notes to the financial statements is the thousand Euro (K€).

4.1.2. Significant accounting estimates and judgments used by Management

The preparation of the Group's financial statements, in compliance with French accounting standards, requires Management to make estimates and assumptions that affect the application of the accounting methods, the amounts of assets and liabilities, income and expenses, and the disclosure of assets and contingent liabilities.

The estimates and underlying assumptions are established according to the information available when the financial statements were prepared. These estimates may be reviewed if circumstances on which they were based change or as a result of new information. Actual future results may differ from these estimates. Management is required to revise these estimates based on past experience and its view of the market. When an estimate is revised, it does not constitute a correction of an error.

Accounting estimates that require the use of assumptions are mainly used for the assessment of the recoverable amount of goodwill, amortization, depreciation and impairment tests on assets, provisions and the recovery of deferred tax assets that are recognized in relation with tax losses carry-forward.

4.2. Basis of consolidation

4.2.1. Reporting date and financial statements of the consolidated subsidiaries

These consolidated financial statements have been prepared on the basis of the individual financial statements of the subsidiaries of SPORTNCO GAMING. All of these financial statements cover a 12-month period and are prepared as of December 31, 2021,

The financial statements of the consolidated companies for the periods presented have been prepared in accordance with the accounting principles and valuation methods used by the Group. They have been restated to bring them into line with the accounting principles used to prepare the consolidated financial statements.

4.2.2. Consolidation methods

4.2.2.1. Consolidation of shareholdings

Consolidation methods are the following:

- Subsidiaries over which the Group exercises, directly or indirectly, exclusive control are consolidated using the full consolidation method ;
- Investments over which the Group exercises a joint control with a limited number of associates are consolidated using proportionate consolidation method;
- Investments under significant influence without having the control are consolidated using the equity-accounting method.

4.2.2.2. Operations eliminated in the consolidated financial statements

The following items have been eliminated in the consolidated financial statements:

- Reciprocal receivables and payables;
- Intra-Group transactions such as purchases, sales, dividends, internal margins…;
- Provisions for consolidated companies;
- Any other transaction involving Group companies.

4.2.2.3. Non-controlling interests (minority interests)

Equity attributable to minority interests is presented at their book value in the financial statements.

Equity and net income of the fully consolidated entities attributable to minority interests are presented in separate accounts:

- On the liabilities side of the consolidated balance sheet, in separate account that group shareholders' equity and debts
- In the income statement, after total net income in the consolidated income statement.

If, as a result of losses, the minority interest's share of the equity of a fully consolidated company becomes negative, the excess and any subsequent losses attributable to minority interests are deducted from the majority interest. If the consolidated company subsequently makes a profit, the majority interest is credited with all such profits until the portion of the loss attributable to the minority interest that it had assumed has been fully eliminated.

As subsidiaries are owned by 100%, the Group does not hold any non-controlling interests.

4.3. Accounting methods and valuation rules

4.3.1. Goodwill

4.3.1.1. Initial valuation

The acquisition cost is measured at fair value at the acquisition date. External acquisition fees are included in the acquisition cost of shares in the consolidated financial statements. Identifiable assets acquired and liabilities assumed from the acquiree are measured at their fair value at the acquisition date. The fair value of identifiable intangible assets, such as trademarks and licenses, is determined by reference to generally accepted methods, such as those based on revenues, costs or market value.
The excess of the acquisition cost over the Group's share of interest in the net balance of identifiable assets and liabilities acquired measured at fair value, is recognized as goodwill at intangible asset. Valuation differences recognized on identifiable assets are limited so that any negative goodwill is created. When the acquisition cost is less than the fair value of the Group's share of the net assets of the acquired subsidiary measured at fair value, the goodwill liability is recorded as a liability on the balance sheet in the provisions for risks. Negative goodwill is recognized in the income statement over a period that reflects the assumptions made and conditions determined at the time of acquisition.

Positive goodwill is depreciated or not according to its useful life.

- If useful life is considered limited, goodwill is depreciated on a straight-line basis over this period. If there is any indication of impairment, an impairment test is performed. In the Group, the depreciation period of goodwill varies between 10 and 20 years, taking into account the specific nature of the acquired company and its strategic nature ;
- The useful life of goodwill was considered unlimited. Goodwill is therefore not depreciated but is subject to an impairment test at each closing date.

4.3.1.2. Valuation at each closing date

When the recoverable amount of goodwill is less than its net book value, an impairment loss is recognized. Impairment is definitive: it is irreversible, even in case of the situation is becoming more favorable.

For the purposes of impairment testing, each item of goodwill is allocated to the group of assets at the level at which it is managed and its performance monitored, in the case of the Group, that is at the level of the business segments of each country in which the Group operates.

The gain or loss on the disposal of an entity takes into account the carrying amount of the goodwill of the entity sold.

4.3.2. Intangible assets

Acquired softwares

Software licenses are capitalized on the basis of their acquisition cost and commissioning costs. These costs are depreciated over the estimated useful life of the software, i.e. 5 years.

Development costs

The Group has deciding on capitalizing its development costs, which mainly concern sports betting software platforms.

Capitalized development costs include:

- Internal costs including wages and social security charges of IT department, project monitoring department and trading teams who worked on the development and testing of these platforms. These costs are calculated on the basis of time spent recorded by each employee, using a time tracking solution included in the Group's ERP software.

- External costs including subcontracting fees for IT development and fees for regulatory technical audits of these platforms.

The platforms are depreciated over a period of five years, corresponding to the duration of the initial technical approvals issued by the regulatory authorities such as the ANJ (*Autorité Nationale des Jeux*) in France and the DGOJ (*Direccion General de Ordinacion del Juego*) in Spain.

4.3.3. Tangible assets

Fixed assets are measured in the consolidated financial statement at acquisition cost or production cost, or fair value if acquired as part of a business combination, less accumulated depreciations and impairment losses recognized.

Financial costs attributable to the production of fixed assets are not included in the production costs of these assets.

The depreciations are calculated by reference to the estimated useful lives of each asset classes.

When significant separate parts of an asset have different useful lives or generate a different pattern of benefits, each such part is recognized and depreciated separately by reference of its useful lives.

The depreciations are determined over the consumption period of the expected economic benefits of the assets. The depreciation periods are reviewed annually and modified if necessary. These changes of estimation are accounted for prospectively.

The depreciations are calculated using the linear or straight line method, based on the estimated useful life of each component as follows:

Assets	Method	Useful life
Buildings fixtures and improvements	Straight-line method	10 years
IT materials	Straight-line method	3 years
Office furniture and equipment	Straight-line method	5 years

4.3.4. Impairment of fixed assets

Fixed assets with defined or indefinite useful lives are tested for impairment when there is an indication that they may be impaired as a result of events or circumstances that occurred during the period, and when it appears that their recoverable amount will remain lower than their net carrying amount.

Impairment tests are performed by comparing the recoverable amount with the net carrying amount of the asset. When an impairment loss appears necessary, the amount recognized is equal to the difference between the net carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value net of disposal costs and value in use.

4.3.5. Financial assets

Financial assets are recorded at acquisition cost. When the inventory value is lower than the book value, an impairment charge is recorded for the amount of the difference.

Financials assets are composed of:

- Non-consolidated investments: These investments are initially accounted for at their acquisition costs (including acquisition fees). An impairment loss is recognized if this value exceeds the value in use assessed by management on the basis of various criteria such as market value, development and profitability forecasts and shareholders' equity, taking into account the specific nature of each investment.

For information, there are no non-consolidated investments in the Group's accounts at December 31, 2021.

- Guarantee and deposits paid: these assets are recognized on the basis of amounts paid. In case of objective indication of loss of value, an impairment charge is recognized as the difference between the carrying amount and the recoverable amount, meaning the estimated future cash-flows.

