Gaming Innovation Group p.l.c.

Annual Report and Consolidated Financial Statements
31 December 2022

Company Registration Number: C 44319

Readers are reminded that the official statutory Annual Report and Consolidated Financial Statements 2022, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on the Swedish Securities Market. A copy of the Independent auditor's report issued on the official statutory Annual Report and Consolidated Financial Statements 2022, is included within this printed document and comprises the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Chapter 16 Section 4a of the Swedish Securities Market Act.

Directors’ report

The directors present their annual report (including the ‘Sustainability report’) and the audited consolidated financial statements of Gaming Innovation Group p.l.c. (the ‘Group’, ‘Company’ or ‘GIG’) for the year ended 31 December 2022.

Principal activities and developments

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

Sportnco Gaming SaS

In December 2021, the Company signed a Share Purchase Agreement (“SPA”) to acquire the iGaming company Sportnco Gaming SAS (“Sportnco”). On 1 April 2022, the transaction was closed following receipt of all the necessary approvals from relevant gaming authorities, shareholders and bondholders. The Company acquired 100% of the issued shares of Sportnco, an unlisted group based in France, a leading sports betting and gaming solutions provider in the online gambling industry. The discontinued elements of its own Sportsbook are presented as part of discontinued operations.

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

The initial consideration is EUR51.4 million (net of debt assumed and cash acquired), whereof EUR23.5 million was paid in 12,623,400 new shares in GIG at a share price of NOK 18.08 and EUR27.9 million in cash. In addition, GIG assumed existing debt in Sportnco of EUR18.6 million and there will be an earn-out of up to EUR23.0 million based on the Sportnco performance in 2022 and 2023. The earn-out will be paid 50% in cash and 50% in new shares in GIG, where the number of shares to be issued shall be based on a 10-day Volume-Weighted Average Price (“VWAP”) of the GIG share at the time of payment, expected in April 2023 and April 2024. The earn-out payment to be paid in April 2023 is EUR8.5 million whereas EUR4.25 million will be paid in cash and EUR4.25 million will be paid in shares. The earn-out liability payable in 2023 provided for in the statement of financial position as at year end is higher than the amount payable by EUR0.4 million. Further, to keep key employees in Sportnco, a 3-year option program was entered into, whereby the option holders, pending continued employment, will receive shares in GIG at future VWAP valuation up to a total aggregate value of EUR4 million.

As part of the consideration paid for Sportnco, the Company’s parent also entered into an agreement with SkyCity Entertainment Group Limited (“SkyCity”) in December 2021, whereby SkyCity invested EUR25 million through a directed share issue at NOK 18.00 per share, equal to 13,487,500 new shares, financing the main part of the cash consideration to the shareholders of Sportnco.

Directors' report - continued

Principal activities and developments - continued

AskGamblers

In December 2022, one of the Company's subsidiaries has signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The total consideration is EUR45 million, of which EUR20 million was paid in cash on closing, EUR10 million twelve months after closing and the EUR15 million balance 24 months after closing. Closing was completed on 31 January 2023.

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

GIG has financed the initial consideration through a combination of own cash, (EUR8.8 million), a revolving credit facility (RCF) of EUR1.0 million and existing shareholders have committed to a EUR10.2 million share issue. The combination of these resulted in sufficient financing to complete the transactions at closing.

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

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

Refer to Note 31 'Events after the reporting date' for further information.

Performance Marketing

The Company's performance marketing arm ("GIG Media") achieved all-time high in annual revenue and player intake. Revenue achieved by GIG Media during 2022 was EUR61.7million (2021: EUR45.0 million) whilst player intake was 351,600 (2021: 197,800).

In December 2022, GIG Media entered into a new commercial partnership with News Corp UK & Ireland Limited for sports betting and casino content to their premium media websites The Sun and talkSPORT. Management believes that this partnership will generate significant revenue in the future especially in the UK, Irish and US markets.

During Q2 2022, GIG Media was awarded "best casino affiliate" award at the IGB Affiliate Awards in London.

Directors' report - continued

Principal activities and developments - continued

Platform & Sports Services

During 2022, twenty new agreements were signed for Platform Services where ten offer both casino and sportsbook, eight offer casino only and two offer sportsbook only. During Q1 2022, an extension to the long-term agreement with Betsson Group was signed for the provision of Platform & Managed Services, taking the term of the contract to Q4 2025.

10 new brands went live during 2022, bringing the number of live brands at 62 as at end of year. A platform supplier licence for the Ontario province in Canada was granted during Q3 2022, with its first two brands going live in Q4 2022.

ISO 20000 certification was awarded for the platform after an extensive review of internal service management system, framework and practices.

As part of management's strategic decision, the Group decided to divest its own Sportsbook. GIG's sportsbook will be phased out as a standalone product and Sportnco's sportsbook will be the preferred product going forward. The majority of current clients of the GIG Sportsbook will remain a client of the Group and will be migrated to the Sportnco sportsbook during 2023.

Events after the reporting date

In January 2023, as part of the financing of the initial consideration of the AskGamblers transaction, the Board of Directors of the Company's Parent has approved commitments of EUR10.2 million from a group of investors to finance the equity part of the acquisition. Pursuant to agreed terms, the share price has been set to NOK 25.61, which represents a discount of 2.6% from the volume-weighted average share price for the GIG share in the first 17 days of 2023. On 30 January 2023, the Company's Parent issued 4,267,112 new shares of its common stock to the above-mentioned group of investors.

In February 2023, the Board of the Company's Parent has decided to initiate a strategic review with the intention to split GIG into two main business segments.

The purpose of the split is to sharpen the focus for each business segment, optimise growth opportunities and ensure each business can benefit from the strategic and financial flexibility of their distinctive business models. The split will form two industry leading businesses with the potential to grow much faster than in the current corporate structure.

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

During March 2023, the Group has signed the first Platform licence agreement as an Enterprise Solution Model to a successful industry group. The agreement is structured with a significant set up fee charged for the license and subsequent fees over the term. The average estimated yearly contract value is materially above current averages for GiG's SaaS contracts. The Enterprise Solution provides technological and operational autonomy to clients who have technical development capabilities and wish to modify, enhance or build upon GiG's existing application.

Directors' report - continued

Overall Group performance

Revenues from continuing operations amounted to EUR105.2 (2021: EUR79.1) million during 2022, an increase of 33%, mainly due to the increase in revenues from both the Paid and Publishing Media divisions, the onboarding of Sportnco and a general increase from Platform current clients including the SkyCity contract. On an organic basis, revenues increased by 25% year over year.

Other operating revenue consists of non-recurring revenue of EUR1.8 million (EUR3.4 million in 2021). During 2022, other operating income relates to tax claims received from relevant authorities, whilst in 2021 it relates to the lease of the highroller domain.

Reported revenues include the SkyCity element, a platform client, recognised on a gross basis. Adjusting for the SkyCity contract on a net basis result in revenues from continuing operations of EUR88.3 million (2021: EUR63.4 million) million, a 39% increase year-over-year (27% increase on organic basis).

EBITDA for the Group from continuing operations increased from EUR21.8 million in 2021 to EUR33.8 million in 2022. Sportnco contributed to EUR3.8 million EBITDA in 2022. The increase in revenue was partly absorbed by an increase in total marketing cost from EUR23.0 million in 2021 to EUR31.2 million in 2022 and by an increase in other operating expenses from EUR15.6 million in 2021 to EUR20.0 million in 2022. Adjusting for the SkyCity contract being recognised on a net basis and excluding Sportnco operating expenses from 2022, results in total operating expenses from continuing operations increasing from EUR59.4 million in 2021 to EUR68.2 million in 2022, where the main increase is in marketing cost in the Media division.

EBITDA is equivalent to operating profit before depreciation and amortisation and impairment.

Revenues

Revenues from continuing operations for 2022 consisted of revenues from performance marketing, which increased to EUR61.7 million (2021: EUR45.0 million) and revenues from the platform and other B2B services which increased to EUR43.5 million (2021: EUR34.2 million). The increase in revenue from performance marketing was due to higher revenues generated from both the Paid and Publishing Media divisions whilst the increase in B2B revenues was mainly as a result of the Sportnco acquisition and a general increase from existing Platform current clients including the SkyCity contract. Adjusting for the SkyCity contract being recognised on a net basis, B2B revenues increased to EUR26.6 million in 2022 (EUR18.4 million in 2021).

Other operating revenue includes a non-recurring revenue of EUR1.8 million (EUR3.4 million in 2021). During 2022, other operating income relates to tax claims received from relevant authorities, whilst in 2021 it relates to the lease of the highroller domain.

Marketing expenses

Marketing expenses were EUR31.2 million (2021: EUR23.0 million) in the year 2022, an increase of 36%. Adjusting for the SkyCity contract on a net basis result in marketing expenses of EUR18.8 million (2021: EUR11.3 million), an increase of 66%, which resulted in a higher increase in revenues in absolute terms.

Directors' report - continued

Total operating expenses

Other operating expenses amounted to EUR20.0 million (2021: EUR15.6 million) in 2022, an increase of 28%. Adjusting for the SkyCity contract on a net basis, results in operating expenses of EUR15.5 million (2021: EUR11.4 million), an increase of 36%. Sportnco contributed to EUR1.8 million of other operating expenses. Excluding Sportnco, and adjusting for the SkyCity contract, other operating expenses during 2022 would have been EUR13.7 million (2021: EUR11.4 million), an increase of 20%. The increase is mainly due to an increase in consultancy cost for the Media division as during the year the Group engaged with consultants as opposed to employing further individuals. This increase was partly mitigated by initiatives undertaken during the year to reduce operating costs for the Platform division.

Personnel expenses amounted to EUR21.9 million during 2022 (2021: EUR22.1 million), a decrease of 1%. Sportnco contributed to EUR2.5 million of personnel expenses in 2022. Excluding Sportnco, personnel expenses during 2022 would have been EUR19.3 million, a decrease of 12%. Capitalised expenses relating to the Group's development of technology amounted to EUR14.1 million in 2022 (2021: EUR8.0 million), where Sportnco contributed to EUR3.5 million. Excluding Sportnco, capitalised expenses during 2022 would have been EUR10.6 million, an increase of 33%.

Depreciation and amortisation amounted to EUR21.5 million (2021: EUR14.6 million), an increase of 47%, where the increase is mainly derived from amortisation of assets acquired or assets recognised on consolidation from the Sportnco acquisition. Sportnco contributed to EUR5.3 million of depreciation and amortisation during 2022. Excluding Sportnco, depreciation and amortisation would have been EUR16.2 million, an increase of 11%.

Profit from operations

The Group's profit before tax from continuing operations for 2022 was EUR9.0 million (2021: EUR1.6 million).

The Company's loss before tax for 2022 was EUR0.6 million (2021: EUR1.8 million).

Finance costs

Group finance costs from continuing operations for 2022 were EUR6.7 million (2021: EUR5.8 million). Part of the financing of the Sportnco transaction was done through a tapping of SEK100 million of the current Company's bond. This, together with a general increase in the variable STIBOR rates especially during the second half of 2022 contributed to an increase in bond interest cost during 2022. Also, the amount of borrowings increased through the Sportnco transaction which contributed to the increase in Other interest expense (Note 27).

Statement of financial position

The largest asset on the balance sheet relates to intangible assets of EUR125.9 million (2021: EUR37.6 million), which mainly comprises goodwill generated through business combinations (EUR64.9 million), development of technology platform (EUR29.6 million), client contracts acquired (EUR12.8 million) as well as affiliate assets acquired (EUR17.3 million). Trade and other receivables increased to EUR23.5 million in 2022 (2021: EUR16.8million) mainly due to the addition of Sportnco receivables of EUR2.8 million and general increases in revenue.

Directors' report - continued

Statement of financial position - continued

Significant liabilities in the Group's balance sheet include trade and other payables and borrowings. Trade and other payables have increased year over year mainly due to the earn-out potential payments in 2023 and 2024 associated with the Sportnco acquisition (EUR18.5 million) together with the addition of the borrowings position of Sportnco (EUR18.1 million).

In order to finance the Sportnco acquisition, the Group's parent completed a direct share offering, the consideration of which amounting to EUR48.5 million, this was transferred to the Group in the form of a capital contribution.

Financing and cash flow

The Group experienced a net cash inflow during the year of EUR6.9 million (2021: EUR1.4 million). Net cash generated from operating activities was mostly utilised to fund investment in non-current assets, payment of bond interest and lease payments. The cash generated through financing was utilised for the acquisition of Sportnco.

Extra-ordinary events

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

Going concern

During 2021, the Company had successfully completed the issuance of a new 3-year SEK 450 million senior secured bond maturing on 11 June 2024, which proceeds were used to refinance the existing SEK 400 million bond. Further, the EUR8.5 million convertible loan entered into in December 2020 was converted into equity in 2021. During 2022, the Company achieved material revenue growth, also due to the Sportnco transaction and completed the acquisition of AskGamblers in January 2023 which will further enhance the revenue growth potential of the Group. These actions lowered the overall leverage ratio and strengthened the balance sheet through increased equity.

As at 31 December 2022, the Group reported net current liabilities of EUR3.4 million (2021 restated: net current assets of EUR0.5 million), and net assets of EUR50.6 million (2021: net liabilities of EUR3.9 million). After adjusting for non-cash items, primarily representing the non-cash item relating to the Sportnco earnout (Notes 7 and 20), the net current assets of the Group amount to EUR0.8 million as at 31 December 2022.

During 2022, the Group's net cash generated from operating activities materially improved to EUR30.4 million (2021: EUR16.7 million), an increase of 82%.

Management have commenced discussions with at least two parties with regards to the financing of the SEK 550 million 2024 bond, however timings of the refinancing are yet to be determined taking into consideration the recently announced strategic review to split GIG into two main business segments.

Directors' report - continued

Going concern - continued

Platform Services continues to sign new clients, and with additional brands going live with recurring revenues from new regulated markets, the Group predicts a positive outlook for Platform Services in 2023. With the addition of Sportnco and their proven Sportsbook, Platform Services is expected to emerge as a profitable business unit in 2023 following consideration of expected synergies. Performance marketing has seen a strong performance over time, and the growth in player intake, as well as the positive developments in website rankings sustain further growth in this segment. This growth will be accelerated further due to the acquisition of AskGamblers in 2023. Management is pleased with the overall development of the Group and expects to continue to grow going forward.

As a result of the above, the Directors consider the going concern assumption in the preparation of the Group's financial statements to be appropriate as at the date of authorisation for issue of the 2022 Annual Report and Consolidated Financial Statements.

Significant risks and uncertainties

General

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

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

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

B2C

In line with the strategic review taken in 2020, GIG is less directly exposed to legal and compliance risks associated with gaming operations due to currently having one B2C license with the Malta Gaming Authority servicing one white label partner (SkyCity), together with various B2B licenses in various regulated markets.

Directors' report - continued

Significant risks and uncertainties - continued

Platform Services

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

Subsequent to year end, the Group has been awarded B2B licenses in two additional US states, Pennsylvania and Maryland which will complement existing US licenses in New Jersey and Iowa. Also, the Group is in the process of being awarded a Swedish B2B license which will complement existing European licenses in the UK and Romania. This reduces exposure to the Group with regards to regulation changes.

Media Services

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

Financial risk management

Information on the Group's and Company's financial risk management is disclosed in Note 4 of the financial statements.

Pledged securities

The immediate and ultimate parent company has pledged all of the issued share capital in the Company with a nominal value of EUR1 to Nordic Trustee ASA, acting as the agent on behalf of bond holders. The bonds are secured by guarantees provided by group operating subsidiaries guaranteeing the discharge of the Company's obligations.

Results and dividends

The income statements are set out on page 40. The directors did not declare a dividend during the current and preceding financial years.

Directors

The directors of the Company who held office during the year were:

Mr Justin Psaila
Mr Richard Brown

The Company's Articles of Association do not require the directors to retire.

Directors' report - continued

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Group and the parent company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business as a going concern.

Signed on behalf of the Board of Directors on 21 April 2023 by Richard Brown (Director) and Justin Psaila (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

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Sustainability report

Contents:

Foreword

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

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

We continually build and develop upon our regulatory compliance, information security and platform management efforts to provide our partners and the communities in which they operate in, with the safest, most secure and innovative service, including AML, Player Protection, Safer Gambling, ISO 27001 and ISO 20000 certifications. Our climate action includes reducing our Scope 1, 2 and 3 GHG emissions through reduction in energy consumption (-5%), waste and use of office space (-20%), including reducing merchandise production and dissemination by over 70% by replacing with more sustainable and meaningful gifts, and we have offset 100% of our travel carbon footprint. In 2022 our People team addressed over 40,000 feedback points, reviewed all policies and procedures, and developed a new and improved perks and benefits package, and the team established GiG's first DEI allyship called GiG Allies, with full training and certifications achieved by all members.

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

Gemma Edward, Director of PSS and Sustainability

Sustainability report - continued

Our strategic approach to Sustainability:

Our people and stakeholders are at the heart of every decision we make, as are the communities in which we live and work. We want to create sustainable growth for every internal and external stakeholder. We have aligned our four key pillars and development areas, with the United Nations 2030 Agenda for Sustainable Development and the 17 Goals for the People and for the Planet.

Our four pillars are:

Sustainability report - continued

Our two sustainability objectives are broken down into clear business and people goals:

1. To be a **future proof profitable business** through adoption of sustainable best practices and ESG reporting, including product and service innovation, information security, safer gambling priorities, and supply chain ethics.

2. To be a **people first culture**, where balanced well-being is a fundamental right and intrinsically linked to our work in local communities and reducing our environmental footprint with the aim of reaching Net Zero by 2030.

2022 highlights:

Business Goal

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

Sustainability report - continued

People Goal:

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

Sustainability report - continued

Key focus areas for 2023

Business Goal:

- **Execute strategic review.** It's all hands-on deck to plan and implement the separation of the organisation into two publicly listed companies.
- **Acquisition of AskGamblers.** Acquisition was completed end of January with several initiatives to grow revenue and EBITDA for the asset being identified.
- **Complete Sportnco Integration.** In January 2023, a second Integration Meetup was held in Madrid, where all key leaders contributed to the agenda, updating on objectives achieved and how future goals had moved into the final stages. The revised committee framework and workstreams means all work on the integration now becomes business as usual.
- **Increase Safer Gambling and Player Protection offering.** Continuous innovation in the regulatory compliance arena, from the building of advanced RG Risk Profiling solutions supported by capabilities that automate customer interactions and interventions, to safer gambling training and meticulous safer gambling and social responsibility reviews by external consultants
- **Regulated market expansion.** Continue work maintaining current licenses in regulated markets, look to expand into new markets, and we completed Maryland and Pennsylvania licences in March 2023.
- **Improve overall ESG rating.** Complete a review of the organisation's activities towards ESG targets and assess the organisation's readiness to report under the CSRD directive with Bureau Veritas (in collaboration with RSM) and use partnership with Greenly and Legacy to create an informed and specific emissions reduction plan, focussing on supply chain, increasing efficiencies, improving retention of talent and more.

