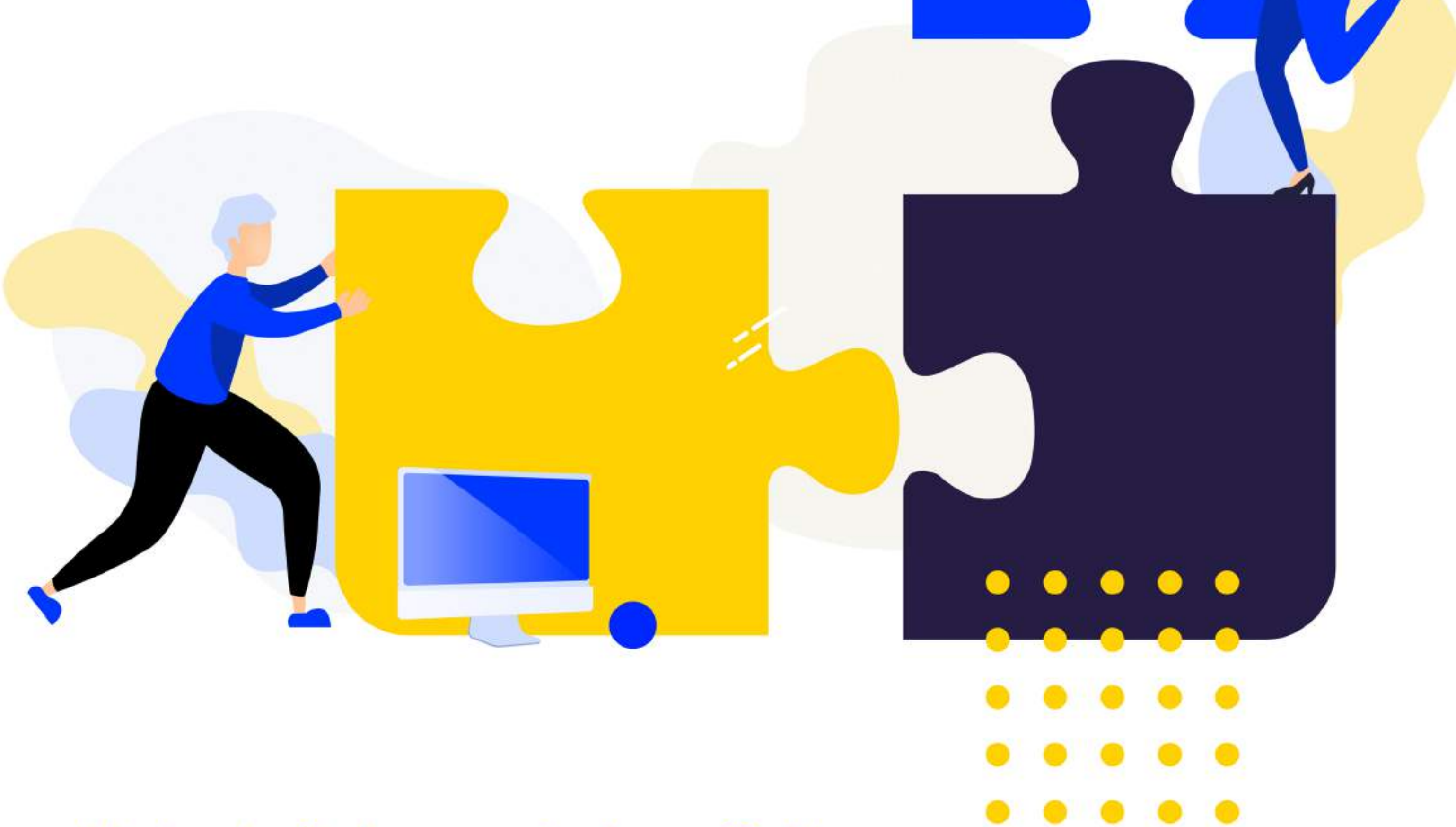
GiG

Annual Report 2019



We stand united - success is a team effort!

GiG Overview

iGaming solutions based on innovative technology

Vision

“Opening up iGaming to make it fair and fun for all”

Mission

“Have a stake in every fair online bet”

2012

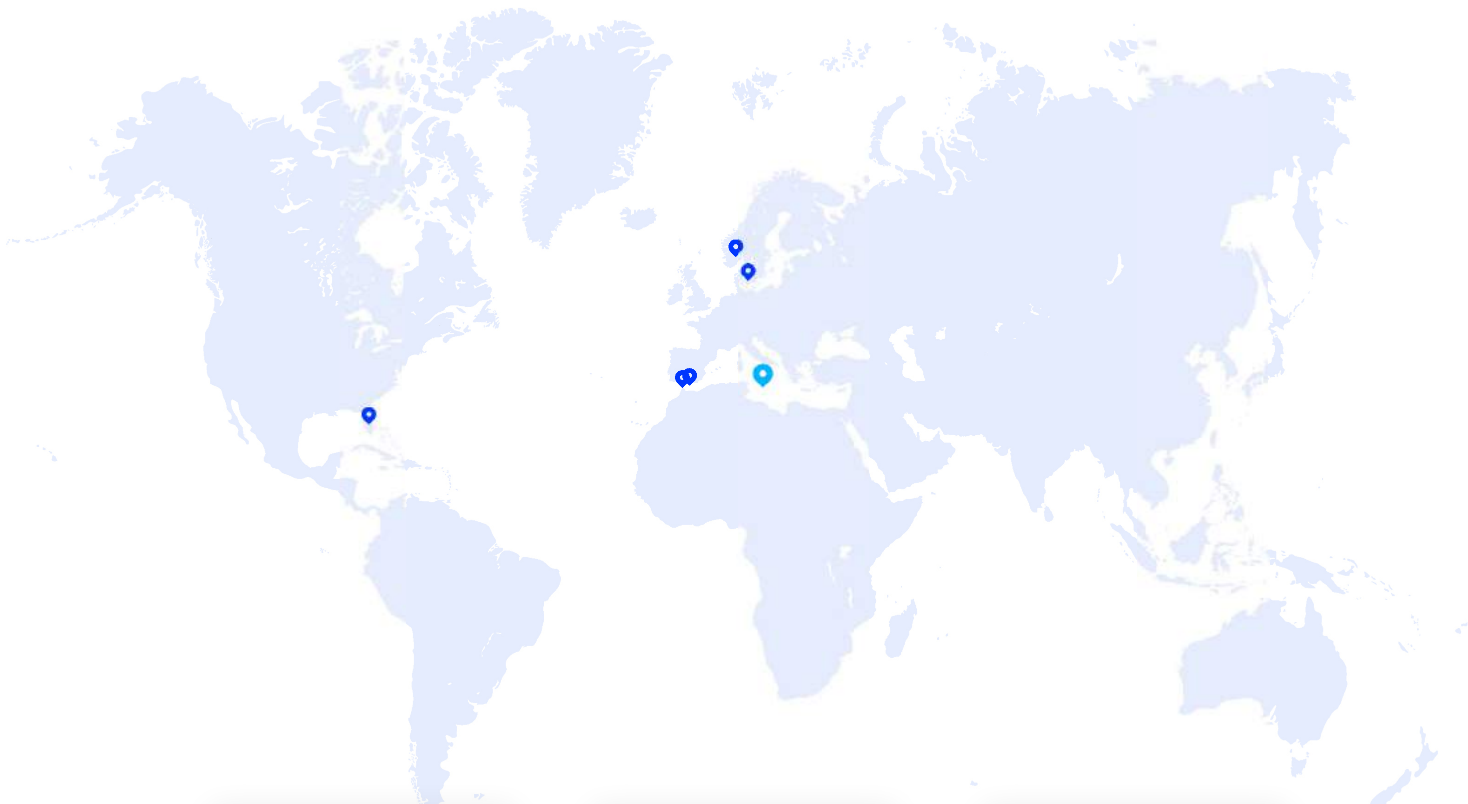
GiG founded

2015

Listed on the Oslo Stock Exchange

2019

Dual-listing on Nasdaq Stockholm



~600
Employees

Offices in Malta, Denmark, Gibraltar, Norway, Spain, US

Licences in Malta, UK, New Jersey, Germany S-H, Sweden, Spain

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Strategic Report

2019 Highlights

NASDAQ Stockholm listing

On 26 March, GiG listed its share on Nasdaq Stockholm, from which date it is dual-listed both on Oslo Børs and on Nasdaq Stockholm. The GiG share is dual-listed, carrying the same ISIN code on both exchanges: US36467X2062. The ticker code for the GiG share on Oslo Børs is “GIG”, the ticker code for the GiG share on Nasdaq Stockholm is “GIGSEK”.

GiG Media top 5 affiliate

GiG’s media services division was, in April, awarded a top 5 position in the EGR Power Affiliates Ranking, this is an improvement by seven places to last year. This comprehensive, annual ranking comprises 25 of the most successful affiliate businesses in the global gambling industry.

GiG partners with Sky City for a fully serviced omnichannel solution

GiG partnered with New Zealand’s largest entertainment company SkyCity Entertainment Group on 21 May for the provision of a turnkey, fully managed online casino solution including an online gambling licence for end-users in New Zealand, the launch date was 8 August.

Expanding the partnership in the US with Hard Rock

In December GiG extended the partnership with Hard Rock International as they went live with their sportsbook in Iowa adding on to the over-the-counter solution launched in September.

More people take the Rizk?

Rizk had an exciting year in 2019. The brand launched a dedicated and branded live casino studio on 11 June, powered by Evolution Gaming. Went live in India and because of relocated marketing budget grew from EUR 55.4 million in revenue to EUR 58.6 million in revenue, representing approximately 74% of NGR in the B2C vertical.

New licences

In January 2019 GiG was granted an affiliate vendor registration in the state of New Jersey, USA. GiG was also granted two licences in Spain, permitting the Company to offer B2C online casino and sports betting in the Spanish market.

GiG was granted a Class II affiliate licence in Romania, allowing GiG’s Media Services to enter the regulated Romanian market with affiliate marketing.

ISO Certification

In 2019, GiG´s information security processes were tested against the highest international standards set by the International Organization for Standardization via an ISO 27001:2013 audit. This certification highlights the Company’s ongoing and systematic approach towards protecting confidentiality, integrity and availability of all information GiG controls and processes.

GiG Comply

In 2019, GiG signed 13 new partners to its monitoring tool GiG Comply. The tool helps to protect operators from promotion on websites which are not brand-safe and protects from misleading advertising in their name by crawling thousands of webpages on a daily basis.

GiG signed Mr Green

GiG signed a long-term agreement with SIA Mr Green Latvia for the provision of its software platform licence, online casino, sportsbook and front end services for Mr Green’s brand entry into the Latvian market. Mr Green, part of William Hill plc, is one of GiG’s existing partners.

New senior secured bond

A new SEK400m senior bond was issued in June with a SEK 1,000m borrowing limit, refinancing part of the existing bond and credit facilities.

TIMELINE 2019

JAN

17/01/2019
Granted affiliate vendor license in New Jersey

30/01/2019
Powers Hard Rock's omnichannel sportsbook launch in New Jersey

FEB

MAR

05/04/2019
GiG Comply signs with Kindred Group

APR

26/03/2019
Stockholm listing with GiG share being dual-listed on Oslo Bors and at NASDAQ Stockholm

MAY

21/05/2019
Partnership with SkyCity signed

29/05/2019
GiG Comply signs bet365

JUN

06/06/2019
New sportsbook launched on guts.com

14/06/2016
A senior secured bond secured for 400 SEK

11/06/2019
Rizk launched a dedicated and branded live casino studio on 11 June, powered by Evolution Gaming

JUL

01/07/2017
Online gambling licenses granted in Spain

03/07/2019
Affiliate license granted in Romania

AUG

08/08/2019
Launched online casino with SkyCity in New Zealand

13/08/2019
Highroller divested to affiliate and operator Ellmount Gaming Ltd.

SEP

20/09/2019
Partnership with Hard Rock International is extended to include sportsbook operations in the US state of Iowa

23/09/2019
Investments in its proprietary game studio are halted

OCT

22/10/2019
Acquires 75% of Croatian Casino Operator Top Games in order to enter the Croatian online gambling market

NOV

06/11/2019
Gaming Innovation Group appoints Richard Brown as Chief Executive Officer

19/11/2019
New data platform launched

DEC

13/12/2019
GiG signed a long-term agreement with SIA Mr Green Latvia for the platform

16/12/2019
GiG goes live with the Hard Rock sportsbook in Iowa extending the partnership

Letter from the CEO

Richard Brown

Dear shareholders,

2019 has been a truly transformative and significant year, not only for GiG but for the entire gambling industry. The regulation of the gambling landscape provided opportunities, while also presenting a challenging period for what were some of our largest markets in 2018. The changes to GiG's business model and structure that we made in 2019 and in Q1 2020 are setting us on track for full focus and dedication towards future-proofing our business and positioning it for growth over the coming years.

Year in review

In 2019 our B2C organisation demonstrated the ability to improve its operational capacity in the face of industry headwinds and a decline in revenue. We made the strategic decision to focus on fewer brands and shift marketing spend away from traditional TV-based marketing towards digital, in conjunction with significant operational improvements. This resulted in the EBITDA moving from EUR 1.4 million to EUR 8.1 million year over year. This is a testament to GiG's ability to adapt quickly and perform.

Our Media segment demonstrated robust performance with only a marginal decline in earnings, despite the decline in player values across Scandinavia which impacted growth. All-time high earnings in H1 were mitigated by a search ranking update by Google and the market conditions in Sweden and Norway which were felt more in H2. We have put a new structure and management team in place, who worked on several key initiatives to return the segment back to growth with better products and new market entries. Progress has also been made with our US project, WSN.com, which received its license for affiliation in several US states and continues to gain traction.

Our B2B platform business continued to enhance its technology offering with a significant release in Q4 of GiG Data, the first and demonstrable big win of the new technology stack. A new management team which was put in place during H2 continues to drive a modernised, flexible, stable and user-centric tech that will support the business for the years to come.

We signed our first managed service client, SkyCity (New Zealand's largest land-based casino group), and towards the end of the year, we signed Mr Green to take that brand into the regulated Latvian market.

In January 2019 we terminated a large client. Since this coincided with a market decline for some of our white labels in Scandinavia, we saw impacted revenue and earnings growth which is, of course, disappointing. However, by bringing in a new sales team structure and enhancing that team in Q4, we have seen growth within the sales pipeline.

During the latter part of the year, we began to move away from a white-label B2B model to a pure SaaS. This will not only de-reissue the business but also enhance the sustainability of earnings as this focus will allow us to take advantage of the opportunity that regulation brings rather than the potential downside facing smaller iGaming operators typically running as white labels.

We have, in Q4, signed an existing client (Armstrong) onto our new fixed-fee pricing model for the platform, which creates better value for our partners and secures longevity in revenue and earnings for GiG.

In 2019 we went live with our sportsbook and platform offering in two US states. As one of only a handful of suppliers who can offer omnichannel and supporting platform services, this is a fantastic achievement for GiG. However, there is a high initial investment to be among the first wave of companies into the US sports betting market, and we needed to address the run rates within the sports division. In Q4, in order to maintain the strategic position, we began to look for a joint venture partner or similar to secure this and remove the cash drain from the Company. We hope to conclude this area in the first half of 2020. During the strategic review we also identified that, in order to deliver the best iGaming platform, we must integrate 3rd party sportsbooks and by having a platform-agnostic to sportsbook products, we will be able to open more sales opportunities.

GiG Games, our proprietary Games studio, was closed in October of 2019 in order to rapidly free up cash flow, and reduce the focus on non-core business units.

Continuous improvement and improvement on marginal gains will be part of GiG's ethos. We have made strides to improve operational performance overall, as highlighted by the project that started in the fourth quarter to replace our current technical infrastructure. When completed it will create north of EUR 3 million of savings on an annualized basis. We will never be done and I commit to continuous improvement on our operational core performance.

Strategic review

When I was appointed CEO in November, the Board and I enacted an all-encompassing strategic review that would unlock the future potential within the business while also addressing the Company's balance sheet. While GiG has always benefited in past years from a symbiotic relationship between the various B2B and B2C divisions within the Company, over the preceding 12 months the two divisions started to have conflicting agendas and priorities, that was detrimental to both parts. Full focus from the business is required to excel in one area. Current and future regulation will be a hurdle for B2C companies and the cost of marketing required to compete will be high. However, the additional complexity and opening up to new companies provides a real opportunity in the B2B space. Therefore in Q1 2020, the B2C division was divested to Betsson Group, who will remain a platform customer. GiG will now have the focus and dedication to see and deliver growth on its strong strategic position, capitalising on the regulatory development across the world and the drive from offline to online gambling, with a powerful end to end B2B offering.

Summary

It is an honour to be the CEO of Gaming Innovation Group, and I am truly excited about the potential for the company with a renewed focus and improved operations. 2019 was a year laying foundations for change and improvement. We are now in the position to execute on that change and bring longevity, sustainable, growth and increased earnings to GiG, resulting in what I firmly believe will be enhanced shareholder value.

Richard Brown
CEO

"The additional complexity and opening up to new companies provides a real opportunity in the B2B space"

We are GiG

Gaming Innovation Group Inc. (“GiG” or “the Company”) is a technology company providing innovative and connected products and solutions in the iGaming industry to support their partners in their online operations and transforming business from offline to online.

Founded in 2012, GiG’s Vision is “Opening up iGaming, to make it fair and fun for all”. Throughout its ecosystem of products, services and solutions, GiG is connecting operators, suppliers and end users, with the ambition to create the best iGaming experiences in the world.

It might seem complex...

The structure of GiG is much simpler. The Company can be divided into two units:

Media Services, GiG’s affiliate marketing generates leads in the form of end users to the leading operators world wide.

Platform Services, the branch of GiG that takes every product and offers it as a service to its partners. The partners are empowered to transform their business from having land-based operations to a fully functional and operational online business.

In 2019 GiG also consisted of a division of its own brands, but they were divested in February 2020 as a part of an ongoing strategic review.

All solutions are based on innovative technology and experience from launching and running operations in the iGaming industry.

GiG

Commercial

Selling to external partners

- Sports & Casino Platforms
- Managed Services
- Content, Odds, etc.

Media

Sending traffic to iGaming operators

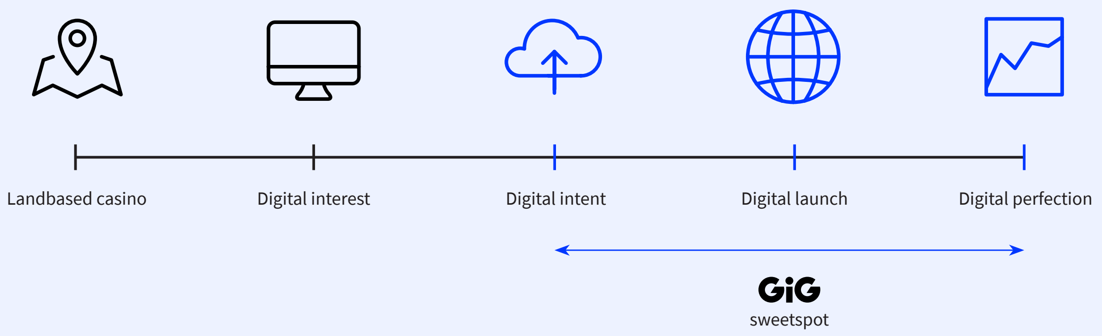
- SEO
- PPC
- Permission Marketing
- etc.