4.3.6. Trade receivables and payables

Trade receivables and payables are recognized at nominal value.

An impairment loss on trade receivables is recognized when the estimated recovering amount, taking into account amount covered by credit insurance, is lower that the carrying amount.

4.3.7. Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term investments with a minimal risk of change in value.

Short-term investments are valued at the acquisition cost or subscription cost, excluding incidental costs.

An impairment loss is recognised when the market value or the probable net realizable value is lower than the acquisition cost. Any changes in value are recorded in the financial result.

4.3.8. Employee benefits

Short-term benefits such as wages, social security and unemployment contributions, paid annual leave, bonuses are recognized in expenses in the consolidated income statement on the line “Employee expenses”.

In terms of long-term benefits, the Group did not set up any defined benefit pension plan. Its commitment is limited to the legal career benefits. No provision is recorded, given both the average age of the workforce and the low average seniority of employees due to the youth of the Group's companies.

4.3.9. Provisions for risks and charges

A provision for risks and charges is recognized when there is a clearly defined obligation resulting from events that have occurred or are occurring and which makes an outflow of resources likely to be incurred at an unknown future date. The amount provided for in the financial position is the best estimate of the expenditure required to settle the obligation at the reporting date, excluding any expected income. Each risk or expense is assessed on a case-by-case basis at the reporting date and provisions are adjusted to reflect the best estimate at that date.

4.3.10. Financial liabilities

Financial liabilities are recognized at fair value at initial obligation date (including transaction costs) and then recognized at amortized cost.

The Group applies for the required method of the Regulation ANC n°2020-01 requiring to spread issue costs and redemption premium of bonds over the term of loan.

4.3.11. Revenue recognition

The group's business is divided between:

- An online sports and horse betting operator in France, under two licenses issued to SPORTNCO GAMING by the French National Gaming Authority (*ANJ – Autorité Nationale des Jeux*);

- An online sports betting and casino games operator in Spain, under licenses issued to SUERTIA INTERACTIVA by the *Direccion General de Ordinacion del Juego* (DGOJ);
- Delegated management of online sports and horse betting platforms on behalf of third-party operators.

For operator activities (B2C), the revenue corresponds to the Gross Gaming Revenue, meaning the difference between the bets placed by the players and the winnings paid out to them, on games and bets for which the final result is known (so-called settled games and bets).

Income from bets in progress is deferred in the "Players' liabilities" account.

For the delegated management activity (B2B), revenues correspond to fees invoiced for services rendered and to monthly commissions invoiced to clients on the basis of gaming revenue.

4.3.12. Corporate income tax

A tax consolidation group has been formed at January 1st, 2020 including French entities of the Group, SPORTNCO GAMING SAS and SPORTNCO SAS.

4.3.13. Research tax credit (*Crédit d'Impôt Recherche-CIR*)

Amounts received as research tax credits (CIR) from research and development work recognized as intangible assets have been recorded as deferred income and recognized as other income over a period of 5 years from the year following their recognition in the company financial statements, meaning the period of depreciation of the corresponding intangible assets.

In the company financial statements, the research and innovation tax credit amounted to €79 thousand in 2021 compared with €79 thousand in 2020.

In the consolidated financial statements:

- The amount recognized in other operating income, under the heading "Subsidies" amounts to €175 thousand and €212 thousand respectively at December 31, 2021 and December 31, 2020.
- The amount of deferred income presented under "Other liabilities" amounts to €239 thousand and €414 thousand at December 31, 2021 and December 31, 2020 respectively.

4.3.14. Deferred taxes

Deferred taxes are recognized for all timing differences between the value of an asset or liability in the consolidated financial statements and its tax base. Permanent differences such as goodwill impairment are not subject to deferred taxation.

Deferred taxes are measured at the tax rates relating to the tax entity and for which application is expected when the asset is realized or the liability is settled. Deferred taxes have been recorded in accordance with the schedule of reversal of timing differences and the new tax rates resulting from the 2022 Finance Act for French companies (progressive rate up to 25% in 2022).

The effects of changes in tax rates (variable deferral) are recognized in the income statement in the period in which the change is decided by the local tax authorities, except where the consideration was initially recognized in equity, in which case the effect of the change in rate is also recognized in equity.

Deferred tax assets and deferred tax liabilities are presented in a net position (net deferred taxes) for each tax entity.

In the case of net deferred tax assets generated by tax loss carry-forward, deferred tax assets are recognized in the financial position only if it is highly probable that they will be offset against the projected future taxable profits of the relevant entity.

4.3.15. Financial income

Financial income includes the following items received:

- Financial income received from financial instruments such as income from securities, loans and receivables as well as income from the sale of marketable securities;
- Financial expenses disbursed, such as financial expenses on banking services, loans and finance leases;
- The financial result also includes, where applicable, the following calculated items: effects of amortization and discounting of financial position items;
- The cost of net debt consists of financial expenses paid less financial income received.

4.3.16. Criterias used to identify non-recurring income and expenses

Non-recurring income and expenses are only included when a major event occurs during the accounting period that is likely to affect the interpretation of the company's performance. These are therefore a very limited number of unusual and infrequent items of income or expense - of particularly significant amounts - which the company presents separately in its income statement to facilitate understanding of its current operating performance.

Non-recurring income and expenses are items that are few in number, well identified, non-recurring and significant in terms of consolidated performance.

They may include, for example:

- Significant and unusual capital gains or losses on the disposal - or impairment - of non-current assets, whether tangible or intangible;
- Some restructuring costs: these are only restructuring costs that would be likely to affect the understanding of current operating income, due to their unusual nature and significance;
- Other operating income and expenses, such as a provision for a material litigation.

5. Information about the scope of consolidation

Companies included in the scope of consolidation at December 31st, 2021 are the followings:

		at 31 December 2021			*at 31 December 2020*		
Companies	**Location**	**% of control**	**% of interest**	**Consolidation method**	**% of control**	**% of interest**	**Consolidation method**
FRANCE PARI SAS	France	100%	100%	Full	100%	100%	Full
SPORTNCO SAS	France	100%	100%	Full	100%	100%	Full
SUERTIA INTERACTIVA SA	Spain	100%	100%	Full	100%	100%	Full
SPORTNCO ESPANA SL	Spain	100%	100%	Full	100%	100%	Full
TECNALIS SOLUTION PROVIDERS SL	Spain	100%	100%	Full	100%	100%	Full
FP OPERATEUR SAS	France	100%	100%	Full	0%	0%	Not consolidated

6. Information about comparability of the financial statements

6.1. Change in the scope of consolidation for the period

SAS FP OPERATEUR was created at the end of the 2021 year by the company SPORTNCO GAMING, which holds 100% of its capital. SAS FP OPERATEUR had no activity in 2021.

6.2. Changes in the scope of consolidation in the previous period

On December 21, 2020, the Group acquired 100% of the capital of the Spanish company TECNALIS SOLUTION PROVIDERS SL for a price of €5,846 thousand. TECNALIS SOLUTION PROVIDERS SL had a net cash position of €998 thousand at December 31, 2020.

For simplification purposes, this acquisition has been considered as having been completed on December 31, 2020, so that the 2020 income statement of the acquired company does not influence the 2020 income statement of the Group.

6.3. Information about *pro forma* income statement

In order to allow comparability of the income statement, a *pro forma* income statement as of December 31, 2020 has been prepared for information purposes, covering a 12-month period of activity on the basis of the scope of consolidation as of December 31, 2020, i.e. including the 2020 income statement of the company TECNALIS SOLUTION PROVIDERS SL.