People Goal:

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

Sustainability report - continued

Our sustainability pillars - in depth

Innovation - *It's in our name*

From AI to ideation, we will continuously improve and build partnerships to give our stakeholders maximum outputs, such as improved products and systems, cutting edge technology, best practices, and real sustainable growth.

In addition to the items listed under the 2022 highlights our product, platform, tech and commercial highlights are:

- **Signed Aspers and Crab Sports.**
  - Aspers, who are a Tier one, UK focused, retail brand with venues in four locations in the UK. We will deliver a full end to end technology and services offering, including the delivery of an Omnichannel integration with their current retail technology.
  - Crab Sports in Maryland, US. This was of particular importance as it was the first commercial deal where we coupled the technologies of GiG and Sportnco to bring value to this 'challenger' localised brand. Maryland will open Mobile Sportsbetting later in 2022 and this will be the first 'real money' offering Sportnco have offered in the market, underlying our confidence in the solution and how it can help us expand in growing, more complex regulated markets.
- **Continuous improvement strategy and integrations.** Improvement works to; Logic UX and UI, existing products, including being able to approve PXP withdrawals from BO and other jurisdiction work, Croatia Kuna to Euro migration for Betsson Croatia complete. We've finalised Playtech Direct and EGT Digital integration to improve our games offering, Sports have integrated Sportnco with final UAT testing being carried out, and 15 new Vendors Added in PIQ Integration. We continued to enhance our product offering from a games perspective by integrating Pragmatic play, Quickspin, Pragmatic Play direct and Pari play. In addition, we integrated additional features such as Evolution Free Spins, Tipping Jackpots and EGT Free spins.
- **Increased integrated payment gateways.** As a platform, one of the core values is to enhance our third party offering, and our focus was to enhance our payments offering by integrating PXP.
- **Impressive number of go-live dates and new deals signed** in US, Canada, LATAM, and Europe. GiG signed the leading retail operator in LATAM to power its online expansion, as well as a platform deal with Strike Games and Luckybet, a deal with StarCasino to power their online offering in Spain, and a Head of Terms with an established retail operator in Ontario. Also in Ontario, Luckydays has gone live and Spinaway has launched.
- **Onboarded Industry veteran and marketing marvel** Marcel Elfersy, as the new Chief Commercial Officer of Platform and Sportsbook.

Sustainability report - continued

- **Successful integration of a 24/7 SOC team** enabled us to have full visibility of GiG servers, systems and network devices for all live environments, all offices and our Media business.
- **Improved security automation testing system** which enables the team to execute more efficiently automated tests at a specified cadence, for all of GiG's main products.
- **Implemented Governance, Risk, Compliance (GRC) vertical**. Which has improved the business continuity framework and initiated a stable governing function, performed a rigorous maturity assessment of our awareness framework, launched the internal Risk Management framework for all business units. Thus, ensuring the level of security maturity is maintained, the continuous compliance with ISO 27001 standards and the extension of the same level of compliance across multiple business units.
- **Improved GRC's focus on Risk Management frameworks** with more dedicated reporting and escalation lines inc. readjusting how GiG's third-party supply chain risk is assessed across 50 suppliers to date, with 94% of pre-existing suppliers being re-assessed. Supporting our ESG efforts further.
- **Secure by design, reducing vulnerabilities**. We have revamped our 'security by design' project, through a static scanner (SAST) which will scan our code prior to going live, this will assist the developers to mitigate any vulnerable code in reaching our products.
- **Increased supplier relationship management and security due diligence.** We have rolled out internal risk assessments in line with industry and security standards, to ensure that risks are discovered, prioritised and mitigated in accordance with GiG's risk appetite.
- **Increased our SETA** (training and awareness) presence, improving further our dedicated learning paths and targeted awareness. With 90% compliance reached for internal phishing simulations, the GRC function dedicated further improvements to our phishing campaigns.
- **Safer Gambling.** We have partnered with Betknowmore and YGAM for our annual Responsible Gambling training and awareness. Betknowmore UK has launched BKM Evolve to create a new enterprise that aims to address the prevention and reduction of gambling harm through bespoke and accredited training and consultancy programs. It has been identified that areas such as the workplace, health services and key front-line workers, require enhanced knowledge skills and resources to enable the safe and effective management of gambling health, risk and compliance issues. The top six highlights of safer gambling training include:
    - Understanding customer vulnerability
    - Understanding gambling harm
    - Understanding safeguarding and managing welfare
    - Enhanced skills for customers interactions
    - Awareness of gambling support services
    - Health and well-being

Sustainability report - continued

- **Watchtower AI and leading RG tools.** For those business partners who take advantage of our managed services package, our Operations teams provide comprehensive RG monitoring, assessment, and action on their customer database, utilising our plethora of advanced tools and processes, supported by experienced and highly trained people. We are constantly upgrading our RG repertoire, with the latest addition being the Watchtower AI language tool from Edgetier, designed to automatically alert and escalate concerning behaviour in customer contacts. In H2 2022 GiG embarked on an initiative to develop an advanced RG risk scoring methodology and system based on a wide data set that delivers a holistic risk score of customers supported with complex automation flows. This tool will allow for an automated risk assessment approach and will reduce subjectivity when performing manual reviews on a players account and lead to real-time automated interactions and spend limits to protect the player from any gambling related harm. The new programme is in testing and will be ready for testing towards the end of Q1, 2023.
- **Increased focus on Player Safety.** We've continued collaboration efforts with external RG agencies, to further develop our responsible gambling process and procedure, both in terms of monitoring and communication. Going into 2023, we are looking into ways of adding extra skill sets to our Player Safety team, with professional qualifications and training.
- **Anti-Bribery and Corruption.** GiG prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form. The Organisation's Policy held within the Code of Conduct which is read and signed by all employees, outlines what is acceptable and what is not, and what it could look like in reality. It gives comprehensive instructions on appropriate due diligence and when to register a gift, or seek further advice, and that the prevention, detection and reporting of bribery or corruption is the responsibility of all GiG employees. Reporting matters in this area are covered by the Protection of the Whistleblower Act (2013).

Responsible marketing and advertising. We ensure that all our advertising and marketing efforts are conducted in a socially responsible manner, in accordance with the regulations and requirements on promotional and marketing communications in every local market, and in the absence thereof, in accordance with a code of conduct that adopts industry standard practices. We ensure marketing communications do not mislead, be false or untruthful. Communications produced by GiG must provide clear and transparent information on any offer being made, and are not targeted at vulnerable people. We also ensure that we are fully compliant with General Data Protection Regulation (GDPR) guidelines and ensure that we only ever use personal data that is submitted or acquired by us only if we have a valid legal basis:

- **Protecting underage persons.** Marketing and advertising communications are not aimed at, or should not appeal to, underage persons (i.e. any age below the legal age for gambling in any jurisdiction where the communication is targeted) and carry appropriate warnings about underage gambling. For the purpose of brand advertisements and sponsorship agreements, no logos and names of gambling products or gambling services are to be found on products that are intended to be used or worn by underage persons.
- **Avoidance of potentially offensive language.** We refrain from using language, words and phrases in marketing and advertising communications which may be deemed offensive by both advertising audiences and regulatory bodies. These rules reflect the guidance issued by Ofcom, the UK's regulator for communication services.

Sustainability report - continued

- **Social media advertising and marketing.** Social media as a platform for advertising or any other form of commercially related content, including blogs, microblogs, vlogs, wikis, message boards, electronic newsletters, online forums, and all social networking sites, follow advertising requirements, such as:
    - Links to sources of more detailed information
    - An 18+ symbol
    - Reference to www.begambleaware.org or a local support institution
    - Do not include any content which is appealing to children Affiliate compliance

Protect your brand with GiG Comply. We built a compliance tool called GiG Comply which we of course use ourselves. GiG Comply drives social responsibility by providing improved visibility of where and how brands are being advertised, highlighting deviations from the brand owner's guidelines. The service helps protect advertisers and brand owners from being promoted on websites which are not brand safe or compliant. It also protects from misleading advertising in their name and helps operators to adhere to complex advertising standards in the different regulated markets.

Our team is comprised of 62 nationalities and we are all different. We know that by attracting a more diverse workforce, we benefit as a company. From our hiring practices to our retention initiatives, we are constantly looking to better what we did before. Through education and working closely with organisations like All-in-Diversity as a founding member, and the world-renowned Stress Management Society, we focus on our people's awareness, mindset, resilience and well-being. This helps to develop a mindful and autonomous internal culture which influences the communities in which we live.

Our two DEI goals are to:

- Increase diversity of thinking and perspective by recruiting from an increasingly diverse talent pool and retaining the best talent
- Break down more barriers and bias by increasing development and education opportunities in our workforce and in our communities, utilising current programmes and creating progression initiatives

Sustainability report - continued

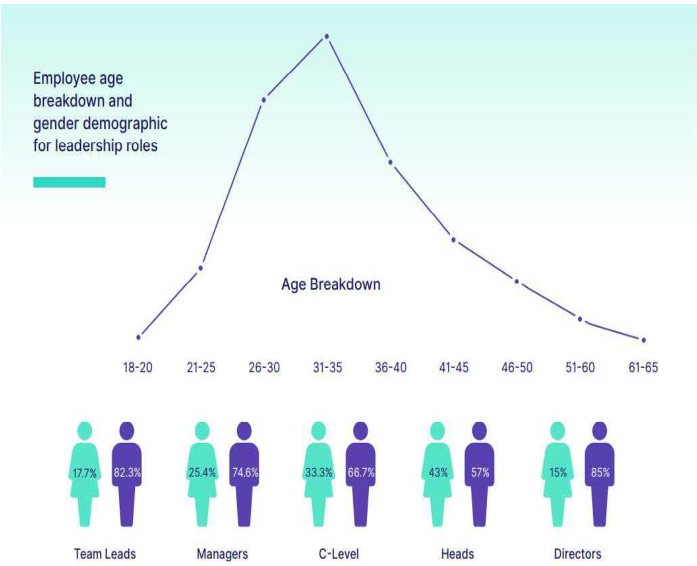
Kelly Kehn, Co-Founder All-in Diversity "*All-in Diversity Project is an international not for profit organisation focusing on diversity, equity and inclusion in the workplace. We work with organisations to help define what DEI means to them and providing tools, guidance, and support as they start to translate strategy into action. Our work is supported by Founding Members, organisations who are as committed to changing this industry as we are, actively work to support their communities and the industry at large. Gaming Innovation Group has been a pivotal part of the conversation since 2018, not only seeing the importance of Diversity, Equality and Inclusion and Sustainability into their own business model but also serving as a beacon of change for others, through initiatives such as their 'GiG Allies' programme - an internal network supporting the personal and professional development of women in the organisation, including leadership training and success planning. GiG is also a very visible participant of cross sector initiatives such as the All-Index, an annual report which seeks to benchmark diversity and inclusion across the industry, as well as International Women's Day and Pride. At a time when social governance forms a critical component of any serious sustainability strategy, GiG has taken a lead in placing the role of women within the workplace front and centre, highlighting the challenges and then going on to identify and implement solutions that support and sustain gender parity in the workplace, continuing to be a role model for best practice across all industries and all sectors.*"

In addition to the achievements listed under 2022 people goal highlights, we have also been focused on:

Our numbers. The gender split Q on Q remained the same with 67.25% male and 32.25% female and 0.5% non-binary. The age bracket of 31-35 continues to be where most of our people fall and as we employ people from all over the world, we are proud to welcome 62 nationalities across all of our people, which has remained steady from Q3 to Q4.

- **Talent acquisition and marketing recruitment.** We aim to increase diversity of thinking and perspective in GiG supporting our ESG efforts, by recruiting from an increasingly diverse talent pool. We are building a multi-cultural global workforce independent from any preferences other than skill set and talent by:
    - Hiring Manager Toolkit training which includes Ethical Hiring Practices and biases.
    - We use various sourcing methods to increase diversity and we engage with national minorities in Malta and Spain.
    - Building a stronger employer brand and engaging more with talent via social media channels
    - Increasing learning opportunities to students from local higher education institution MCAST and University of Malta, with seven interns onboarded so far
    - Improving the candidate experience ensuring our process is fair and transparent

Sustainability report - continued



- **GiG Allies.** With support from the All-in Diversity team, we want to create a safe, nurturing and discrimination free environment. We want to rid our company of all bias. We've now started our GiG Allies committee internally, formed by people partners, C-levels, and other leaders across our business units and partnered up with Global Mindset Development based in Malta.
- **Protecting Human Rights through policy.** The people and operational teams consistently review and update all policies, ensuring GiG protects and respects the human rights of its employees and partners. From Equality and Diversity, Health and Well-being, Right to disconnect, Flexi-working, Harassment and Bullying, Grievance, and Code of Conduct, to Whistleblowing, AML, Insider Trading and Infosec plus many more - we review and update constantly.
- **Optimised our office environments**. Our workplace services team have been working hard to finalise the office revamp and sublease in Malta, including internal building moves, creation of collaboration and meeting spaces, and are supporting Sportnco with the Madrid office move expected to finalise in H1 2023. New plans and projects for our Malta office are currently underway with completion at the end of 2023.
- **Well-being #Together**. Everyone's journey to achieving balanced well-being is different and personal. Our approach to wellbeing is holistic and company-wide and supported through industry leading policies like The Right To Disconnect, Flexi-working, GiG Health and Well-being, and our Well-being allowance and more, with focus on personal resilience and stress management hosted by the world-renowned stress management society, and localised activities. Our goal is to give our people the tools to evaluate their well-being and enable them to travel on their personal journey to achieve their ultimate balance.

Sustainability report - continued

Neil Shah, Chief De-stressing Officer, Stress Management Society: *"International Wellbeing Insights has observed good practice and the intention to apply it at GiG. GiG seems to be a culture of excellence, high achievement, and clearly has some very talented people. We are really impressed with the commitment to make a positive difference to GiGsters, the willingness to do the right thing even when the full path isn't clear and to be able to react and respond to unexpected crises and challenges with compassion and humanity. We are very much looking forward to continuing to support you in your journey to create a culture of wellbeing."*

- **Recognition Awards, GiGstars 2022.** Our third annual award ceremony was held during our Christmas event. Our 28 judges selected the 24 finalists from 446 company-wide nominations, and the 8 individual and team winners were revealed and celebrated on the night, receiving €500 well-being allowance top-ups or for teams a top-up to their team event budget.
- **Increased team building events**
  - Organised 32 different face to face and online team events in Media, Platform & Group
  - Hosted Four Company wide roundtables (GiGsters Connects), 10 Lightning sessions and 17 BU all-hands
  - Held five Beach clean-ups and five themed Beer Fridays across all offices
  - Christmas Event & GiG Gives charity quiz: Combined, over 500 people attended this company wide themed event in-person or online, where we revealed our GiGstars 2022 winners, hosted the quiz which was followed with a party held locally. Quiz winners donated their €2k prize money to GiG Gives partnered charities.
  - Over 120 GiGsters plus their families joined our Christmas family day in Copenhagen, Malta, Marbella and Toulouse.

Education and ESG - *It's what we believe in*

Quality education and reducing the impact we have on our planet is very important to us. From our expert in-house training and development team to our new GiG Gives Bridging the gap Education Incubator and community outreach projects, we are firmly focused on improving the lives of our people, the level of education available, and impacting poverty and economic growth in our communities.

Training and education. We believe in developing our people through investment in education and performance management support.

- **4395 Courses** were completed in 2022, and **24 new courses** were published on GiGsters Academy.
- **16 external courses and conferences were completed** and attended by GiGsters from Media, Platform, and Group achieving certifications in ISACA, Cybersecurity, Agile Leadership, Strategic Leadership, Mindfulness Coaching, Plural Sight and more.

Sustainability report - continued

- **Leadership Programme 2022.** This programme emphasises the importance of authentic, compassionate, and inclusive leadership. Over 50 leaders across all locations and business units attended completed an initial assessment called Strengthsfinder with a follow-up coaching session, and then 4 training sessions held throughout the year focused on; Engaging People with KPI's, Empowering others to grow, Emotional Intelligence and Embracing the challenge of change. These courses will continue with new focus in 2023.
- **Onboarded a new training provider.** For Information Security courses, and we have invested greatly in curating and designing a comprehensive Leadership training programme.
- **Sportnco ISO Integration.** We're continuously investing in keeping ours and our clients' information secure, and an important part of the integration was to bring Sportnco Group into the fold of our processes to protect our united organisation and maintain our ISO certification, by taking 2 mandatory courses.

ESG

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

Our areas of focus

Environmental sustainability assessment, including full Environmental, Social Governance reporting:

a. Scope 1, 2 and 3 carbon emissions assessment with partner Greenly, with the following targets:

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

Sustainability report - continued

b. Focusing on improving our ESG ratings, through auditing and identifying key areas of improvement:

1. Comprehensive third party review with Bureau Veritas (in collaboration with RSM) on ESG and Sustainability practices including procurement and maturity in H2 2023
2. Legacy consultancy completed GiG's first ESG ratings analysis, which is delivered as a consensus of the ESG analysts which are currently monitoring GiG (see sources below). This provides consistent ratings of ESG performance and helps guide us moving forward. With individual subcategory ratings varying from **41 to 56**, GiG's overall **ESG rating has risen to a fair 47 (50 is good)**, giving the team clear guidance on the areas for improvement.

Gaming Innovation Group, Inc.		Overall Rating	47
Category Ratings		Community	47
		Employees	47
		Environment	46
		Governance	49
Subcategory Ratings	Community	Community Dev & Philanthropy	51
		Human Rights & Supply Chain	40
		Product	49
	Employees	Compensation & Benefits	49
		Diversity & Labour Rights	47
		Training, Health & Safety	46
	Environment	Energy & Climate Change	56
		Environment Policy & Reporting	41
		Resource Management	41
	Governance	Board	51
		Leadership Ethics	50
		Transparency & Reporting	45

0 - 29 Low	30-39	40-49	50-59	60-79	80-100 High

ESG Sources (18)	
Act Analytics	MSCI ESG GovernanceMetrics
Covalence	MSCI ESG Intangible Value Assessment
ESG Book	S&P Global ESG Scores
FTSE Russell	S&P Global Trucost
Gaialens	SIGWATCH
Ideal Ratings	Stocksnips
Ideal Ratings SFDR	Sustainalytics
ISS ESG	Brand Finance Rating
MSCI ESG Controversies	Glassdoor

Sustainability report - continued

iii. We embarked upon an initial ESG supply chain rating analysis giving Net Positive observations from the top c.€28m spend; GiG's Legacy measured c.€10.5m against substantially weighted ESG analyst data. With 66% of spend within the software and Internet sector, meaning the measured ESG investment combined with Microsoft excellent ESG rating performance, gives GiG.com a **good 58.96 Supply Chain ESG rating**.

c. Introducing a Global Environmental Policy in **H2 2023**

d. To identify key measurements and accurate reporting, in Dec 2022 we partnered with Greenly, a leading carbon management accounting platform, which supports over 1000 companies to effectively reduce their greenhouse gas emissions. Greenly is a B certified corporation, and means we can start to measure accurately, reduce sustainably, and contribute intelligently and report on our progress.