GiG can support its partners every step of the way as they transform from offline to online, or assist in the development from idea to launch. At all times the Company makes sure operations are run according to the latest industry standards, ensuring faster profitability and sustainability for the partners.

GiG empowers its partners to build their brands by creating the tools to be unique. Whether they need an integrated service portfolio, Managed Services or products, or Software as a Service (SaaS), GiG is the one solutions provider the operators need to talk to in order to launch and run a business online.

GiG supports operators in every step

from digital intent to digital transformation

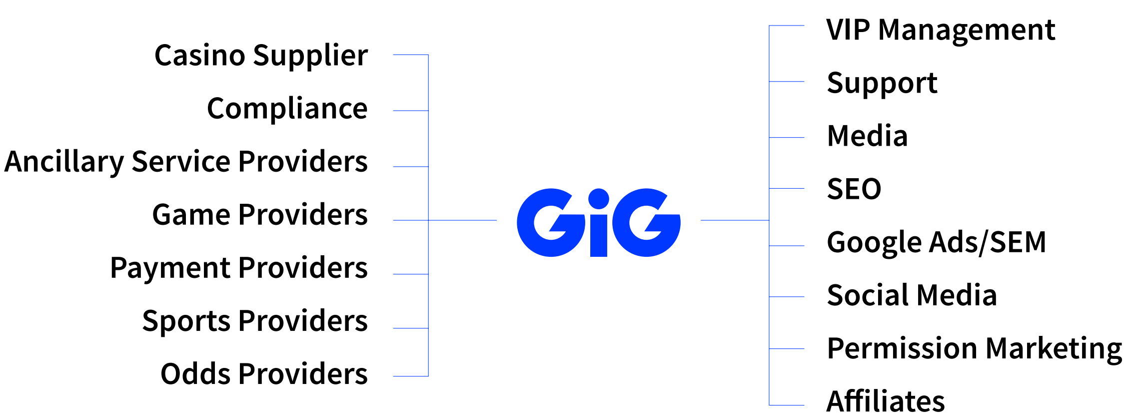


Business Model

An online casino and or sportsbook operation is made up of many different products and services which need to work together harmoniously to be as efficient as possible. GiG offers a full end to end solution, from the Data and Core platform through to the CMS and website itself, supporting GiG partners in offering a world class gaming experience to their customers. All of these in house developed products are supported by our managed services, including media and CRM.

GiG realises that all partners do not have the same needs and offers all products and services agnostically so the partner can pick and choose what products and services fit their needs at different times through their igaming journey. The same agnostic approach is also extended to content suppliers and auxiliary providers, where partners can choose the best tools and content for their operation and target market.

The team at GiG has extensive operational experience and with this experience works with the partner to create and execute a product and supplier strategy that works the best for their business and what the partner wants to achieve. All products that GiG offers are available on a fixed monthly recurring fee where managed services are priced on an individual basis, based on the needs of the partner.



GiG Media B2B

Digital Marketing
Finding leads through online media buys and publishing and refer these lead to operators

GiG Core B2B

Platform Services
Offering cloud based platform services and games, from multiple vendors, to casino operators

GiG Sports B2B

Sports Services
Odds, trading and risk management tools and mobile first front end for sportsbooks

GiG Data B2B

Data as a service
Compliant real time data and insights at your fingertips. Rich set of AI-enabled self service tools available to help you stay ahead of the game

Managed Services B2B

Revenue is generated in multiple ways and to a wide range of partners within the iGaming industry. Established operators might need a single tool to create a full solution where GiG builds, runs and manages the online marketing for its partners. By choosing the full solution, the partner can do what they do best: drive the offline business and develop the brand. GiG takes care of the rest.

Whether it is for GiG Media or an external partner, GiG's iGaming solutions are created from a drive to do things just a little bit better. They are based on a modern tech stack, with a dedicated team and continuously new features to drive revenue. This means GiG can take operators all the way from the ideation of creating an online gaming operation to running the finished product offering and user experience.

A global partner

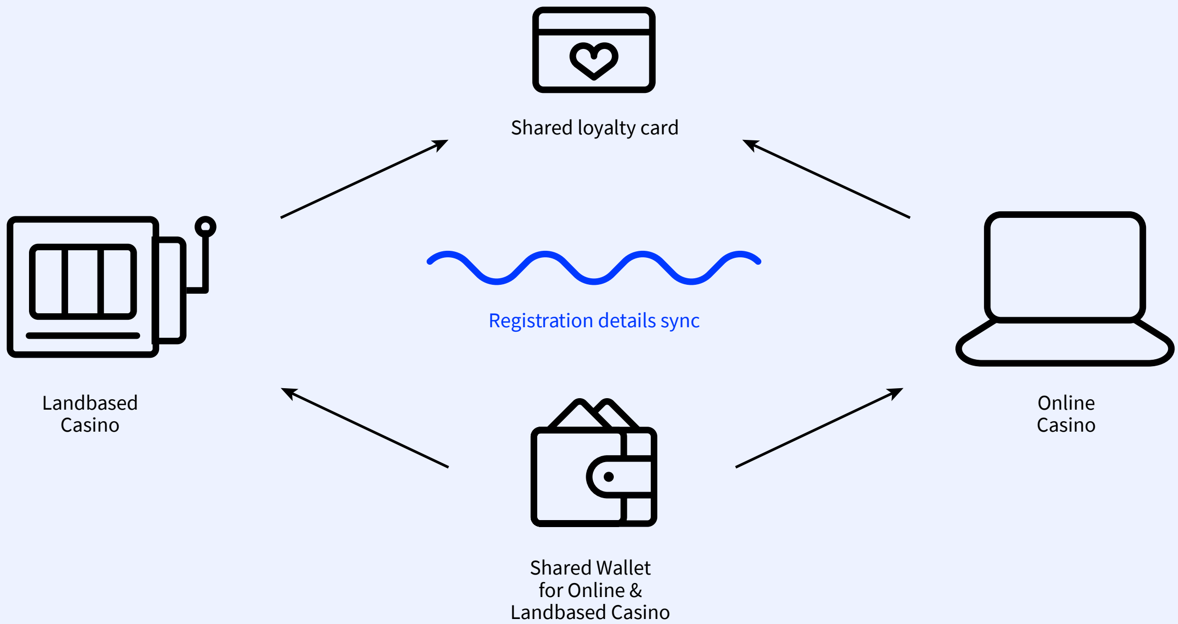
For brands entering into or developing its iGaming business, providing:

- Modern Tech Stack
- Dedicated team
- Scalable platform to increase margins, cost efficiency
- New features to drive revenue

GiG's offering can provide a seamless integration between playing at the offline casino and playing online. Instead of cashing out when leaving the casino, the winnings can be deposited to your account in order for the gaming experience can continue online or credits to be used as payment in the venue.

One account, multiple opportunities

The full omnichannel solution from GiG offers a seamless integration between offline and online



Revenue generation

Historically throughout the iGaming value chain, GiG has mainly charged its partners on a revenue share model. From the first quarter 2020, a fixed fee model was introduced on the platform for partners who are signed up to Software as a Service agreements. In addition, customers can add other ancillary services from GiG for an additional fee. Some services, such as the GiG Comply tool, are paid as a monthly fee while others are on a project revenue share and fee basis.

In 2019, GiG's revenues comprised income from the Company's gaming sites with own brands in the B2C operation, affiliate and paid media marketing in Media Services, and B2B customers on the technical platform GiG Core and Sports Betting Services.

Cost structure

Cost of Sales
These are mainly related to the B2C segment and includes fees to game and payment suppliers, gaming taxes and other variable expenses.

Marketing expenses
Mainly derived from the Company's B2C operations, comprising up-front payments such as TV campaigns, CPA (cost per acquisition) and affiliate revenue shares, plus payment for traffic in Media Services' paid operation.

Operating Expenses (OPEX)
The major part is personnel expenses, with the balance mainly related to rent and general corporate expenses.

The power of tech

Over the years, GiG has invested heavily in creating the best technical platform, both for its customers and for itself. In order to be at the forefront of the future, this development is something that will never stop. In late 2019, GiG launched a new data platform in order to meet tomorrow's demands for IT security and regulatory compliance.

The data solution gives operators a fast and scalable self-service tool which produces data and back office reports in real time, improving business intelligence. The tool provides a secure and compliant data framework, which is responsive to the critical data needs of both GiG and its partners. It comes with standard KPI libraries across all tools and incorporates artificial intelligence applications which work together to implement responsible gaming tools.

Ahead of ICE London 2020, we caught up with Ashley-Christian Hardy, director of product to give you an overview of GiG Core and why it's The One iGaming platform for success.

What's the best way to select the right platform when there is so much choice in the market?

That's a difficult question to answer because every operator has very different needs depending on how they want to run their business. Some operators are very product-focused and put a lot of effort into the details of making great user-centric journeys; some operators rely more on marketing and generating interest in their products this way.

My answer would be to have a platform that offers you the flexibility to run your business the way you want to. This is also very important because as your business grows and scales, how you operate your business will also change. At GiG, we offer a very flexible platform, not only depending on how you want to grow your business but also depending on your capacity to deliver. We have specialists with years of experience who can help you.

We offer an iGaming platform with everything you would need to successfully operate an online business. Maybe you have your own development resources to create a website using our APIs; if you don't have that resource, then we offer a full front-end solution. Either way, this is The One for you.

What new trends are you seeing from operators in the last 12 months?

Everyone is talking about other e-commerce platforms such as Netflix and Revolut, yet no one has really cracked this for a casino.

Where these platforms undoubtedly have great UX, the reality is that it is simply a really nice way to showcase content. At GiG, we get this and have the data to understand the variety of content to be served, when it should be served and in what order. So our B2B partners can look forward to innovative content curation, rating, and weighting combined with personalisation to deliver truly intelligent content across our sites.

Security is always an issue; and with highly transactional sites, the need only becomes greater. We have seen a lot of iGaming brands bringing different features such as pin codes and other types of authentication. What really matters is that there is a holistic view of security across the platform and not just focus on the front-end features.

One of the great things about GiG is that we don't just go for every shiny new innovation; we try to reverse engineer the thought process behind it to really understand the business reason that will drive revenue.

What are some pain points that operators should keep an eye on when selecting a platform?

One of our best features as a business is that we do not just see ourselves as a software or service provider, we are a partner. This means that we want to help our operators grow, and we want to use their knowledge and experiences to help shape our roadmap. It's all about building products that solve problems and help operators to run their businesses the most effective way they can; so when we say we partner with operators, we really mean it is a partnership.

How can an operator differentiate its offer from the competition?

In a market where content is similar, if not the same, there are only a few ways to differentiate — promotions and offers, brand or customer experience. At GiG, we strive to create the perfect environment for businesses to thrive. From creating intuitive sign-posting through to the ability to build bespoke promotions. We focus on building journeys that are seamless so that your customers can immerse themselves in your product

What makes GiG Core the one platform for success?

GiG is a company built on a fully collaborative culture. There's a can-do attitude and a passion for the industry which makes ideas a reality. This coupled with tier-one industry experience gives partners the expertise they need.

What's more, GiG Core is one of the only platforms that offers a purpose-built tech stack that is new, scalable and is built around the customer, so that our partners can deliver a truly customer-centric journey across all verticals

Is there something new we will be seeing on GiG Core in 2020?

Compliance — This is key in the iGaming industry and we want to ensure that we are at the forefront of this. To make this happen, we will be entering new markets in 2020 and have a fully licensed platform in various markets.

Rollout — We are improving the overall rollout of new features or compliance requests, to make it easier for the front end to implement. The aim here is to reduce the margin of error on front ends and support front ends in having an easy to use flow to implement complex solutions.

Back office — We intend to revamp the whole back office to ensure a smooth user experience. This will start in 2020 and might also span in subsequent years since we believe that this is a product that should continually be evolved.

Verification — We are planning an even easier verification process for players which should drastically diminish the time for players to be verified. This would mean that the painful process of verification would be shortened, whilst also making it faster for a player to start playing.

Technical resilience — We will be making our platform even more resilient and ensuring that various configurations will take much less time to achieve, helping us go to market faster with new and improved features.

Faster onboarding — We also want to ensure that the onboarding of new clients will take less time than ever, to enable our clients to go live as soon as possible.

GiG Core is already an established platform in the iGaming industry supporting some of the most powerful casinos out there and currently operates in a number of regulated markets such as the UK, New Jersey, Sweden, Iowa, and Spain. We are continuing to build on the success that we've achieved. New markets, integrations with top-notch providers and faster client onboarding, are only a few of the improvements coming up in the near future.

Everything starts with a great product

The Company is constantly looking into its product and technology offering to ensure both competitiveness and sustainability, with the vision of offering an easy-to-use, industry-leading, turnkey solution.

From a product and design perspective, GiG has focused on building a proprietary design system, which not only gives its products an identity, it allows for consistency, high quality and efficiency. One of the main objectives is to create customer centric products, meaning really getting to understand the partners, and building real solutions to real problems. Internally, GiG has made great leaps forward in both qualitative and quantitative research of its products, ensuring a continuous relationship with the end users from both opinion and data.

In technology, the Company is investing into scalability, performance and the efficiency at which GiG delivers solutions. The new technical chassis enables the Company to achieve a true microservice architecture. To many, microservices is a 'buzzword', to GiG it is a collective philosophy for a technical organisation. A microservices chassi is the implementation of all the governing principles in a development toolset for the proprietary products. With strong governance principles in place for technology, testing, release management and product delivery; allowing GiG to deliver quickly, effectively and towards best practices.

When explaining what benefits GiG's products and technical architecture bring in one word, what springs to mind is flexibility. Not only from the platform solution, but from the front end solution. For operators who do not want to invest in development resources, the front end solution is built on the latest web technologies, and although it is built on a modular framework, it is flexible enough that operators can personalise the look, feel and design. Operators who wish to invest can build their own front end on top of GiG's Customer Management System with their own technology stacks.

By developing the products in a modular way, combined with a true microservice infrastructure, GiG is in a position to push innovation within the industry very quickly. The capability to innovate new ideas, get feedback and test, develop and release at a rapid pace, means the partners will benefit and also have a competitive edge in the market.

Strategy

Vision and strategy for long term sustainable growth

Looking at the way the wallet in iGaming is split, multiple interests share the dollar. Back when GiG was no more than an idea and a strategy, the ambition was to cover all verticals, disrupt the value chain and be able to keep as much of the wallet as possible by adding scale and sharing the cost.

GiG emerged from the idea of owning the iGaming value chain, however as the industry continues to mature, so has the industry needs and the products a provider needs in order to make sure that the offering is still relevant to its partners. It has become clear that the barrier of entry into different markets demands an increased focus on creating the right products, instead of all products. Therefore GiG decided in 2019 to focus strictly on the B2B side of the industry.

Today the Company has a sustainable product offering based on proprietary technology from the first line of code, which is flexible and scalable in all verticals. This drives volume, margin and synergies for all.

GiG has invested heavily in technology and people in order to be able to offer platform solutions which are industry leading, whilst allowing the partner to reduce their operating costs and complexity through the fixed fee model and automation of services. This automatisation process runs through the whole player journey – and is extended to payments, responsible

Phase 1 2012 - 2015/16

Establish and create critical scale

- Initial footprint in iGaming
- Scalable & future-proof tech stack
- Funding for growth

Phase 2 2016 - 2017/18

Develop full-service B2B offering

- Volume on platform to increase sale
- Competitive B2B offering
- First set of target customers

Phase 3 2018/19

Build leading iGaming company

- Increased speed of development
- New platform
- Omnichannel
- Multi-jurisdiction compliance
- Real time data warehouse

Phase 4 2020...

Full focus on Global B2B

- Sustainable earnings and balance sheet
- Accelerated sales, new fixed fee pricing model for platform services
- Expansion of the Sportsbook offering
- Growth plan for Media Services

gaming, AML, segmentation, promotional abuse monitoring CRM and Content Management – and has been a key factor in the ambition of being a leading provider of online services to the iGaming industry.

The journey has taken the Company through three phases; the creation and establishment phase, the development phase and the building phase. In the last part of 2019 the company entered a new phase adapting to the enhanced demands in the iGaming industry.

The transition of the Company does not stop here. Instead, a new phase has begun where the organisation is optimised to an ever-changing industry, to sell the products and services and to expand in regulated and soon-to-be regulated markets by partnering with strong brands.

In the last months of 2019 a full strategic review was set in motion with the focus on reducing the complexity of the Company and creating a more lean organisation focused on better margins and creating revenue for GiG and its partners. The result is an organisation that is, as already mentioned, fully committed to the B2B offering both on the GiG Core platform and through the B2B affiliate media house GiG Media.

GiG is The ONE!

Transforming an online business from an idea into a smooth operation that creates revenue is a complex puzzle and all the pieces need to fit together. Often, a provider will have solutions to either one or more pieces in the puzzle – some will even have full service solutions and be a one-stop shop. But one thing is to offer every part in a secluded system, where one either buy it all or go elsewhere.

GiG has created a platform flexible enough to integrate with any third party supplier, while still having a strong offering in-house.

Going from White Labels to SaaS, the introduction of fixed Platform fees

In 2019, GiG took a stand, defined where the Company wants to be in the future and evolved its strategy.

- **GiG has built a leading partner in iGaming, supporting its partners in their journey and building market share by going from offline to online. This enables the Company's partners to extend their revenue potential by further monetising their land-based investment and brand awareness into the online space and product expansion into verticals such as online sports and casino.**

Owning and offering a competitive technological architecture is a key building block to achieving large scale. By owning the IP, GiG can achieve increased margins through decreased supplier costs, while selling B2B enables cost sharing and produces network effects.

GiG recognised in early 2018 that the regulation of unregulated markets, along with further restrictions imposed by markets such as the UK and Sweden, were going to affect the viability of the White Label model. In some markets, such as Spain and Italy, the upcoming regulation would prohibit the model altogether.

The nature of the White Label model creates regulatory risks, in addition to further operational complexity, because the licence holder – in this case GiG – is responsible for all actions by the White Label in said market.

The shift from the White Label model to a fixed fee Software as a Service model was motioned in 2019 with no additional White Labels signed. At the end of 2019 all White Labels received communication that the White Label model would not be supported post December 2020. GiG is, however, committed to its partners on the platform and has offered support to White Labels who intend to get their own licence and move to the fixed fee, SaaS model, with Armstrong being the first to sign the new agreement in late 2019.

The SaaS model is a fixed fee model where the Platform Services are provided to the partner at a fixed monthly cost. The fixed fee allows GiG to reduce the financial risk of non-performing partners, leading to a more stable and predictable revenue stream. The model also provides benefits to the partner as the fee is capped and therefore they will not "overpay" for Platform Services. In addition to Platform Services, GiG provides managed service solutions, such as Media Services and website development services, plus other ancillary services, be adding further upside on the contract value.

The Data platform is being sold to external partners

GiG launched its new data platform in January 2020. It has so far received encouraging interest from the market. The updated data platform is GiG's next-generation, scalable data platform, which can be integrated with GiG's Platform Services or with third-party solutions. It features standard KPI libraries across all tools and incorporates artificial intelligence applications which work together to seamlessly enhance data systems.

The cutting-edge platform offers operators a fast and scalable self-service tool which enhances business intelligence and produces data and back office reports in real time. The data platform provides a secure and compliant data framework, which is responsive to the critical data needs of GiG's partners.