The accounting policies presented in the Note on the Accounting standards, Consolidation Methods and Valuation methods and rules have been applied. In this respect:

- The company's software development expenses incurred in 2020 have been capitalized for a total amount of €855 thousand, including internal labor costs (€699 thousand) and external subcontracting costs (€171 thousand). A depreciation over 5 years has been recorded for €-14 thousand.
- The ALIRA software, acquired on December 21st, 2020 has been depreciated as of January 1st, 2020 over a 5-year period, compared to 3-year period in the company financial statement of TECNALIS SOLUTION PROVIDERS SL
- A corporate tax rate of 25% has been retained.
- Finally, the financial expenses related to the financing implemented for the acquisition of the company have not been recalculated as of January 1, 2020.

***Pro forma* consolidated income statement:**

(thousands euros)		December 31, 2021	December 31, 2020	December 31, 2020 Pro forma
Revenue		14 806	14 701	18 837
Capitalized production		3 730	1 558	2 257
Other operating income		343	362	370
Operating income		**18 878**	**16 622**	**21 465**
Tax on games expenses		(3 076)	(3 522)	(3 522)
Bonus for players		(1 464)	(1 306)	(1 306)
Technological services		(1 629)	(1 847)	(2 273)
External services and other expenses		(2 527)	(2 443)	(2 503)
Employee expenses		(6 662)	(3 620)	(5 633)
Tax expenses		(81)	(108)	(108)
Net depreciation		(4 212)	(1 844)	(3 917)
Net provisions and amortizations		(10)	(70)	(70)
Operating expenses		**(19 660)**	**(14 760)**	**(19 332)**
Operating income before goodwill impairment		**(782)**	**1 862**	**2 133**
Impairment of goodwill		(2 487)		
Operating income		**(3 269)**	**1 862**	**2 133**
Financial income		1	31	31
Financial expenses		(378)	(86)	(119)
Financial income		**(376)**	**(55)**	**(88)**
Recurring income		**(3 645)**	**1 806**	**2 044**
Non-recurring income		515	59	59
Non-recurring expenses		(926)	(647)	(657)
Non-recurring income		**(411)**	**(587)**	**(598)**
Income tax expense		(861)	459	402
Net income before results in investments of associates		**(4 917)**	**1 678**	**1 849**
Income from investments of associates				
Net income		**(4 917)**	**1 678**	**1 849**
Attributable to owners of the Group		*(4 917)*	*1 678*	*1 849*
Attributable to non-controlling interests				
EBITDA	9.3	**3 440**	**3 775**	**6 119**

6.4. Change in accounting policies and accounting presentation

ANC Regulation n°2020-01 relating to the preparation of consolidated financial statements is mandatory for fiscal years beginning on or after January 1, 2021.

The application of this new Regulation was carried out prospectively without any significant impact on the financial statements consolidated as of December 31, 2021.

The presentation changes inherent in this new Regulation are:

- Presentation of "Goodwill" within "Intangible assets";
- Presentation of deferred tax assets (DTA) and liabilities (DTL) within “Other receivables and prepayments” and “Other liabilities”;
- Allocations to amortization and impairment of goodwill are presented on a line separate from the income statement and presented in the operating result unlike the former CRC Regulation n°99-02 which presented them after the net income of consolidated companies.

Except from these items, the application of the new ANC n°2020-01 regulation has no impact on the Group's consolidated financial statements insofar as the Group was already applying the preferred methods for certain methods that have become mandatory under the new standards: recognition of leasing contracts and similar contracts, recognition of establishment expenses as expenses, capitalization of fixed asset acquisition costs, and capitalization of development costs.

7. Notes to the Consolidated Statement of Financial Position

7.1. Intangible assets

(thousands euros)	December 31, 2020	Increase	Decrease	Transfer	Ecart de conversion	Change in consolidation scope	December 31, 2021
Intangible assets - Gross Value							
Goodwill	9 513	8		(514)			9 007
Licenses, patents and trademarks (a)	22 488	4 082	(274)	699			26 995
Business asset (b)	45						45
Intangible assets in progress (c)	478	450					928
Total	**32 524**	**4 540**	**(274)**	**185**			**36 975**
Depreciation and Impairment							
Goodwill		(2 487)					(2 487)
Licenses, patents and trademarks (a)	(7 231)	(4 063)	102			(14)	(11 206)
Total	**(7 231)**	**(6 550)**	**102**			**(14)**	**(13 693)**
Total Intangible assets - Net value	**25 293**	**(2 010)**	**(172)**	**185**		**(14)**	**23 282**

a) « Licenses, patents and trademarks » is mainly composed of:
   - The different technological platforms created by SPORTNCO SAS and TECNALIS ;
   - The ANJ (*Autorité nationale du Jeu*) and DGOJ (*Direccion General de Ordinacion del Juego)* accreditations held by the Group ;
   - The acquisition of the ALIRA software on December 21st, 2020 including acquisition cost of €10 036 thousand. This software is depreciated over a 5-year period as of December 21st, 2020.

b) Business asset, recorded for €45 thousand, corresponds to the intangible assets of the company BETNET, acquired in 2011 (player’s data base, BETNET brand and the URL betnet.fr). The company applies the presumption of unlimited duration to business assets. In the absence of depreciation, an annual impairment test is performed. If necessary, business asset is subject to an impairment loss.

c) The intangible assets in progress are formed by sports betting and player account management software under development.

Goodwill details:

(thousands euros)	December 31, 2020	Increase	Decrease	Transfer	December 31, 2021
Goodwill - Gross value	9 513	8		(514)	**9 007**
Impairment/depreciation on intangibles		(2 487)			**(2 487)**
Goodwill - Net value	**9 513**	**(2 479)**		**(514)**	**6 520**

(thousands euros)	December 31, 2020	Acquisition	Impairment/ Depreciation	Transfer	December 31, 2021
SUERTIA	4 861		(2 487)		**2 374**
TECNALIS	4 652	8		(514)	**4 146**
Goodwill - Net value	**9 513**	**8**	**(2 487)**	**(514)**	**6 520**

TECNALIS goodwill was analysed in detail within the one-year allocation period. As such, it was identified:

- Additional acquisition costs for €8 thousand
- Capitalized production for 2020 in the amount of €686 thousand, less a deferred tax liability of €-171 thousand, for a net impact of €514 thousand.

The goodwill on the acquisition of SUERTIA was subject to an impairment test, which led the Group to write down this asset by an amount of €2,487 thousand.

7.2. Tangible assets

(thousands euros)	December 31, 2020	Increase	Decrease	Change in consolidation scope	December 31, 2021
Tangible assets - Gross value					
Other tangible assets	803	66	(44)	(0)	825
Prepayment and deposit on tangible assets					
Total	**803**	**66**	**(44)**	**(0)**	**825**
Of which financial lease contracts					
Depreciation and Impairment					
Other tangible assets	(486)	(148)	44	0	(590)
Total	**(486)**	**(149)**	**44**	**0**	**(591)**
Of which financial lease contracts					
Tangible assets - Net value	**317**	**(83)**	**0**	**0**	**234**

“Other tangible assets” consists mainly of computer equipment and fixtures and fittings for operating sites.

7.3. Financial assets

(thousands euros)	#REF!	Increase	Decrease	Change in consolidation scope	December 31, 2021
Financial assets					
Investments					
Deposits and guarantees paid	211	0	(3)	(0)	208
Total	**211**	**(0)**	**(3)**	**1**	**208**

Deposits and guarantees include the €100 thousand deposit paid to the BPI as part of its participation in the financing of the acquisition of TECNALIS.

7.4. Trade receivables

(thousands euros)	December 31, 2021	December 31, 2020
Trade receivables - Gross Value	581	966
Impairment of trade receivables	(80)	(70)
Trade Payables - Advances and down payments made	14	51
Total Trade receivables	**514**	**947**

7.5. Other receivables and prepayments

(thousands euros)	December 31, 2021	December 31, 2020
Tax receivables and social security receivables	626	807
Advances and deposits paid for orders	0	5
Other miscellaneous receivables	615	2
Prepaid expenses	169	178
Depreciations	(489)	0
Other receivables and prepayments	**922**	**992**
Cost of debt issued	148	173
Total other receivables	**1 070**	**1 165**

« Other miscellaneous receivables » mainly include a deposit of €488 thousand linked to a tax litigation with the Administrative Court. This receivable has been written down to 100%, see note 7.9.