1.1. We aim to have all of our accounting information and other sources connected and integrated with the platform in Q4, 2023

1.2. Once the reporting is up and running we will be able to report accurately and effectively on our GHGs and formulate an informed carbon reduction plan in 2024.

GiG Gives - Bridging the gap

Community outreach As per the 17 United Nations goals, we engage with initiatives locally with our GiGsters, supporting charities or events such as World Clean Up Day, building animal shelters, volunteering in people's homes, collecting and donating food, clothing and supplies for orphanages and women's shelters, donating our expertise for small struggling businesses or schools who need IT/tech support. These are just a few examples of work done and upcoming projects:

- **Donated** 200Kgs of food in Malta to the Family DV shelter, Dar Merhba Bik foundation in Malta
- **Raised and donated €34,000 in IT equipment and financial contributions** to our GiG Gives charity foundation, partnered charities Dar Merhba Bik foundation, AFESOL, Women's Shelter Reden, ground organisations in Ukraine, and many other charities in need.
- **Christmas GiG Giving** - Donated 70+ presents for the infants and children who are currently living at the family DV shelter, Dar Merhba Bik foundation, AFESOL in Marbella and some hygienic packs to the women's shelter Reden in Copenhagen in Dec 2022
- **Ukraine Crisis Appeal has raised over €13,000.** This money has been used by GiGsters on the ground to support the emergency services and NGOs to purchase life saving supplies like medical kits, sleeping mats, baby supplies, food, water, medicine, fuel and transport to evacuate refugees, doctors' visits and shelter. GiG has been doubling employee donations. The list of activities and support is ever evolving to keep pace with the situation. The safety of our people is paramount, and we continue to offer a myriad of support to those impacted, and we will continue to protect the privacy of those involved. We are reporting these activities to reflect the immense sense of spirit and generosity of our GiGsters, not in any way to garner credit for these actions.

Sustainability report - continued

Environmental footprint:

- Partnered with Greenly, a leading carbon management accounting platform, who supports over 1000 companies to effectively reduce their greenhouse gas emissions. Greenly is a B certified corporation, and means we can start to measure accurately, reduce sustainably, and contribute intelligently and report on our progress.
- Recycling paper, plastic, glass, organic material, printer toner and batteries in all of our locations, including electronic waste
- Commenced quarterly recording of water and energy consumption with the view to reducing waste, including already installed LED energy saving light systems.
- Merchandise and associated emissions have been reduced by and replaced with more sustainable and planet friendly initiatives including sponsored tree planting around the world.
- **Travel in 2022**. We have offset 100% of recorded Co2 travel emissions = 166,140kg through VERs scheme with The Gold Standard

- We reduced travel and emissions through our continual investment and maintenance in our digital meeting facilities and communication channels:
  - 100,001 Google Meets between October 2022 to March 2023
  - 4065 Zoom meetings
  - Slack messaging: 41,593 in public channels, 1,711,905 in private channels, 27,493 in shared channels and a total of 8,891,545 direct messages
  - Curated and published over 360 original informative articles GiG and its operations, people stories and the industry
- Upcycled and donated office equipment, laptops and IT equipment

Sustainability report - continued

Appendix - Consolidated disclosures pursuant to Article 8 of the Taxonomy Regulation

Introduction

In order to achieve the targets established by the European Union of reaching net zero greenhouse gas ('GHG') emissions by 2050, with an interim target of reducing GHG emissions by 55%, compared to 1990 levels, by 2030, the European Commission ('EC') has developed a taxonomy classification system, by virtue of EU Regulation 2020/852, ('the Taxonomy Regulation' or 'the EU Taxonomy'), which establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable.

The EU Taxonomy establishes criteria in terms of six environmental objectives, against which entities will be able to assess whether economic activities qualify as environmentally sustainable. In order to qualify as such, an economic activity must be assessed to substantially contribute to at least one of these environmental objectives, whilst doing no significant harm ('DNSH') to the remaining objectives. This is achieved by reference to technical screening criteria established in delegated acts to the EU Taxonomy. The economic activity is also required to meet minimum safeguards established in the EU Taxonomy. The six environmental objectives considered by the EU Taxonomy are the following:

i. Climate change mitigation;
ii. Climate change adaptation;
iii. Sustainable use and protection of water and marine resources;
iv. Transition to a circular economy;
v. Pollution prevention and control; and
vi. Protection and restoration of biodiversity and ecosystems.

The EC subsequently adopted a Delegated Act supplementing Article 8 of the Taxonomy Regulation ('the Disclosures Delegated Act') in 2021, which establishes the disclosure requirements of entities within the scope of the Taxonomy Regulation. At this stage, this solely comprises entities subject to an obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU (being those entities subject to the Non-Financial Reporting Directive, 'NFRD').

In the following section, the Group, as a non-financial parent undertaking, presents the share of its turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period ended 31 December 2022, which are associated with taxonomy-eligible and taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Article 8 of the Taxonomy Regulation. The remaining four environmental objectives are expected to be captured as from 1 January 2024, in accordance with the draft Environmental Delegated Act ('EDA') which was published on 5th April 2023 and is subject to a feedback period until expected adoption by EC by June 2023. The Group will therefore continue to monitor market regulation and guidance in respect of this aspect of its Taxonomy reporting, given the imminent nature of such reporting requirements.

Sustainability report - continued

Our Activities

Overview

Proportion of taxonomy-eligible and taxonomy-aligned economic activities in total turnover, Capex and Opex in FY 2022				
FY 2022	**Total (€000)**	**Proportion of taxonomy-eligible (non-aligned) economic activities**	**Proportion of taxonomy-aligned economic activities**	**Proportion of taxonomy non-eligible economic activities**
Turnover	105,215	0%	0%	100%
CapEx	107,278	0.4%	0%	99.6%
OpEx	32	100%	0%	0%

Definitions

'Taxonomy-eligible economic activity' means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (that is, the Climate Delegated Act as of now), irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

The Climate Delegated Act is structured such that Annex I contains a list of activities and the respective technical screening criteria in relation to the Climate Change Mitigation objective, whereas Annex II relates to the Climate Change Adaptation objective, with potentially different activities being considered in the different annexes.

A 'Taxonomy-aligned economic activity' refers to a taxonomy-eligible activity which:

i. complies with the technical screening criteria as defined in the Climate Delegated Act, where such criteria comprise:
    a. substantial contribution to one or more environmental objectives; and also
    b. 'do no significant harm' to any of the remaining environmental objectives;
ii. compliance with minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition.

'Taxonomy-non-eligible economic activity' means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-eligible and Taxonomy-aligned economic activities

The Group have examined all economic activities carried out to see which of these are taxonomy-eligible and also taxonomy-aligned in accordance with Annexes I and II to the Climate Delegated Act.

Sustainability report - continued

Taxonomy-eligible activities were identified by extracting the total revenue, CapEx and OpEx required to be captured in the denominators of the respective KPIs and assessing the NACE code of the activities to which the amounts relate. The Group then assessed which of the identified NACE codes relate to activities included within the annexes to the Climate Delegated Act. For the identified eligible activities, the Group then began the process to begin assessing them against the technical screening criteria. However, this process is still currently ongoing, with no activities presently being classified as taxonomy-aligned.

Turnover generating activities performed by the Group

The Group operates two segments:

- Platform offering front-end services ('Platform'); and
- Affiliate marketing ('Media')

Such activities are not captured as part of the Climate Delegated Act and therefore the Group's turnover generating activities are fully classified as taxonomy non-eligible.

As a result, CapEx or OpEx associated with turnover generating activities is also considered to be taxonomy non-eligible.

Taxonomy eligibility of investment activities not directly related to turnover-generating activities

Further to the activities from which the Group generates turnover, and generally incurs both CapEx and OpEx, the Group also engages in investment activities not directly related to its turnover-generating activities. Such investment activities which are taxonomy-eligible have been highlighted below.

Individually taxonomy-eligible CapEx/OpEx and the corresponding economic activities						
Economic activity	**Description of the taxonomy-eligible purchased output or individual measure**	**Capex (%)***	**Opex (%)***	**Climate change mitigation**	**Climate change adaptation**	**NACE-code**
7.7 Acquisition and ownership of buildings	The acquisition of leasehold property to be utilised internally by the Group	12.4	100	**a**	**a**	L68

*% of the total CapEx and OpEx included in the denominator of the respective KPI

Sustainability report - continued

Taxonomy alignment

Determining whether an activity meets the requirements to be classified as taxonomy-aligned requires considerable detailed information about the activity in order to properly assess it against the established technical screening criteria.

The Group is currently still in the process of gathering the necessary information in order to conclude that activities may be considered as taxonomy-aligned and verifying its accuracy. As a result of the ongoing process, the Group has not been able to substantiate the alignment of any of its activities in the current year.

However, as a result of no activities being considered as taxonomy-aligned in the current year, disclosure requirements surrounding the assessment of taxonomy-alignment in accordance with section 1.2.2.1 of the Disclosures Delegated Act are not deemed to be applicable to the Group.

Our KPIs and accounting policies

The key performance indicators ('KPIs') comprise the turnover KPI, the CapEx KPI and the OpEx KPI. In presenting the Taxonomy KPIs, the Group uses the templates provided in Annex II to the Disclosures Delegated Act. Since the KPIs need to include an assessment of taxonomy-alignment for the first time for the reporting period 2022, the Group does not present comparative figures on taxonomy-alignment. Moreover, since the Group is not performing any of the activities related to natural gas and nuclear energy (activities 4.26-4.31), the Group is not using the dedicated templates introduced by the Complementary Delegated Act as regards activities in certain energy sectors.

Turnover KPI template for financial year 2022

				Substantial contribution criteria		DNSH Criteria									
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity or transitional activity)
		EUR'000	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%								0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0.0%												
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		-	0.0%										0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Turnover of Taxonomy-non-eligible activities (B)		105,215	100.0%												
Total (A + B)		105,215	100%												

Sustainability report - continued

CapEx KPI template for financial year 2022

				Substantial contribution criteria		DNSH Criteria										
Economic activities	Code(s)	Absolute CapEx EUR'000	Proportion of CapEx %	Climate change mitigation %	Climate change adaptation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of CapEx Year N Percent	Taxonomy aligned proportion of CapEx Year N-1 Percent	Category (enabling activity) E	Category (transitional activity) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%								0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																
7.7 Acquisition and ownership of buildings	L68	424	0.4%													
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		424	0.4%													
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		424	0.4%										0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																
Capex of Taxonomy-non-eligible activities (B)		107,054	99.6%													
Total (A + B)		107,478	100%													

OpEx KPI template for financial year 2022

				Substantial contribution criteria		DNSH Criteria									
Economic activities	Code(s)	Absolute OpEx EUR'000	Proportion of OpEx %	Climate change mitigation %	Climate change adaptation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of OpEx Year N Percent	Taxonomy aligned proportion of OpEx Year N-1 Percent	Category (enabling activity or transitional activity) E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%								0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
7.7 Acquisition and ownership of buildings	L68	32	100.0%												
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32	100.0%												
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		32	100.0%										0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Opex of Taxonomy-non-eligible activities (B)		-	0.0%												
Total (A + B)		32	100%												

The specification of the KPIs is determined in accordance with Annex I to the Disclosures Delegated Act. The Group adopts the methodology to determine taxonomy-alignment in accordance with the legal requirements and describes its policies in this regard as follows:

Turnover KPI

Definition

The proportion of taxonomy-aligned economic activities of the total turnover has been calculated as the part of net turnover derived from products and services associated with taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1 January 2022 to 31 December 2022. Given that the Group has not identified any taxonomy-eligible economic activities, taxonomy-alignment is not possible to be assessed.

Sustainability report - continued

The denominator of the turnover KPI is based on the consolidated net turnover in accordance with paragraph 82(a) of IAS 1. For further details on our accounting policies regarding the Group's consolidated net turnover, refer to disclosure note 1.23 'Revenue recognition' in the Group's consolidated financial statements included in this Annual Report.

Reconciliation

The Group's consolidated net turnover captured in the denominator of the KPI of €238,207,000 reconciles with the amount disclosed in the 'Net revenue' financial statement line item included in the 'Income Statements' in the consolidated financial statements included in this annual report. Additionally, the amount also reconciles to Note 3 'Segment information' summarised below.

Revenue reconciliation	***Amount (€000)***	***Amount (€000)***
Turnover as per KPI denominator		105,215
Turnover as per the consolidated financial statements relating to:		
Media	61,702	
Platform	43,513	105,215
Difference	-	-

From the amounts disclosed above, the full amount of €105,215,000 is disclosed as 'Turnover of Taxonomy non-eligible activities' in the Turnover KPI.

CapEx KPI

Definition

The CapEx KPI is defined as taxonomy-aligned CapEx (numerator) divided by the Group's total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16) and additions as a result of business combinations. Acquisitions of investment properties (IAS 40) would also be captured, however, the Group had no such additions in the current year. For further details on our accounting policies regarding the Group's CapEx, refer to disclosure notes 1.7 'Property plant and equipment', 1.6 'Intangible assets', 1.8 'Leases' and 1.2 'Consolidations' in the Group's consolidated financial statements included within this annual report.

Sustainability report - continued

The Disclosures Delegated Act established three categories under which to classify CapEx:

a) CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities (“category a”). In this case, the Group considers that assets and processes are associated with Taxonomy-aligned economic activities where they are essential components necessary to execute an economic activity.

   The Group follows the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx under this category (a).

   Given that none of the Group’s turnover generating activities are classified as taxonomy-eligible, no CapEx has been identified under this category.

b) CapEx that is part of a plan to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity (“category b”).

   Given that none of the Group’s turnover-generating activities are classified as taxonomy-eligible, no such plan may be developed by the Group, and therefore, no CapEx is considered to be eligible under this category.

c) CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to GHG reductions (“category c”).

   The Group distinguishes between the purchase of output and individual measures as follows:
   - ‘Purchase of output’ relates to when the Group just acquires the product or service that is mentioned in the activity description.
   - ‘Individual measure’ refers to when the Group acquires a product through an activity that is regularly performed by the supplier, but where the Group controls the content and design of the product in detail.

   Eligible CapEx under this category has been disclosed in the table named ‘Individually taxonomy-eligible CapEx/OpEx and the corresponding economic activities’ in the ‘Taxonomy eligibility of investment activities not directly related to turnover generating activities’ section above. The full amount of CapEx considered under this category relates purely to ‘purchase of output’.

   Purchases of output qualify as taxonomy-aligned CapEx in cases where it can be verified that the respective supplier performed a taxonomy-aligned activity to produce the output that the Group acquired. Since taxonomy-alignment also includes DNSH criteria and minimum safeguards, the Group is not able to assess the Taxonomy-alignment on its own. For the purchased output in 2022, we were not able to obtain any conclusive confirmation of taxonomy-alignment.

Sustainability report – continued

Reconciliation

The Group's total CapEx captured in the denominator of the KPI can be reconciled to the consolidated financial statements of the Group included in this annual report, by reference to the respective disclosures capturing the additions for property, plant and equipment, intangible assets, and right-of-use assets.

Capex Reconciliation	***Amount (€000)***	***Amount (€000)***	
CapEx as per KPI denominator		107,478	
Additions as per the consolidated financial statements relating to:			
Property, plant and equipment	1,050		*Disclosure note 10*
Intangible assets	106,004		*Disclosure note 9*
Right-of-use assets	424	107,478	*Disclosure note 6*
Difference	-	-	

From the amounts disclosed above, the full amount of €1,050,000 allocated to 'Property, plant and equipment' and €106,004 allocated to 'Intangible assets' are disclosed as 'CapEx of Taxonomy non-eligible activities' in the CapEx KPI.

The full amount of €424,000 allocated to 'Right-of-use assets' is disclosed as taxonomy-eligible under activity 7.7 'Acquisition and ownership of buildings' in the CapEx KPI.

Opex KPI

Definition

The OpEx KPI is defined as taxonomy-aligned OpEx (numerator) divided by the Group's total OpEx (denominator).

Total OpEx consists of direct non-capitalised costs that relate to all forms of maintenance and repair. This includes staff costs, costs for services and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. Direct non-capitalised costs in relation to research and development, building renovation measures and short-term leases would also be captured, however, no such costs were incurred in the current year.

The OpEx considered by the Group does not include expenses relating to the day-to-day operation of PPE, such as raw materials, cost of employees operating any equipment and electricity or fluids that are necessary to operate the PPE. Amortisation and depreciation are also not included in the OpEx KPI.

Sustainability report – continued

The Group also excludes direct costs for training and other human resources adaptation needs from the denominator and the numerator. This is because Annex I to the Disclosures Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the OpEx KPI.

The OpEx of the Group recognised during the financial year ended December 2022 is disclosed further in the Group's consolidated financial statements included within this annual report in disclosure note 23 'Revenue and other operating expenses'. The full amount included in the denominator of the KPI of €32,000 is captured in the 'other operating expenses' segment of part b 'Other operating expenses' of disclosure note 23.

Given that the Group has not identified any CapEx as being taxonomy-aligned, naturally, no OpEx is able to be considered as taxonomy-aligned.