Our B2B Solutions

The One iGaming platform to accelerate speed to market while reducing operating costs

Player account management platform (PAM)

GiG's iGaming platform provides the partners with the technical foundation to create a stable and secure iGaming solution that helps operators to reduce their operational costs. It offers a purpose-built tech stack, which is scalable, customised and designed to grow with each partner.

The platform allows the operator to build strong relationships with their players, enter world markets, protect players and operations, deliver an exceptional user experience and accelerate their speed to market.

The player account management system allows operations to work together from the one central system, featuring cloud-based services, online casino games, and providing the partner with a suite of tools to help them better understand their players.

The platform is licensed in Malta, the UK, New Jersey (USA), Germany S-H, Spain, Sweden and Romania (ClassII). The platform is also certified in Latvia.

All of GiG's iGaming solutions can be accessed through the platform, including third-party game suppliers and a variety of payment options.

GiG's Competitive advantage

Analyse and build relationships with online casino and sportsbook players using in-depth player account management tools.

Enter new markets and optimise return on investment with GiG's powerful payment gateway designed for targeting in localised markets.

Ensure players and and operations are protected. GiG's EU certified platform was built with compliance and security in its DNA.

Access thousands of casino games and content from some of the leading online casino games providers, all of which are fully configured.

Frontend framework solution

WAND is the web-based development solution that makes the Magic happen

The development of an online casino or sports betting website will be built on WAND, GiG's mobile-first, front end development solution. Based on the concept of open source development, WAND does all the heavy lifting and handles the development of the partner's online gaming site for them. The framework is fully responsive, allowing users to enjoy the same seamless experience on any device.

WAND works alongside Magic, GiG's front end development middleware solution, to provide partners with a complete end-to-end service for all their gaming and sports betting needs.

What WAND actually does is accelerate the speed to market without compromising on quality. It customises the site effortlessly to deliver quality iGaming products fast, and with ease, ensuring trust with a fully compliant iGaming solution available straight out of the box. The frameworks have been built to work seamlessly together from end to end. At the same it was provided with an easy to use and predictable roadmap, and timeline.

Middleware

Magic, a flexible iGaming CMS solution that can improve the user experience.

GiG's flexible CMS solution, Magic, provides partners with the building blocks to create a responsive, mobile-first website. The middleware solution helps the partner to enrich their online casino or sports betting solutions by providing an exceptional customer journey.

Magic includes an extensive selection of additional features, including bespoke gamification to improve customer engagement, self-service marketing tools to allow the partner to nurture their customers and intelligent data aggregation to get a better understanding of players.

It works hand in hand with GiG's front end framework component solution, WAND, to turn a casino's front end into a best-in-class experience for players across all devices. The CMS solution has a user-friendly interface and can access the extensive customer library, which offers a wide selection of features and functionality options for an online casino or sportsbook. In a competitive world where one of the keys is the ability to stand out, GiG dedicates a team to design the front end for each partner. There are no skins. This is done to improve customer engagement with bespoke gamification, including rewards, triggers, competitions and loyalty programmes.

Data platform

Providing real insights in real time, with player safety at heart, so operators make the best decisions.

GiG's data platform gives Gaming Operators a fast and scalable self-service tool that enhances business intelligence and produces data and back-office reports in real time. It provides a secure and compliant data framework responsive to the critical data needs of any iGaming business. It features standard KPI libraries across all tools and incorporates artificial intelligence applications that work together to strengthen the data system for the operator.

The data platform gives the operator essential information and decision-making insights in real time, giving the operator the best opportunity to make the right decisions. At the same time it is flexible enough to work with any iGaming platform in the market and can be sold as part of a full service agreement or as a stand-alone product. The platform can also integrate and control third-party integrations with any API or broker-enabled CRM system with ease. This is to ensure trust by handling responsible gaming measures and anti-money laundering efficiently within different jurisdictions.

Certification - Our data platform holds GLI33 and ISO27001 certifications.

Logic

The rule engine that builds real time iGaming rules

Logic is GiG's algorithm-based iGaming real time rules engine, which helps to minimise iGaming operations' day to day tasks. The rules solution is based on conducting a sequence of specified actions, allowing companies to create real time rules which best serve their business needs in a simple, testable and audited environment.

Through this, the partners can create their required logic by bypassing the traditional development cycle and without the need for code. The way Logic benefits a partner's business is with an ability to design and independently test rules with ease without any programming knowledge.

Rules in GiG Logic are designed in a simple visual flowchart, or decision tables – eliminating the translation of rules into code and staying independent for any iGaming tech release cycle. This reduces the time it takes to develop business applications that are complex rules, subject to ever-changing policy and regulations. GiG Logic ensures traceability and provides clarity about which rule models were used. It also identifies business needs.

With GiG Logic, companies can implement their own player flows, fraud prevention rules, responsible gaming features and a lot more in a quick manner. It integrates online offering with a brick and mortar site with ease. Build cross-sell initiatives, in either direction, to retain players' base.

Media Services

The iGaming marketing solution that helps operators build an organic presence, to increase rankings

GiG's Media Services works simultaneously to engage a chosen target market, helping partners to track and manage their player retention and acquisition marketing campaigns. Embracing the world of digital marketing for iGaming comes as second nature to GiG's marketing experts, who have extensive experience in delivering campaigns that improve revenue and help iGaming brands to stand out. GiG's Media Services provides partners with high-value iGaming leads and a top-performing SEO service to drive organic traffic to the sites.

With Media Services the partner takes advantage of the extensive experience GiG already has in the industry. On behalf of the partner, teams work on different channels to increase the brand awareness by driving traffic in volumes to the site. They grow organic rankings on primary search engines, and drive inbound traffic to acquire and retain a custom audience, while building a strong brand awareness via social media marketing. The team of experts launch and maintain PPC campaign via branded, generic and long-tail keywords through GiG proprietary iGaming media MarTech.

GiG Comply

A screening tool that helps to ensure a safe and compliant digital marketing effort for Gaming Operators.

By scanning tens of thousands of highly contagious websites at once, GiG Comply identifies a list of pages that contain the brand's adverts and are not seen as compliant. This helps operators to identify where they need to focus and tighten their compliance efforts.

With the widest reach in the market, across multiple jurisdictions, GiG Comply uncovers unknown sites containing links or promotions to an operator's iGaming brand. It shields online gaming sites by blocking U18s from their gaming systems, and checks that vital iGaming code red keywords are present in all promotions. Specific checks are customised to fit each partner and can easily be changed from each check. GiG Comply allows the user to focus on rectifying promotions rather than locating them via our easy-to-use reports, clearly displaying compliant and non-compliant findings. Simple and shareable at the touch of a button.

Managed Services

Where GiG does the work in order to reduce operating costs

With GiG's Managed Services, the Company provides a range of tailor-made packages to suit the individual iGaming business's needs, from pre-launch and throughout the business lifecycle. This reduces start-up complexities and ensures regulatory responsible gaming and best practices.

It also allows partners to benefit from GiG's years of experience and international know-how. Our gaming management platform operates to strict KPIs, boosts margins and allows partners to be free to focus on running their business.

How can GiG's Managed Services benefit the partners?

- Supports compliance procedures with advisory and monitoring services, PEP and Sanction data, age verification, electronic ID and address verifications, AML screened solutions/AML investigations, enhanced due diligence, and automated and manual responsible gaming interactions.
- Protects with GiG's full fraud monitoring and verification services through all betting verticals.
- Plans and executes multichannel marketing campaigns for stronger player retention with the right segmentation.
- Provides round-the-clock support. Multilingual specialists can guide players through the entire iGaming journey with leading response times.
- Ensures VIP customers enjoy the site and services responsibly via full-time VIP services.
- Carries out process and reconciliation payment transactions with ease.

Sports

Helping partners to retain and engage players by designing, creating and managing a powerful sportsbook brand

GiG's fully hosted and managed sportsbook solution deliver the players a seamless betting experience tailored for different brands. GiG can design, create and manage a powerful sportsbook, together with the partner.

The sports betting software delivers a seamless omnichannel betting experience, tailored for offline and/or online channels. It has all the tools and technology needed to push a sports betting platform to the next level, placing the partner ahead of the game. GiG's sportsbook can be sold independently or integrated into the Company's platform solution.

GiG Games

When the game studio launched in November 2017, it was the missing link in achieving the company's mission of having a stake in every fair online bet. After a year of development the first game, Wild Reels was launched in October 2018, and a total of x games has been released.

In September 2019 it was decided to halt investments in GiG Games. The rationale behind this decision was to reduce OPEX and concentrate focus on key strategic areas, developing the technology and product to enable the full business potential for the rest of the company. Closing the game studio swiftly led to cash savings building to approximately EUR 250,000 per month, starting from November 2019. Revenues generated from the proprietary games division have been negligible.

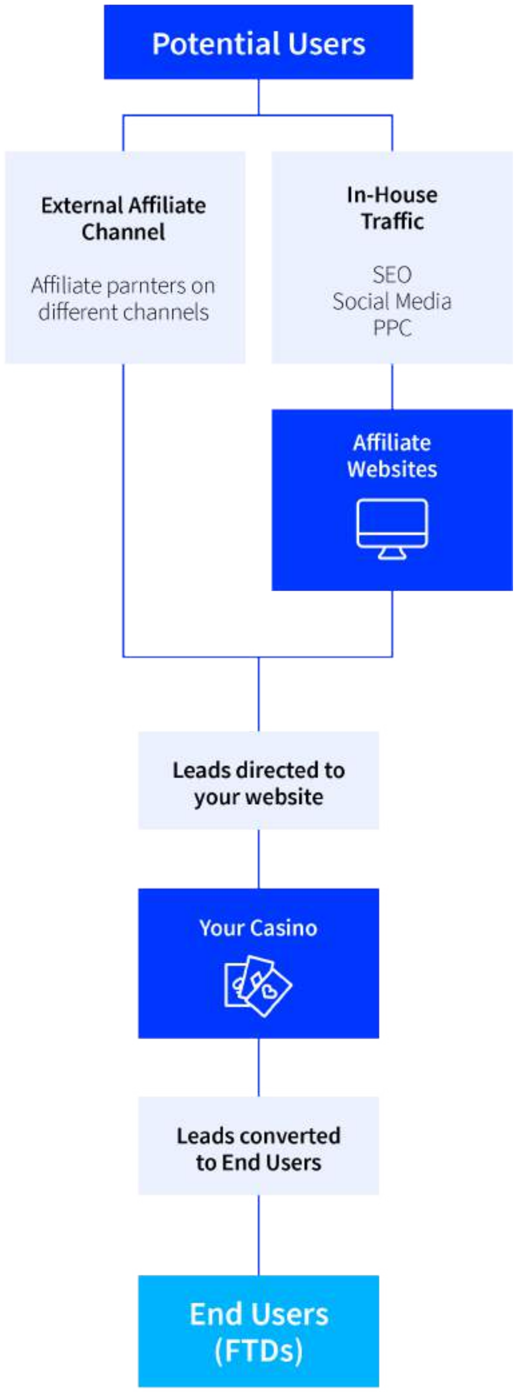
A total of four games were launched while the game studio was live. All of them will remain in GiG and continue to be offered to both internal and external operators.

GiG still holds all licences and software regarding the games and the IP allows the Company to re-enter the casino games vertical at a later stage, should proprietary content be considered strategically more important once again. In order to continue being able to cover the client's need for content, GiG will continue to offer casino games from third-party providers.

Media Services

A world-leading affiliate marketing company

GiG's Media Services is a multi-channel lead generation and marketing provider for the iGaming industry. It engages the end-users with high-quality content via a strong mix of traffic generating channels including websites, publishing news, reviews and articles. Organic postings on google, ads on social media and search engine marketing. The aim is to interact with the users supplying iGaming operators with high value leads. Get in touch and let's grow business for the next years to come.



The Publishing Business

GiG Media operates multiple content-rich websites targeting the online casino segments and sports betting by publishing articles, reviews and more to connect users with the sites.

How does it work?

Traffic is generated when someone clicks on the links included on our websites, which will then take the potential player to the affiliated casino or sportsbook. When a player signs up and starts playing with one of our affiliated partners - be it a casino or a sportsbook - GiG Media earns a percentage share of the player's value over the span of the player's lifetime.

We publish 1,000,000 words monthly across our portfolio of websites

Our websites receive more than 500,000 users every month

The Websites

World Sports Network (WSN) - **WSN.com** is GiG's Media Services' US-facing portal, providing accurate and up-to-date information about sports betting in regulated and soon-to-be-regulated states. The site features odds, predictions and picks for all major US and international sporting events, as well as betting and legislation guides, industry updates and legal sportsbook reviews. In addition to the website, WSN also publishes a weekly podcast series which is available on the site, all major podcast services and on YouTube!

Casinotopsonline is Media Services' flagship casino site operating in every possible market, with dedicated languages in 10 separate markets. Connecting millions of visitors every year with over 400 casinos.

The Paid Media Business

GiG's paid media business uses a variety of marketing channels operating as a multi-channel media house. Traffic is generated by placing ads within different marketing channels, with users from each channel being directed to an affiliate site of ours or directly to a partners site.

Frequently used channels:

- **Search engine marketing (SEM):** Ads on search engines such as Google
- **Social Media:** Facebook, Instagram and Twitter + chatbot on Messenger
- **Permission Marketing (PM):** Email and SMS controlled by a series of technology filters
- **Display:** Banner, push notifications, interstitial, popunder and native ads

We publish on average of 96 campaigns weekly reaching users around the world on google ads

4+ billion impressions generated globally through our display channels

The Business Model

GiG's Media Services operates within the world of casino and sport. A diverse approach with a presence in both verticals ensures a steady cash-flow throughout the year given the different seasonalities of casino and sport.

Media Services generates revenue by providing high quality leads to operators in the iGaming industry. It operates in both mature and emergent markets using different traffic-generating channels working with many different partners - all to diversify the risk in the marketplace and ensure the ability use to control revenue and cost with the aim of securing a steady cash-flow and a prosperous EBITDA-margin.

"Active in more than 14 languages, GiG's publishing solution has global reach across the world's biggest iGaming markets"

B2C Gaming Operators

As mentioned elsewhere in the report a strategic review was initiated in the last part of 2019. One of the conclusions of that was to focus on the B2B divisions of the Company and therefore GiG could announce on 14 February 2020 that it had signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of GiG's B2C assets.

In 2019 GiG operated six consumer-facing brands offering casino games, odds and poker tables in its Business-to-Consumer segment.

The brands drove revenue to the Company and were used to test and display the capabilities of the platform, to provide volume and share of the cost to the economy of scale and to keep the know-how of being an operator together with an ear to the market.

All in-house brands used the GiG platform and operated on GiG's own licences from the Malta Gaming Authorities (MGA), the United Kingdom Gambling Commission (UKGC), the Swedish regulator Spelinspektionen and the licence in the German state of Schleswig-Holstein.

In-house brands:

Guts.com was GiG's first brand and offers casino games, sports betting and poker. It launched in May 2013 on an external platform and migrated successfully to GiG Core in 2015. In December 2018, Guts launched an additional, more targeted and streamlined offering in Sweden, Finland and Germany called GutsXpress, which is developed on the back of Trustly's Pay N Play payment and registration method. Guts was GiG's second-largest brand in 2019.

Rizk.com launched in January 2016 and rapidly became GiG's largest brand, representing around 74% of revenues within the B2C vertical. Its focus was "gamification", providing an innovative user interface with the "Wheel of Rizk" by using personalisation, big data and algorithms to enhance the gaming experience. Rizk is operating in the Nordic market and is also targeting other regulated European markets.

Through the acquisition of the Betit Group in 2016, GiG added operators SuperLenny.com, Thrills.com and Kaboo.com to its portfolio. In 2018, it was decided to close down SuperLenny.com as an operator and the brand was relaunched as an affiliate site in January 2019 operating under GiG Media. **Thrills** and **Kaboo** continued to operate in a maintenance mode where revenues are expected to be kept, or slowly reduce, from current levels until further action is taken. These brands mainly target the Nordic markets. **Betspin** was closed in June.

In late 2017, GiG launched its brand Highroller.com, offering a casino experience with a very personalised, interactive and gamified experience with community features, fully utilising the gamification and customer-specific capabilities in the Platform Services. Highroller.com launched in Sweden, Norway and Finland and has been live in the UK since January 2018. In August it was announced that the Company had reached an agreement to divest Highroller to affiliate and operator Ellmount Gaming Limited, that will, as part of the deal, become a B2B customer of GiG and continue to operate Highroller using GiG's Platform Services, front end solution and Managed Services.

During 2019 the Gaming Operators' vertical increased its profitability quarter on quarter. This was due to an increased focus on performance marketing campaigns channels (such as affiliate marketing and social media), a focus on growth with fewer brands and updating and modernising within the brands with improved registration processes.

Sustainability Report

2019 highlights

Key Achievements

Sustainable and long-term profitable growth is at the core of all aspects of GiG's corporate strategy. GiG focuses its sustainability strategy on areas most relevant to its business, at the heart of which is responsible gambling (RG). This means offering customers and end users a full suite of solutions across the iGaming value chain while upholding strict rules to minimise harm caused by gambling; to prevent gambling from being a source of crime, and to ensure it is conducted in a fair and safe way. GiG supports end users to comply with technical, legislative and responsible marketing demands.

Efficiency and Financial Sustainability

In 2019, the Company increased its business focus on efficiency and financial sustainability. A strategic review was initiated in November 2019 to reduce complexity in the business, focused on value creation and strengthening the balance sheet. The main conclusion was to focus strategic direction on B2B operations which led to the consequence to divest GiG's B2C vertical, i.e. its Gaming Operators, announced on 14 February 2010.

ESG

GiG continued to integrate ESG topics into its long-term strategy with a view to make an overall positive contribution, achieve sustainable growth, and avoid and address adverse impact related to its operations, products or services.

Focus on Collaboration

We focused on strengthening our collaboration with higher education and charities to promote research, education and treatment:

- Teamed up with Bournemouth University to promote research and increase knowledge on harm minimisation and how to improve communication to increase effectiveness. GiG is involved in the EROGamb and GamInnovate applied projects.
- Collaborated with YGAM to pilot and evaluate accredited and certified responsible gambling training on their supplier chain for GiG employees, and secondly, to support YGAM's roll-out of educational programmes in Malta.
- Co-organised the first Responsible Gambling Week Malta in November 2019 together with industry peers and the Malta Gaming Authority in support to raise awareness on responsible gambling issues across the industry. The week covered a range of workshops, conferences and presentations and reached over 180 attendees from over 40 different companies based in Malta.

Artificial Intelligence

We have accelerated our work with artificial intelligence by creating AI-led tools to monitor player behaviour triggering interactions in real-time. This will further help us to increase safer gambling measures and player sustainability and to make the best and most sustainable business decisions possible.

IT and Cybersecurity

GiG's information security strategy is build on an end-to-end approach, having a holistic controls framework that targets balanced mitigation of risk in all that we do. GiG's information security processes are regularly tested by independent auditors against the highest international standards. In 2019, the GiG Core platform's ISO 27001:2013 certification was renewed.

Technology and Product

We are constantly looking to elevate our products and technology to ensure that they are both competitive and sustainable. Product, design and technology work extremely closely, and at GiG we are proud of the way these teams work; innovating, forward-thinking and always challenging and pushing each other forward. One of our main objectives is to create customer--centric products, meaning really getting to understand our customers and building real solutions for real problems.