7.6. Cash and cash equivalents

(thousands euros)	December 31, 2021	December 31, 2020
Short-term investment securities		
Cash	2 566	4 856
Cash and other cash equivalents	**2 566**	**4 856**
Accrued interests	17	15
Net cash and cash equivalents	**2 549**	**4 841**

Due to its activities as a sports betting operator, the group should be able to cover the assets likely to be paid out to players. As a result, SPORTNCO GAMING SAS has set up a bank guarantee with ARKEA for an amount of €700 thousand.

As of December 31, 2021, the amount of assets likely to be paid out to players reached €506 thousand.

7.7. Equity

7.7.1. Share capital

At December 31, 2021, the number of shares issued by SPORTNCO GAMING was 203,104 at a nominal value of €15.97, which makes a total amount of share capital of €3,243,570.88.

As of February 15, 2021, following the authorization granted by the SPORTNCO GAMING General Meeting held on that date to issue 12,500 new BSPCEs, there is a total number of 50,974 potential new shares, under certain conditions.

If all these conditions were met and all the new shares issued, the share capital would reach up to €4,057,625.66, representing a total of 254,078 shares. This would result in an increase in the company's cash position and/or a decrease in its bond debt by €3,821,148.00.

7.7.2. Dividends

SPORTNCO GAMING did not distribute any dividends over the last three financial years.

7.8. Other equity

On November 25, 2020, SPORTNCO GAMING concluded business prospecting insurance with BPIFRANCE ASSURANCE EXPORT, which provides for a 2-year prospecting period and a 3-year repayment period. In this respect, the sum of €130 thousand has been received as an initial provisional indemnity. This indemnity has been split as follows:

- In financial debt for the amount of the minimum lump sum repayment for €39 thousand ;
- In other equity (subsidized advance) for the remaining €91 thousand.

7.9. Provisions for risks and charges

(thousands euros)	December 31, 2020	Increase	Decrease	Change in consolidation scope	December 31, 2021
Provisions for litigation					
Provision for retirements and pensions (a)					
Provisions for charges (b)	454		(454)	(0)	
Provisions for risks and charges	**454**		**(454)**	**(0)**	

a) The Group did not set up any defined benefit pension plan. Its commitment is limited to the legal career benefits. No provision is recorded, given both the average age of the workforce and the low average seniority of employees due to the youth of the Group's companies.

b) The reversal for €454 thousand concerns :

- €227 thousand for the extinction of the risk related to the unpaid VAT on the net gaming revenue from fixed odds betting for the year 2018
- €227 thousand for the end of the tax audits relating to Research Tax Credits and Innovation Tax Credits from 2014 to 2016. These audits, which were contested by SPORTNCO GAMING, were definitively ruled against the company by the CIR Advisory Committee.

On October 13, 2020, the Group initiated an appeal with the Toulouse Administrative Court to contest the principle, the method of calculation and the payment of the contested tax reassessments.

As part of this action, a deposit of €488 thousand has been paid by SPORTNCO GAMING. This sum is included in the balance sheet item "Other receivables" and has been fully written down as at December 31, 2021.

7.10. Financial liabilities

(thousands euros)	December 31, 2020	Increase	Decrease	December 31, 2021
Issuance of bonds (a)	27			27
Loan BPI Innovation (b)	500			500
Loan BPI acquisition SUERTIA (c)	845		(260)	585
State Guaranteed Loan France PARI (d)	2 500	26		2 526
Loan COVID SUERTIA INTERACTIVA (e)	500		(81)	419
Senior debt FRANCE PARI (f)	12 700			12 700
Loan BPI "*Croissance international* " (g)	2 000			2 000
Other loans (h)	60	1 000	(50)	1 010
Insurance BPI *"Assurance prospection* "	39			39
Advances and deposits received	0			
Accrued interests	3	3		6
Long-term financial liabilities	**19 175**	**1 029**	**(391)**	**19 813**
Accrued interests	15	2		17
Short-term financial liabilities	**15**	**2**		**17**
Total financial liabilities - Net value	**19 190**	**1 031**	**(391)**	**19 830**

a) Convertible bond issue subscribed at the end of 2017 by 10 employees of SPORTNCO GAMING and SUERTIA INTERACTIVA. Refundable at the beginning of 2022 with a fixed interest rate of 3% per year or convertible under certain conditions at the option of the holder into shares at a price of 55 euros per share by offsetting the corresponding debt. The Group may request at any time to accelerate the decision to refund or convert the convertible bonds.

b) BPI Innovation loan granted in 2019, with interest at a fixed rate of 1.25% and refundable over 5 years from 2022 to 2026 in 20 quarterly instalments.

c) BPI loan for the acquisition of SUERTIA INTERACTIVA: €1,300 thousand granted in July 2016 and repayable in 20 equal quarterly instalments, starting in September 2018 (deferred for more than 2 years). The interest rate is 2.34%. Due to COVID19, two instalments of 2020 have been postponed.

d) State-guaranteed loans granted to SPORTNCO GAMING: two loans for a total amount of €2,500 thousand have been taken out with BNP PARIBAS and ARKEA CREDIT MUTUEL, granted for an initial term of one year and bearing fixed interest of 0. 75% per annum for BNP PARIBAS and 0.96% per annum for ARKEA CREDIT MUTUEL, applying only in the event of extension, and as from the first anniversary of the loan, the cost of the guarantee granted by BPI amounting to 0.25%.

Before the repayment deadline of April 2021, SPORTNCO GAMING has chosen to amortize the loans over an additional 5-year period. The cost of the guarantee granted by the BPI will be 0.50% per annum of the outstanding capital for the first two years of amortization, then 1% for the following three years.

e) Loan of €500 thousand from BBVA, at a rate of 1.50% per annum, granted in April 2020 to SUERTIA INTERACTIVA, repayable on a straight-line basis over a period of 5 years with a one-year deferred period, i.e. 4 years as from May 2021.

f) Senior Loan Agreement signed on December 21, 2020 for an amount of €12,700 thousand with BNP PARIBAS and ARKEA CREDIT MUTUEL. It is repayable in quarterly instalments after a one-year and three-month deferred period, meaning it starts on March 31, 2022, with the first four instalments amounting to €500 thousand, the next ones to €537 thousand and finally the last four to €525 thousand. The contract provides for a number of covenants to be met by the group, including compliance with the net debt to EBITDA and free cash flow to debt service ratios. The annual interest rate is calculated on the basis of the 3-month Euribor rate with a minimum of 0% plus a margin of 1.80% in the first year, which may subsequently vary between 1.90% and 1.20% depending on the level of the debt to EBITDA ratio. As part of this agreement, SPORTNCO GAMING also cancelled a €2,500 thousand credit line granted by the lenders in June 2019, which the Group had never used, and finally prepaid the balance of the loan taken out in July 2016 for the acquisition of SUERTIA, which is €1,320 thousand (see point h. below).

   Finally, the Group has granted a number of guarantees and securities to the two banks, as described in Note 9.1.

g) The BPI "*Croissance International*" loan for an initial amount of €2,000 thousand was issued on December 21, 2020 for a period of 7 years, at a rate of 1.85% per year. This financing benefits from a BPIFRANCE FINANCEMENT guarantee for 50% and is subject to a holdback of €100 thousand. It is repayable by fixed quarterly instalments of €100 thousand after two years and three months of deferred repayment, meaning from March 31, 2023. It is also accompanied by a security deposit in favour of BPI, repayable at maturity of €100 thousand (see Note 7.3 above).

h) Other borrowings correspond mainly to two "COVID Rebounds" loans from BPI France, amounting to €1,000 thousand at December 31, 2021.