Statements of financial position

		Group		
	Notes	**2022**	2021 *Restated*	01.01.2021 *Restated*
		€	€	€
ASSETS				
Non-current assets				
Intangible assets	9	**125,894,967**	37,585,983	38,850,945
Property, plant and equipment	10	**1,421,020**	1,762,763	3,043,425
Right-of-use assets	6	**7,563,493**	11,123,323	13,002,292
Deferred tax assets	22	**119,648**	78,006	60,411
Derivative financial instruments	12	**-**	205,714	205,714
Trade and other receivables	13	**779,854**	890,361	676,955
Total non-current assets		**135,778,982**	51,646,150	55,839,742
Current assets				
Trade and other receivables	13	**23,497,428**	16,781,834	19,064,368
Cash at bank and other intermediaries	14	**15,116,837**	8,483,670	8,042,813
Total current assets		**38,614,265**	25,265,504	27,107,181
Total assets		**174,393,247**	76,911,654	82,946,923

Statements of financial position - continued

		Group		
	Notes	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	15	**50,000**	50,000	50,000
Share premium	15	**2,304,345**	2,304,345	2,304,345
Capital reserves	17	**145,902,888**	95,698,929	95,056,852
Merger reserve	18	**3,533,484**	3,533,484	3,533,484
Other reserves	19	**(14,006,520)**	(13,985,820)	(14,007,209)
Accumulated losses		**(87,436,642)**	(91,553,821)	(92,085,326)
Equity attributable to owners of the Company		**50,347,555**	(3,952,883)	(5,147,854)
Non-controlling interests		**239,985**	23,048	14,413
Total equity		**50,587,540**	(3,929,835)	(5,133,441)
Liabilities				
Non-current liabilities				
Borrowings	21	**60,877,736**	42,703,303	39,453,273
Deferred tax liabilities	22	**2,343,419**	416,069	360,432
Lease liabilities	6	**6,767,026**	10,080,188	11,736,232
Trade and other payables	20	**11,771,227**	2,855,526	1,773,148
Total non-current liabilities		**81,759,408**	56,055,086	53,323,085
Current liabilities				
Trade and other payables	20	**30,632,058**	16,738,564	26,749,132
Current tax liabilities		**767,575**	528,360	111,339
Borrowings	21	**7,483,258**	5,131,181	5,545,704
Lease liabilities	6	**3,163,408**	2,388,298	2,351,104
Total current liabilities		**42,046,299**	24,786,403	34,757,279
Total liabilities		**123,805,707**	80,841,489	88,080,364
Total equity and liabilities		**174,393,247**	76,911,654	82,946,923

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 21st April 2023. The consolidated financial statements were signed on behalf of the Board of Directors by Richard Brown (Director) and Justin Psaila (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Statements of financial position – continued

		Company		
	Notes	**2022**	2021 *Restated*	01.01.2021 *Restated*
		€	€	€
ASSETS				
Non-current assets				
Investments in subsidiaries	11	**121,733,376**	47,785,142	47,690,942
Trade and other receivables		**-**	-	676,955
Total non-current assets		**121,733,376**	47,785,142	48,367,897
Current assets				
Trade and other receivables	13	**1,769,999**	909,373	2,370,615
Cash at bank and other intermediaries	14	**497,784**	30,395	3,503,678
Total current assets		**2,267,783**	939,768	5,874,293
Total assets		**124,001,159**	48,724,910	54,242,190

Statements of financial position – continued

		Company		
	Notes	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
EQUITY AND LIABILITIES				
Share capital	15	**50,000**	50,000	50,000
Share premium	15	**2,304,345**	2,304,345	2,304,345
Capital reserves	17	**125,323,957**	76,823,957	76,823,957
Merger reserve	18	**5,886,789**	5,886,789	5,886,789
Other reserves		**-**	-	2,681
Accumulated losses		**(87,267,856)**	(86,714,715)	(84,934,530)
Total equity		**46,297,235**	(1,649,624)	133,242
Liabilities				
Non-current liabilities				
Borrowings	21	**48,190,977**	42,703,303	39,453,273
Trade and other payables	20	**9,590,623**	-	-
Total non-current liabilities		**57,781,600**	42,703,303	39,453,273
Current liabilities				
Trade and other payables	20	**15,633,645**	1,265,302	8,098,156
Current tax liabilities		**40,010**	40,010	40,010
Borrowings	21	**4,248,669**	6,365,919	6,517,509
Total current liabilities		**19,922,324**	7,671,231	14,655,675
Total liabilities		**77,703,924**	50,374,534	54,108,948
Total equity and liabilities		**124,001,159**	48,724,910	54,242,190

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 21st April 2023. The financial statements were signed on behalf of the Board of Directors by Richard Brown (Director) and Justin Psaila (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Income statements

		Group		Company	
		Year ended 31 December			
	Notes	**2022**	2021	**2022**	2021
		€	€	**€**	€
Net revenue	23	**105,215,354**	79,178,047	**-**	-
Other operating income	23	**1,769,280**	3,375,000	**-**	-
Dividend income	23	**-**	-	**-**	3,872,379
Operating expenses					
Personnel expenses	24	**(21,865,013)**	(22,058,595)	**-**	-
Depreciation and amortisation	6, 9,10	**(21,510,124)**	(14,584,070)	**-**	-
Impairment losses	9, 12	**(241,045)**	-	**-**	-
Marketing, including commission	23	**(31,231,844)**	(23,009,461)	**-**	(22,218)
Other operating expenses	23	**(20,049,569)**	(15,586,394)	**(63,139)**	(292,789)
Total operating expenses		**(94,897,595)**	(75,238,520)	**(63,139)**	(315,007)
Other income	25	**994,424**	851,625	**978,390**	-
Operating profit pre transaction costs		**13,081,463**	8,166,152	**915,251**	3,557,372
Transaction costs	23	**(1,061,943)**	(981,444)	**-**	(981,444)
Operating profit		**12,019,520**	7,184,708	**915,251**	2,575,928
Finance income	26	**3,736,828**	274,274	**3,842,927**	540,827
Finance costs	27	**(6,720,055)**	(5,824,109)	**(5,311,319)**	(4,899,621)
Profit/(loss) before tax		**9,036,293**	1,634,873	**(553,141)**	(1,782,866)
Tax expense	28	**(2,092,878)**	(631,443)	**-**	-
Profit/(loss) for the year from continuing operations		**6,943,415**	1,003,430	**(553,141)**	(1,782,866)
Loss from discontinued operations	8	**(2,609,299)**	(465,971)	**-**	-
Profit/(loss) for the year		**4,334,116**	537,459	**(553,141)**	(1,782,866)
Profit for the year is attributable to:					
Owners of the company		**4,117,179**	528,824		
Non-controlling interests		**216,937**	8,635		
		4,334,116	537,459		

The accompanying notes are an integral part of these consolidated financial statements.

Statements of comprehensive income

	Note	Group		Company	
		Year ended 31 December			
		2022	2021	**2022**	2021
		€	€	**€**	€
Profit/(loss) for the year		**4,334,116**	537,459	**(553,141)**	(1,782,866)
Other comprehensive income					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of foreign operations		**(20,700)**	24,070	**-**	-
Total other comprehensive income for the year, net of tax		**(20,700)**	24,070	**-**	-
Total comprehensive income for the year		**4,313,416**	561,529	**(553,141)**	(1,782,866)
Total comprehensive income for the year is attributable to:					
Owners of the company		**4,096,479**	552,894		
Non-controlling interests		**216,937**	8,635		
		4,313,416	561,529		
Total comprehensive income attributable to the Owners of the company relates to:					
Total comprehensive income from continuing operations		**6,705,778**	994,795		
Total comprehensive income from discontinued operations		**(2,609,299)**	(465,917)		
		4,096,479	552,894		

The accompanying notes are an integral part of these consolidated financial statements.

Statements of changes in equity

Group		Attributable to owners of the company								
	Note	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €	Non-controlling interest €	Total equity €
Balance at 1 January 2021		50,000	2,304,345	95,056,852	3,533,484	(14,007,209)	(92,085,326)	(5,147,854)	14,413	(5,133,441)
Comprehensive income										
Profit for the year		-	-	-	-	-	528,824	528,824	8,635	537,459
Other comprehensive income:										
Currency translation differences	19	-	-	-	-	24,070	-	24,070	-	24,070
Total other comprehensive income for the year, net of tax		-	-	-	-	24,070	-	24,070	-	24,070
Total comprehensive income for the year		-	-	-	-	24,070	528,824	552,894	8,635	561,529

Statements of changes in equity – continued

Group		Attributable to owners of the company								
	Notes	**Share capital €**	**Share premium €**	**Capital reserves €**	**Merger reserve €**	**Other reserves €**	**Accumulated losses €**	**Total €**	**Non-controlling interest €**	**Total equity €**
Transactions with owners										
Fair value of employee services	16	-	-	642,077	-	-	-	642,077	-	642,077
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	-	(2,681)	2,681	-	-	-
Total transactions with owners, recognised directly in equity		-	-	642,077	-	(2,681)	2,681	642,077	-	642,077
Balance at 31 December 2021		50,000	2,304,345	95,698,929	3,533,484	(13,985,820)	(91,553,821)	(3,952,883)	23,048	(3,929,835)

Statements of changes in equity - continued

Group	Attributable to owners of the company								
	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €	Non-controlling interest €	Total equity €
Balance at 1 January 2022	50,000	2,304,345	95,698,929	3,533,484	(13,985,820)	(91,553,821)	(3,952,883)	23,048	(3,929,835)
Comprehensive income									
Profit for the year	-	-	-	-	-	4,117,179	4,117,179	216,937	4,334,116
Other comprehensive income:									
Currency translation differences	-	-	-	-	(20,700)	-	(20,700)	-	(20,700)
Total other comprehensive income for the year, net of tax	-	-	-	-	(20,700)	-	(20,700)	-	(20,700)
Total comprehensive income for the year	-	-	-	-	(20,700)	4,117,179	4,096,479	216,937	4,313,416

Statements of changes in equity – continued

Group		Attributable to owners of the company								
	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €	Non-controlling interest €	Total equity €
Transactions with owners										
Fair value of employee services	17	-	-	1,703,959	-	-	-	1,703,959	-	1,703,959
Capital contribution arising on acquisition of subsidiary	17	-	-	48,500,000	-	-	-	48,500,000	-	48,500,000
Total transactions with owners, recognised directly in equity		-	-	50,203,959	-	-	-	50,203,959	-	50,203,959
Balance at 31 December 2022		**50,000**	**2,304,345**	**145,902,888**	**3,533,484**	**(14,006,520)**	**(87,436,642)**	**50,347,555**	**239,985**	**50,587,540**

Statements of changes in equity - continued

Company	Note	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €
Balance at 1 January 2021		50,000	2,304,345	76,823,957	5,886,789	2,681	(84,934,530)	133,242
Comprehensive income								
Loss for the year		-	-	-	-	-	(1,782,866)	(1,782,866)
Total other comprehensive income for the year		-	-	-	-	-	(1,782,866)	(1,782,866)
Transactions with owners								
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	-	(2,681)	2,681	-
Total transactions with owners, recognised directly in equity		-	-	-	-	(2,681)	2,681	-
Balance at 31 December 2021		50,000	2,304,345	76,823,957	5,886,789	-	(86,714,715)	(1,649,624)

Statements of changes in equity - continued

Company	Notes	Share capital €	Share premium €	Capital reserves €	Merger reserve €	Other reserves €	Accumulated losses €	Total €
Balance at 1 January 2022		50,000	2,304,345	76,823,957	5,886,789	-	(86,714,715)	(1,649,624)
Comprehensive income								
Loss for the year		-	-	-	-	-	(553,141)	(553,141)
Total other comprehensive income for the year		-	-	-	-	-	(553,141)	(553,141)
Transactions with owners								
Capital contribution arising on acquisition of subsidiary	17	-	-	48,500,000	-	-	-	48,500,000
Total transactions with owners, recognised directly in equity		-	-	48,500,000	-	-	-	48,500,000
Balance at 31 December 2022		**50,000**	**2,304,345**	**125,323,957**	**5,886,789**	**-**	**(87,267,856)**	**46,297,235**

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

		Group		Company	
		Year ended 31 December			
	Notes	**2022 €**	2021 €	**2022 €**	2021 €
Cash flows from operating activities					
Cash generated from operations	29	**31,348,106**	17,122,144	**272,277**	(1,231,485)
Tax paid		**(992,049)**	(424,640)	**-**	-
Net cash generated from/ (used) in operating activities		**30,356,057**	16,697,504	**272,277**	(1,231,485)
Cash flows from investing activities					
Payments for intangible assets	9	**(16,703,357)**	(9,200,653)	**-**	-
Payments for property, plant and equipment	10	**(850,556)**	(377,558)	**-**	-
Acquisition of subsidiaries, net of cash acquired	7	**(27,772,688)**	-	**(31,915,738)**	-
Net cash used in investing activities		**(45,326,601)**	(9,578,211)	**(31,915,738)**	-
Cash flows from financing activities					
Net repayment of loan from ultimate parent	21	**(1,411,728)**	(414,523)	**2,131,440**	(151,590)
Net proceeds from issuance of bond	21	**8,820,868**	1,886,371	**8,820,868**	1,886,371
Loan repayment (inclusive of accrued interest)		**(2,589,945)**	-	**-**	-
Interest paid on bond		**(4,776,236)**	(4,901,067)	**(4,776,236)**	(3,976,579)
Capital contribution received from Group's Parent		**25,000,000**	-	**25,000,000**	-
Lease liability principal payments	6	**(3,195,753)**	(2,331,604)	**-**	-
Net cash used in financing activities		**21,847,206**	(5,760,823)	**31,176,072**	(2,241,798)
Net movement in cash and cash equivalents		**6,876,662**	1,358,470	**467,389**	(3,473,283)
Cash and cash equivalents at beginning of year		**6,853,327**	5,494,857	**30,395**	3,503,678
Cash and cash equivalents at end of year	14	**13,729,989**	6,853,327	**497,784**	30,395

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the financial statements

1 Summary of significant accounting policies

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

1.1 Basis of preparation

The consolidated financial statements include the financial statements of Gaming Innovation Group p.l.c. ("GIG p.l.c." or "the Company") and its subsidiaries. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, with the exception of contingent consideration which is measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies (see Note 5 – Critical accounting estimates and judgements and Note 2 – Prior periods reclassification and restatement).

Going concern

During 2021, the Company had successfully completed the issuance of a new 3-year SEK 450 million senior secured bond maturing on 11 June 2024, which proceeds were used to refinance the existing SEK 400 million bond. Further, the EUR8.5 million convertible loan entered into in December 2020 was converted into equity in 2021. During 2022, the Company achieved material revenue growth, also due to the Sportnco transaction and completed the acquisition of AskGamblers in January 2023 which will further enhance the revenue growth potential of the Group. These actions lowered the overall leverage ratio and strengthened the balance sheet through increased equity.

As at 31 December 2022, the Group reported net current liabilities of EUR3.4 million (2021 restated: net current assets of EUR0.5 million), and net assets of EUR50.6 million (2021: net liabilities of EUR3.9 million).

After adjusting for non-cash items, primarily representing the non-cash item relating to the Sportnco earnout (Notes 7 and 20), the net current assets of the Group amount to EUR0.8 million as at 31 December 2022.

During 2022, the Group's net cash generated from operating activities materially improved to EUR30.4 million (2021: EUR16.7 million), an increase of 82%.

Management have commenced discussions with at least two parties with regards to the financing of the SEK 550 million 2024 bond, however timings of the refinancing are yet to be determined taking into consideration the recently announced strategic review to split GIG into two main business segments.

Platform Services continues to sign new clients, and with additional brands going live with recurring revenues from new regulated markets, the Group predicts a positive outlook for Platform Services in 2023. With the addition of Sportnco and their proven Sportsbook, Platform Services is expected to emerge as a profitable business unit in 2023 following consideration of expected synergies. Performance marketing has seen a strong performance over time, and the growth in player intake, as well as the positive developments in website rankings sustain further growth in this segment. This growth will be accelerated further due to the acquisition of AskGamblers in 2023. Management is pleased with the overall development of the Group and expects to continue to grow going forward.

1 Summary of significant accounting policies - continued

1.1Basis of preparation - continued

Going concern - continued

As a result of the above, the Directors consider the going concern assumption in the preparation of the Group's financial statements to be appropriate as at the date of authorisation for issue of the 2022 Annual Report and Consolidated Financial Statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.2 Consolidation

(a) Subsidiaries

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

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

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

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

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

1 Summary of significant accounting policies - continued

1.2 Consolidation - continued

(a) Subsidiaries- continued

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

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

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

(b) Transactions with non-controlling interests

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

1.3 Business combinations between entities under common control

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

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

1 Summary of significant accounting policies - continued

1.4 Segment information

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

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

1.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro ("EUR"), which is also the functional currency of the parent company.

(b) Transactions and balances

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

(c) Group companies

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

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

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

1 Summary of significant accounting policies – continued

1.6 Intangible assets

(a) Goodwill

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

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

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

(b) Domains

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

(c) Affiliate contracts

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

Acquired customer contracts for Sportnco are shown at historical cost and are deemed to have a useful life of 7 years, determined by reference to the expected user churn rate. Amortisation is calculated using the straight-line method to allocate the cost of affiliate contracts over their estimated useful lives.

(d) Trademarks

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

(e) Computer software and technology platforms

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

1 Summary of significant accounting policies – continued

1.6 Intangible assets - continued

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

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

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

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

1.7 Property, plant and equipment

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

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

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.9).

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

1 Summary of significant accounting policies - continued

1.8 Leases

Group as a lessee

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

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

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

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

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

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

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

Group as a lessor

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

1 Summary of significant accounting policies - continued

1.8 Leases - continued

Group as a lessor - continued

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

1.9 Impairment of non-financial assets

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

1.10 Financial assets

1.10.1 Classification

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

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

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

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

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

1 Summary of significant accounting policies - continued

1.10 Financial assets - continued

1.10.2 Recognition and derecognition

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

1.10.3 Measurement

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

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

(a) Debt instruments

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

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

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

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

1 Summary of significant accounting policies - continued

1.10 Financial assets - continued

1.10.3 Measurement - continued

(b) Equity instruments

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

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

1.10.4 Impairment

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

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

1.11 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 1.9). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks and e-wallets, net of restricted balances.

1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any proceed in excess of the nominal value of shares issued is recorded as equity, and presented within 'Share premium'.

1 Summary of significant accounting policies - continued

1.14 Capital reserves

Contributions received from the shareholders for which GIG has no obligation to repay are recorded in equity and presented within the 'Capital contribution reserve'. Included within capital reserves are advances for shares to be issued which represent proceeds received from the Group's shareholders in anticipation of issuance of ordinary shares and exercised share options, the share capital and premium of which had not yet been issued.

1.15 Distributions

Reductions arising from distributions to shareholders, whether in the form of dividends or otherwise, are deducted directly from equity. Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the obligation to pay a dividend is established.

1.16 Financial liabilities

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

1.17 Trade and other payables

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

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

1.18 Borrowings

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

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

1.19 Offsetting financial instruments

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

1 Summary of significant accounting policies - continued

1.20 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of financial position.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of financial position. A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. A component of the entity is also presented as discontinued operations if the component is to be abandoned and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Income statement.

1.21 Current and deferred taxation

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

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

1 Summary of significant accounting policies - continued

1.22 Share-based payments

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

Equity-settled share-based payments

Equity-settled share-based payment transactions are measured at the grant date at fair value for employee services, which requires a valuation of the options. Once the fair value has been determined, the amount recognised as an expense is adjusted to reflect the number of awards for which the related service is expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service.

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

When the options are exercised, the Company's parent, or another entity at the request of the Company's parent, transfers shares to the employees.

The grant by the Company's parent of options over its equity instruments to the employees of the Group is treated as a capital contribution on the basis that the Group does not compensate its parent for the fair value of shares granted. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an expense, with a corresponding credit to equity.

1.23 Revenue recognition

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

(a) Gaming

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

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

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

1 Summary of significant accounting policies – continued

1.23 Revenue recognition - continued

(b) Platform and sportsbetting services

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

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

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

(c) Performance Marketing

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

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

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

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

(d) Other

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

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

2 Prior periods reclassification and restatement

A reclassification and restatement have been identified for prior periods ending 31 December 2021 and periods before 1 January 2021. The reclassification is limited to the Group and the Company statements of financial position and there is no impact on the income statements and statements of comprehensive income.

Group and Company - Borrowings

During the year, management noted an element of the outstanding bond which was wrongly being classified as a current liability. Management has reassessed the terms and conditions of the bond and concluded that as at 31 December 2021 as well as prior to 1 January 2021, the Group and the Company had an unconditional right to defer settlement for the bond for at least 12 months after the end of these reporting periods.