Training

GiG continued to invest in its employees' knowledge and skillsin order for them to understand their individual and organisational responsibility towards responsible gambling, to understand how to identify problem gambling, and to have the knowledge to be able to conduct brief interventions and signpost for further support. Tailor-made sustainability and responsible gambling training is provided for each department within the organisation.

Environment

GiG hosted 50% of its servers with Equinix Inc's green data centers which operate on 100% renewable energy.

Our Vision

Our vision and commitment is to make iGaming fair and fun for all. The goal of the sustainability report is to explain how GiG runs a sustainable business, our key focus areas and how we conduct our business in a responsible way for all stakeholders. We are creating a culture of social responsibility to ensure compliance, promote responsible gambling, adopt best practice and improve the social impact on our industry.

In the new interactive report on our website, we detail how we engage our stakeholders — investors, customers, employees and others — to advance and evolve our Environment, Social and Governance (ESG) efforts. Please visit gig.com/sustainability to view our full corporate sustainability report.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards released June 2018

Our Strategy

A Sustainable Business

Sustainable and long-term profitable growth is at the core of all aspects of our corporate strategy. We focus our sustainability strategy on areas most relevant to our business, at the heart of which is responsible gambling. This means offering customers and end users a full suite of solutions across the iGaming value chain, while upholding strict rules to minimise harm caused by gambling; to prevent gambling from being a source of crime, and to ensure it is conducted in a fair and safe way.

We value a close relationship with our customers, suppliers and end users which enables us to map out their wishes and needs and train our employees to work in a responsible manner. We support our customers to comply with technical, legislative and responsible marketing demands. GiG is a technology company and it comes naturally to support sustainability through investing in research and innovative technology.

Commitment

GiG is building a sustainable business to provide a fair and safe gambling environment for its customers and all end users, adding long-term value to all stakeholders. The Company has continuously invested in its legal, compliance and Player Safety Teams. We monitor customer accounts continuously and use data, reporting tools and transaction monitoring tools to identify playing patterns which may indicate a person having a risk of problem gambling. By adopting a duty of care, we do not solely look at our risks; our primary focus is on the player, whose wellbeing is central to our operations.

Collaboration

GiG collaborates with the industry to combine efforts and address issues in a more powerful way. We work closely with peers and other organisations to encourage a responsible attitude to gambling and to address gambling-related harm. In 2019, GiG started collaborations with amongst others, Bournemouth University, YGAM, and Responsible Gambling Week, in collaboration with industry peers. The aim is to promote collaboration and knowledge sharing, participate in research and best practices on how to protect end users.

Markets

The Company operates in multiple markets and, as a result, is subject to multiple legislations governing gambling. GiG aims to fully operate in regulated and near-regulated markets globally.

Statutory frameworks aim to achieve an appropriate balance between regulatory requirements intended to reduce harm and the desirability of giving end users the freedom to choose how to spend their leisure time on entertainment related to gambling. Our role as a B2B provider is to provide tools and advice to our customers and the end users so they are able to achieve this balance.

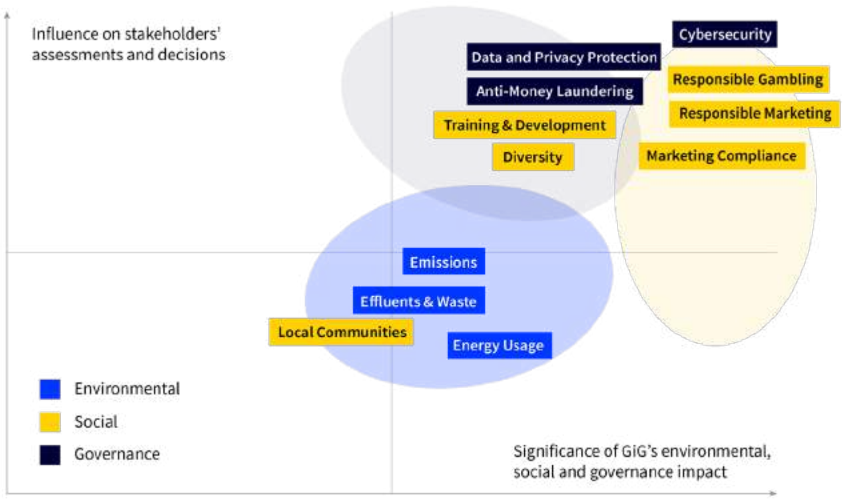
Our Stakeholders

Materiality Analysis

Stakeholder engagement and materiality are at the core of applying the ESG reporting guidelines and GRI Standards, which include issues spanning three themes: economic, social, and governance. We have identified material topics based on the importance of reflecting the organisation's Environmental, Social and Governance impacts or influencing the decisions of stakeholders. In this context, impact refers to the effect an organisation has on the economy and environment, and society. The impact can be positive or negative. GiG's sustainability reporting follows the ESG reporting guidelines and GRI Index, where materiality is the principle that determines which topics are relevant and sufficiently important to report on.

Stakeholders' Long-term View

GiG's Sustainability Materiality Assessment takes into account and assesses the decisions and long-term view on the following essential stakeholders: capital markets, governments, business, labour and civil society. The plotted topics included in the matrix below are considered significant for GiG to drive a sustainable business. Topics that have the greatest impact on GiG — located at the top right — reflect areas where the Company has unique capabilities to address such concerns.

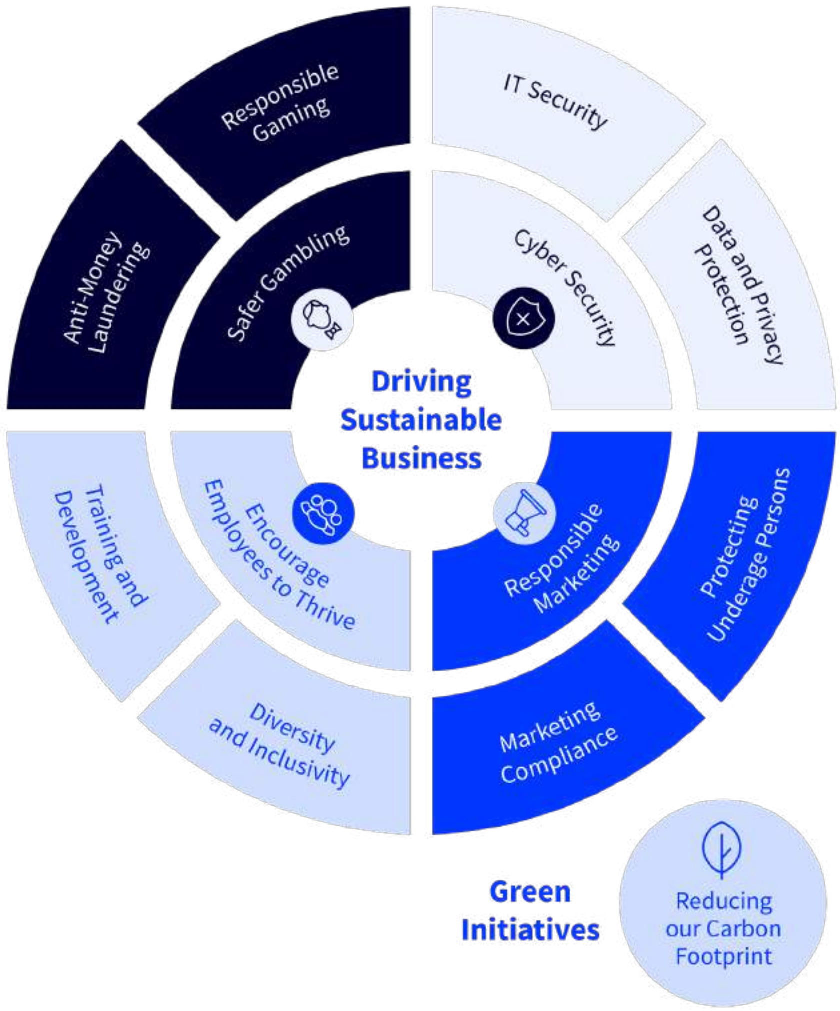


Sustainability Priority Areas

GiG has four priority areas in its social responsibility commitment:

- **Fair and Safe iGaming**
- **IT and Cybersecurity**
- **Responsible Marketing**
- **Encourage Employees to Thrive**

In addition, we focus on green initiatives throughout all operations to be a conscious user of energy resources and reduce our carbon footprint where possible.



Alignment with the UN Sustainable Development Goals (SDGs)

GiG strives to align sustainability objectives with the United Nations Sustainable Development Goals in order to accelerate its collective progress on the world's most important social and environmental challenges. We have prioritised our alignment with nine SDGs which are the most relevant and material to our business, indicated by where they sit on the priority wheel.

SUSTAINABLE DEVELOPMENT GOALS

UN Sustainable Development Goals

- Good Health and Well-Being
- Gender Equality
- Decent Work & Economic Growth
- Industry, Innovation and Infrastructure
- Reduced Inequalities
- Responsible Consumption and Production
- Climate Action
- Peace, Action and Strong Institutions
- Partnerships for the Goals

Safer Gambling

Player safety is one of our core values. We understand that a sustainable business requires a long-term relationship with customers built on trust, fairness and keeping players safe by minimising potential gambling-related harms. Providing a Safer Gambling environment is increasingly important in the iGaming industry as the highest standards in social responsibility are expected, and required, by our stakeholders. In the last 12 months GiG focused on strengthening its teams, knowledge and tools to become leaders in player sustainability. Early detection and interaction with players at potential risk has been one of our focuses as this is key for preventing harm.

Responsible Gambling

GiG's gambling operations are conducted in a sound and secure manner with a high level of consumer protection. Our aim is to uphold social responsibility, minimise the risk of end users becoming addicted to gambling and finding themselves in financial and/or psychological trouble, and ensuring gambling is not used in connection with, or in support of, criminal activity. GiG is committed to protecting underage and vulnerable people from being exposed to potential harm or exploitation from gambling.

We believe gambling should be fair and fun at all times and want end users to treat gambling as recreation and spend only what they can afford to risk. For some, it can be more difficult and therefore our operations adopt the best practices of responsible gambling and technical compliance. The responsible gambling pages feature information to help and protect end users, such as how to set deposit limits, loss limits and session limits, as well as information on how to self-exclude.

We have invested in a dedicated compliance operations team by introducing a proactive, customer-facing safety and responsible gambling team (branded Player Safety Team), which has the end user at the heart of its operations. This team monitors and assesses trading patterns daily, identifying and actively contacting customers who show patterns of problematic gambling behaviour, while also offering help and support.

Preventing Crime

GiG adopts a strict policy and does not accept any end users whose funds have emanated from ill-gotten means. This complies with all applicable obligations in relation to AML and Customer Due Diligence obligations. End users are identified through various automated processes at point of registration (depending on the country of registration) and GiG interacts with the players on a progressive basis with the intent to re-verify the player identity and establish transactional activity and seek to understand the player profile, thus tailoring appropriate controls on a risk-based approach.

IT and Cybersecurity

At GiG, the confidentiality, availability and integrity of end users and employee information is of the utmost importance. We maintain a rigorous, risk-based information security programme aligned with our business strategy and objectives.

Information Security

information security is a business priority with the aim to reduce risks to the business while enabling digital transformation. By taking a risk-based approach to the implementation of security goals, we make sure that the business is operating at an acceptable level of risk.

As the frequency of cyber attacks across various industries continues to grow, and the threat landscape becomes more complex, we aim to enable digital transformation through digital trust across our ecosystem. Maintaining the confidentiality, integrity and availability of information is a business priority at all times, and as such we are continuously working to ingrain a culture where information security is part of everything that we do at GiG. It is seen as everyone's responsibility, starting at the top, and integrated into all our business processes.

Data and Privacy Protection

Our internal controls framework is a direct result of continuous risk management processes, which take into consideration our business operations, as well as the external environment in which GiG operates. Protective, detective and reactive controls have been put into place to mitigate risk to our end users' information, as well as our customers' client base. Such controls have further been integrated within our internal processes and operations and ensure our employees' information is always processed in line with all regulations and is securely maintained at all times. In doing so, GiG ensures that all collected and processed data is safeguarded and protected, in accordance with all applicable laws, including GDPR, an EU regulation which harmonises data protection law amongst EU member states. All data is encrypted when being transferred. GiG offers mandatory training for all its employees via the online GiG Academy to understand the responsibilities and implications of our Information Security Policy and Access Control Policy.

Responsible Marketing

GiG conducts marketing and advertising in a responsible and transparent way in accordance with regulation and requirements on promotional and marketing communications in every local market where we have a licence as stipulated by the UKGC, MGA, Spelinspektionen, Swedish Gambling Act, ASA and the Competition and Markets Authority (CMA).

We act in accordance with licence conditions and codes of practice linked to the fair and open licensing objective, stating that all marketing advertising of gambling products and services is undertaken in a socially responsible manner.

GiG highly values transparency in its marketing advertising communication and informs the end user in clear and plain language of the full terms and conditions displayed prominently within the main body of an advert (or within one click from the advert in the case of genuinely limited space).

Protecting Underage persons

Marketing and advertising communications are not aimed at, or should not appeal to, underage persons (i.e. any illegal age for gambling in any jurisdiction GiG operates) and should 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.

Affiliate compliance

We built a compliance tool called GiG Comply in response to operators' need to improve compliance oversight and responsible gambling. This monitoring service is designed to further strengthen marketers' control over third-party advertising and brand protection. GiG Comply drives responsible gambling by providing improved visibility of where and how brands are being advertised. The service helps protect them 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.

Green Initiatives

Green Data Centers

In 2019, GiG hosted 50% of its servers with Equinix Inc's green data centers which operate on 100% renewable energy. Equinix Inc. greens the electrons through the use of renewable energy and low-carbon technologies like wind power.

Read the full corporate sustainability report 2019 for more green initiatives.

Reducing our Carbon Footprint

Two travel-free months in 2019 helped reduce our carbon footprint.

-80,000 kgCO^2
environmental impact

Our People

In order to execute a sustainable Company strategy it is imperative that the organisation is equipped with the highest levels of talent at every level, armed with the tools to both develop and grow performance.

Our people approach is set to mirror the working strategy of the organisation and help us realise the strategic benefits of acting in the whole Company's interest, delivering the organisation's vision and mission, and ultimately driving a more sustainable organisation.

We have built a culture focused on diversity with a view to delivering both internal and community-led value. The values that underpin our organisation have allowed us to become a company that strives to open up iGaming and make it fair and fun for all.

Training and Development

Professional Growth

Our approach towards employees is empirical in nature. By making use of Competency Frameworks across our key verticals, we are able to not only employ, but also to develop people based on data. Competency frameworks give insights into the key strengths of teams which we use to develop tailored training programmes, allowing all employees to grow in a fair and innovative culture, driving a diverse and productive workforce.

Compliance and Sustainable Practices

GiG is committed to promoting fair and fun gaming principles and practices to its employees, customers and business partners, and we have focused our internal efforts to educate, discuss and innovate on core questions of sustainability.

From a training and development perspective, every employee undergoes a varied and extensive training plan that consists of compliance-related certifications, in-depth workshops and team-specific internal and external events which seek to nurture a deep understanding and appreciation of sustainability-related topics.

Our customers come first and foremost in this regard, with Customer Service agents, VIP and RG ambassadors and our specialised Player Safety Team receiving extensive training in Motivational Interviewing, Suicide Prevention and other advanced RG-specific practices. In total, GiG employees and White Label partners spent a combined 1,829+ hours on Responsible Gaming, Anti-Money Laundering and Marketing Compliance-related training courses within the GiG Academy.

GiG Academy

The GiG Academy is an online training portal providing a wealth of interactive online courses and learning modules for all sectors of our business. GiG has a dedicated training team to update and launch new courses on GiG Academy, providing classroom training via webinar sessions. The GiG Academy is also available to external partners who would like to train their staff virtually. We believe education is key in spreading knowledge and expertise, and this in turn will raise the bar in our industry.

93
courses available on GiG Academy
increased from 49 courses in 2018

14,136
training hours spent at the GiG Academy
increased from 3.936 hours in 2018

≈300
classroom training courses given

Transparency and Alignment

At GiG, we believe in transparency at every stage of the employee's lifecycle. Our people's skills and competencies are regularly mapped and assessed in order to enhance performance management and internal career paths and/or professional development. The overall organisation embraced OKRs with the aim of working together towards the same goals and projects accomplishments. Each objective and initiative is mapped and recorded in an OKR tool, launched in 2019, which has transparency as its focus value, giving everyone in the organisation the opportunity to understand how each individual contributes towards the "big picture". At GiG, we believe in each employee and we want our people to feel empowered and inspired by the Company strategy and values.

Sharing Best Practices

We believe that protecting customers should not be a competitive advantage: the industry can share knowledge, best practices and innovation to facilitate a more sustainable environment for us all. To this aim, GiG has led and actively participated in cross-industry knowledge-sharing events like the first Responsible Gaming Week Malta and Customer Appreciation Day.

Integrity Policies

Insider and Trading Policy

The Insider and Trading Policy regulates how all employees and consultants are required to treat sensitive information and trading concerning communication, the GiG share and related financial instruments. This policy is approved by the Board of Directors and it is critical to ensure understanding of the handling of sensitive information and to prevent the risk of insider dealing and other prohibited actions.

Whistleblowing Policy

All employees must feel comfortable in reporting activities that may be unlawful, lead to incorrect financial reporting or raise questions about the integrity of management, without any fear of retaliation. Therefore, employees, consultants and representatives are encouraged to report suspected or known violations of the Code of Conduct, any violation of law or company policy, or health and safety concerns through the reporting channels laid down in the Whistleblowing Policy. More information can be found on www.gig.com/ir under the Corporate Governance section.

Family Friendly Measures across all of our Offices

We are proud to support growing families across all GiG offices. Our parental leave policies strive to make a difference and we are proud to be ambassadors of diversity and gender equality leave entitlements that have made, and will make, the difference to our employees' families.

GiG is committed to supporting parenthood and offers one of the most progressive leave entitlements of its kind in the industry in southern European countries. Fathers (biological and adoptive), husbands, civil partners and partners of either sex who live with the mother or adopter in an enduring family relationship are entitled to 30 days' paid paternity leave.

In order to offer better conditions and equal opportunities for our employees in Denmark, we have chosen to adhere to a private maternity fund instead of the mandatory government fund, mostly used in Denmark. This means that both men and women in the Company will get a larger part of their salaries whilst enjoying the time off. This way, not only can we ensure we provide a more generous maternity leave but also new mums and dads will have more time at their disposal to adapt and enjoy the new addition to the family. As a result, employees are less likely to have to make bigger changes in their lives and have the option to stay at home for a longer period than they might have chosen to do before.