   The first loan of €300 thousand was issued on January 6, 2021 for a period of 7 years, at an annual interest rate of 0%. It is repayable by fixed quarterly instalments of €15 thousand after two years and 5 months of deferred repayment, starting from June 19, 2023

   The second loan of €700 thousand was issued on January 6, 2021 for a period of 5 years, at a rate of 2.48% per year. It is repayable by fixed quarterly instalments of €44 thousand after 18 months of deferred repayment, starting from June 24, 2022.

The maturity of financial liabilities by future cash flows is as follows:

(thousands euros)	December 31, 2021	Less than 1 year	1 to 5 years	More than 5 years
Issuance of bonds (a)	27		27	
Loan BPI Innovation (b)	500	50	400	50
Loan BPI acquisition SUERTIA (c)	585	260	325	
State Guaranteed Loan France PARI (d)	2 526	419	2 107	
Loan COVID SUERTIA INTERACTIVA (e)	419	123	296	
Senior debt FRANCE PARI (f)	12 700	2 000	8 063	2 637
Loan BPI "Croissance international" (g)	2 000		1 600	400
Other loans (h)	1 010	142	794	74
Insurance BPI "Assurance prospection"	39		39	
Accrued interests	6	6		
Long-term financial liabilities	**19 813**	**3 000**	**13 651**	**3 161**
Accrued interests	17	17		
Short-term financial liabilities	**17**	**17**		
Total financial liabilities - Net value	**19 830**	**3 017**	**13 651**	**3 161**

7.11. Trade payables

(thousands euros)	December 31, 2021	December 31, 2020
Trade payables	761	1 185
Advance payments and deposits received	0	0
Trade payables	**761**	**1 185**

7.12. Other liabilities

(thousands euros)	December 31, 2021	December 31, 2020
Social security liabilities	680	853
Tax liabilities	670	1 492
Current accounts	4	3
Players' liabilities	998	873
Other miscellaneous liabilities	118	25
Deferred revenues	442	453
Other liabilities	**2 912**	**3 699**
Other liabilities	**2 912**	**3 699**

7.13. Deferred tax

(thousands euros)	December 31, 2020	Net change	Change in consolidation scope	December 31, 2021
Deferred tax assets	701	(449)		87
Deferred tax liabilities	44	412		456
Total net deferred tax	**657**	**(862)**		**(370)**

Deferred taxes are split as follows:

(thousands euros)	December 31, 2021	December 31, 2020
Tax timing differences	1	1
Acquisition costs	79	107
Loan issuance costs	(37)	(44)
Tax loss carryforwards (a)	0	590
Standardization of methods (b)	(412)	4
Total net deferred tax	**(370)**	**658**

(a) The deferred tax asset recognized for the tax loss carry-forward of SUERTIA INTERACTIVA in the amount of €590 thousand in 2020 has been cancelled in 2021 in view of the prospect of non-recoverability of short-term tax loss carry-forward.

(b) The standardization of methods mainly concerns the capitalization of development costs in accordance with the Group's accounting principles.

7.14. Details of the Working Capital Requirements (WCR)

(thousands euros)	December 31, 2020	Net change of WCR	Change in consolidation scope	December 31, 2021
Inventory and work-in-progress	0	0	0	0
Trade receivables	947	(433)		514
Other receivables	1 165	(95)		1 070
Trade payables	(1 185)	424		(761)
Other liabilities	(3 699)	787		(2 912)
Total change in Working Capital (WCR)	**(2 772)**	**683**		**(2 088)**

8. Notes to the Consolidated Income Statement

8.1. Revenue

(thousands euros)	December 31, 2021	December 31, 2020 proforma	December 31, 2020	Change 2021/Proforma 2020	Change 2021/2020
Delegated management activity (B2B)	7 629	10 116	5 980	-24,6%	27,6%
Operator activities (B2C)	7 177	8 721	8 721	-17,7%	-17,7%
Total revenues	**14 806**	**18 837**	**14 701**	**-21,4%**	**0,7%**

8.2. Capitalized production and other operating income

(thousands euros)	December 31, 2021	December 31, 2020
Capitalized production (a)	3 730	1 558
Total capitalized production	**3 730**	**1 558**
Operating subsidies (b)	182	212
Transfer of operating expenses	8	31
Other revenues	153	119
Total other operating revenue	**343**	**362**

(a) Capitalized production includes exclusively the labour costs of Group entities' employees allocated to software platform development operations ;

(b) Operating subsidies include the deferral over 5 years of research and innovation tax credits (CIR and CII) for an amount of €175 thousand at December 31, 2021 and €212 thousand at December 31, 2020.

8.3. Employee expenses

(thousands euros)	December 31, 2021	December 31, 2020
Wages and salaries expenses	(5 024)	(2 690)
Personnel social security charges	(1 637)	(930)
Total employee expenses	**(6 662)**	**(3 620)**

Headcounts at the end of the year	December 31, 2021	December 31, 2020
Executives, managers	20	14
Employees	119	55
Total	**139**	**69**

The values presented at December 31, 2020 do not include the employees of TECNALIS SOLUTION PROVIDERS SL, they were 51 at that time.

8.4. Depreciation, amortization and provisions

(thousands euros)	December 31, 2021	December 31, 2020
Impairment of goodwill	(2 487)	0
Depreciation intangible assets	(4 063)	(1 723)
Depreciation tangible assets	(149)	(122)
Depreciation for risks and charges	454	47
Net depreciation of current assets	(499)	(70)
Depreciation of loan issuance costs	(25)	
Total depreciations, provisions and amortizations	**(6 768)**	**(1 867)**
Operating	(6 709)	(1 914)
Financing	(25)	
Non-recurring	(34)	47
Total depreciations, provisions and amortizations	**(6 768)**	**(1 867)**

8.5. Financial income

(thousands euros)	December 31, 2021	December 31, 2020
Other financial income on short-term investments	1	31
Financial income	**1**	**31**
Interests	(351)	(86)
Depreciation of loan issuance costs	(25)	
Other financial expenses	(2)	(0)
Financial expenses	**(378)**	**(86)**
Net financial income	**(376)**	**(55)**

8.6. Non-recurring income

(thousands euros)	December 31, 2021	December 31, 2020
Non-recurring income on management transactions	52	12
Non-recurring proceeds from intangible and fixed assets disposals	9	0
Reversals of provisions, depreciation and amortisation (a)	454	47
Non-recurring income	**515**	**59**
Non-recurring expenses on management transactions	(265)	(168)
Net book value on intangible and fixed assets disposals	(173)	(478)
Allowances for provisions, depreciation and amortisation (b)	(489)	0
Non-recurring expenses	**(926)**	**(647)**
Net non-recurring income	**(411)**	**(587)**

(a) See note 7.9
(b) See note 7.5 et 7.9

8.7. Income tax

(thousands euros)	December 31, 2021	December 31, 2020
Income tax expense	(5)	(53)
Deferred tax income/(expense)	(856)	513
Income tax expense	**(861)**	**459**

Tax proof:

(thousands euros)	December 31, 2021	December 31, 2020
Net income before income tax expenses	(4 056)	1 219
Income tax rate	*25%*	*28%*
Theoretical tax expense (at the current rate)	1 014	(341)
Actual tax expense	(861)	459
Differences	**1 875**	**(800)**
Permanent differences	(24)	2
Acquisition costs capitalized		(99)
Reduced rate at 10% on created software		(73)
Impairment of goodwill	622	
Tax losses arising during the period not recognized	685	
Tax losses arising during the period recognized (a)	590	(590)
Use of tax loss carryforward previously recognized	2	
Other differences		(38)
Total	**1 875**	**(800)**

(a) The deferred tax asset recognized for the tax loss carry-forward of SUERTIA INTERACTIVA of the amount €590 thousand in 2020 has been cancelled in 2021 in view of the prospect of non-recoverability of short-term tax loss carry-forward. See Note 7.13. above.