As a result, an adjustment has been made to the Group's and Company's current and non-current borrowings as at 31 December 2021 and 1 January 2021 as shown in the table below. The respective disclosure notes have also been restated accordingly to reflect this adjustment.

Group *As at 31 December 2021*	**As previously reported**	**Restatement**	**As restated**
Non-current liabilities			
Borrowings	38,849,954	3,853,349	42,703,303
Current liabilities			
Borrowings	8,984,530	(3,853,349)	5,131,181
As at 1 January 2021			
Non-current liabilities			
Borrowings	35,997,913	3,455,360	39,453,273
Current liabilities			
Borrowings	9,001,064	(3,455,360)	5,545,704

Company *As at 31 December 2021*	**As previously reported**	**Restatement**	**As restated**
Non-current liabilities			
Borrowings	38,849,954	3,853,349	42,703,303
Current liabilities			
Borrowings	10,219,268	(3,853,349)	6,365,919
As at 1 January 2021			
Non-current liabilities			
Borrowings	35,997,913	3,455,360	39,453,273
Current liabilities			
Borrowings	9,972,869	(3,455,360)	6,517,509

3 Segment information

The Group operates two segments:

- Platform offering front-end services ('Platform'); and
- Affiliate marketing ('Media')

The Group's internal reporting to its management team focuses on Platform and Media separately. The primary measure used by the CEO and the Board of Directors to assess the performance of operating segments is profit from operations. For product analysis, the primary measure is net revenue in line with the Group's internal reporting. The Group operates an integrated business model and does not allocate either assets or liabilities of the operating segments in its internal reporting. The income statement segment information is being disclosed accordingly.

2022	**Media**	**Platform**	**Group**
	€	**€**	**€**
Net revenue	**61,702,640**	**43,512,714**	**105,215,354**
Other operating income	**-**	**1,769,280**	**1,769,280**
Operating expenses			
Personnel expenses	(7,273,693)	(14,591,320)	(21,865,013)
Depreciation and amortisation	(7,815,177)	(13,694,947)	(21,510,124)
Impairment losses	(205,714)	(35,331)	(241,045)
Marketing, including commission	(18,147,334)	(13,084,510)	(31,231,844)
Platform and service provider fees	-	(5,488,148)	(5,488,148)
Consultancy fees	(3,344,817)	(5,330,395)	(8,675,212)
Other operating expenses	(2,546,242)	(3,339,967)	(5,886,209)
Total operating expenses	**(39,332,977)**	**(55,564,618)**	**(94,897,595)**
Transaction costs	(400,000)	(661,943)	(1,061,943)
Segment profit/(loss)	**21,969,663**	**(10,944,567)**	**11,025,096**
Other income			994,424
Operating profit			**12,019,520**
Finance income			3,736,828
Finance costs			(6,720,055)
Profit before tax from continuing operations			**9,036,293**

3 Segment information - continued

2021	**Media**	**Platform**	**Group**
	€	**€**	**€**
Net revenue	**44,969,637**	**34,208,410**	**79,178,047**
Other operating income	**-**	**3,375,000**	**3,375,000**
Operating expenses			
Personnel expenses	(7,475,177)	(14,583,418)	(22,058,595)
Depreciation and amortisation	(7,689,395)	(6,899,146)	(14,588,541)
Marketing, including commission	(10,961,378)	(12,048,083)	(23,009,461)
Platform and service provider fees	-	(4,403,363)	(4,403,363)
Consultancy fees	(2,683,203)	(2,363,308)	(5,046,511)
Other operating expenses	(2,567,985)	(3,564,064)	(8,132,049)
Total operating expenses	**(31,377,138)**	**(43,861,382)**	**(75,238,520)**
Transaction costs		(981,444)	(981,444)
Segment profit/(loss)	**13,592,499**	**(7,259,416)**	**6,333,083**
Other income			851,625
Operating profit			**7,184,708**
Finance income			274,274
Finance costs			(5,824,109)
Profit before tax from continuing operations			**1,634,873**

The following table presents the Group's net revenue and other operating income by product line, net of intra-segment eliminations:

	Group	
	2022	2021
	€	€
Performance marketing (media)	**61,702,640**	44,969,637
Platform services including other operating income	**45,281,994**	37,583,410
	106,984,634	82,553,047

The Group operates in a number of geographical areas as detailed below. The geographical revenue split is based on where the operator generates its revenues.

	Group	
	2022	2021
	€	€
Net revenue		
Nordic countries	**364,372**	3,893,590
Europe excluding Nordic countries	**43,364,879**	28,807,850
Rest of world	**61,486,103**	46,476,607
Total	**105,215,354**	79,178,047

3 Segment information - continued

All employees of the Group for both the current and the previous years were based in Europe. Similarly, all assets for the current and the previous years were located in Europe. The Group is not exposed to concentration risk since it operates in a number of markets as disclosed above.

In the current year, no individual client contributed to 10% of the revenues generated in both the Platform and Media segments. In the preceding year, revenues from one customer amounted to EUR9,267,281 and arose in both the Platform and the Media segments.

4 Financial risk management

4.1Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

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

The table below summarises the Group and the Company's exposure to foreign currencies, other than the functional currency, as at 31 December 2022 and 2021.

Group	Monetary Assets €	Monetary Liabilities €	Net exposure €
As at 31 December 2022			
SEK to EUR	54,540	(48,215,084)	(48,160,544)
GBP to EUR	362,820	(267,367)	95,453
NZD to EUR	5,210,759	(250)	5,210,509
CAD to EUR	508	(28,192)	(27,684)
USD to EUR	601,570	(45,250)	556,320
NOK to EUR	823,572	(39,981)	783,591
DKK to EUR	839,274	(78,022)	761,252
Other currencies	9,927	(1,242)	8,685
	7,902,970	**(48,675,388)**	**(40,772,419)**

4.1 Financial risk factors - continued

(a) Market risk - continued

(i) Foreign exchange risk - continued

Group	Monetary Assets €	Monetary Liabilities €	Net exposure €
As at 31 December 2021			
SEK to EUR	-	(42,658,484)	(42,658,484)
GBP to EUR	445,494	(7,829)	437,665
NZD to EUR	1,202,628	(368,362)	834,266
CAD to EUR	53,083	(210)	52,873
USD to EUR	632,733	(48,098)	584,635
NOK to EUR	95,747	(2,043)	93,704
DKK to EUR	-	(11,202)	(11,202)
Other currencies	4,166	(1,228)	2,938
	2,433,851	**(43,097,456)**	**(40,663,605)**

Company	Monetary Assets €	Monetary Liabilities €	Net exposure €
As at 31 December 2022			
SEK to EUR	-	(48,190,977)	(48,190,977)
As at 31 December 2021			
SEK to EUR	-	(42,703,303)	(42,703,30)

For the Group and Company a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the period was deemed necessary for liabilities denominated in SEK and NZD.

At the end of the reporting period, had the SEK exchange rate strengthened or weakened against the euro by 7.4% (2021: 0.15%) with other variables held constant, the increase or decrease respectively in net assets of the Group and the Company would amount to approximately EUR484,577(2021: EUR63,792).

At the end of the reporting period, had the NZD exchange rate strengthened or weakened against the euro by 9.3% with other variables held constant, the increase or decrease respectively in net assets of the Group and the Company would amount to approximately EUR263,928 and EUR318,052 respectively.

A sensitivity analysis for all other assets and liabilities was not deemed necessary on the basis that the directors do not consider the risk to be material.

4 Financial risk management - continued

4.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Interest rate risk

As at 31 December 2022, the Group and the Company are exposed to cash flow interest rate risk arising on the floating rate note bonds in issue at this date (Note 21). The bond has a 3 monthly STIBOR plus fixed interest rate of 8.5%. The STIBOR rate has changed materially over the past year and is expected to continue to increase further. Management has performed a sensitivity analysis whereby the maximum increase of 3.39% is expected resulting in an increase of interest expense of EUR217,438. In the preceding year there was no effect of STIBOR rate on the borrowings of the Group.

As disclosed in Note 7, upon the acquisition of Sportnco, the Group acquired debt in the form of loans with credit institutions amounting to EUR18,627,679. These loans, as detailed in Note 21, carry different fixed interest rates except for a particular loan having a 3 monthly EURIBOR plus a variable interest rate. The variable interest rate is dependent on the EBITDA metric of Sportnco as a stand-alone sub-group. The interest rate varies from 1.20% per annum to 1.90% per annum. The EURIBOR rate has changed materially over the past year and is expected to continue to increase further. Management has performed a sensitivity analysis was whereby the maximum increase of 3.64% is expected resulting in an increase of interest expense of EUR161,008.

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

(b) Credit risk

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

4 Financial risk management - continued

4.1 Financial risk factors – continued

(b) Credit risk - continued

The Group and Company's exposure to credit risk is:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Financial assets at amortised cost:				
Trade and other receivables (Note 13)	**16,927,087**	10,858,137	**885,430**	871,709
Finance lease receivable (Note 13)	**963,584**	-	**-**	-
Amounts due from payment providers (Note 13)	**892,746**	716,590	**-**	-
Cash at bank and other intermediaries (Note 14)	**15,116,837**	8,483,670	**497,784**	30,395
Exposure	**33,900,254**	20,058,397	**1,383,214**	902,104

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to the gross carrying amount.

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

The Group and Company seek to manage credit risk by only undertaking transactions with counterparties which include financial institutions or intermediaries, such as payment providers with quality standing. Control structures are in place to assess credit risk on similar lines. The following table provides information regarding the aggregated credit risk exposure, for deposits with bank and financial institutions or intermediaries with external credit ratings as at 31 December 2022 and 2021.

4 Financial risk management - continued

4.1 Financial risk factors - continued

(b) Credit risk - continued

Amounts due from payment providers of EUR892,746 (2021: EUR716,590) are not rated.

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Cash at bank and other intermediaries:				
AAA	**-**	894,013	**-**	-
AA+ to AA-	**2,214,004**	98,687	**-**	-
A+ to A-	**3,716,435**	62,410	**3,734**	-
BBB+ to BBB-	**7,366,292**	6,713,647	**335,227**	30,395
BB+ to BB-	**-**	36,970	**-**	-
Below BB or not rated	**1,820,107**	677,943	**158,824**	-
	15,116,838	8,483,670	**497,785**	30,395

Impairment of financial assets

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

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

The publishing unit within performance marketing reported trade receivables of EUR6,284,361 as at 31 December 2022 (2021: EUR4,634,138), and a loss allowance of EUR371,370 (2021: EUR251,914), during the year an amount of EUR168,476 were written off. The paid unit within performance marketing reported trade receivables of EUR3,687,315 as at 31 December 2022 (2021: EUR1,917,915), a loss allowance of EUR188,537 (2021: EUR170,777) and bad debts written off of EUR48,542. Other trade receivables amount to EUR1,026,767 related to the newly acquired domain, and any loss allowance would be immaterial since there is limited credit history available. Amounts were settled subsequent to year end.

Trade receivables from platform services amounted to EUR3,923,178 as at 31 December 2022 (2021: EUR2,265,261) and accrued income of EUR1,332,175 (202: EURnil). As at 31 December 2022, management recorded a loss allowance of EUR115,253 (2021: nil), and EUR160,000 (2021: EUR285,254) which were written off as uncollectible which was specific to one customer that did not go live as planned. Management has considered the quality of counterparties as at 31 December 2022 and 2021, and concluded that no further loss allowance should be recorded on the basis of payment experience, where relevant, and management's credit risk assessment.

Trade receivables of sublease of property amounting to EUR963,584 (2021: Nil) carries immaterial loss allowance since there is limited credit history available and amounts are received as per agreements. Other receivables amount to EUR1,418,204(2021: EUR2,225,945) for the Group and EUR1,200 (2021: EUR678,158) for the Company. Part of the other receivables related to the lease of a domain, which are expected to reduce in line with the contractual obligations of the counterparty. The remaining other receivables relate to balances which carry immaterial credit risk due to past experience.

4 Financial risk management - continued

4.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets - continued

The table below provides detailed information in relation to the loss allowance established for the publishing unit within performance marketing:

		Days overdue							
31 December 2022	**Current**	**1 - 30**	**31 - 60**	**61 - 90**	**91 - 120**	**121 - 300**	**301 - 500**	**Over 500**	**Total**
Expected loss rate*	1.32%	0.74%	6.32%	9.28%	13.51%	33.54%	61.27%	97.40%	
Trade receivables, gross	**3,566,087**	**1,575,018**	**276,654**	**178,503**	**114,428**	**354,486**	**191,113**	**28,072**	**6,284,361**
Loss allowance	**46,910**	**11,594**	**17,493**	**16,566**	**15,463**	**118,908**	**117,093**	**27,343**	**371,370**

		Days overdue							
31 December 2021	Current	1 - 30	31 - 60	61 - 90	91 - 120	121 - 300	301 - 500	Over 500	Total
Expected loss rate*	0.60%	1.37%	4.21%	5.95%	8.49%	29.75%	58.34%	96.13%	
Trade receivables, gross	2,790,467	992,822	765,745	255,952	126,905	272,947	7,604	80,900	5,293,342
Loss allowance	16,619	13,610	32,267	15,238	10,771	81,207	4,436	77,766	251,914

4 Financial risk management - continued

4.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets - continued

The table below provides detailed information in relation to the loss allowance established for the paid unit within performance marketing:

	Days overdue							
31 December 2022	**1 - 30**	**31 - 60**	**61 - 90**	**91 - 120**	**121 - 240**	**241 - 360**	**Over 361**	**Total**
Expected loss rate*	0.16%	1.27%	10.53%	24.37%	45.05%	75.19%	100.00%	
Trade receivables, gross	**2,046,126**	**1,163,753**	**161,047**	**107,643**	**133,401**	**32,848**	**42,497**	**3,687,315**
Loss allowance	**3,274**	**14,780**	**16,958**	**26,233**	**60,124**	**24,698**	**42,497**	**188,564**

	Days overdue							
31 December 2021	**1 - 31**	**32 - 62**	**63 - 93**	**94 - 124**	**125 - 247**	**248 - 370**	**Over 371**	**Total**
Expected loss rate*	0.75%	2.48%	14.68%	40.96%	46.77%	54.50%	100.00%	
Trade receivables, gross	988,648	508,029	204,529	80,646	72,696	21,149	42,218	**1,917,915**
Loss allowance	**7,385**	**12,589**	**30,029**	**33,029**	**34,001**	**11,526**	**42,218**	**170,777**

*Expected loss rate has been rounded up to the next two decimal places for disclosure purposes.

4 Financial risk management - continued

4.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of financial assets - continued

The closing loss allowance for trade receivables related to publishing and paid units within performance marketing as at 31 December 2022 and 2021 reconciles to the opening loss allowance as follows:

Group	2022	2021
	€	€
Opening loss allowance as at 1 January	**422,691**	452,296
Increase in loss allowance recognised in profit and loss during the year	**661,804**	281,764
Receivables written off during the year as uncollectible	**(409,038)**	(311,369)
At 31 December	**675,457**	422,691

(c) Liquidity risk

The Group and the Company are exposed to liquidity risk in relation to meeting future obligations associated with their financial liabilities, which comprise principally trade and other payables and borrowings (refer to Notes 20 and 21). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group and Company's obligations.

Management monitors liquidity risk by reviewing expected cash flows and assesses whether additional financing facilities are expected to be required over the coming year. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments.

The following tables analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at 31 December 2022 and 2021 to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

4 Financial risk management - continued

4.1 Financial risk factors - continued

(c) Liquidity risk - continued

31 December 2022	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
	€	€	**€**	**€**	€
Group					
Bond	-	56,274,935	-	-	56,274,935
Trade and other payables	21,690,186	1,448,915	731,689	-	23,870,790
Contingent consideration	8,941,872	10,925,500	-	-	19,867,372
Loan from Group parent	3,719,452	-	-	-	3,719,452
Loan from Credit Institutions	4,260,906	3,914,854	949,258	15,000	9,140,018
Lease liabilities	3,163,408	3,133,732	4,578,417	580,978	11,456,535
Total	**41,775,824**	**75,697,936**	**6,289,364**	**595,978**	**124,359,099**
Company					
Bond	-	56,274,935	-	-	56,274,935
Trade and other payables	6,691,227	-	-	-	6,691,227
Contingent consideration	8,941,872	10,925,500	-	-	19,867,372
Loan from Group parent	4,248,669	-	-	-	4,248,669
Total	**19,881,768**	**67,200,435**	**-**	**-**	**87,082,403**

31 December 2021	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
	€	€	**€**	**€**	€
Group					
Bond	-	-	53,142,317	-	53,142,317
Trade and other payables	16,738,564	936,062	1,919,464	-	19,594,090
Loan from Group parent	5,131,181	-	-	-	5,131,181
Lease liabilities	3,056,327	3,218,842	7,488,446	839,507	14,603,122
Total	24,926,072	4,154,904	62,550,227	839,507	92,470,710
Company					
Bond	-	-	53,142,317	-	53,142,317
Trade and other payables	1,265,302	-	-	-	1,265,302
Loan from Group parent	6,365,919	-	-	-	6,365,919
Total	7,631,221	-	53,142,317	-	60,773,538

4.2 Capital risk management

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

4 Financial risk management – continued

4.2 Capital risk management - continued

The Company's capital structure is monitored at a Group level with appropriate reference to subsidiaries' financial conditions and prospects. The capital structure of the Company and the Group consist of equity attributable to equity holders, comprising issued share capital and other reserves. Capital risk is monitored on a regular basis by reporting the net interest-bearing liabilities against targets set by the Board, prior periods and covenants set by third parties.

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

4.3 Fair values of financial instruments

Financial instruments carried at fair value

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

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

Group	**Level 3** **€**
At 31 December 2022	
Assets	
Financial assets at fair value through profit or loss:	
Derivative instruments	
- purchased call option (Note 12)	**-**
Total financial assets	**-**
Liabilities	
Financial liabilities at fair value through profit or loss:	
Contingent consideration (Note 20)	18,532,495
Total financial liabilities	**18,532,495**
At 31 December 2021	
Assets	
Financial assets at fair value through profit or loss:	
Derivative instruments	
- purchased call option (Note 12)	205,714
Total financial assets	205,714

4 Financial risk management – continued

4.3 Fair values of financial instruments - continued

Financial instruments carried at fair value - continued

Company	**Level 3**
	€
At 31 December 2022	
Assets	
Financial assets at fair value through profit or loss:	
Derivative instruments	
- purchased call option (Note 12)	-
Total financial assets	**-**
Liabilities	
Financial liabilities at fair value through profit or loss:	
Contingent consideration (Note 20)	18,532,495
Total financial liabilities	**18,532,495**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 valuations are reviewed regularly by the directors. The Group's derivative financial instrument, comprising an option to purchase intangible assets, is also included in level 3, and is disclosed in Note 12. Further details on how the fair value of these instruments was calculated are disclosed in the respective notes to these financial statements.

The derivative instrument held by the Group was written off during 2022. Nonetheless, there were no transfers between levels of the fair value hierarchy during 2022 and 2021.