Diversity and Inclusivity

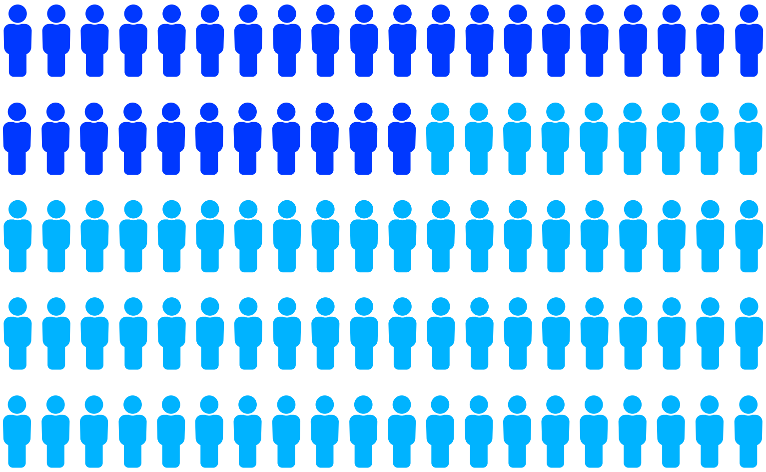
GiG is committed to being an equal opportunities employer and is opposed to all forms of unlawful and unfair discrimination. We accept nothing less than an atmosphere where everyone can be the best version of themselves with equal access to opportunities. GiG promotes a positive, dynamic and sustainable way of working which directly impacts upon everyone we deal with.

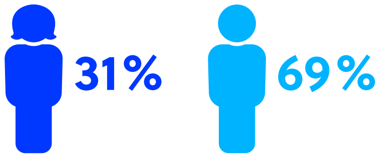
We stand for diversity and respect every person's uniqueness, regardless of gender, nationality, ethnicity, religion, age, sexual orientation, disability or personality.

We believe more diverse teams and an inclusive environment boosts engagement, innovation and performance, enriching our business and our culture. GiG welcomes, values and encourages employees who are seeking to reach their highest potential.

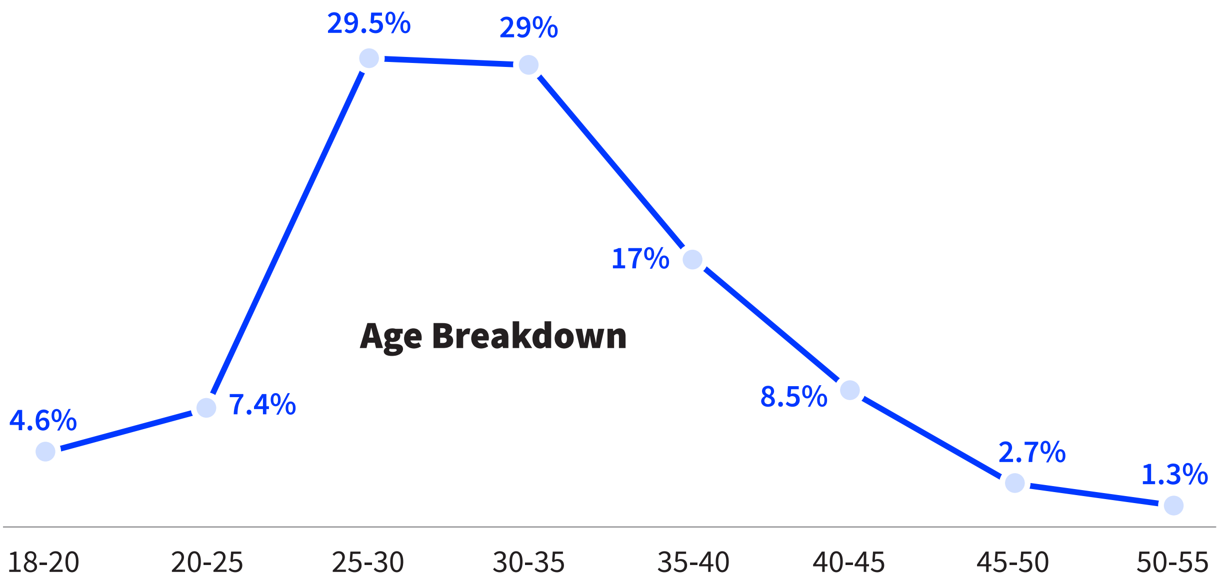
GiG Diversity

Female and Male Split





	Female	Male
Team Leads	26.2%	73.8%
Managers	35.1%	64.9%
Heads	23.8%	76.2%
Directors	25%	75%
C-Level	16.7%	83.3%



GiG Nationality Split

Country of origin of GiG employees

Argentina	0.2%	Luxembourg	0.2%
Australia	0.3%	Macedonia	0.8%
Belgium	0.5%	Malta	38.7%
Brazil	0.8%	Netherlands	1.1%
Bulgaria	0.5%	New Zealand	0.2%
Croatia	0.5%	Nigeria	0.2%
Czech Republic	0.2%	Norway	4.9%
Denmark	3.9%	Paraguay	0.2%
Estonia	1.0%	Poland	2.9%
Finland	4.4%	Portugal	0.5%
France	0.8%	Romania	1.5%
Germany	2.0%	Russia	0.5%
Hungary	1.3%	Serbia	0.5%
India	0.2%	Slovakia	0.3%
Ireland	0.3%	Slovenia	0.2%
Israel	0.3%	Spain	6.9%
Italy	3.9%	Sweden	6.7%
Japan	0.2%	Switzerland	0.2%
Latvia	0.7%	Turkey	0.2%
Lebanon	0.2%	Ukraine	0.2%
Libya	0.2%	United Kingdom	9.3%
Lithuania	0.2%	United States	0.5%
		Venezuela	0.3%

Total employees **648**

Different Nationalities **45**

Non EU Nationals **67**

Risks

Risk Factors

Financial

The continuation of the Company as a going concern is dependent on its ability to generate revenues and profits from its operations and its ability to raise sufficient funding to meet any short-term or long-term needs, including the repayment of the Company's bond in 2022. There is no assurance that the Company will be profitable in the future, which could obstruct the raising of new capital, if necessary.

Competition

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

Customer development

The top 10 customers represent 43% of total revenues. The performance of the customers and market-related dynamics have an impact on the Company's performance. GiG seeks long-term partnerships with its customers and is reliant on the strength of the relationship and service to its customers as an asset.

Regulation

Gaming Innovation Group Inc. is a holding company and does not conduct any operations itself. Through its subsidiaries, GiG is active in a highly regulated online gaming market. Depending on the regulatory structure of a given jurisdiction, GiG may require licences to offer its various services. Obtaining and maintaining such licences is therefore essential to GiG's commercial success. Any changes in regulations, laws, or other political decisions in the jurisdictions where the Company operates, may have a positive or negative effect on its operations.

B2B

GiG conducts B2B (Business-to-Business) activities through the offer of its in-house-developed online gaming platform software, GiG Core. The software has been certified as compliant with the Remote Gaming Regulations of Malta and by the Division of Gaming Enforcement (DGE) in the US state of New Jersey. According to UK laws and regulations, a company which manufactures, supplies, installs or adapts gambling software (such as GiG Core), used in connection with remote gambling, must have a remote gambling software licence. GiG has such a licence and is therefore able to supply gambling software to United Kingdom Gambling Commission-licensed B2C operators. Some of the B2B activities carried out by GiG involve the provision of White Label services, whereby customers of Platform Services would also conduct their own gaming activities in reliance of licences held by GiG. While contractual arrangements are in place to limit liability, indemnities have been received in case of any breaches which singly relate to one B2B customer. Ultimately the responsibility is with GiG.

Affiliate marketing

GiG conducts affiliate marketing activities, by directing internet users to online gaming websites through various group-owned websites. Affiliate marketing business is currently not subject to specific gaming laws and regulations in most markets where GiG is active; it is only in the US market where a licensing regime is in place. GiG has a vendor registration in New Jersey, US, enabling the Company to send traffic to regulated casinos and sportsbooks within the state. It is possible other states and countries will extend the scope of gaming laws and regulations to cover this type of business in the future. The affiliate business generates most of its revenues from users received from internet searches and any changes in the way internet searches are regulated or carried out may impact this activity.

IT systems

GiG is dependent on the stability of its IT systems. Failure could have an adverse effect on the business and financial performance. There are systems put in place to detect and prevent adverse effects should they occur. GiG operates in a tightly regulated environment and regulators in certain regulated markets have recently increased their supervisory activities, especially in the areas of social responsibility, anti-money laundering and marketing compliance. GiG has witnessed several competing operators active within the same markets, and adopting common systems and procedures formerly prevalent within the industry, become subject to sanctions due to regulatory failings. While GiG has been working closely with expert advisors in order to upgrade its systems and procedures to achieve compliance, given the high standard and expectations of regulators GiG cannot be certain it will not be subject to regulatory sanctions.

Cybersecurity

At GiG, the confidentiality, availability and integrity of end users and employee information is of the utmost importance. The Company maintain a rigorous, risk-based information security programme aligned with the business strategy and objectives. GiG's information security processes are regularly tested by independent auditors, and are ISO 27001:2013 certified. There are, however, no certainty of avoiding attacks or other hostile attempts to systems and servers, which could lead to downtime and negatively impact operations and financial performance.

Currency

The Company is exposed to exchange rate fluctuations, with revenues and operating expenses divided primarily between EUR, NOK, SEK, GBP, NZD, AUD and USD. See Note 4.1 to the consolidated financial statements for further description.

Key personnel and the recruitment of talent

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

COVID-19

The COVID-19 virus has spread across the world in 2020 and caused disruption to businesses and economic activity. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company, or to provide a quantitative estimate of this impact. See Note 2.1 and Note 34 to the consolidated financial statements for further description.

For further description on risk factors, see Note 2.1, Note 4 and Note 35 to the consolidated financial statements.

The Share

Gaming Innovation Group has been listed on the Oslo Børs (Oslo Stock Exchange) main market since 2015, with the ticker symbol "GIG". The share was, from 26 March 2019, dual-listed on the Nasdaq Stockholm main list, with the ticker symbol "GIGSEK".

Industry Oslo Børs: Electronic Equipment Manufacturers
Industry Nasdaq Stockholm: Technology
ISIN code: US36467X2062

As at 31 December 2019, GiG had a total number of issued shares of 90,005,626 (par value USD 1.00), all shares carry one vote. The number of authorised shares is 100,000,000.

Share price development

Opening share price on 2 January 2019 was NOK22.63. Closing price on 30 December 2019 was 8.19, corresponding to a market cap of NOK 737 million. Highest closing price was NOK 24.05 on 21 February and lowest closing price was NOK 4.50 on 19 November.

Bond Programme

Gaming Innovation Group Plc. issued a new SEK400 million senior secured bond with a SEK1,000 million borrowing limit on 28 June 2019. SEK350 million of the net proceeds were used to refinance part of the 2017 GIGLTD01 bond, reducing the outstanding amount from SEK650 to SEK300 million. The balance of the new bond was used to pay down the parent Company's working capital facility and short-term loans in July. The bond has a floating coupon of 3 months STIBOR + 9% per annum and maturity on 28 June 2022.

The 2017 bonds were repaid in April 2020.

The guarantors to the bond: GiG, Innovation Labs Limited, MT Securetrade Limited, iGamingCloud Limited, GiG Central Services Limited (the issuer's subsidiaries), are jointly and severally with the issuer and between themselves, guaranteeing the repayment of the nominal value of the bonds on the redemption date and of the interest amounts of the bonds on each interest payment date.

The 2017 bonds were listed at Oslo Børs, and the 2019 bonds are listed at Nasdaq OMX Nordic in Stockholm.

ISIN Code	Issue Date	Outstanding amount	Borrowing limit	Terms	Maturity date
NO0010787120	6 March 2017	SEK300m	SEK1,250,000	7%/Y	Repaid on 22 April 2020
NO0010858400	28 June 2019	SEK400m	SEK1,000,000	Floating coupon of 3 months STIBOR +9%/Y	28 June 2022

Words from the Chairman

Dear Shareholder,

2019 was a challenging year for the industry and for GiG. Re-regulation in Sweden and head-winds in other markets put pressure on our operation and ability to deliver good results during the year.

Therefore the Board decided to initiate a strategic review to reduce complexity, strengthen the balance sheet and focus the Management our resources on GiGs strengths and where we see most value creation for GiG going forward. The Board and Management decided that the future, strengths and best opportunities for GiG is within B2B and therefore decided to divest our B2C operations as a consequence.

GiG has a very well run and profitable Media Business and has developed a world-leading B2B Platform service that we believe is well-positioned for serving Global, Regional and local Champions in their ambition to transform their business from analogue to digital and/or to unleash valuable time and financial resources towards brand building and customer acquisition by leveraging GiG's world-leading platform, technology and services. We have decided to gravitate our platform business towards a SaaS logic to secure profitability and scalability.

GiG is a World leader in its B2B category and our Vision is to continue our quest in establishing ourselves as a Tier 1 provider for the global iGaming industry.

We are really looking forward to driving shareholder value with our revised focus and a strong focus on securing profitable growth.

Sincerely,

Petter Nylander
Chairman of the Board of Directors

"Creating the foundation for a profitable growth"

The Market

The overall trend within the gambling industry is that the online part is taking a bigger share of the wallet. For years, operators, suppliers and other interested parties have experienced how the gambling world is transforming from offline betting shops or landbased casinos to online solutions.

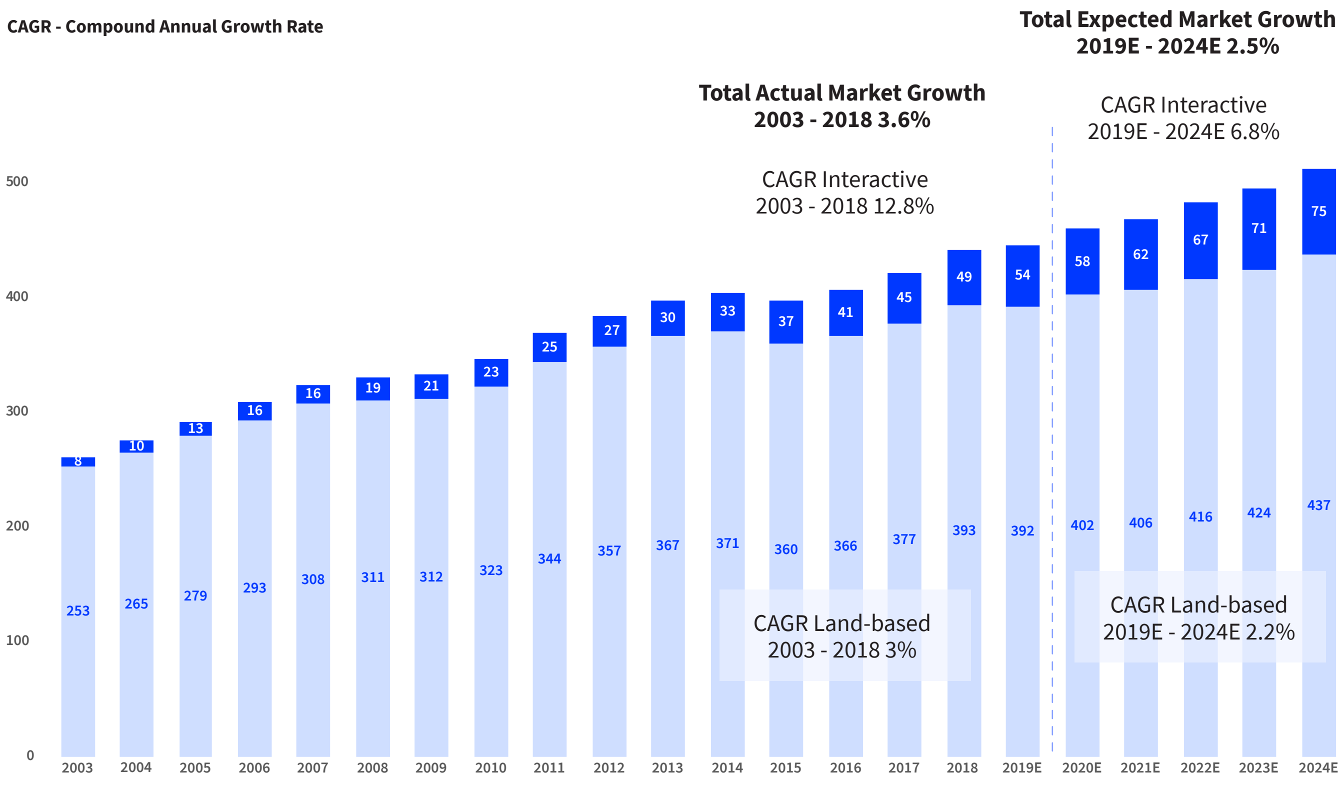
From 2003 to 2018, the online gambling market grew by 12.8%, while the landbased operators grew by 3% in the same period. That being said, the offline part of the gambling industry is still significantly larger than online. With more of the world's population having access to the internet and mobile devices, the gap is predicted to diminish in the upcoming years and an increasing share of wallet will continue to move online.

The digital transformation leads to a tectonic shift in revenues in iGaming. Previously, the digital space had been left largely uncontested by the major landbased operators, who are still offline.

However, with increasing regulation (for example, the repeal of PASPA in the US, the upcoming regulation in countries such as Germany, the Netherlands and Ukraine, not to mention Latin America) we are seeing accelerating interest in going online.

Over the last couple of years, GiG has shaped the company to support partners through the entire migration – from having only landbased operations to being up and running with an online offering with an additional option for brick and mortar solutions.

The strongest driver for growth is the transition from offline to online gambling



Source H2GC
Data from January 2020, not adjusted for any impacts from COVID-19

In countries such as the United Kingdom and Denmark, which regulated many years ago, or Sweden, which is one of the latest countries to regulate, digital gambling has become the biggest source of revenue. In other markets, the total percentage of Net Gaming Revenue deriving from digital gambling shows there is still massive potential for brands who want to start their digital transformation and move part of their business online.

Target customers

Big steps were taken in 2019 in order to release the full potential of the Company and to be the partner for brands entering into, or developing, their iGaming business. In 2018, the partnership with Hard Rock International was given a lot of attention. This partnership was a milestone for GiG and the first partnership of its kind; it further developed in 2019 with the launch of both an offline and an online solution with Hard Rock in Iowa, US.

Another step was taken with the signing of the New Zealand-based casino operator, SkyCity. Not only was the process from signature to launch done in roughly three months, it was the first time GiG's new offering, Managed Services, was introduced on both operations and media buying. It was also the first time a managed service agreement was signed by an external partner of that size.

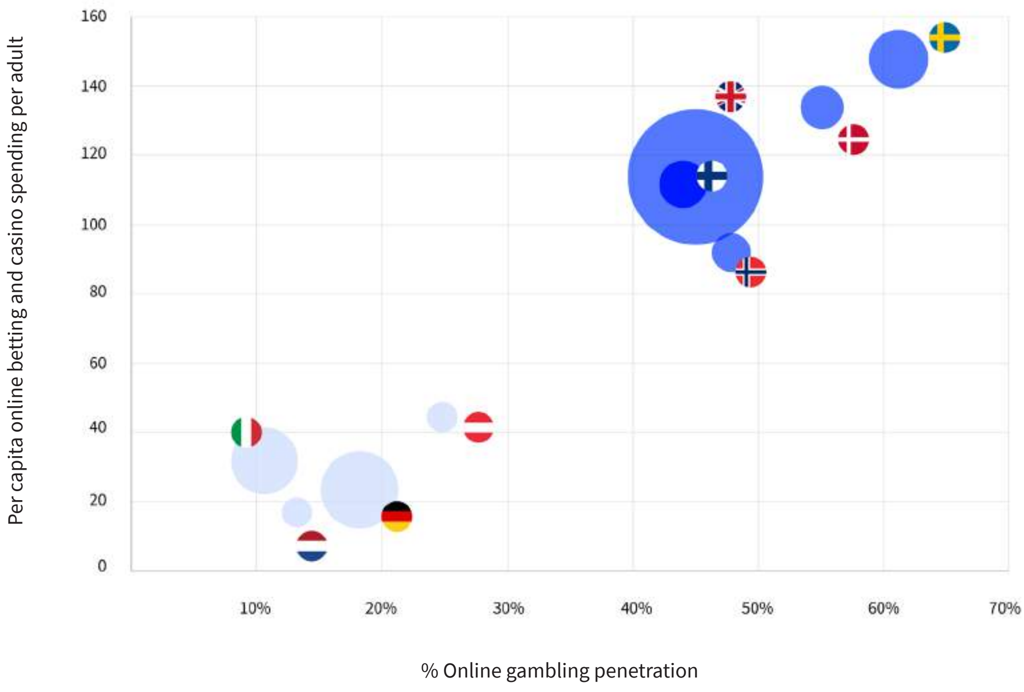
The signing of SkyCity exemplifies GiG's ability to put words into action and be the one partner who can build and run the operations for its partners, and also be able to benefit from the capabilities in GiG's Media Services to use affiliate channels as a source of revenue.