In addition, given its specific activity, SPORTNCO benefits from the reduced 10% tax rate on income from certain intellectual property rights open as of January 1, 2019. However, this measure does not impact the 2021 result.

9. Other information

9.1. Off-balance sheet commitments

Commitments given

On the occasion of the loans for a total amount of €12,700 million granted by BNP PARIBAS and ARKEA CREDIT MUTUEL on December 21, 2020 and used to finance the acquisition of the Spanish company TECNALIS SOLUTION PROVIDERS SL by SPORTNCO (see 7.10 (f) above), SPORTNCO GAMING has granted in favour of the Banks, as a security for the repayment of all sums owed in respect of these loans, the following items:

- A pledge of its business assets
- A pledge of the securities of its subsidiary SUERTIA INTERACTIVA SA
- The assignment of its professional debt to its subsidiary SPORTNCO SAS in the amount of €15,700 thousand, granted to the latter to finance the acquisition of TECNALIS and the ALIRA technology platform, a transaction detailed in Note 2 above
- A pledge of the securities of its subsidiary SPORTNCO SAS.

Commitments received

SPORTNCO GAMING was issued in December 2017 by BNP PARIBAS a guarantee of €1,000 thousand, then transferred to its Spanish subsidiary SUERTIA INTERACTIVA SA, which filed with the Spanish regulatory authority (DGOJ), as required by the law for any online gambling operator in Spain.

SPORTNCO SAS was issued in December 2020 as part of the acquisition of TECNALIS SOLUTION PROVIDERS SL the following guarantees covering a number of identified and unidentified risks in the transaction:

- €1,500 thousand until April 30, 2023
- €1,200 thousand from May 1, 2023 to February 29, 2024
- €900 thousand from March 1, 2024 to April 30, 2024
- €450 thousand from May 1, 2024 to August 31, 2024.

In addition, two bank guarantees granted by a senior bank have been added to the above guarantees:

- €1,500 thousand until December 21, 2021
- €1,000 thousand until December 21, 2022

Finally, as part of its activities as a sports betting operator, the group must be able to face the assets likely to be paid out to players. In this context, SPORTNCO GAMING SAS has set up a bank guarantee with ARKEA for an amount of €700 thousand.

9.2. Audit fees

(thousands euros)	December 31, 2021	December 31, 2020
Fees relating to the statutory audit, certification and review of individual and consolidated financial statements	18	17
Other fees relating to statutory audit services		
Total	**18**	**17**

9.3. EBITDA

(thousands euros)	December 31, 2021	December 31, 2020	December 31, 2020 Pro forma
Operating income before goodwill impairment	(782)	1 862	2 133
+ Depreciation expenses	4 212	1 844	3 917
+Amortization and provisions expenses	10	70	70
EBITDA	**3 440**	**3 775**	**6 119**

Exco
CA Audit

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SPORTNCO GAMING

Société par Actions Simplifiée au capital de 3.243.571 Euros

425 Rue Jean Rostand
Bâtiment E-volution
31670 LABEGE

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

This is a translation into English of the statutory auditors'report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as verification of the information pertaining to the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of the shareholders of SPORTNCO GAMING,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of SPORTNCO GAMING for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from January 1st, 2021 to date of our report.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes, sur la période du 1er janvier 2021 à la date d'émission de notre rapport.

Emphasis of Matters

We draw attention to the following matters described in the Notes to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Goodwill

- As indicated in Note 7.1, the goodwill of € 4,652,000 of the company TECNALIS SOLUTIONS PROVIDERS, acquired on December 21, 2020 and consolidated from December 31, 2020, had not been allocated to elements that can be identified in 2020. The work relating to this accounting treatment was carried out during the 2021 financial year. As such, € 514,000 of capitalized production was thus reallocated.

- In note 7.1, it is indicated that an impairment test was carried out on the subsidiary SUERTIA leading to a depreciation of € 2,487,000 of goodwill.

Deferred Income tax

- As indicated in Note 7.13, the deferred taxes of the subsidiary SUERTIA, corresponding to its loss carried forward at the end of 2020, i.e. € 590,000, had been activated for the first time in 2020, due to the continuous improvement in the results of this company. Since the operating conditions of this company have changed in 2021, the prospects for recovering loss carryforwards being no longer assured, this deferred tax asset has been cancelled.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following 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 specific items of the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group’s information given in the management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains 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. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Done at Le Cannet, June 13, 2022

The statutory auditor
EXCO C.A. AUDIT

Patrick AUMERAS

Appendix C – Sportnco 2021 Carve-out Management Accounts

CONSOLIDATED FINANCIAL STATEMENTS

B2B PERIMETER

December 31 ; 2021

Note :

The following consolidated statements have been prepared in order to provide a detailed and accurate view of the performance of the B2B perimeter of Sportnco Gaming Group for the fiscal year 2021. The figures presented are derived from the audited group consolidation produced for fiscal year 2021.

Denis Thoral – Chief Financial Officer - Sporntco Gaming Group

Consolidated Statement of Financial Position

(thousands euros)	31/12/2021 B to B	31/12/2021 Group
Non-current assets	**20 727**	**23 724**
Intangible assets	20 335	23 282
Tangible assets	195	234
Financial assets	197	208
Current assets	**3 733**	**4 287**
Trade receivables	535	514
Deferred tax assets	79	87
Other recivables and prepayments	1 217	1 120
Cash and cash equivalent	1 902	2 566
Total Assets	**24 460**	**28 011**
Equity	**2 497**	**4 064**
Equity attributable to owners	**2 406**	**3 973**
Issued capital	3 244	3 244
Share premium	1 916	1 916
Retained earnings	-903	3 667
Net income (loss) for the year	-1 851	-4 854
Non-controlling interests		
Other equity	**91**	**91**
Liabilities	**21 963**	**23 947**
Financial liabilities	19 400	19 831
Trade payables	598	761
Deferred tax liabilities	456	456
Other liabilities	1 509	2 899
Total Liabilities and Equity	**24 460**	**28 011**