4 Financial risk management - continued

4.3 Fair values of financial instruments - continued

Financial instruments not carried at fair value

At 31 December 2022 and 2021 the carrying amounts of cash at bank, receivables, payables, and borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The bond is held at amortised cost and the fair value is disclosed in Note 21.

5 Critical accounting estimates and judgements

Significant estimates and judgements

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

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

Group

(a) Impairment test of goodwill

The Group tests whether goodwill and other intangible assets with indefinite lives have suffered any impairment on an annual basis. The assumptions used in the value-in-use calculations are inherently uncertain. As at 31 December 2022, the Group operated three CGUs comprising of performance marketing, platform services and Sportnco.

Performance marketing accounts for 20% (2021: 75%) of the carrying amount of intangibles. The Directors consider that the impairment assessment for this business component is less sensitive to changes in key assumptions due to the level of headroom between the reported intangible assets and the respective value-in-use.

The Directors consider the impairment assessment for Platform services, which accounts for 10% (2021: 25%) of intangible assets, to be more sensitive to key assumptions, which include the successful onboarding of new clients, projected revenue growth and improved EBITDA margin.

Sportnco accounts for 70% (2021: Nil) of the carrying amount of intangibles and as a recently acquired business unit, the Group is on an on-going process to create and enhance synergies across various levels with the aim of improving the financial performance through operational integrations.

Further details including sensitivity analysis are included in Note 9.

5 Critical accounting estimates and judgements - continued

(b) FIAU Review

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

(c) Sportnco acquisition

As disclosed in Note 7 below, the Group and Company acquired 100% of the issued shares of Sportnco, an unlisted group based in France, a leading sports betting and gaming solutions provider in the online gambling industry.

The final consideration of this acquisition is contingent to an arrangement which requires the Group and Company to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR11.5 million per year (undiscounted).

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

Given the nature of the arrangements, all the contingent consideration is classified as a liability in the Group's consolidated and Company's financial statements. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between nil and EUR23 million. The earn-out payment to be paid in April 2023 is EUR8.5 million whereas EUR4.25 million will be paid in cash and EUR4.25 million will be paid in shares. The earn-out liability payable in 2023 provided for in the statement of financial position as at year end is higher than the amount payable by EUR0.4 million.

The fair value of the contingent consideration arrangement of EUR18.5 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs.

The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco. The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to an 85% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

Valuation of intangible assets in business combinations

The Group exercises judgement in determining the fair value of acquired intangibles on business combinations. Such assets mainly consist of customer contracts. The judgements made are based on recognised valuation techniques such as the cash flow free method with assumed discount rate of 17% and a perpetual growth rate of 2% for contracts and the Group's industry experience and specialist knowledge. See note 7 for additional information.

5 Critical accounting estimates and judgements - continued

(c) Sportnco acquisition - continued

Amortisation rate of the intangible asset in business combinations

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

6 Leases

(a) The Group as a lessee

The Group's leasing activities and how these are accounted for

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

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

Judgements in determining the lease term

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

Amounts recognised in the statement of financial position

Group	**2022**	2021
	€	€
Right-of-use assets		
Buildings	**7,563,493**	11,123,323
Lease liabilities		
Current	**3,163,408**	2,388,298
Non-current	**6,767,026**	10,080,188
	9,930,434	12,468,486

Additions to the right-of-use assets during the 2022 financial year were EUR424,490 (2021: EUR841,228). Disposals to the right-of-use assets during the current year were EUR1,493,630 (2021: 153,513) of which EUR957,544 (2021: Nil) relates to sub-lease arrangements entered into by the Group.

6 Leases - continued

Amounts recognised in the statement of profit or loss

Group	**2022**	**2021**
	€	€
Depreciation charge on right-of-use assets	**2,462,006**	2,591,723
Interest expense (included in finance cost)	**769,700**	907,588

The total cash outflow included lease principal payments amounting to EUR3,195,753 (2021: EUR2,331,604) and leasehold interest payments amounting to EUR769,700. (2021: EUR907,588).

(b) The Group as a lessor

Leasing arrangements classified as operating leases

During 2022 and 2021, the Group has sub-leased parts of its office to a number of tenants under operating leases with rentals payable monthly. The Group has recognised rental income from operating leases of EUR994,424 (2021: EUR851,625) (see note 25).

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

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

	Group and Company	
	2022	2021
Within 1 year	**948,295**	935,310
Between 1 and 2 years	**488,368**	955,964
Between 2 and 3 years	**384,073**	-
Between 3 and 4 years	**131,191**	-
	1,951,927	1,891,274

Leasing arrangements classified as finance leases

During 2022, the Group has sub-leased parts of its office to a tenant under a finance lease with rentals payable quarterly. The Group's sub-lease of its right-of-use of the office space is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease. The ROU asset relating to the head lease with sub-lease classified as finance lease is derecognised. The net investment in the sub-lease is recognised under "Trade and other receivables" (Note 13).

Finance income on the net investment in sub-lease during 2022 amounted to EUR233,366 (2021: Nil). There are no other variable lease payments that depend on an index or rate.

6 Leases - continued

The following table shows the maturity analysis of the undiscounted lease payments receivable on the sub-leasing of office space classified as finance lease :

	2022
Within 1 year	**459,947**
Between 1 and 2 years	**500,454**
Between 2 and 3 years	**133,541**
Total undiscounted lease payments	**1,093,942**
Less: Unearned finance income	**(130,358)**
Net investment in finance lease	**963,584**

7 Business Combinations

Acquisition of Sportnco Gaming SAS

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

The goodwill of EUR59.0 million arising from the acquisition consists largely of the synergies, increased value proposition with ever increasing growth prospect and further diversification of revenue and geographical reach expected from combining the operations of the Group and Sportnco. Part of the goodwill recognised is expected to be deductible for income tax purposes (to be determined). The following table summarises the consideration paid for Sportnco, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	1 April 2022 €
Consideration	
Equity instruments issued by the Group Parent (i)	**23,500,000**
Cash transfer	**31,921,752**
Initial consideration	**55,421,752**
Contingent consideration (ii)	**18,526,482**
Total Purchase Price (Equity value)	**73,948,234**

7 Business Combinations - continued

Acquisition of Sportnco Gaming SAS - continued

(i) Equity instruments

As part of the consideration paid for Sportnco, EUR23.5 million was agreed to be paid in ordinary shares issued by the Group Parent.12,623,400 ordinary shares were issued and measured using the volume-weighted average price ("VWAP") (NOK18.08) of the Group Parent's ordinary shares for the ten days of trading preceding the acquisition date. In addition, the Group Parent raised another EUR25 million through a direct share issuance at NOK 18.00 per share equal to 13,487,500 new shares. The amounts raised by the Group's parent were transferred to the Group through a capital contribution amounting to Euro 48.5 million, as disclosed in Note 17.

(ii) Contingent consideration

The contingent consideration arrangement requires the Group to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR11.5 million per year (undiscounted).

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

Given the nature of the arrangements, all the contingent consideration is classified as a liability in the Group's consolidated financial statements. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between nil and EUR23 million.

The potential estimated earn-out payment expected in April 2023 based on the performance in 2022 is of EUR8.8 million payable 50% in cash and 50% in shares. Subsequent to the year end, the calculated actual amount payable is that of EUR8,495,280 whereby EUR4,247,640 (50%) will be paid in cash (and the rest in shares).

Due to the earn-out catch-up structure mechanism where over performance in 2023 could benefit the earn-out payment in 2022, a higher prudent provision than the estimated earn-out amount was provided for in the balance sheet. The fair value of the contingent consideration arrangement of EUR18.5 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs.

The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco. The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to an 85% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

7 Business Combinations - continued

Acquisition of Sportnco Gaming SAS - continued

(iii) Other information

The fair value of the financial assets acquired includes receivables with a fair value of EUR1.7 million. The gross amount due approximates the fair value of the financial assets and no material adjustments are required to the fair value. The revenue included in the consolidated statement of comprehensive income until 31 December 2022 contributed by Sportnco was EUR8.1 million. Sportnco also contributed an operating loss of EUR0.48 million over the same period. Had Sportnco been consolidated from 1 January 2022, the consolidated statement of comprehensive income would have included revenue of EUR10.9 million and an operating loss of EUR0.51 million.

Acquisition-related costs of EUR661,943 (2021: EUR981,444) has been recognised in the income statement and in operating cash flows in the statement of cash flows.

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

	€
Initial cash consideration	**31,921,752**
Less Cash acquired upon acquisition	**(4,149,064)**
Cash used for acquisition; net of cash acquired	**27,772,668**

(iv) Transactions recognised separately from the acquisition

Further, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, pending continued employment, will receive shares in the Group at future VWAP valuation up to a total aggregate value of EUR4.0 million. As disclosed in note 17, the Group recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in its share option reserves as a component of equity.

8 Discontinued operations

Sports Betting Services

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

During 2022, the Group incurred additional expenses of EUR3.1 million (2021: EUR0.5 million) related to the divested business, and these expenses have also been presented within results from the discontinued operation. During the year, the Group received claims for overpaid taxes to the relevant authorities amounting to EUR0.5m (2021: Nil).

(a) Financial performance and cash flow information

	Group	
	2022	2021
	€	€
Net revenue	**585**	-
Other operating revenue	**533,312**	-
Expenses	**(3,143,196)**	(465,971)
Operating loss	**(2,609,299)**	(465,971)
Loss from discontinued operations attributable to:		
Owners of the company	**(2,609,299)**	(465,971)
Non-controlling interests	**-**	-
	(2,609,299)	(465,971)
Net cash outflow from operating activities	**(2,563,386)**	(1,811,953)
Net cash outflow from investing activities	**-**	-
Net decrease in cash generated by discontinued operations	**(2,563,386)**	(1,811,953)

9 Intangible assets
Group

	Note	Goodwill €	Trademarks €	Domains €	Affiliate contracts €	Technology platform €	Computer software €	Non-compete agreement €	Other €	Total €
Cost or valuation										
As at 1 January 2021		29,189,704	862,688	72,975,502	15,081,218	33,152,355	5,786,031	458,500	905,759	158,411,757
Additions		17,264	-	-	-	8,472,679	710,711	-	-	9,200,654
Write down		-	-	-	-	(72,340)	(57,641)	-	-	(129,981)
Currency translation differences		(3,145)	-	-	-	-	-	-	-	(3,145)
As at 31 December 2021		29,203,823	862,688	72,975,502	15,081,218	41,552,694	6,439,101	458,500	905,759	167,479,285
As at 1 January 2022		29,203,823	862,688	72,975,502	15,081,218	41,552,694	6,439,101	458,500	905,759	167,479,285
Acquisition of subsidiaries	7	59,021,555	-	-	14,037,000	16,241,662	-	-	-	89,300,217
Additions		-	22,270	695,955	266,987	14,926,240	711,905	-	80,000	16,703,357
Write down		-	-	-	-	-	(36,000)	-	-	(36,000)
Currency translation differences		-	-	-	-	2,401	-	-	-	2,401
As at 31 December 2022		**88,225,378**	**884,958**	**73,671,457**	**29,385,205**	**72,722,997**	**7,115,006**	**458,500**	**985,759**	**273,449,260**
Accumulated amortisation and impairment										
As at 1 January 2021		23,350,478	22,000	48,004,686	15,066,073	27,259,207	5,186,165	458,500	213,703	119,560,812
Amortisation charge		-	-	3,772,056	-	4,988,422	879,956	-	692,056	10,332,490
As at 31 December 2021		23,350,478	22,000	51,776,742	15,066,073	32,247,629	6,066,121	458,500	905,759	129,893,302
As at 1 January 2022		23,350,478	22,000	51,776,742	15,066,073	32,247,629	6,066,121	458,500	905,759	129,893,302
Amortisation charge		-	204	4,610,318	1,506,960	10,920,775	569,401	-	53,333	17,660,991
As at 31 December 2022		**23,350,478**	**22,204**	**56,387,060**	**16,573,033**	**43,168,404**	**6,635,522**	**458,500**	**959,092**	**147,554,293**
Carrying amount										
As at 1 January 2021		5,839,226	840,688	24,970,816	15,145	5,893,148	599,866	-	692,056	38,850,945
As at 31 December 2021		5,853,345	840,688	21,198,760	15,145	9,305,065	372,980	-	-	37,585,983
As at 31 December 2022		**64,874,900**	**862,754**	**17,284,397**	**12,812,172**	**29,554,593**	**479,484**	**-**	**26,667**	**125,894,967**

9 Intangible assets - continued

As at 31 December 2022 the net book value of internally generated intangible assets amounted to EUR29,554,593 (2021: EUR9,305,065)

Company	**Technology platform**	**Computer software**	**Total**
	€	**€**	**€**
Cost			
As at 1 January 2021, 31 December 2021 and 2022	74,982	8,521	83,503
Accumulated amortisation and impairment			
As at 1 January 2021, 31 December 2021 and 2022	74,982	8,521	83,503
Net book value			
As at 1 January 2021, 31 December 2021 and 2022	**-**	**-**	**-**

Impairment test for goodwill and intangible assets

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

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

For the purposes of the impairment testing of goodwill and intangibles three cash generating units ("CGUs") were identified in 2022 (2021: two cash generating units), comprising of performance marketing (Media), platform services (Platform) and Sportnco. The determination of CGUs reflects how the Group manages the day-to-day operations of the business, and how decisions about the Group's assets and operations are made.

The carrying amount, key assumptions and discount rates used in the value-in-use calculations are as described below.

	Cash-generating unit		
		2022	
Carrying amounts	**Media**	**Platform**	**Sportnco**
Goodwill (€'000)	**5,853**	**-**	**59,022**
Intangible assets with definite lives (€'000)	**19,350**	**11,826**	**29,070**
Intangible assets with indefinite lives (€'000)	**432**	**432**	**-**
	25,635	**12,258**	**88,092**

9 Intangible assets - continued

	Cash-generating unit	
	2021	
Carrying amounts	Media	Platform
Goodwill (€'000)	5,853	-
Intangible assets with definite lives (€'000)	21,916	8,974
Intangible assets with indefinite lives (€'000)	421	421
	28,190	9,395

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

The key assumptions include:
- Revenue percentage annual growth rate;
- Gross margin;
- Total operating expenses percentage annual growth rate;
- EBITDA margin; and
- Post-tax discount rate.

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

Performance marketing (Media)

With regards to performance marketing, the directors consider that the impairment assessment for this activity is less sensitive due to the level of headroom between the carrying amount of the intangible assets and the respective value-in-use. Goodwill attributed to this CGU was EUR5.9 million as at 31 December 2022 and 2021, and domains are amortised over a period of 8 years.

Platform Services (Platform)

The impairment assessment for this business component is sensitive to the Group achieving projected growth, representing an annual CAGR of 25% over the projected period (2023-2026), and an improved EBITDA margin. Intangible assets under platform services accounts for 10% of the total carrying amount of intangibles, and a maintainable free cashflow after tax of at least c.EUR1.5 million (2021: EUR0.9 million) is required to sustain the carrying value of the intangible assets. The impairment assessment of this activity is susceptible to the Group achieving projected growth and an improvement in EBITDA.

Sportnco

The impairment assessment for the Sportnco business component is sensitive to the Group achieving projected growth as well as continuation of processes integration and synergies across various operating levels over the projected period (2023-2026). Intangible assets under Sportnco amount to 70% of the total carrying amount of intangibles amounting to EUR86.1 million and a maintainable free cashflow after tax of at least c. EUR11m (2021:NIL) is required to sustain the carrying value of the intangible assets. The Sportnco CGU generated EUR 1.34m in cash for the year since acquisition date and this is expected to grow materially during the upcoming years from further revenue growth from the contracts signed during 2022 and the cost synergies from merging the operational functions together.

9 Intangible assets - continued

Change in accounting estimate for intangible assets

During the preceding year, the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets. The net effect of the changes in the current year was a decrease in amortisation expense of EUR1,558,000. Assuming the assets are held until the end of their re-assessed estimated useful lives, amortisation in future years in relation to these assets will increase/(decrease) by the following amounts:

Year ending 31 December	**€'000**
2023	(1,739)
2024	(1,673)
2025	999
2026	3,121
2027	1,204
2028	842

10 Property, plant and equipment

Group	**Installations and improvements to leasehold premises €**	**Furniture & fittings €**	**Computer and office equipment €**	**Total €**
Cost				
As at 1 January 2021	4,060,902	1,583,830	5,498,849	11,143,581
Additions	45,696	4,494	327,369	377,559
Disposals	-	-	(150)	(150)
Currency translation differences	-	1,786	-	1,786
As at 31 December 2021	4,106,598	1,590,110	5,826,068	11,522,776
As at 1 January 2022	4,106,598	1,590,110	5,826,068	11,522,776
Acquisition of subsidiaries (Note 7)	-	-	198,913	198,913
Additions	91,527	1,698	757,330	850,555
Disposals	-	-	(2,481)	(2,481)
Currency translation differences	-	(1,603)	-	(1,603)
As at 31 December 2022	**4,198,125**	**1,590,205**	**6,779,830**	**12,568,160**
Accumulated depreciation				
As at 1 January 2021	3,459,932	1,071,170	3,569,054	8,100,156
Depreciation charge	450,203	198,522	1,011,132	1,659,857
As at 31 December 2021	3,910,135	1,269,692	4,580,186	9,760,013
As at 1 January 2022	3,910,135	1,269,692	4,580,186	9,760,013
Depreciation charge	287,990	127,848	971,289	1,387,127
As at 31 December 2022	**4,198,125**	**1,397,540**	**5,551,475**	**11,147,140**
Net book value				
As at 1 January 2021	600,970	512,660	1,929,795	3,043,425
As at 31 December 2021	196,463	320,418	1,245,882	1,762,763
As at 31 December 2022	**-**	**192,665**	**1,228,355**	**1,421,020**

11 Investments in subsidiaries

	Company 2022 €	2021 €
At 1 January	**47,785,142**	47,690,942
Additions	**73,948,234**	100,000
Disposal	**-**	(5,800)
At 31 December	**121,733,376**	47,785,142

	Company 2022 €	2021 €
At 31 December		
Cost	**125,833,376**	51,885,142
Impairment	**(4,100,000)**	(4,100,000)
Carrying amount	**121,733,376**	47,785,142

11 Investments in subsidiaries - continued

The principal subsidiaries at 31 December 2022 and 2021 are shown below:

Subsidiaries	Country of incorporation/ Principal place of business	Class of shares held	Percentage of ownership and voting rights held directly by the Company % 2022	% 2021	Percentage of ownership and voting rights held directly by the Group % 2022	% 2021
NV Securetrade	Curacao	Ordinary shares	**-**	-	**-**	100
iGamingCloud NV	Curacao	Ordinary shares	**-**	-	**100**	100
Innovation Labs Limited	Malta	Ordinary shares	**100**	100	**100**	100
MT Securetrade Limited	Malta	Ordinary shares	**100**	100	**100**	100
iGamingCloud Limited	Malta	Ordinary shares	**100**	100	**100**	100
Online Performance Marketing Limited	British Virgin Islands	Ordinary shares	**-***	100	**-***	100
iGamingCloud SLU	Spain	Ordinary shares	**-**	-	**100**	100
iGamingCloud (Gibraltar) Limited	Gibraltar	Ordinary shares	**-***	100	**-***	100
OddsModel AS	Norway	Ordinary shares	**100**	100	**100**	100
Prozo Entertainment B.V.	Curacao	Ordinary shares	**-**	-	**-***	100
Mavrix Activities Limited	Gibraltar	Ordinary shares	**-**	-	**-***	100
Mavrix 5 X 5 Limited	Gibraltar	Ordinary shares	**-**	-	**-***	100
Mavrix Promotions Limited	Gibraltar	Ordinary shares	**-**	-	**-***	100
Mavrix Holding Limited	Gibraltar	Ordinary shares	**-**	-	**-***	100
GIG Central Services Limited	Malta	Ordinary shares	**100**	100	**100**	100
Rebel Penguin ApS	Denmark	Ordinary shares	**-**	-	**100**	100
iGamingCloud Inc	United States	Ordinary shares	**-**	-	**100**	100
SIA YSG International	Latvia	Ordinary shares	**-**	-	**100**	100
Silvereye International Limited	Malta	Ordinary shares	**100**	100	**100**	100
BE Marketing Limited	Malta	Ordinary shares	**80****	-	**80****	-
Sportnco Gaming SAS	France	Ordinary shares	**100*****	-	**100*****	-
Sportnco SAS	France	Ordinary shares	**-**	-	**100*****	-
Tecnalis Solution Providers SLU	Spain	Ordinary shares	**-**	-	**100*****	-
Sportnco Espana SA	Spain	Ordinary shares	**-**	-	**100*****	-

* Company was dissolved during the year.
** Company was incorporated during 2022.
*** Company was acquired during 2022.