When the full offering from GiG's various products and solutions gets activated on behalf of a partner, they plug into a proven concept and team of experts.

The wave of regulation which is unfolding in the iGaming industry will change the future for the operators. Some will pull out and increased rules and regulations will also make it more appealing for others to enter the market. We expect that more landbased operators will move into online as the regulatory framework gets more sustainable.

Going forward, a strategic decision to move to a Software as a Service (SaaS) model that requires the potential partner to have its own operating licence. Apart from that GiG can partner up with both companies with existing landbased operations, or green fielders with the ambitions to create an online operation.

The Company can work in all verticals, whether it is casino, sports or lottery betting, which was added in February 2020 with the launch of Megalotto.com.



Source H2GC data, GiG Strategy analysis

GiG's unique advantages to support an iGaming green fielder

Full service solutions

- Platform solutions
- Product verticals
- Managed Services
- Media Services
- Experience
- Integrated offline to online solutions

Access to scale advantages

- Cost sharing
- UX development
- Innovation & development
- Bargaining power with 3rd party suppliers

Knowledge & Experience

- Experience from operator business & online brand building
- Experience from managed services
- Regulatory competence

Board of Directors Report

Description of the Business

Gaming Innovation Group ("GiG" or the "Company") is headquartered in Malta. The parent in the group, Gaming Innovation Group Inc., is a US corporation incorporated in the state of Delaware, US, and listed on the Oslo Stock Exchange with the ticker symbol "GiG" and at NASDAQ Stockholm from 26 March 2019 with the ticker symbol "GIGSEK". The Company is working towards a vision of opening up iGaming, in order to make the industry fair and fun for all. To reach this vision, GiG uses its own proprietary technology and products, replacing them with an open and connected ecosystem of products, services and solutions benefiting end users, suppliers and operators alike. This model is unique and enables a range of synergies, scale opportunities and improved margins for all.

"The vision is to improve the touchpoints where people are finding iGaming online."

The Company's operations were in 2019 divided into two segments across different iGaming business areas:

Business-to-Business (B2B):

- Media Services - Digital Marketing Services
- Platform Services - Technical platform solutions including Casino Services; and
- Sports Betting Services

Business-to-Consumer (B2C):

- Gaming Operators – six brands from start of 2019, whereof one brand was closed and one brand divested during the year.
- The B2C segment was divested to Betsson Group in April 2020.

Strategy

- Attract and retain the best talent
- Attract and retain strategic long term customer partnerships
- Support the growth of our customers by providing cutting edge technology, service and expertise
- Be the leading Software as a Service platform provider
- Create shareholder value by being profitable, generate growth and strong cash flow

B2B Media Services refers traffic across casino, poker and sports betting, mainly by operating websites which rank high in search results for specific keywords and pay-per-click advertising. The vision is to improve the touchpoints where people are finding iGaming online. This is done by highlighting educational, informational and valuable content about the industry online and by promoting best-of-breed games, operators and offerings through web portals. Media Services' revenues are generated through share of perpetual revenue share agreements, cost per acquisition (CPA), or a combination of these (hybrid). Media Services serves both the Company's own brands and customers on Platform Services, as well as external operators. Affiliate marketing has solid margins and economies of scale. In terms of traffic driving capability, GiG's Media Services is a leading affiliate in the Nordics.

B2B Platform Services contains GiG's proprietary technical platform, offering the full range of services needed for an iGaming operator. Platform Services' vision is to make the iGaming industry lean. The platform is integrating application developers such as game providers, who can access an ecosystem of operators through a single integration. The operator can utilise open APIs to connect its front end website and customer management system (CMS) to the system and gain access to all the game service providers (GSPs), payment service providers (PSPs) and ancillary services including live chat, email systems, affiliate systems and CRM. Platform Services gives operators access to more than 3,000 casino games from industry-leading suppliers, including a large catalogue of the most renowned mobile games, all being controlled by an innovative back office. All features and functionality are offered as a Software as a Service (SaaS). The platform itself is fully scalable both horizontally and vertically with individual modules being scalable in anticipation of increased load.

Platform Services was launched in January 2015, and by the end of 2019 there were 33 brands operating on the platform. These operators represent a wide array, from start-ups to Tier 1 operators. GiG has strategically positioned itself towards larger and more complex operators where the Company can support an operator across all the major parts of the iGaming value chain, including offering a seamless omnichannel solution from retail to online.

In the fourth quarter 2019, GiG introduced its new fixed fee model where Platform Services are sold at a monthly fixed fee rather than the traditional model, where platform fees are based on a share of the partners' revenue. This allows GiG's partners to benefit from the first-class technical solutions which grow with the partners' revenue, whilst maintaining a fixed platform fee through the duration of the agreement. The payment model is being implemented on all new long-term Software-as-a-Service agreements and will lead to a more stable and predictive revenue stream for GiG. The revenue share model on White Label agreements will gradually be phased out as GiG targets long-term sustainable partnerships. The general fee structure is based on a monthly fixed fee, depending on location and number of jurisdictions, plus an initial set-up fee for customers new to the platform. Furthermore, most of GiG's customers will also use its managed services, which will generate additional revenue.

B2B Sports Betting Services. GiG built the new sportsbook on completely new technology – the platform, the trading tools and the front end – making it as fast and responsive as possible. It is a multi-tenant system, which gives scalability, speed to market and simplifies B2B management. It also gives operators the freedom to take control of their offer, choosing their odds, margins and limits for every sporting event and market, without being dependent on their supplier.

Three products are offered as stand-alone modules, or together as a complete solution: GiG Sports Connect, a proprietary odds feed combined with an odds aggregation system, creating scalability and flexibility for the operators; GiG Trader, a new set of intelligent trading tools built with GiG's in-house knowledge, created by traders for traders, and GiG Goal, the intelligent middleware and mobile-first, front end solution built to enhance mobile users' betting experiences, features intuitive front end learnings for every element of user behaviour and ease of navigation.

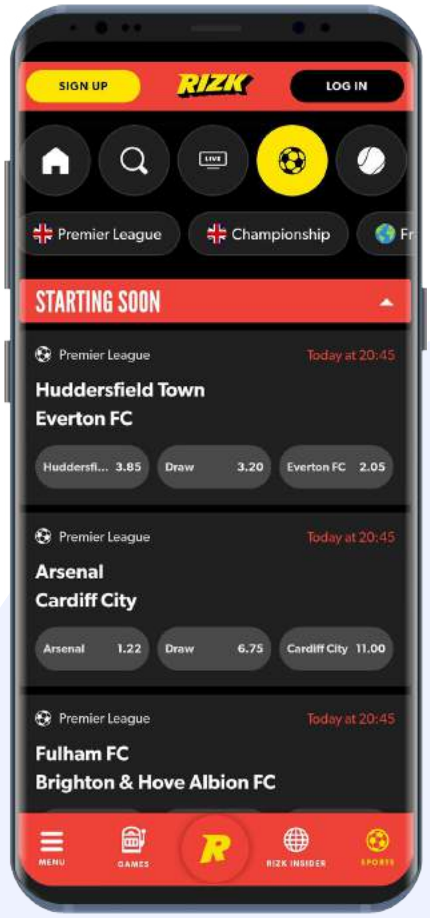
By offering its own games and odds, GiG can drive disruption in the marketplace, capture an even larger part of the customers' wallet and reach a larger demography of both B2B and B2C customers.

B2C Gaming Operators.

In 2019, GiG offered Business-to-Consumer (B2C) Casino and Sports Betting Services through in-house brands, all using GiG's Platform Services and operating on GiG's own licences from the Malta Gaming Authority (MGA), the United Kingdom Gambling Commission (UKGC) and from Spelinspektionen in Sweden. The Company had six in-house brands at the start of the year and finished with four: one was closed and one was divested to a customer on the platform.

GiG also has a sports betting licence in the German state of Schleswig-Holstein and obtained a Spanish licence during 2019.

In April 2020, the Company's B2C vertical was divested to Betsson AB to enable sole focus on building GiG's B2B business. The aim of this evolved strategy is to reduce complexity and cost, unleash shareholder value and a sustainable financial performance.



Operational Performance

With the divestment of B2C operations in 2020, the financial results from the B2C segment are reported as discontinued operations in the Company's financial statements for 2019, see Note 7. On this basis, GiG's reported revenues for 2019 amounted to EUR 44.1 million, a decline of 15% from EUR 51.6 million in 2018, mainly due to the termination of a customer contract in 2018 affecting year-over-year comparison by EUR 9.0 million. Reported EBITDA for 2019 was EUR 3.4 million with an EBITDA margin of 7.8%, compared to EUR 14.4 and 27.9% in 2018.

Including the B2C segment as continued operations, GiG saw consolidated revenues of EUR 123.0 in 2019, a 19% decline from EUR 151.4 million in 2018. The decline were further impacted by the challenging Swedish market affecting year-on-year comparison by EUR 18.5. EBITDA was EUR 14.1 million with an EBITDA margin of 11.5% (EUR 16.1 million and 10.6% in 2018).

B2B Media Services

Revenues for Media Services were EUR 33.1 million in 2019, a 3% decline from EUR 34.1 million in 2018. 61% of revenues in 2019 came from revenue share (68% in 2018), 16% from CPA (14%), 21% from listing fees (13%) and 2% from other services (5%). Headwinds in the Nordic markets – with declining player values due to regulation in Sweden and Norwegian government blocking payment methods to and from internationally licensed operators – impacted revenues through the year.

Media Services' paid services trended positive in 2019, representing 18% of Media Services revenues in 2019 compared to 16% in 2018, and corresponding to a full year revenue increase of 13% year-on-year.

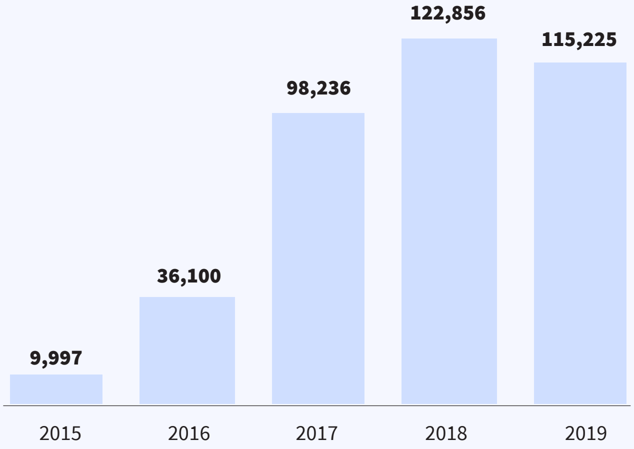
Preparations and investments are being made to ensure when new markets regulate and channels open up, such as in Romania and the US, and further opportunities can be realised.

EBITDA for Media Services was EUR 18.2 million in 2019 with an EBITDA margin of 55%, compared to EUR 18.3 million (54%) in 2018.

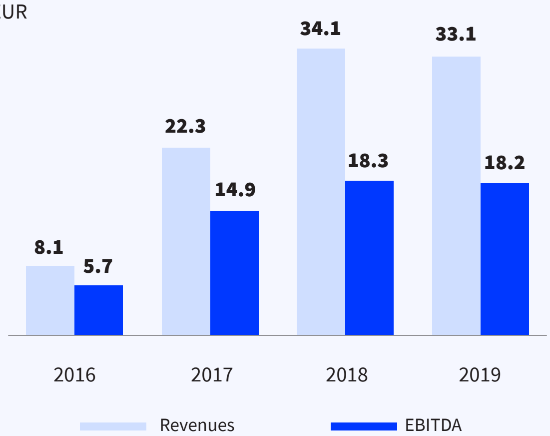
Media Services referred 115,225 new FTDs to operators in 2019, a 6% decrease from 122,856 in 2018. Of the new FTDs referred in 2019, 7% was referred to GiG's own brands compared to 7% in 2018, 4% to Platform Services customers (8%) and the remaining 89% to other operators (85%).

Media Services has purchased affiliate networks through bolt-on acquisitions during the past few years. Five affiliate networks were acquired in 2015 and 2016, with another four in 2017 (none in 2018 and 2019). In 2017, paid media was added to the services through the acquisition of the technology-driven Danish performance marketing company Rebel Penguin.

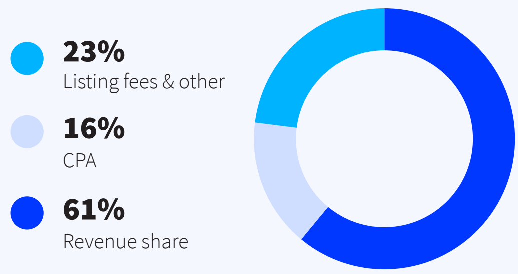
Media Services - FTDs



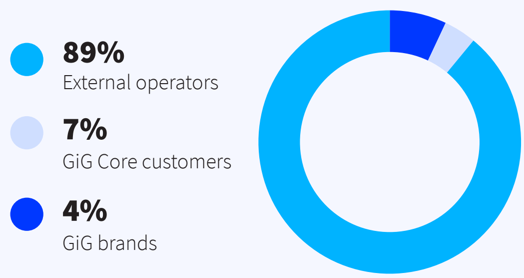
Media Services Revenue & EBITDA
MEUR



Revenue Split - 2019

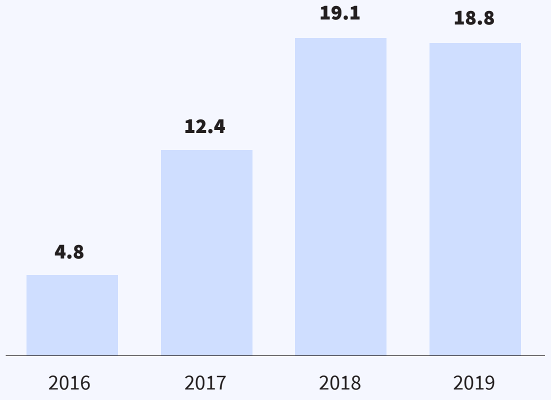


FTD distribution - 2019

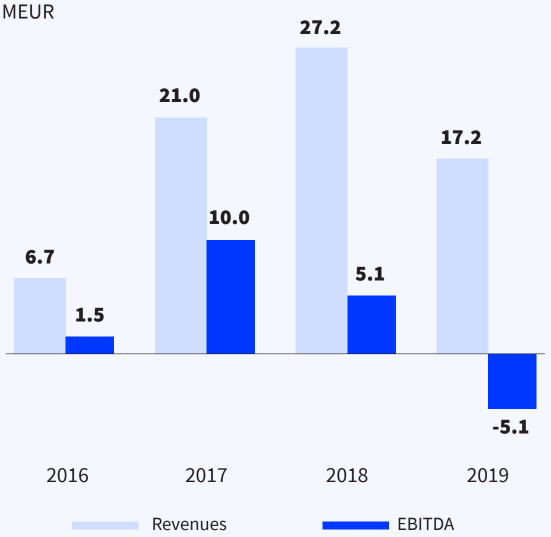


GiG Comply is a new compliance tool which is based on proprietary technology and monitors advertising partners towards regulatory bodies to ensure compliance. GiG Comply was launched and sold as a B2B product to external operators from the third quarter 2018 with several sign-ups by major brands to the service during 2019.

Database transactions (bn)



Platform Services Revenue & EBITDA
MEUR



B2B Platform Services

Revenues for Platform Services were EUR 17.2 million in 2019, a 27.2% decrease from EUR 27.2 million in 2018. GiG's focus on regulated and soon-to-be regulated markets led to the decision to terminate one customer on the platform in 2018. This resulted in a short-term negative revenue impact from the first quarter of 2019, which is expected to be offset by growth coming from new customers on the platform going forward.

EBITDA for Platform Services in 2019 was EUR -5.1 million in 2019 compared to EUR 5.1 million in 2018. Total database transactions were 18.8 billion in 2019, a 1.6% decrease from 19.1 billion in 2018.

Four new customers signed up for the platform in 2019, with two more to date in 2020. In addition, two existing customers signed contract extensions for three additional new brands. GiG's own brand, SuperLenny, discontinued its operations and was converted into an affiliate site in January 2019, and Betspin was closed in June 2019. Four brands are currently in the pipeline and three of these are expected to go live in 1H 2019. Existing live customers and the signed pipeline add up to a total of 33 brands operating on the platform.

GiG started its game studio (included in the Platform Services vertical) at the end of 2017, launching its first in-house-developed casino game in October 2018. In September 2019, GiG took a strategic decision to halt investments in GiG Games. The rationale behind this decision was to reduce OPEX and concentrate focus on key strategic areas, developing the technology and product to enable the full business potential. Revenues generated from the proprietary game's division have been negligible.

Development of the platform and integration of customers incurs significant operational expenses. In the opinion of the Board of Directors, it is important to focus resources on enhancing the platform to keep up with market expectations and to expand the customer base with larger partners and strong brands to secure sustainable and strong revenue generation going forward.

B2B Sports Betting Services

Revenues for Sports Betting Services were EUR 1.0 million in 2019, a decrease of 32% over EUR 1.5 million in 2018.

EBITDA was EUR -6.8 million, in line with EUR 6.9 million in 2018. The negative EBITDA relates to the investments in technology and people to build the proprietary Sports Betting Services.

On 30 January 2019, GiG signed a sportsbook agreement with its partner Hard Rock International to deliver a seamless experience for their end users with an omnichannel solution. With this service players can place bets online and on the mobile app within the US state of New Jersey, and in person on the casino floor at the Hard Rock Hotel & Casino Atlantic City. The sportsbook was launched in February 2019. In autumn 2019, GiG launched both a retail and online sportsbook with Hard Rock in the US state of Iowa.

B2C Gaming Operators

The B2C segment included at year end 2019 GiG's in-house Gaming Operators: Rizk.com, Guts.com and gutsXpress.com, Kaboo.com and Thrills.com.

Revenues for the B2C segment were EUR 79.0 million in 2019, a 21% decrease from EUR 99.8 million in 2018: 46% of revenues came from regulated and near-regulated markets, compared to 46% in 2018. The Rizk brand, which was the best-performing in-house brand, represented approximately 75% of total B2C revenues and was a strong contributor with all of the segment's EBITDA.