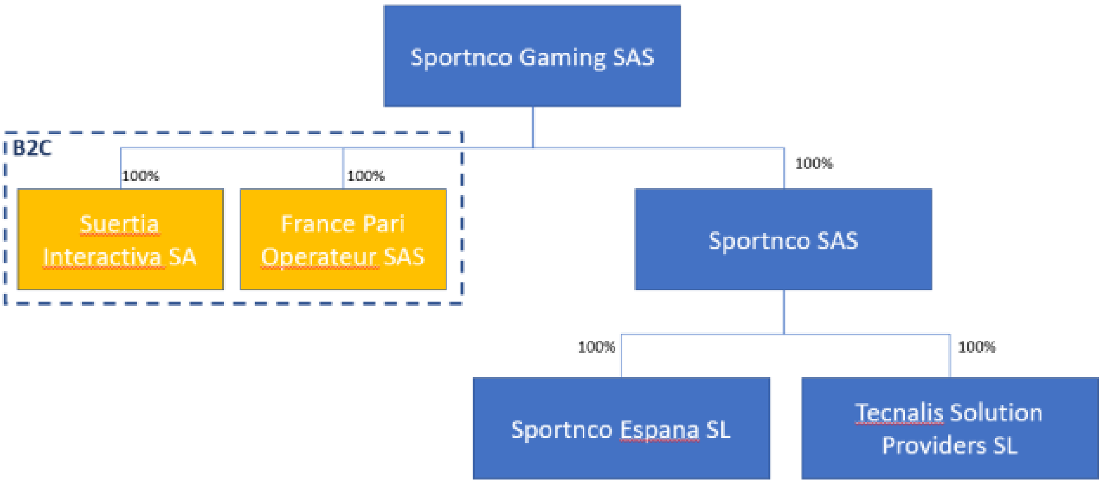
Consolidated Income Statement

(thousands euros)	31/12/2021 B to B	31/12/2021 Group
Revenue	7 629	15 144
Capitalized production	3 670	3 730
Other operating income	198	343
Oerating Income	**11 497**	**19 217**
Taxes on games expenses	0	-3 076
Bonus for players	0	-1 464
Technological services	-1 373	-1 629
External services and other expenses	-596	-2 815
Employee expenses	-6 128	-6 662
Tax expenses	-74	-81
Net depreciation	-4 129	-4 212
Net provisions and amortizations	-10	-10
Operating expenses	**-12 310**	**-19 949**
Operating income before goodwill impairment	**-813**	**-732**
Impairment of goodwill	0	-2 487
Operating income	**-813**	**-3 219**
Financial income	11	1
Financial expenses	-344	-378
Financial Income	**-333**	**-376**
Recurring Income	**-1 146**	**-3 596**
Non-recurring income	463	515
Non-recurring expenses	-902	-913
Non-recurring income	**-438**	**-398**
Income tax expense	-266	-861
Net Income before results in investment associates	**-1 851**	**-4 854**
Net Income	**-1 851**	**-4 854**

Notes to the B2B consolidated financial statements

1. Presentation of the consolidated B2B perimeter

As of December 31st, 2021, Sportnco Gaming Group is composed of the following legal entities :



As indicated, both France Pari Operateur SAS and Suertia Interactiva are B2C entities, and are therefore deconsolidated when we present B2B consolidated accounts.

Sportnco Gaming SAS combines both the activities of being the holding company for the group and the legal entity hosting our French B2C activity. This later activity is soon to be transferred to France Pari Operateur SAS, but was as of Dec 31st, 2021 still in Sportnco Gaming SAS. Therefore, in the process of presenting B2B consolidated accounts, we go through a process of splitting the accounting balances of Sportnco Gaming between what relates to the holding activity and what relates to the French B2C activity. This later part is deconsolidated.

2. Process of consolidation

Sportnco Gaming Group has produced audited consolidated accounts since 2019, although this is not a statutory requirement under French regulation, the company being under the threshold levels. The production of audited consolidated figures has been setup to address the need for both shareholders and banks to get a complete and aggregated view of our operations.

This group consolidation is the starting point when producing B2B consolidated figures. Indeed, our process is to start form the group and then deconsolidate everything that is not related to the B2B activity, on both the balance sheet and the income statement.

The figures presented above show the comparison between the B2B perimeter and the group figures.

3. Comments on noticeable items

a) Intangible assets

The B2B activity of our group carries the major part of the intangible assets, in the form of :

- Acquired software : the software ALIRA that has been acquired by Tecnalis Solutions Providers SL for 10 M€ in 2020
- Internal developments : the software solutions that we develop for our B2B clients are capitalized, along with external development costs that are incurred in the process.

b) Financial liabilities

All our current long-term debt, except for one loan currently being served, concerns our B2B activity, and in particular the financing of our latest and most important acquisition : Tecnalis Solutions Providers SL.

The only loan linked to the B2C is a state guaranteed Covid-19 loan contracted by Suertia Interactiva SL during the first semester of 2020.

c) Revenues

As previously mentioned our group has activities of B2B and B2C, with operators in France and Spain. In this B2B consolidation, any revenues from B2C activities are eliminated.

Revenues recorded on B2B entities from group B2C clients are included in the revenue figures presented.

d) Taxes on Games

Those expenses relate only to B2C activities and are therefore fully cancelled in the B2B consolidation process.

e) Bonus for players

Those expenses relate only to B2C activities and are therefore fully cancelled in the B2B consolidation process.

f) Employee expenses

The staff count of the group shows a strong predominance of the B2B activity with our B2C entities employing only c.20 of the c. 140 people in the group. This ratio is clearly translated in the figures presented.

g) Net depreciation and amortization

The figures presented mainly concern the amortization of the intangible assets, and in particular the software developments that have been capitalized on our B2B activity.

h) Impairment of goodwill

The book value of our Spanish B2C activity has been compared to recent communications received from parties that would be interested in buying this activity. That comparison reflected the fact the book value of that investment had to be revaluated to match the market value. This led to an impact in our P&L that has been excluded from the B2B perimeter since it concerns our B2C activity.

Appendix D - PRO FORMA REPORT AND INDEPENDENT PRACTICIONER’S ASSURANCE REPORT ON PRO-FORMA FINANCIAL INFORMATION

GAMING INNOVATION GROUP, INC.

SPORTNCO GAMING

PRO-FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

WITH INDEPENDENT ACCOUNTANT'S REPORT THEREON

AS OF AND FOR THE

FOR THE YEAR ENDED DECEMBER 31, 2021

CONTENTS

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of
Gaming Innovation Group Inc.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Gaming Innovation Group Inc. ("GIG"). The pro forma financial information consists of the pro forma statement of financial position as of December 31, 2021, the pro forma statement of financial operations for the year then ended and related notes.

The applicable criteria on the basis of which GIG has compiled the pro forma financial information are described in the Introductory Note.

The pro forma financial information has been compiled by GIG to illustrate the impact of the acquisition of Sportno Gaming as described in the Introductory Note on the company's financial position as at December 31, 2021 and the company's performance for the year then ended as if the transaction had taken place at January 1, 2021. As part of this process, information about the company's financial position and financial performance has been extracted by Gaming Innovation Group Inc from the company's financial statements the year ended December 31, 2021, on which an audit has been published.

<u>GIG's Responsibility for the Pro Forma Financial Information</u>

Gaming Innovation Group Inc is responsible for compiling the pro forma financial information on the basis described in the Introductory Note.

<u>Independent Accountant's Responsibilities</u>

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by Gaming Innovation Group Inc. on the basis described in the Introductory Note.

<u>Assurance</u>

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether GIG has compiled, in all material respects, the pro forma financial information on the basis of International Financial Reporting Standards

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at January 1, 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by GIG in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

• The related pro forma adjustments give appropriate effect to those criteria;

and

• The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis described in the Introductory note.

Reid CPAs, LLP

REID CPAs LLP

July 11, 2022

Woodbury, New York, USA

GAMING INNOVATION GROUP INC
SPORTNCO GAMING

PRO-FORMA COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

INTRODUCTORY NOTE

The accompanying unaudited pro-forma condensed consolidated financial information gives effect to the acquisition on January 1, 2021 by Gaming Innovation Group, Inc. ("GIG") of all the common stock of Sportnco Gaming ("SPORTNCO") a Corporation existing under the laws of France. The transaction was pursuant to purchase agreement between GIG and SPORTNCO whereby GIG is acquiring 100% of the share capital of SPORNTCO, using the purchase method of accounting, and giving effect to the pro-forma adjustments described in the footnotes following the accompanying pro-forma financial statements. The acquisition was done through the issuance of GIG common shares and payment of cash. GIG is providing this pro-forma financial information to aid in the analysis of the financial condition and results of operations of the combined companies following the merger. This pro-forma financial information included herein is derived from the audited financial statements of GIG and SPORTNCO, each as of and for the applicable period whereas the GIG financial statements are presented in full and those of SPORTNCO do not include certain of its assets and liabilities that are to be sold subsequent to the purchase. The unaudited pro-forma condensed consolidated financial information should be read in conjunction with the historical financial statements.

In addition, the accompanying unaudited pro-forma condensed consolidated financial information gives effect to the issuance of GIG shares to Sky City in return for cash used to provide funding for the acquisition transaction.