12 Derivative financial instruments

	Group	
	2022	2021
	€	€
Call option to acquire intangible assets		
Non-current		
At 31 December	**-**	205,714

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

The Group did not exercise this option during 2021 and consequently, the option expired in June 2021. As of 31 December 2021, management was still discussing the extension of the option whilst assessing the option to purchase the asset. As of 31 December 2021, management estimated the fair value of the option to be EUR205,714.

During 2022, management concluded not to purchase the asset and the call option was written off during the year.

13 Trade and other receivables

		Group		Company	
		2022	2021	**2022**	2021
		€	€	**€**	€
Non-current	**Note**				
Finance lease receivable	6	**543,810**	-	**-**	-
Other receivables		**236,044**	890,361	**-**	-
		779,854	890,361	**-**	-
Current					
Trade receivables – gross		**14,570,311**	8,817,314	**-**	-
Less: loss allowance		**(675,457)**	(422,691)	**-**	-
Trade receivables		**13,894,854**	8,394,623	**-**	-
Amounts due from payment providers		**892,746**	716,590	**-**	-
Amounts due from subsidiaries		**-**	-	**1,686,048**	193,551
Amounts due from group undertakings		**148,985**	148,742	**-**	-
Amounts due from other related parties		**132,869**	88,827	**61,565**	-
Finance lease receivable	6	**419,774**	-	**-**	-
Indirect taxation		**3,862,096**	4,800,376	**-**	35,154
Other receivables		**1,182,159**	1,335,584	**1,200**	678,158
Accrued income		**1,332,175**	-	**-**	-
Prepayments		**1,631,770**	1,297,092	**21,186**	2,510
		23,497,428	16,781,834	**1,769,999**	909,373

Other receivables include EUR710,778 (2021: EUR2,225,945) for the Group are receivables related to the sale of a domain, which are expected to reduce in line with the contractual obligations of the counterparty. A portion of EUR236,044 is included in non-current assets as the Group does not expect to receive such amounts in the next twelve months.

In the preceding year, the Group has accrued from EUR1.9 million in terms of a claim for overpaid tax to relevant authorities which has been settled during the year.

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

14 Cash at bank and other intermediaries

Cash at bank and other intermediaries comprise the following:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Cash at bank and other intermediaries	**15,116,837**	8,483,670	**497,784**	30,395
Less: restricted cash	**(1,386,848)**	(1,630,343)	**-**	-
Cash and cash equivalents	**13,729,989**	6,853,327	**497,784**	30,395

Included in the Group's cash at bank are amounts of EUR1,386,848 (2021: EUR1,630,343) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Malta Gaming Act, 2018.

15 Share capital and share premium

Group and Company

	Number of ordinary shares	**Ordinary share capital**
		€
Authorised share capital		
At 1 January 2021	50,000	50,000
At 31 December 2021	50,000	50,000
At 31 December 2022	**50,000**	**50,000**
Issued and fully paid		
At 1 January 2021	50,000	50,000
At 31 December 2021	50,000	50,000
At 31 December 2022	**50,000**	**50,000**

The ordinary shares gave rise to share premium amounting to EUR2,304,345 (2021: EUR2,304,345).

The authorised share capital is composed of 49,999 ordinary A shares and 1 ordinary B shares.

16 Share-based payments

Share options are granted to selected employees as well as to consultants. All options are conditional on the employees and the consultants completing a specified number of years' service (the vesting period). The options are exercisable starting between 1 and 5 years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the current year a new share option package spread over three years was granted to selected employees. Movements in the number of share options outstanding and their related weighted average exercise prices are outlined in the following table.

16 Share-based payments - continued

	2022 Average exercise price in € per option	**2022** Options	2021 Average Exercise price in € per option	2021 Options
Share options which were granted or converted into options of GIG Inc.				
At 1 January	**2.05**	**1,720,000**	3.21	733,000
At 31 December	**1.89**	**2,834,600**	2.05	1,720,000
Share options which were granted or converted into options of GIG Inc.				
Granted	**2.20**	**1,688,000**	1.47	1,223,000
Exercised	**1.50**	**12,400**	Nil	-
Expired	**3.93**	**55,000**	Nil	-
Forfeited during the year	**2.22**	**506,000**	3.00	236,000

Out of the 2,834,600 (2021: 1,720,000) outstanding options in GIG Inc, as at 31 December 2022, 250,200 (2021: 331,000) were vested but not yet exercised.

12,400 options were exercised and converted into GIG Inc. shares during 2022 (2021: Nil) at a weighted average price of EUR1.50.

Share options of GIG Inc., outstanding at the end of the year, have the following expiry dates and exercise prices:

Grant dates (year)	**Vest dates (range)**	**Expiry dates**	**Exercise prices (range) €**	**Share options 2022**	Share options 2021
2016	2015-2017	May to September 2023	4.00-4.30	**86,000**	86,000
2017	2018-2020	December 2022	4.00-4.80	**-**	55,000
2018	2019-2021	January 2024	6.00-6.50	**6,000**	6,000
2018	2019-2021	March 2024	7.50	**-**	30,000
2019	2019-2022	March 2025	Nil-3.00	**170,000**	320,000
2021	2022-2024	December 2026	1.47	**968,600**	1,223,000
2022	2023-2025	December 2027	2.20	**1,604,000**	-
				2,834,600	1,720,000

16 Share-based payments - continued

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was EUR0.6128 (2021: EUR0.6128) per option for the share options granted during the year.

The significant inputs into the model were weighted average share price of EUR1.47 (2021: EUR1.47) at the grant date, exercise price shown above, volatility of 53% (2021: 53%), dividend yield of nil (2021: nil), an expected option life of 3 (2021: 3) years, exercisable until end of 2026 with an annual risk-free interest rate of 0.3% (2021: 0.3%). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last 3 years.

Share-based payments relating to Sportnco

As disclosed in Note 7, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, contingent on continued employment, will receive shares in the Group at future VWAP valuation up to a total aggregate value of EUR4.0 million. The Group recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in equity.

17 Capital reserves

Group

	Notes	**Capital contribution reserve €**	**Advances for shares to be issued €**	**Total €**
At 1 January 2021		94,546,307	510,545	95,056,852
Capital contribution arising on share options granted by the Group's parent entity:				
- Fair value of employee services	24	642,077	-	642,077
At 31 December 2021		95,188,384	510,545	95,698,929
At 1 January 2022		95,188,384	510,545	95,698,929
Capital contribution arising on share options granted by the Group's parent entity:				
- Fair value of employee services	24	1,703,959	-	1,703,959
Capital contribution arising on acquisition of subsidiary	7	48,500,000	-	48,500,000
At 31 December 2022		**145,392,343**	**510,545**	**145,902,888**

17 Capital reserves - continued

Company

	Capital contribution reserve €	**Advances for shares to be issued €**	**Total €**
At 1 January and 31 December 2021	76,313,412	510,545	76,823,957
At 1 January 2022	76,313,412	510,545	76,823,957
Capital contribution arising on acquisition of subsidiary (Note 7)	48,500,000	-	48,500,000
At 31 December 2022	**124,813,412**	**510,545**	**125,323,957**

Advances for shares to be issued

This balance represents proceeds received by the Company from its shareholders in anticipation of issuance of ordinary shares, and exercised share options, the share capital and premium of which had not yet been issued. The amount of EUR510,545 as at 31 December 2022 and 2021 represents advances in respect of share premium, for which the formal documentation has not been filed with the Registrar of Companies by the end of the respective financial reporting periods. Once the said filing is formalised, the reserve will be capitalised as share premium.

Capital contribution reserve

Movement of EUR1,703,959 (2021: EUR642,077) in the Group's capital contribution reserve comprises the cost of share options granted by GiG Inc. as consideration to employees of the various Group undertakings. The amount recognised in the reserve includes the cost attributable to share option vested during the period, net of the reversals of costs associated with options that were forfeited by employees who resigned prior to the vesting conditions being met.

During the year, the Group has completed the acquisition of Sportnco Gaming SAS ("Sportnco") for an initial consideration amounting to EUR55.4 million as disclosed in Note 7. In order to finance the acquisition, the Group parent completed a direct share offering, the consideration of which amounting to EUR48.5 million, was transferred to the Company in the form of a capital contribution.

18 Merger reserve

	Group		**Company**	
	2022 €	2021 €	**2022 €**	2021 €
At 1 January and 31 December	**3,533,484**	3,533,484	**5,886,789**	5,886,789

The merger reserve is attributable to mergers that have taken place in previous years and represents the difference between any consideration received or paid, and the carrying amounts of the net assets acquired.

19 Other reserves

Group	**FVOCI fair value reserve €**	**Currency translation reserve €**	**Transactions with non-controlling interests €**	**Total €**
At 1 January 2021	2,681	(620,713)	(13,389,177)	(14,007,209)
Currency translation differences	-	24,070	-	24,070
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	(2,681)	-	-	(2,681)
At 31 December 2021	-	(596,643)	(13,389,177)	(13,985,820)
At 1 January 2022	-	(596,643)	(13,389,177)	(13,985,820)
Currency translation differences	-	(20,700)	-	(20,700)
At 31 December 2022	**-**	**(617,343)**	**(13,389,177)**	**(14,006,520)**

FVOCI fair value reserve
Changes in fair value of investments that are classified as financial assets at FVOCI are recognised in other comprehensive income and accumulated in a separate reserve within equity. On disposal, any related balance within FVOCI reserve is transferred directly to retained earnings without impacting the results for the year.

Currency translation reserve
Translation differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Transactions with non-controlling interests
The reserve is used to record transactions where the Group acquires a further interest in a subsidiary or disposes of a stake in a subsidiary without losing control. The above reserves are non-distributable reserves.

20 Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Non-current				
Indirect taxation and social security	**2,180,604**	2,855,526	**-**	-
Contingent consideration	**9,590,623**	-	**9,590,623**	-
	11,771,227	2,855,526	**9,590,623**	-
Current				
Trade payables	**6,011,422**	2,686,231	**-**	2,934
Players' accounts	**403,650**	452,140	**-**	-
Jackpot balances	**983,198**	1,178,203	**-**	-
Amounts due to subsidiaries	**-**	-	**6,691,227**	-
Other payables	**2,224,626**	1,080,098	**-**	-
Indirect taxation and social security	**7,889,656**	8,750,124	**546**	-
Accruals	**4,177,634**	2,591,768	**-**	1,262,368
Contingent consideration	**8,941,872**	-	**8,941,872**	-
	30,632,058	16,738,564	**15,633,645**	1,265,302

In the preceding year, the Company's accruals include a provision for a potential fine from the SGA related to its discontinued operations sold in 2020. An amount of EUR290,498 was settled during 2022.

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

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

The contingent consideration relates to the Sportnco acquisition as disclosed in Note 7. Subsequent to year end, the calculated contingent consideration amounts to EUR8,495,280 whereby EUR4,247,640 (50%) will be paid in cash and the rest in shares.

21 Borrowings

Group

Non-Current	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
Loan from Credit Institutions	**12,686,759**	-	-
Bonds	**48,190,977**	42,703,303	39,453,273
	60,877,736	42,703,303	39,453,273

Current	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
Loan from Group parent	**3,719,452**	5,131,181	5,545,704
Loan from Credit Institutions	**3,763,806**	-	**-**
	7,483,258	5,131,181	5,545,704

Company

Non-Current	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
Bonds	**48,190,977**	42,703,303	39,453,273
	48,190,977	42,703,303	39,453,273

Current	**2022** **€**	2021 *Restated* €	01.01.2021 *Restated* €
Loan from Group parent	**4,248,669**	6,365,919	6,517,509
	4,248,669	6,365,919	6,517,509

21 Borrowings - continued

As at 31 December 2022, the Group and the Company have the following outstanding bond:

Issuance year	Maturity date	Seniority	Currency	Nominal amount	Interest rate
2021	11 June 2024	Senior secured	SEK	550 million	3m STIBOR + 8.5% p.a.

As at 31 December 2021, the Group and the Company have the following outstanding bond:

Issuance year	Maturity date	Seniority	Currency	Nominal amount	Interest rate
2021	11 June 2024	Senior secured	SEK	450 million	3m STIBOR + 8.5% p.a.

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

The 2021-24 bonds are registered in the Norway Central Securities Depository and are dual listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market. Their quoted price as at 31 December 2022 was SEK558,250,000 (EUR50,194,213) which in the opinion of the directors fairly represents the fair value of these liabilities. This fair value estimate is deemed to fall under level 2 of the fair value measurement hierarchy, as it is based on a quoted price in a market with low trading volume.

Through the acquisition of Sportnco (see Note 7), the Group acquired a number of loans with credit institutions with the following terms:

Date of subscription	Date of maturity	Interest rate	Balance as at 31 December 2022
June 2016	January 2024	2.24%	EUR325,000
May 2019	June 2025	1.25%	EUR450,000
April 2020	April 2026	0.75%	EUR1,066,277
April 2020	March 2026	0.25%	EUR1,040,538
December 2020	December 2027	3m EURIBOR & Variable margin (1.20% - 1.90%)	EUR10,700,000
December 2020	December 2027	1.85%	EUR2,000,000
January 2021	January 2026	2.48%	EUR568,750
January 2021	January 2026	0.00%	EUR300,000

The sum of the principal payments to be paid during 2023 of EUR3,763,806 has been classified as current liabilities.

Linked to the Sportnco loans with credit institutions the Group has entered into certain pledges and guarantees as security against such loans.

Pledged securities

The immediate and ultimate parent company has pledged all of the issued share capital in the Company with a nominal value of EUR1 to Nordic Trustee ASA, acting as the agent on behalf of bond holders. The bonds are secured by guarantees provided by group operating subsidiaries guaranteeing the discharge of the Company’s obligations.

22 Deferred taxation

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

The following amounts determined after appropriate offsetting are shown in the statement of financial position:

	Group		**Company**	
	2022	2021	**2022**	2021
	€	€	**€**	€
Deferred tax asset to be recovered after more than 12 months	**119,648**	78,006	**-**	-
Deferred tax liability to be settled after more than 12 months	**(2,343,419)**	(416,069)	**-**	-
	(2,223,771)	(338,063)	**-**	-

The movement on the deferred income tax account is as follows:

	Group		**Company**	
	2022	2021	**2022**	2021
	€	€	**€**	€
As at 1 January	**(338,063)**	(300,021)	**-**	-
Deferred tax liability recognised upon acquisition of subsidiary	**(1,037,440)**			
Deferred tax liability on temporary differences - recognised in profit or loss	**(848,268)**	(38,042)	**-**	-
As at 31 December	**(2,223,771)**	(338,063)	**-**	-

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

	Balance at 1 January 2022	**Recognised in profit or loss**	**Business combinations**	**Balance at 31 December 2022**
	€	**€**	**€**	**€**
Future tax credits on subsidiaries' undistributed profits	78,006	41,642	-	**119,648**
Differences between the tax base and carrying amounts on acquisition	-	-	(1,037,440)	**(1,037,440)**
Differences between the tax base and carrying amounts of intangible and tangible assets	(980,463)	(570,065)	-	**(1,551,128)**
Capital allowances and tax losses	540,175	(319,245)	-	**220,930**
Provision for impairment of receivables	24,219	-	-	**24,219**
	(338,063)	(848,268)	(1,037,440)	**(2,223,771)**

As at 31 December 2022, the Group had unrecognised unutilised tax credits which are estimated to be in the region of EUR17,097,224 (2021: EUR17,097,224) arising from unabsorbed tax losses and capital allowances.

23 Net revenue and other operating expenses

(a) Net revenue and Other operating income

The Group's revenue by product line is disclosed in note 3.

Other operating income relates to tax claims received from relevant authorities. In the preceding year, other operating income was generated through the sale of domain pursuant to an agreement entered into in 2019.

(b) Other operating expenses

Other operating expenses include:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Platform and service provider fees	**5,488,147**	4,403,363	**-**	-
Gaming taxes	**193,670**	201,817	**-**	-
Consultancy fees	**8,031,623**	5,046,511	**-**	54,552
Loss allowance (Note 3)	**661,804**	281,764	**-**	-
Bad debts	**409,038**	596,263	**-**	**-**
Software expenses	**2,202,501**	2,085,609	**-**	6,609
Other operating expenses	**3,062,785**	2,971,067	**63,139**	231,628
	20,049,569	15,586,394	**63,139**	292,789

(c) Marketing expenses

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
SkyCity marketing expenses	**12,451,760**	11,655,787	**-**	-
Other marketing expenses	**18,780,084**	11,353,674	**-**	22,218
	31,231,844	23,009,461	**-**	22,218

(d) Transaction costs

The Group incurred transaction costs for the amount of EUR1,061,493 (2021: EUR981,444) partly in connection with the acquisition of Sportnco and partly in connection with the acquisition of affiliate websites.

(e) Dividend income

During the preceding year, on liquidation of some of the Company's subsidiaries, a dividend income of EUR3,872,379 was recognised in the Company's books.

23 Net revenue and other operating expenses - continued

(f) Other Income

During the current year, on liquidation of a subsidiary of the Company, other income of EUR898,383 (2021: NIL) was generated.

Fees charged by the auditor for services rendered are shown in the table below.