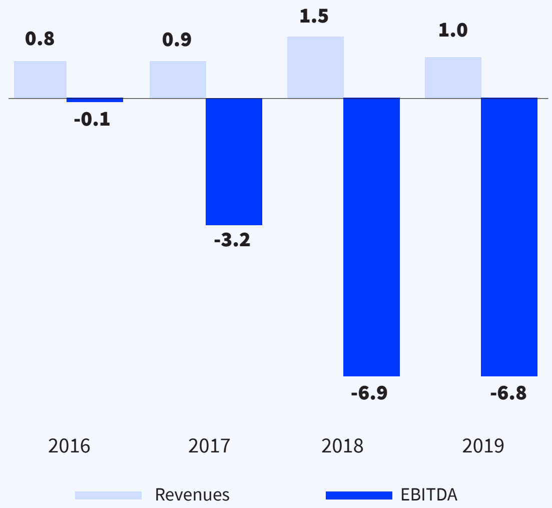
Revenues were split with 55% from the Nordics in 2019, compared to 72% in 2018, 6% (5%) from Western Europe, 32% (18%) from Central Europe and the balance, 7% (5%), from non-core markets. The B2C business had margins of 3.54% in casino and 6.1% in sports betting in 2019, compared with 3.61% for casino and 8.0% for sports betting in 2018. Betting duties were 9.0% of Gaming Operators' revenues in 2019 and 5.1% in 2018.

EBITDA was EUR 8.1 million in 2019, an improvement from EUR 1.4 million in 2018.

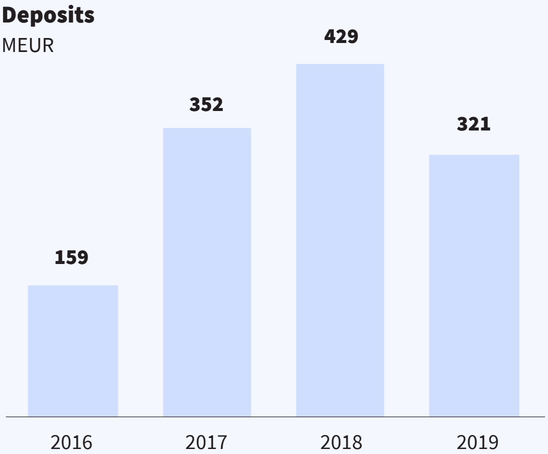
Total deposits were EUR 321 million in 2019, down by 25% from EUR 429 million in 2018, mainly due to the impact of the Swedish regulation from 1 January 2019.

The total B2C marketing expense was EUR 29.5 million in 2019, equal to 37% of B2C revenues. In 2018, marketing expenses were EUR 46.1 million or 46% of revenues. EUR 10.4 million or 35% of the marketing expense was related to revenue share agreements (EUR 14.7 million or 32% in 2018), with the balance attributable to up-front payments including TV campaigns.

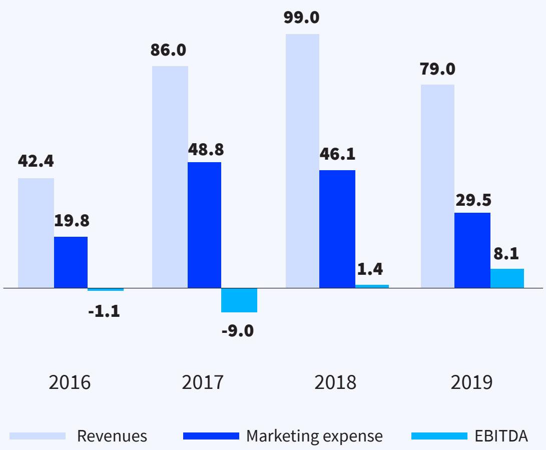
Sports Betting Services Revenue & EBITDA
MEUR



Deposits
MEUR



Gaming Operators
MEUR



Up-front marketing investments were reduced in 2019 compared to previous years. The reduction is a result of initiatives taken to change the marketing mix from traditional above-the-line advertising to affiliate marketing and social media.

In 2019, GiG operated six in-house brands for the first six months and ended the latter part of the year with four in-house brands. Following the strategy to focus on fewer in-house B2C brands, the Betspin brand was closed in June and the Highroller brand was in August divested to an external customer on the platform. Brand SuperLenny was from January 2019 transformed to an affiliate site with the same name.

Strategic measures in the B2C vertical, focusing on fewer brands, resulted in a non-cash impairment of EUR 41.1 million taken in the fourth quarter 2019 (EUR 13.7 million in 2018).

Financial Performance

In February 2020, GiG entered into an agreement to divest its B2C operations. In accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements for the year ended 31 December 2019. For further information, see Note 7 in the financial statements on page 87.

Revenues

Consolidated revenues comprises revenues from the B2B segment and amounted to EUR 44.1 million in 2019. This is a decline of 15% from EUR 51.6 million in 2018, mainly due to the termination of a customer contract in Platform Services in 2018 affecting year-over-year comparison by EUR 9.0 million.

Cost of Sales

In the full year 2019, cost of sales amounted to EUR 0.9 million, an increase of 29% from EUR 0.7 million in 2018.

Gross profit

Gross profit amounted to EUR 43.1 million in 2019, a decline of 15% from EUR 50.9 million in 2018. The gross profit margin was 98% compared to 99% in 2018.

Operating expenses

Personnel expenses were EUR 24.1 million, an increase of 8% from EUR 22.2 million in 2018. Capitalised expenses related to the Company's development of technology and future products amounted to EUR 6.1 million in 2019, compared to EUR 6.0 million in 2018, and are capitalised over three years. These costs are mainly related to the development of GiG's platform and sports betting products.

Marketing expenses were EUR 5.3 million in 2019, a reduction of 9% from EUR 5.8 million in 2018. The share of total revenues was 12%, compared to 11% in 2018. Marketing expenses mainly consist of payment for traffic in Paid Media.

Other operating expenses amounted to EUR 10.4 million in 2019, compared to EUR 8.5 million in 2018. Operating expenses are mainly related to technology and general corporate expenses.

Depreciation and amortisation

Depreciation and amortisation amounted to EUR 23.7 million in 2019, whereof depreciation was EUR 4.7 million. Amortisation related to the affiliate acquisitions completed in 2015-2017 were EUR 9.3 million with EUR 3.7 million related to affiliate contracts and EUR 5.6 million to domains/SEO. Acquired affiliate assets are amortised over three years for customer contracts and eight years for domains/SEO. The balance is mainly related to capitalised development expenses with EUR 4.8 million.

The discontinuation of the Company's game studio resulted in an impairment of EUR 3.0 million in 2019. In addition, an investment in a start-up company was impaired by EUR 0.9 million. In 2018, impairment of intangible assets in B2C resulted in a EUR 13.6 million impairment.

As a result of the divestment of B2C in 2020, an impairment of related assets and goodwill has been completed in 2019. This resulted in a write-down of EUR 44.1 million; the main part derives from the acquisition of Betit Group in 2016. This impairment is included in loss from discontinued operations.

Operating result

Operating loss was EUR -24.1 million in 2019, compared to EUR -4.5 million in 2018.

Other income/(expense)

Net other income was EUR -8.2 million in 2019, compared to EUR -4.3 million in 2018. Included in other income/expense is interest on the Company's bonds at EUR 4.9 million in 2019, compared to EUR 4.9 million in 2018, and a net unrealised foreign exchange gain of EUR 1.1 million in 2019 on the bond due to the weakening of the SEK towards the EUR during 2019.

Tax

The tax expense for the year was EUR -0.6 million, compared to EUR -0.8 million in 2018 due to an increase in losses in 2019. This relates mainly to the Company's operations in Spain, Norway and Denmark where inter-company agreements include satisfactory transfer-pricing mechanisms.

Net result

The loss from continuing operations was EUR -33.0 million in 2019, a decline from EUR -9.7 million in 2018. The loss from discontinuing operations was EUR -31.7 million in 2019, a decline from EUR -13.1 million in 2018, due to the impairment of B2C assets in 2019.

The re-evaluation of an available for sale asset downwards by EUR 1.3 million resulted in a total comprehensive loss for 2019 of EUR -66.2 million, compared to EUR 22.6 million in 2018.

Earnings per share

The weighted average number of shares outstanding was 90.0 million in 2019 and 89.6 million in 2018. Basic and diluted loss per share was EUR -0.72 in 2019 compared to EUR -0.25 in 2018.

Financial position

Assets

As at 31 December 2019, GiG had total assets of EUR 135.1 million, compared to EUR 190.0 million as at 31 December 2018.

Goodwill was EUR 16.0 million, compared to EUR 69.6 million as of 31 December 2018. Goodwill arises from the acquisition of Rebel Penguin (EUR 5.5 million) and the reverse Nio/GiG merger in 2015 (EUR 10.5 million).

Intangible assets include EUR 5.4 million in capitalised development expenses (EUR 11.5 million in 2018). Acquired affiliate assets are included with EUR 29.2 million in domains/SEO and EUR 1.7 million in customer contracts (EUR 47.9 and 6.2 million in 2018).

Current assets as of year-end 2019 included EUR 20.4 million in trade and other receivables, all related to ongoing operations. Included is cash in transit from payment providers amounting to EUR 7.1 million (EUR 12.3 million in 2018).

Cash and cash equivalents amounted to EUR 4.6 million as of 31 December 2019, compared to EUR 14.7 million as of 31 December 2018. In addition, EUR 5.7 million in cash are related to the B2C segment and included in assets classified as held for sale (included in cash as of 31 December 2018). Customer monies that are held in fiduciary capacity amounted to EUR 8.5 million, which are partly secured by balances with payment providers and partly by cash balances (EUR 8.0 million as of 31 December 2018).

Equity

Total equity was EUR 20.9 million as at 31 December 2019, with an equity ratio of 16%, compared to EUR 88.1 million as at 31 December 2018 (46% equity ratio).

Liabilities

Trade payables and accrued expenses amounted to EUR 22.8 million as at 31 December 2019, a reduction from EUR 34.2 million as at 31 December 2019, all related to ongoing operations.

The Company's SEK 300 million 2017-2020 bond was repaid in April 2020 and is included under current liabilities with EUR 30.0 million as of 31 December 2019. In addition, interest payments for 2020 on the SEK 400 million 2019-2022 bond is included under current liabilities as of 31 December 2019.

Long-term liabilities of EUR 50.7 million as at 31 December 2019 include the Company's 2019-2022 bond with EUR 36.9 million.

Lease liabilities as per IFRS 16 are included with EUR 2.1 million under current liabilities and EUR 12.5 million under long-term.

Total liabilities amounted to EUR 105.6 million as of 31 December 2019, compared to EUR 102.0 million as of 31 December 2018. In addition, liabilities directly associated with assets classified as held for sale amounted to EUR 8.5 million.

Cash flow

The consolidated net cash flow from operating activities amounted to EUR 4.1 million in 2019, compared to EUR 17.6 million in 2018. Included in the net cash flow from operating activities are changes in operating assets and liabilities, mainly consisting of release of rolling reserves, marketing prepayments and payments of receivables.

The net cash used in investment activities was EUR 10.5 million in 2019, compared to EUR 12.4 million in 2018, whereof EUR 6.2 million were capitalised development expenses (EUR 6.1 million in 2018).

Cash flow from financing activities for 2019 amounted to EUR -7.9 million (EUR 2.8 million in 2018) due to interest payments on the bonds and the repayment of short-term loan facilities.

Cash and cash equivalents decreased by EUR -15.9 million in 2019, compared to an increase of EUR 2.5 million in 2018.

Summary

The Board of Directors proposes that the Parent Company's net loss shall be covered by other equity. The Board of Directors confirms that the financial statements have been prepared based on the assumptions of a going concern. In our opinion, the consolidated financial statements present, in all material respects, the financial position of Gaming Innovation Group Inc. and subsidiaries, as of 31 December 2019. For more information, see the attached 2019 consolidated financial statements with accompanying notes.

Corporate Governance

The Board of Directors has, to the best of its knowledge, ensured that the Company has implemented sound corporate governance, and that the Company's Board of Directors and management comply with the Norwegian Code of Practice for Corporate Governance and the Swedish Corporate Governance Code. Adherence to the Codes is based on the "comply-or-explain" principle; a detailed description of the Company's adherence to the Codes is included on page 54 of this annual report.

Shareholder Matters

Gaming Innovation Group Inc. is dual-listed on the Oslo Stock Exchange, Norway, with the ticker symbol "GiG" and from 26 March 2019 also listed on NASDAQ Stockholm main list with the ticker symbol "GIGSEK". The ISIN code for the share is US36467X2062.

In May 2019, 500,000 options were granted with an exercise price of NOK 30.00 per share. The options are exercisable with 20% after 1 April 2020, 30% after 1 April 2021 and 50% after 1 April 2022. All options expire on 31 March 2025 and are conditional upon employment at the time of exercise. In 2019, 80,000 options have been exercised and GiG borrowed shares for the immediate transfer of the option shares. GiG will issue new shares later and the number of shares outstanding will then increase to 90,085,626. During 2019, 700,000 options were cancelled, and 1,011,000 options were outstanding as at 31 December 2019.

As at 31 December 2019, the total number of shares outstanding in GiG was 90,005,626 (par value USD 1.00), divided between approximately 4,400 shareholders registered in the VPS system and with Euroclear Sweden. The number of authorised shares is 100,000,000. For more details on shares and options, see note 24 in the consolidated financial statements.

Board of Directors and Management

From 1 January 2019, the Company's Board of Directors comprised six members with Petter Nylander as Chairman and Robert Burén, Paul Fischbein, Frode Fagerli, Helge Nielsen and Henrik Persson Ekdahl as Directors. The annual meeting of the shareholders in Gaming Innovation Group Inc. on 22 May 2019 reelected the Board of Directors.

All board members are independent of the Company's large shareholders and the Company's senior management. In the opinion of the Board, the composition of the Board of Directors responds to the Company's needs for varied competency, continuity and changes in ownership structure.

None of the directors hold any options or are entitled to any severance payment upon termination or expiration of their service on the Board. For details about compensation to board members and senior management, see Note 32 in the consolidated financial statements.

New CEO elected during 2019

Robin Eirik Reed was the Company's CEO until 5 September 2019 when he was replaced by Richard Brown, who was then the Company's COO, and immediately assumed the role as acting CEO until he was elected as the CEO of Gaming Innovation Group Inc. on 5 November 2019.

Board of Directors' and Management's Shareholdings

The following table shows the number of shares, options and warrants held by the members of the Board of Directors and top management of GiG and close associates, or companies controlled by the Board of Directors or the management, as at 31 December 2019 and 2018, respectively.

		Shares	Options
Petter Nylander	Chairman	29,000	-
Paul Fischbein	Director	10,800	-
Robert Buren	Director	20,000	-
Helge Nielsen*	Director	-	-
Henrik Persson Ekdahl	Director	4,696,125	-
Frode Fagerli	Director	3,638,266	-
Richard Brown	CEO	120,000	50,000
Tore Formo	Group CFO	458,167	-
Ben Clemes	CCO	1,907,146	-
Chris Armes	CIO	-	150,000
Justin Psaila	CFO	2,100	72,000
Cristina Niculae	CSO	-	30,000
Tim Parker	CMO	45,500	40,000

*Companies indirectly controled by Helge Nielsen owns 1,012,000 shares in GiG.

COVID-19

GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside the GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy, and may lead to a global recession. COVID-19 has caused disruption to businesses and economic activity, which has also been reflected in recent fluctuations in global stock markets. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company's operations, or to provide a quantitative estimate of this impact. For more detailed description on rsik factors related to COVID-19, see Note 2 and Note 34 in the consolidated financial statements.

Internal control and risk management

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

To protect the confidentiality, availability and integrity of end users and employee information, GiG maintains a rigorous, risk-based information security program. Protective, detective and reactive controls have been put into place to mitigate risk to our end users' information, as well as our customers' client base. Such controls have further been integrated within our internal processes and operations and ensure our employees' information is always processed in line with all regulations and is securely maintained at all times. GiG's information security processes are ISO 27001:2013 certified and are regularly tested by independent auditors, to meet regulatory and compliance requirements and make sure controls are working as required to mitigate risk.

Through the Audit Committee, the Board evaluates the Group's risk management system and related procedures, including risk assessments. GiG carries out annually a risk analysis and risk assessment where risks are identified. The goal of the risk analysis is to identify the larger risks that can prevent the Company from achieving its objectives or fulfilling its strategy, and management reports identified risks to the Audit Committee.

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

Risks

The Company faces different risk factors, see details on pages 35-36 and in Note 2, Note 34 and Note 35 in the consolidated financial statements.

People and Environments

GiG's headquarters are in Malta with operations in Spain, Norway, Denmark and Gibraltar as well as some satellite offices. At the end of 2019 the employee count totalled 648, a reduction from 706 employees at the end of 2018. Approximately 165 people were working in Gaming Operators, 200 in Platform Services, 75 in Sports Betting Services and 105 in Media Services, with the balance in corporate functions. For more information, see the sustainability section on page 25.

The Board of Directors of Gaming Innovation Group Inc.

27 April 2020

Petter Nylander
CHAIRMAN

Robert Buren
DIRECTOR

Paul Fischbein
DIRECTOR

Henrik Persson Ekdahl
DIRECTOR

Helge Nielsen
DIRECTOR

Richard Brown
CEO

Directors' Responsibility Statement

Today, the Board of Directors and Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2019. The Company's consolidated financial statements have been prepared in accordance with IFRS.

We declare that, to the best of our knowledge, the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2019 have been prepared in accordance with prevailing financial reporting standards, and that the consolidated financial statements of Gaming Innovation Group Inc. and Subsidiaries, and the Company financial statements for the year ended 31 December 2019 give a true and fair view of the assets, liabilities, financial position and results of operations as a whole for the group and parent company.

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

The Board of Directors of Gaming Innovation Group Inc.

27 April 2020

Petter Nylander
CHAIRMAN

Robert Buren
DIRECTOR

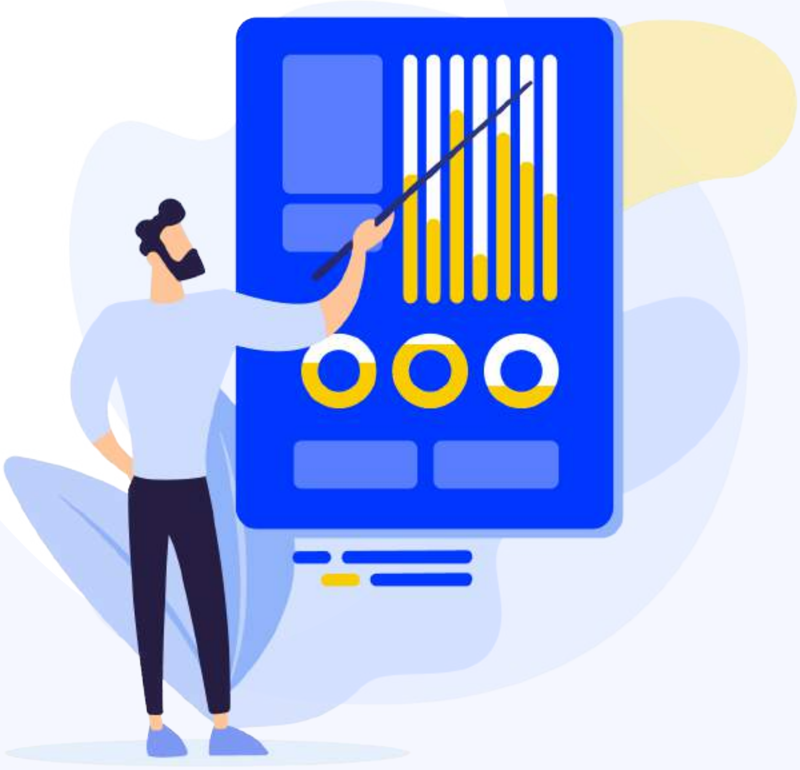
Paul Fischbein
DIRECTOR

Henrik Persson Ekdahl
DIRECTOR

Helge Nielsen
DIRECTOR

Richard Brown
CEO

Corporate Governance



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

1. Implementation and reporting on corporate governance

Gaming Innovation Group Inc. ("GiG" or the "Company") is a US corporation incorporated in the state of Delaware with corporate number 2309086, with its registered office in St. James City, Florida, US. The headquarters is in Malta with operations in Denmark, Gibraltar, Norway and Spain.