The unaudited pro-forma consolidated balance sheet gives effect to the above-mentioned acquisitions as if each had occurred on December 31, 2021. The unaudited pro-forma condensed consolidated statements of operations for the year ended December 31, 20121 assume that the merger was also effected on January 1, 2021. The unaudited pro-forma condensed consolidated financial information is presented for illustrative purposes only and does not purport to be indicative of the operating results or financial position that would have actually occurred if the acquisition and other financing transactions had each been effected on the dates indicated, nor is it indicative of future operating results or financial position of the Company. The pro forma adjustments are based on the information and assumptions available as of July 6, 2022.

Gaming Innovation Group Inc
Unaudited Pro-forma Consolidated Balance Sheet
As of December 31, 2021

EURO 1,000	Historical		IFRS	Note	Pro Forma Adjustments		Pro Forma	FINAL
	Gaming Innovation Group Inc.	Sportnco Gaming	Adjustment	Reference	Debits	Credits		
CURRENT ASSETS								
Cash and cash equivalents	€ 8,561	€ 1,902	-	**A & B**	€ 25,000	€ 27,870	€ 7,593	€ 7,593
Trade accounts receivables	17,570	535	-		-	-	18,105	18,105
Due from related parties	-	-	-		-	-	-	-
Other current assets	78	1,346	-		-	-	1,424	1,424
TOTAL CURRENT ASSETS	26,209	3,783	-		25,000	27,870	27,122	27,122
NON-CURRENT ASSETS								
Unallocated excess of purchase price over net assets acquired	-	-	-	**B**	48,811	-	48,811	48,811
Goodwill and ntangible assets	48,057	20,335	-		-	-	68,392	68,392
Deposits and other non-current assets	11,640	197	-		-	-	11,837	11,837
TOTAL NON-CURRENT ASSETS	59,697	20,532	-		48,811	-	129,040	129,040
FIXED ASSETS								
Property, plant and equipment	1,763	195	€ 174	**C**	-	-	2,132	2,132
TOTAL ASSETS	87,669	24,510	€ 174		73,811	27,870	158,294	158,294
SHAREHOLDERS' EQUITY								
Share capital	84,323	3,334	-	**A, B**	3,334	11,042		
				B	-	10,334	105,699	105,699
Share premium (adjustment)	35,492	1,916	-	**A, B**	1,916	13,958		
				B	-	13,166	62,616	62,616
Retained Earnings (Accumulated Deficit)	(107,913)	(2,691)	(36)	**C**	-	2,691	(107,949)	(107,949)
					-			
Attributable to equity holders of the parent	11,902	2,559	(36)		5,250	51,191	60,366	60,366
Non-Controlling Interests	23	-	-		-	-	23	23
TOTAL SHAREHOLDERS' EQUITY	11,925	2,559	(36)		5,250	51,191	60,389	60,389
CURRENT LIABILITIES								
Trade payables and accrued expenses	20,069	1,055	-		-	-	21,124	21,124
Lease liabilities	2,388	-	-		-	-	2,388	2,388
Other creditors and related	-	1,496	-		-	-	1,496	1,496
Bonds payable -short term	3,853	-	-		-	-	3,853	3,853
TOTAL CURRENT LIABILITIES	26,310	2,551	-		-	-	28,861	28,861
OTHER LIABILITIES								
Bonds payable -long term	38,850		-				38,850	38,850
Lease liabilities	10,168		-				10,168	10,168
Other liabilities	416	19,400	210		-	-	20,026	20,026
TOTAL OTHER LIABILITIES	49,434	19,400	210		-	-	69,044	69,044
TOTAL LIABILITIES	75,744	21,951	210		-	-	97,905	97,905
TOTAL LIABILITIES AND EQUITY	€ 87,669	€ 24,510	€ 174		€ 5,250	€ 51,191	€ 158,294	€ 158,294

A - To record issuance of 13,487,500 new shares for Euros 25,000,000 at share price of Euro 1.86 (NOK 18.08). Cash proceeds will be used by Gaming Innovation Group partly to finance purchase of Sportnco Gaming

B - To record the increase in the goodwill and equity in connection with the acquisition of Sportnco by Gaming Innovation Group for Euros 51,370,000; whereas 27,870,000 is in cash and 23,500,000 in 12,623,400 shares of GIG at Euro 1.86 (NOK 18.08) per share in exchange the acquisition of certain assets of Sportnco and the assumption of certain liabilities and the full amount of share capital and share premium of Sportnco Gaming

C - To adjust Sportnco Gaming accounting for leases to comply with IFRS 16

Gaming Innovation Group Inc.
Unaudited Pro-forma Consolidated Statement of Operations
For the year ended December 31, 2021

EURO 1,000	Historical		IFRS Adjustment	Note Reference	Pro Forma Adjustment	Pro Forma
	Gaming Innovation Group Inc.	Sportnco Gaming				
Sales	€ 82,574	€ 11,497	-		-	€ 94,071
Cost of sales	(4,564)	-	-		-	(4,564)
Gross Profit	78,010	11,497	-		-	89,507
Operating expenses	(57,261)	(8,033)	€ 120	1	-	(65,174)
Income (loss) before Interest, Taxes, Depreciation and Amortization	20,749	3,464	120		-	24,333
Depreciation and Amortization	(14,593)	(4,227)	(105)	1	-	(18,925)
Income (loss) before Interest and taxes	6,156	(763)	15		-	5,408
Other income (expenses)						
Other income (expenses)	(6,272)	(759)	(51)	1	-	(7,082)
Total other income (expenses)	(6,272)	(759)	(51)		-	(7,082)
Net loss before income tax	(116)	(1,522)	(36)		-	(1,674)
Income tax (expense) benefit	519	(266)	-		-	253
Net results from operations	€ 403	€ (1,788)	€ (36)		€ -	€ (1,421)
Loss from discontinuing operations	(465)					(465)
Exchange differences on translation	(323)	-	-		-	(323)
Comprehensive income (loss)	(385)	(1,788)	(36)		-	(2,209)
Per Share data:						
Basic and diluted loss per share						**€ (0.01)**
Basic and diluted weighted average common shares outstanding				2		**120,121,141**

1 - To adjust Sportnco Gaming accounting for leases to comply with IFRS 16
2 - Gives effect to the applicable share issuances on 1/1/2021 to Sky City and Sportnco Gaming

GAMING INNOVATION GROUP INC.
SPORTNCO GAMING
NOTES TO PRO-FORMA CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2021

A. To record the issuance of 13,487,500 shares of GIG valued at €25M paid in cash by Sky City.

B. To record the excess of the total purchase price over the net book value of the assets acquired. The purchase price was paid with the issuance of 12,623,400 common shares of GIG valued on December 31, 2021 at €23,5M and €27,87M in cash. Compared to the net book value of the assets of €2,5M this resulted in a value of €48,81M. Gaming Innovation Group, Inc. has not yet determined the allocation of the purchase price to the fair values of the tangible and intangible assets acquired and the entire excess of €48,81M has been classified on the accompanying pro-forma balance sheet under unallocated excess of purchase price over net assets acquired. In accordance with International Financial Reporting Standards, the Company has one year from the date of acquisition to finalize the accounting values. At the end of such allocation period, the amount of the excess that is not ultimately allocated to a specific tangible or intangible asset will be classified as goodwill.

C. To record adjustment for IFRS 16 lease accounting to the books of SPORTNCO

GAMING INNOVATION GROUP INC
SPORTNCO GAMING

NOTES TO PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS
DECEMBER 31, 2021

1. To record adjustment for IFRS 16 lease accounting to the books of SPORTNCO

2. Pro-forma consolidated loss per share reflects the issuance of all shares issued in the acquisition of SPORTNCO and the shares issued to Sky City and to effect the acquisition as of the beginning of the period presented.