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Annual statutory audit	**301,250**	190,000	**-**	-
Other assurance services	**31,500**	30,000	**-**	-
Tax advisory and compliance services	**25,050**	33,430	**1,700**	1,600
Other non-audit services	**8,800**	162,000	**-**	-
	366,600	415,430	**1,700**	1,600

The Company's audit fees in the current and preceding year are borne by a subsidiary of the Company. Audit fees in relation to the annual statutory paid to other auditors of a subsidiary within the Group amounts to EUR7,500.

24 Personnel expenses

	Group	
	2022	2021
	€	€
Gross wages and salaries	**30,628,225**	27,391,160
Less: employee costs capitalised as part of software development	**(14,098,018)**	(7,994,689)
Net wages and salaries, including other benefits	**16,530,207**	19,396,471
Social security costs	**3,268,918**	2,020,047
Termination costs	**361,930**	-
Cost of share options (Note 16)	**1,703,958**	642,077
	21,865,013	22,058,595

The Group employees, on average:

	Group	
	2022	2021
Managerial	**9**	9
Administrative	**531**	455
	540	464

25 Other income

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Other income	**994,424**	851,625	**978,390**	-

The other income recognised by the Group in 2022 and in 2021 relates to rental income from sub-leasing of office space. During the current year, on liquidation of *a* subsidiar*y* of the Company, other income of EUR898,383 (2021: NIL) was generated.

26 Finance income

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Other interest income	**87,878**	-	**-**	-
Exchange differences	**3,648,950**	274,274	**3,842,927**	540,827
	3,736,828	274,274	**3,842,927**	540,827

27 Finance costs

	Group		Company	
	2022	**2021**	**2022**	2021
	€	€	**€**	€
Bond interest expense	**5,311,319**	3,862,822	**5,311,319**	3,862,822
Bond refinancing transaction costs	**-**	1,032,799	**-**	1,032,799
Other interest expense	**637,988**	20,900	**-**	-
Interest payable on lease liabilities (Note 6)	**770,748**	907,588	**-**	-
	6,720,055	5,824,109	**5,311,319**	4,899,621

Other interest expense amounting to EUR412,627 relates to Sportnco borrowings.

28 Tax expense

	Group		Company	
	2022	2020	**2022**	2021
	€	€	**€**	€
Current tax expense				
current year	**1,053,017**	279,327	**-**	-
Prior year expense				
prior year	**191,593**	314,074	**-**	-
Deferred tax (credit)/expense (Note 22)				
current year	**848,268**	38,042	**-**	-
	2,092,878	631,443	**-**	-

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

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Profit/ (loss) before tax	**6,426,994**	1,168,902	**553,141**	(1,782,866)
Tax calculated at domestic tax rates applicable to profits or losses in the respective countries	**865,140**	329,187	**(193,599)**	(624,003)
Tax effect of:				
Disallowed expenses	**587,900**	270,216	**536,036**	1,959,335
Income not subject to tax	-	-	**(342,437)**	(1,335,332)
Utilisation of prior year losses	**319,245**	-	**-**	-
Movements in unrecognised deferred tax assets	**129,000**	(282,034)	**-**	-
Unrecognised current tax in previous year	**191,593**	314,074	**-**	-
Tax expense	**2,092,878**	631,443	**-**	-

29 Cash flows from operations

(a) Reconciliation of operating profit/(loss) to cash generated from/(used in) operations:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Operating profit/(loss) from:				
Continuing operations	**13,081,463**	8,166,152	**915,251**	3,557,372
Discontinued operations	**(2,609,299)**	(465,971)	**-**	-
Adjustments for:				
Amortisation of intangible assets (Note 9)	**17,660,991**	10,332,490	**-**	-
Depreciation of property, plant and equipment (Note 10)	**1,387,127**	1,659,858	**-**	-
Deprecation of right-of-use asset (Note 6)	**2,462,006**	2,591,723	**-**	-
Dividend/Other income (Note 23)	**-**	-	**(898,393)**	(3,872,379)
Loss on disposal of property, plant and equipment (Note 10)	**2,481**	150	**-**	-
Impairment of intangible asset	**241,714**	129,981	**-**	-
Provision for impairment of trade receivables (Note 13)	**252,766**	281,764	**-**	-
Bad debts (Note 23)	**661,904**	596,263	**-**	-
Share-based payment (Note 24)	**1,703,959**	642,077	**-**	-
Net change in leases (Note 6)	**1,069,140**	-	-	-
Transaction costs	**(2,043,387)**	-	**(981,444)**	-
Interest paid	**(225,361)**	-	-	-
Changes in working capital:				
Trade and other receivables	**(7,643,610)**	1,464,790	**(908,214)**	2,138,197
Trade and other payables	**5,102,717**	(9,194,743)	**2,145,077**	(3,054,675)
Restricted cash	**243,495**	917,613	**-**	-
Cash generated from/ (used in) operations	**31,348,106**	17,122,144	**272,277**	(1,231,485)

29 Cash flows from operations - continued

(b) Non-cash transactions

In the current year, a Company's subsidiary having retained earnings available for distribution amounting to EUR898,382 was liquidated. The amount was recognised as other operating income in the income statement.

As disclosed in note 21, in the preceding year, the bondholders of the Group's and the Company's 2019-2022 bonds were given the opportunity to participate in the issuance of new 2021-24 bonds. As a result of the take up of this opportunity by existing bondholders, the redemption of an amount of EUR21,536,520 2019-2022 bonds, and the issuance of an equivalent amount of 2021-24 bonds, were settled through a set-off with no cash being paid or received by the Group and the Company.

Additionally, during 2021, a number of the Company's subsidiaries had retained certain assets and liabilities that were not part of the transfer of the B2C business. Following the liquidation of these subsidiaries, the retained earnings available for distribution amounting to EUR3,640,751, was recognised in the income statement as dividend income. As the dividend income was non-cash, this has been adjusted in the Company's statement of cash flows.

(c) Reconciliation of financial liabilities

Group	**Bond**	**Lease liability**	**Loan from group parent**	**Loan from credit institutions**	**Total**
	€	**€**	**€**	**€**	**€**
Balance as at 1 January 2021	39,453,273	14,087,336	5,545,704	-	59,086,313
Cash flows	2,610,344	(2,331,605)	(414,523)	-	(135,784)
Other non-cash movements, including interest accrued	639,686	712,755	-	-	1,352,441
Balance as at 31 December 2021	42,703,303	12,468,486	5,131,181	-	60,302,970
Balance as at 1 January 2022	42,703,303	12,468,486	5,131,181	-	60,302,970
Acquisition of subsidiaries	-	-	-	18,627,883	18,627,883
Cash flows	4,044,632	(3,195,753)	(1,411,728)	(2,177,318)	(2,740,167)
Other non-cash movements, including interest accrued	1,443,041	657,701	-	-	2,100,742
Balance as at 31 December 2022	**48,190,977**	**9,930,434**	**3,719,453**	**16,450,565**	**78,291,428**

Company	**Bond**	**Loan from group parent**	**Total**
	€	**€**	**€**
Balance as at 1 January 2021	39,453,273	6,517,509	45,970,782
Cash flows	2,610,344	(151,590)	2,458,754
Other non-cash movements	639,686	-	639,686
Balance as at 31 December 2021	42,703,303	6,365,919	49,069,222
Balance as at 1 January 2022	42,703,303	6,365,919	49,069,222
Cash flows	4,044,632	(2,131,440)	1,913,192
Other non-cash movements	1,443,042	14,190	1,457,232
Balance as at 31 December 2022	**48,190,977**	**4,248,669**	**52,439,646**

30 Related party transactions

Gaming Innovation Group Inc. ("GIG Inc") is the Company's immediate and ultimate parent entity. GIG Inc. is a company incorporated in the state of Delaware having its registered office at 10700 Stringfellow Rd, 10, Bookeelia, Florida FL33922, USA. Its shares are traded on the Oslo Børs and NASDAQ Stockholm. In view of its shareholding structure, the Group does not have an ultimate controlling party.

All companies forming part of the GIG Inc. Group, comprising the Company and its subsidiaries (as disclosed in Note 11), the shareholders, and other companies controlled or significantly influenced by the shareholders are considered to be related parties.

The following transactions were carried out with related parties.

(a) Key management personnel

	Group	
	2022	2021
	€	€
Directors' emoluments	**797,017**	677,158
Share-based payments	**30,642**	18,998
	827,659	696,156

Key management personnel comprise of the directors of the Group.

(b) Year-end balances arising from amounts due and loans from related parties, and other transactions

	Group		**Company**	
	2022	2021	**2022**	2021
	€	€	**€**	€
Other receivables from related parties (Note 12)				
subsidiaries	**-**	-	**193,551**	193,551
group undertakings	**148,985**	148,742	**-**	-
related parties	**132,869**	88,827	**-**	-
Other payables to related parties				
subsidiaries (Note 19)	**-**	-	**5,827,841**	-
loan from group parent (Note 20)	**3,719,452**	5,131,181	**4,248,669**	6,365,919
Fair value of employee services (Note 23)	**1,703,950**	642,077	**-**	-
Capital contributions during the year (Note 17)	**48,500,000**	-	**48,500,000**	-

31 Events after the reporting period

a) Acquisition of AskGamblers

In December 2022, one of the Company's subsidiaries has signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The total consideration is EUR45 million, of which EUR20 million was paid in cash on closing, EUR10 million twelve months after closing and the EUR15 million balance 24 months after closing.

Closing was completed on 31 January 2023. GIG has financed the initial consideration through a combination of own cash, a revolving credit facility and a share issue. To finance the equity part of the acquisition by way of the share issue, the Board of Directors of the Company's Parent has approved commitments of EUR10.2 million from a group of investors. Pursuant to agreed terms, the share price has been set to NOK 25.61, which represents a discount of 2.6% from the volume-weighted average share price for the GIG share in the first 17days of 2023. On 30 January 2023, the Company's Parent issued 4,267,112 new shares of its common stock to the above-mentioned group of investors. Existing shareholders have also committed to participate in the RCF, securing sufficient financing to complete the transaction at closing.

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

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

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

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31 Events after the reporting period - continued

a) *Acquisition of AskGamblers* - continued

The following table summarises the consideration paid for AskGamblers and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	31 January 2023
	€
Consideration	
Cash transfer	**20,000,000**
Initial consideration	**20,000,000**
Future consideration - cash transfer (i)	**25,000,000**
Total Purchase Price (Equity value)	**45,000,000**

	31 January 2023
	€
Asset Valuation	
Cash and cash equivalents	**2,696,939**
Trade and other receivables	**2,571,569**
Trade and other payables	**(650,928)**
Deferred tax liability	**(1,268,458)**
Domains – fair value	**22,238,838**
Affiliate Contracts – fair value	**3,333,435**
Other intangible assets	**2,045,091**
Net identifiable assets acquired	**30,966,486**
Goodwill	**14,033,514**
Net assets acquired	**45,000,000**

(i) Future consideration - cash transfer

Out of the total future consideration of EUR25 million, EUR10 million will be paid twelve months after closing and the remaining balance of EUR15 million will be settled 24 months after closing date.

(ii) Other information

As at 31 December 2022, acquisition-related costs of EUR400,000 have been recognised in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

31 Events after the reporting period - continued

b) *Other events after reporting period*

In February 2023, the Board of the Company's Parent has decided to initiate a strategic review with the intention to split GIG into two main business segments.

The purpose of the split is to sharpen the focus for each business segment, optimise growth opportunities and ensure each business can benefit from the strategic and financial flexibility of their distinctive business models. The split will form two industry leading businesses with the potential to grow much faster than in the current corporate structure.

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

During March 2023, the Group has signed the first Platform licence agreement as an Enterprise Solution Model to a successful industry group. The agreement is structured with a significant set up fee charged for the license and subsequent fees over the term. The average estimated yearly contract value is materially above current averages for GiG's SaaS contracts. The Enterprise Solution provides technological and operational autonomy to clients who have technical development capabilities and wish to modify, enhance or build upon GiG's existing application.

32 Significant risks and uncertainties

General

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

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

32 Significant risks and uncertainties - continued

General - continued

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

B2C

In line with the strategic review taken in 2020, GIG is less directly exposed to legal and compliance risks associated with gaming operations due to currently having one B2C license with the Malta Gaming Authority servicing one white label partner (SkyCity), together with various B2B licenses in various regulated markets.

Platform Services

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

Subsequent to year end, the Group has been awarded B2B licenses in two additional US states, Pennsylvania and Maryland which will complement existing US licenses in New Jersey and Iowa. Also, the Group is in the process of being awarded a Swedish B2B license which will complement existing European licenses in the UK and Romania. This reduces exposure to the Group with regards to regulation changes.

Media Services

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

33 Statutory information

Gaming Innovation Group p.l.c. is a limited liability company and is incorporated in Malta, having a registered office at @GiG Beach, The Golden Mile, Trig Id-Dragunara, St. Julian's STJ 3148, Malta

Independent auditor's report

To the Shareholders of Gaming Innovation Group p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of Gaming Innovation Group p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Board of directors.

What we have audited

Gaming Innovation Group p.l.c.'s financial statements comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2022;
- the Consolidated and Parent Company income statements and statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

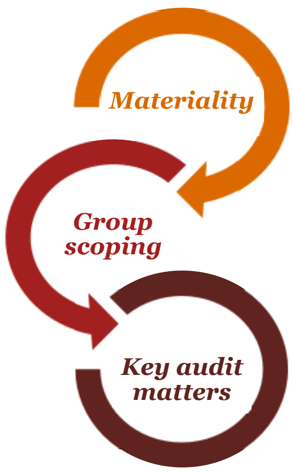
We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2022 to 31 December 2022, are disclosed in note 23 to the financial statements.

Our audit approach

Overview

	• Overall group materiality: €1,049,000, which represents approximately 1% of net revenue from continuing operations
	• PwC Malta is the group auditor with responsibility for the oversight of planning, execution and completion of the audit, and is supported by another auditor on a material foreign component who performs procedures in accordance with our instructions.
	• Impairment assessment of goodwill and other intangible assets • Acquisition accounting in relation to SportNCo

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€1,049,000
How we determined it	Approximately 1% of net revenue from continuing operations
Rationale for the materiality benchmark applied	We chose net revenue as the benchmark because, in our view, it is a key financial metric used in assessing the performance of the Group and is a generally accepted benchmark. We chose 1% based on our professional judgement noting that it is also within the range of commonly accepted revenue related thresholds.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above €104,900 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed audit procedures on the significant components, which are primarily based in Malta, Spain and France. Where work was performed by the component auditor, we determined the level of involvement we needed to have in the audit work at the component level to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. We issued formal written instructions to the component auditor setting out the audit work to be performed and maintained regular communication with them throughout the audit cycle. These interactions included meetings with the component auditor as well as reviewing and assessing any matters reported. Other specified audit procedures were performed on certain account balances for the non-significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Impairment assessment of goodwill and other intangible assets Refer to the accounting policies, and note 5 (Critical accounting estimates and judgements) and note 9 (Intangible assets). The Group tests whether goodwill and other intangible assets are impaired on an annual basis. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, referred to as a cash generating unit ("CGU"). During the year, the Group reassessed its accounting policy for the identification of its cash-generating units (CGUs) in view of its most recent acquisition, Sportnco. As a result of this assessment the cash-generating units identified are Performance Marketing (Media), Platform Services and Sportnco. The impairment assessment for goodwill and other intangible assets for the above-mentioned CGUs relied on value-in-use calculations. The cash flow projections were based on the Group's approved budget for 2023, projection of free cash flows for the period 2024 – 2026, as well as an estimate of the residual value. As at 31 December 2022, goodwill and trademarks with a carrying amount of €65.8m have an indefinite useful life. The carrying amount of all intangibles assets as at 31 December 2022 was €125.9m. The underlying forecast cash flows, and the supporting assumptions, reflect significant judgements as these are affected by future market or economic conditions, changes to laws and regulations as well as management's success in achieving growth targets. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement. Judgement is also applied in the assessment of useful lives of intangible assets that are amortised over a defined period. The extent of judgement, and the size of goodwill and intangible assets resulted in this matter being identified as an area of audit focus.	As part of our work on the impairment assessment of goodwill and other intangible assets, we evaluated the appropriateness of the methodology used, and the assumptions underlying the discounted cash flow model prepared by management, by involving our valuation experts. The calculations underlying the impairment model were reviewed in order to check the model's accuracy. For the performance marketing CGU, we carried out sensitivity analysis to assess whether or not a reasonable possible change in key assumptions could result in impairment, and concur with management's view that this component is less sensitive due to the level of headroom between the reported intangible assets and the respective value-in-use. On the other hand, the recoverable amount of the platform services and Sportnco CGU is very susceptible to the Group achieving the projections as included in the value-in-use calculation. As part of our work, we assessed the accuracy of management's historic forecasting ability when considering the assumptions used within the value-in-use model. In particular, we assessed each CGU's historical performance including actual results for 2022. We also assessed the appropriateness of disclosures made in relation to the impairment assessment of the intangible assets. Based on the work performed, we found the assessment of the recoverable amount of goodwill and other intangible assets and the related disclosures, to be consistent with the explanations and evidence obtained.

Acquisition accounting in relation to SportNCo

Refer to note 5 (Critical accounting estimates and judgements) and note 7 (Business combinations).

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

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

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

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

We focused on this matter due to the significance of management assumptions and judgements exercised. The identification and valuation of intangible assets can be a particularly subjective process. Any difference to these assumptions could cause a material misstatement.

We performed procedures on the Group's purchase price allocation as follows:

- we audited the Group's valuation of assets and liabilities acquired and the methods used for these valuations;
- we assessed management's judgements and estimates made in preparing these valuations, including the key assumptions applied such as the growth rate and discount rate, and the useful economic lives assigned to the intangible assets; and
- we assessed whether the accounting principles and disclosures in the annual report are in accordance with IFRSs.

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

As a result of our work, we determined that the acquisition of Sportnco has been appropriately accounted for and disclosed. Refer to note 7 to the financial statements.

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' report and Sustainability report 2022 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Chapter 16 Section 4a of the Swedish Securities Market Act

We have undertaken a reasonable assurance engagement in accordance with the requirements of ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information on the Annual Report and Consolidated Financial Statements of Gaming Innovation Group p.l.c. for the year ended 31 December 2022, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Financial Report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Chapter 16 Section 4a of the Swedish Securities Market Act, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ISAE 3000 (Revised).

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Financial Report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

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

Opinion

In our opinion, the Annual Financial Report for the year ended 31 December 2022 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Other reporting requirements

The *Annual Report and Consolidated Financial Statements 2022* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Financial Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

<table>
<tr><th>Area of the Annual Report and Consolidated Financial Statements 2022 and the related Directors' responsibilities</th><th>Our responsibilities</th><th>Our reporting</th></tr>
<tr><td>Directors' report
The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</td><td>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.

In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.

With respect to the information required by paragraphs 8 and 11 of the Sixth Schedule to the Act, our responsibility is limited to ensuring that such information has been provided.</td><td>In our opinion:

• the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.</td></tr>
</table>

	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 23 November 2015. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 8 years. The Company became listed on a regulated market on 26 March 2019.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Ian Curmi
Partner

21 April 2023