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

The Company's Board of Directors and management adheres to the Norwegian Code of Practice for Corporate Governance, last revised 17 October 2018 (the "Norwegian Code") and the Swedish Corporate Governance Code, last revised 1 January 2020 (the "Swedish Code"), both referred to as "the Codes" in this document. The Swedish Code was applicable from the listing on NASDAQ Stockholm in March 2019. The Company has Norway as its home member state, and thus Norwegian regulations and the Norwegian Code will supersede in case of conflicts.

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

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

This corporate governance report is currently structured to cover all sections of the Norwegian Code of Practice as a base, with an extended section for the Swedish Corporate Governance Code specifically covering the information on Sustainability in section 13 (Information and communication). Further explanation describes the Company's corporate governance in relation to each section of the respective Codes.

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

2. Business

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

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

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

3. Equity and dividends

The Codes are in material respects complied with. GIG's equity as at 31 December 2019 was EUR 20.9 million. Apart from financing of normal operating expenses, GIG's business model requires low tied-up capital in fixed assets and the Board of Directors considers the current capital as sufficient. The Board of Directors constantly assesses the Company's need for financial strength based on the Company's objectives, strategy and risk profile.

The Company has adopted a dividend policy under which, all else being equal, the Company will aim to pay a dividend according to continued self-imposed restrictions concerning financial solidity and liquidity, all of which should be complied with. To date, the Company has not paid any dividends to shareholders and no dividends are proposed by the Board of Directors for the year 2019.

According to common practice for Delaware companies, the Company has an authorised number of shares available which is higher than the current number of issued shares. The authorised number of shares has been approved by the shareholders in a shareholder meeting.

In compliance with the Company's Articles of Association and Delaware corporate law, the Board of Directors may issue shares up to this limit without any further shareholder approval. As at 31 December 2019, the number of authorised shares was 100,000,000 (par value USD 1.00) whereof 90,005,626 are issued and outstanding, leaving 9,994,374 shares available for issue, equal to 11.1% of the issued and outstanding shares. The ISIN code is US36467X2062.

4. Equal treatment of shareholders and transactions with close associates

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

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

In case of any material transaction between the Company and shareholders, directors or senior management, or any related close associates, the Board of Directors will obtain satisfactory valuation in order to secure that a transaction is entered on arms-length conditions.

5. Shares and negotiability

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

6. General meetings

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

Notices for shareholder meetings with resolutions and any supporting documents are announced on the Oslo Stock Exchange, on Nasdaq Stockholm and on the Company's website and sent by mail to all shareholders registered in the VPS according to the Company's Articles of Association. The Company's by-laws require a minimum of 10 days' notice to the shareholders; however, the Company has given the shareholders longer notice when calling for shareholder meetings, and from 2019, the Swedish Code for notice and other procedures regarding shareholder meetings has been applied.

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

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

The Company's chairman attends shareholder meetings, and the Company further aims that the requirements in the Swedish Code regarding other members of the board, the CEO, the nomination committee and the Company's auditors will be present at the annual general meeting.

7. Nomination committee

The Codes are complied with. As a Delaware corporation, the governing law does not require a nomination committee; however, the Company has had a nomination committee since the annual shareholder meeting in May 2018.

The nomination committee is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors and for making the appropriate recommendations to the Board.

In December 2018, a special shareholder meeting was held to elect a new Board. In 2019, the nomination committee then held individual one-to-one interviews with each member of the Board, and after a documented meeting in April 2019 decided to recommend the Board for re-election in its entirety. The committee have strived to compose a Board with wide-ranging experience and background and believe the proposed candidates complement the Company perfectly.

The annual shareholder meeting on 22 May 2019, decided that the nomination committee of Gaming Innovation Group shall consist of not less than three, and not more than four, members, of which one shall be the Chairman of the Board of Directors, to represent all shareholders and be appointed by the three largest shareholders at 31 August 2019. The members of the committee are: Petter Nylander, Chairman of the Board, Mikael Riese Harstad (nominated by Andre Lavold), Petter Moldenius (nominated by Henrik Persson Ekdahl) and Kjetil Garstad (nominated by Hans Mikael Hansen).

8. Board of Directors: composition and independence

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

The current Board of Directors consists of five members, whereof all are independent of the Company's main shareholders. All board members own shares in the Company, either directly or indirectly. Information about the current board members, their expertise, independency and shareholdings can be found on page 59 and on the Company's website.

As a Delaware company, the board members have unlimited periods, however the board members must be proposed, elected and re-elected at the annual shareholder meeting.

The Chairman of the Board is formally elected by the Board of Directors, according to the Company's by-laws.

9. The work of the Board of Directors

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

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

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

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

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

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

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

In 2019, the Board held 16 minuted meetings; the minutes were taken by the Group CFO, acting as secretary to the Board. At every Board meeting a business and financial update was given by the CEO.

10. Risk management and internal control

The Codes are complied with. The Board of Directors constantly assesses the Company's need for necessary internal control systems for risk management covering the size and complexity of the Company's business.

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

11. Remuneration to the Board of Directors

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

At the annual shareholder meeting 2019, it was resolved on a total remuneration maximum of EUR 285,000 per annum to be paid to Directors elected at the annual meeting, that the remuneration of the Chairman of the Board of Directors shall be EUR 85,000 per annum and that the remuneration to the other members of the Board of Directors shall be EUR 40,000 per annum each. Remuneration to the Board is listed in Note 32 in the 2019 annual report.

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

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

12. Remuneration of the executive personnel

The Codes are complied with. The remuneration for the CEO is set by the Board. The Board also establishes guidelines for the remuneration of other members of senior management, including both the level of fixed salaries, the principles for and scope of bonus schemes and any option grants. The remuneration to senior management is described in Note 32 and the Company's incentive stock option programmes are described in Note 24 in the 2019 annual report.

The Company has a remuneration committee, where the Chairman of the Board, Petter Nylander, is the chairman, and Director Henrik Persson Ekdahl is a member.

13. Information and communications

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

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

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

The Company provides annualy a sustainability report that are made available on the Company's website. The Company has not present a separate remuneration report, but information on remuneration to the Board of Directors and managment, and sahre option plans, are availabale in the annual report.

14. Take-overs

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

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

15. Auditor

The Company has an audit committee consisting of two directors, Paul Fischbein and Robert Burén. For the fiscal year 2019, the audit committee had eight audit committee meetings and had meetings with the auditors regarding the Q3-19 review and the annual financial statements and the auditors presented to the audit committee a review of its work and the Company's internal procedures.

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

The auditors participated in the board meeting which approved the annual financial statements for 2019. The auditors are also available for questions and comments at the Board of Directors' discretion.

Annual Meeting of Shareholders 2019

The Annual General Meeting of Shareholders was held on 22 May 2019 in Stockholm, Sweden; 60.83% of the shareholders were represented at the meeting in person or by proxy, and all proposals were approved. The meeting resolved that the Board of Directors should consist of six members and also resolved to re-elect Petter Nylander as Chairman of the Board and to re-elect Robert Burén, Frode Fagerli, Paul Fischbein, Helge Nielsen and Henrik Persson Ekdahl as Directors of the Board.

The meeting furthermore resolved that the nomination committee shall consist of not less than three, and not more than four, members, of which one shall be the Chairman of the Board of Directors, to represent all shareholders and be appointed by the three largest shareholders as at 31 August 2019. It was also resolved to reappoint Israeloff Trattner & Co. PC as auditors of the Company.

The Board of Directors was authorised to establish a three-year share option plan to provide continuing share incentives for managers and key staff of the Company. The options will have a three-year vesting period from grant and will vest with 20% after one year, 30% after two years and 50% after three years. Up to 5% of issued share capital will be available for the share option plan.

The meeting also resolved to authorise the Board of Directors to buy back already issued and outstanding shares in the Company and to dispose of such shares, all on such terms as the Board of Directors may deem fit. The Company's total holding of its own shares may not exceed 10% of the outstanding share capital of the Company at any time. Acquisition of own shares may take place on NASDAQ Stockholm and Oslo Børs during the period until the end of the next Annual Meeting of Shareholders.

Minutes from the meeting can be found on the Company website: www.gig.com

Annual Meeting of Shareholders 2020

The Annual Meeting of Shareholders will be held at 10:00 CET on Tuesday 19 May at 7A Posthuset, meeting room No. 304, Vasagatan 28, Stockholm, Sweden. The Notice of the Meeting was published on the Company website 21 April 2020.

The nomination committee has made proposals on the following agenda points at the Annual Meeting of Shareholders:

i. A proposal on the Chairman of the meeting
ii. A proposal on the composition of the Board of Directors
iii. A proposal on the Chairman of the Board
iv. A proposal on fees for the Board of Directors and for the Chairman of the Board
v. A proposal on remuneration for work in board committees
vi. A proposal on auditors
vii. A proposal on fees for the Company's auditors
viii. A proposal on the composition of the nomination committee

The nomination committee consists of: Petter Nylander, Chairman of the Board, Mikael Riese Harstad (nominated by Andre Lavold), Petter Moldenius (nominated by Henrik Persson Ekdahl) and Kjetil Garstad (nominated by Hans Mikael Hansen).

Shareholders can reach the nomination committee by email on: ir@gig.com

Board of Directors

Petter Nylander

Chairman of the Board & Chairman of the Remuneration Committee

Petter Nylander (b. 1964) has a long and successful career within iGaming and media enterprises. Starting his career in MTG, he held various management positions such as CEO of Unibet (now Kindred Group) (Nasdaq OMX), CEO of TV3 Scandinavia and CEO of OMD Sweden (part of Omnicom Group). Petter Nylander has also held positions of trust such as Chairman of the Board of G5 Entertainment AB (Nasdaq OMX) and board member of Besedo and Cint AB. Petter Nylander has a Masters Degree in Business and Economics from the University of Stockholm, Sweden. Nylander has been a director since December 2018 holds 29,000 shares in GiG.

Henrik Persson Ekdahl

Director & member of the Remuneration Committee

Henrik Persson Ekdahl (b. 1980) is Partner & Co-founder at Optimizer Invest. As a repeat entrepreneur and angel investor, he has launched, grown and sold leading Scandinavian gaming operations such as BestGames Holdings Plc, Betsafe Ltd and Betit Group. He has two decades of experience within the online gaming industry in various roles including CEO BestPoker, CEO Betsafe & CEO Betsson Group Ltd. Henrik Persson Ekdahl holds an MBA from Gothenburg School of Economics. Among current assignments, Persson is a board member of Catena Media plc. Ekdahl has been a director since September 2016 and holds 4,696,125 shares in GiG.

Paul Fischbein

Director & Chairman of the Audit Committee

Paul Fischbein (b. 1973) is a well-renowned entrepreneur and business leader. Besides founding a successful e-commerce business such as Tretti.se, he has held positions including CEO of Qliro Group (Nasdaq OMX), Chairman of Nelly.com, Chairman of the Investment Advisory Committee of EQT Ventures and Chairman of Barnebys. He will contribute with experience and expertise in management and development of tech-driven online businesses; both on a strategic and an operational level. Paul Fischbein has a master's degree in Business and Economics from both the University of Lund, Sweden and from London School of Economics, UK. Fischbein has been a director since December 2018 and holds 10,800 shares in GiG.

Helge Nielsen

Director

Helge Nielsen (b. 1952) graduated from the Norwegian School of Economics (NHH) in 1975. He has broad and diverse senior management experience both nationally and internationally, including listed companies.
He has been in charge of tech-driven international market organizations and responsible for major restructuring processes. Currently, Helge Nielsen runs his own consultancy company, which provides management for hire. He also holds various directorships. Nielsen has been a director since May 2014 and companies indirectly controled by Nielsen owns 1,012,000 shares in GiG.

Robert Buren

Director & member of the Audit Committee

Robert Buren (b. 1970) has held positions such as CTO of Unibet, CIO at SBAB Bank and CIO at Bisnode. He has also held several positions of trusts such as board member of Cygni, Bredband2, Eaton Gate Gaming Ltd and Verkkokauppa.com Oyj. He brings great industry knowledge and technical competence to the Board of Directors of GiG. Robert Buren has attended the Master of Science in Computer Science and Technology in both the Royal Institute of Technology and the University of Luleå, Sweden. Buren holds 20,000 shares in GiG.

Frode Fagerli

Director

Frode Fagerli (b. 1970) is one of the founders of GiG and has an insightful and well-established knowledge about the company and its various business verticals. He is a respected and well-known industry expert within iGaming in general. Besides co-founding GiG, he has launched various successful iGaming businesses and he is the founder, owner and organiser of the Norwegian Poker Championship. Fagerli has been a director since December 2018 and holds 3,638,266 shares in GiG.

Fagerli left the board of directors 18 February 2020, due to personal reasons.

Management

Richard Brown

Chief Executive Officer

Richard Brown (b. 1985) joined GiG in February 2016 as Managing Director for GiG Media. In 2018, he progressed to Chief Digital Officer and subsequently took the position of Chief Operating Officer. In November 2019, Richard was appointed as CEO. Before GiG, Richard worked in various senior and directorial roles in companies such as Highlight Media Group, Web Guide Partner and THG Sports delivering exceptional results in line with strategic goals. Richard Brown and close associates holds 120,000 shares and 50,000 options in GiG.

Tore Formo

Group CFO

Tore Formo (b. 1964) has acted as Chief Financial Officer in the US parent company since 2005 and joined GiG through the reversed merger with Nio Inc. in 2015. Tore is in charge of Investor Relations and corporate functions related to shareholders, stock listings, bonds etc. He has 30 years of financial experience including banking, the equity market as an analyst and start-ups. Tore Formo holds 458,167 shares in GiG.

Ben Clemes

Chief Commercial Officer

Ben Clemes (b. 1976) has a background in casino management, including MGM in Las Vegas and Head of Casino Operations for Nordic Gaming Group. Ben joined GiG in 2013, as Head of Casino Operations and co-founder of Guts. He progressed to Managing Director of GiG Core in 2016, and was announced as CCO in late 2017. Ben Clemes holds 1,907,146 shares in GiG.

Chris Armes

Chief Information Officer

Chris Armes (b. 1969) joined GIG as Chief Information Officer in August 2019 with the strategic responsibility for GiG's multiple technology assets. Previously having been the CTO for SGDigital leading the technology team at NYX through the integration into SGDigital. Chris has worked for Sun Microsystems and Oracle managing global Software Engineering teams. His passion is building industry-leading software leveraging the best of global engineering talent having started successful development centres in various places around the world. Chris Armes holds 0 shares and 150,000 options in GiG.

Justin Psaila

Chief Financial Officer

Justin Psaila (b. 1984) is responsible for managing the financial risks of the group, analysing and reviewing financial data, preparing budgets and monitoring and controlling expenditure against budgets as well as making sure that management are supplied with appropriate financial reporting in order to take effective business decisions. He has more than 10 years of experience in iGaming, of which eight years were as Management Accountant for Betsson Group, and has been with GiG since 2015. Justin Psaila holds 2,100 shares and 72,000 options in GiG.

Tim Parker

Chief Marketing Officer

Tim Parker (b. 1971) was appointed as GiG's Chief Marketing Officer in November 2018. He comes from a role as Managing Director of GiG's in-house casino operator Rizk, where he has been leading the brand to become a great success story for GiG. Tim has worked in the iGaming industry for almost 20 years and his expertise lay in driving sales and marketing strategies for companies such as Goldbet SportWetten where he progressed to become CEO. Tim Parker holds 45,500 shares and 40,000 options in GiG.

Cristina Niculae

Chief Strategy Officer

Cristina Niculae (b. 1982) was appointed as Chief Strategy Officer in November 2018 after joining GiG in early 2017 as COO of GiG Core. Cristina has 15 years of experience in scaling technology companies such as Oracle and Ericsson and specialises in strategic planning. She is responsible to develop and direct GiG's strategy towards the profitable growth and oversee progress on key strategic initiatives, ensuring realisation of the three year rolling business plan. Cristina Niculae holds 0 shares and 30,000 options in GiG.

Auditor's Report

To the Shareholders of Gaming Innovation Group, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Gaming Innovation Group, Inc. and its subsidiaries (the Group), and the financial statements of the Parent, each of which comprise the applicable statements of financial position as of 31 December 2019 and 2018, and the statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Group consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2019 and 2018, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

In our opinion, the accompanying Parent financial statements give a true and fair view of the financial position of the Parent as of 31 December 2019 and 2018, and its financial performance and cash flows for the years then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and Sweden Accounting Act and accounting standards and practices generally accepted in Sweden.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.1 in relation to the basis of preparation of these financial statements, which addresses developments in connection with COVID-19, and the potential impact on financial pressures and operational performance. This matter is considered to be of fundamental importance to the users' understanding of the financial statements because of the potentially unfavorable nature of these developments, and the impact they could have on the basis of preparation of these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Impairment assessment of goodwill and other Intangible assets

The Group tests whether the 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 cash generating units ("CGU"). During the year, The Group operated B2C (business to consumer) and B2B (business to business) segments, the latter including performance marketing and technology services. Note 1 and 10 report that the Group has divested its B2C segment subsequent to year end. An impairment charge of Euro 40.1M was recognized based on the consideration received, net of closing costs and including an allocation of the future platform fee payable for the B2B services to be provided which was deemed to be a premium element. The impairment assessment for goodwill and other intangible assets for the B2B segment relied on value-in-use calculations. The cash flow projections were based on the Group's approved budget for 2020, projection of free cash flows for the years 2021 to 2023, as well as an estimate of the residual value. The perpetual growth rate, as factored in the residual value estimate was at 2%. During 2019, B2B was impaired by Euros 3M following discontinuance of games studio and an adjustment to the recoverable value of sports platform. As at 31 December 2019, only Goodwill and Trademarks with carrying amount of Euros 16.9M have an indefinite useful life.

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

The extent of judgement and the size of goodwill and intangible assets, resulted in this matter being identified as an area of audit focus.

How our audit addressed this key audit matter:

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

For the B2C segment, our group valuations experts tested the basis for the impairment recorded in the financial statements, with reference to the anticipated transaction value, including the assumptions underlying the variable premium element allocated to the B2C CGU recoverable amount.

For the performance marketing component of the B2B segment, 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 reported intangible assets and the respective value-in-use. On the other hand, the recoverable amount of the information technology component is very susceptible to the Group achieving the projected level of growth in revenue, and the projected improvement in EBITDA in the next three years.

The appropriateness of disclosures made in relation to the impairment assessment of these intangible assets was also reviewed, including related disclosures connected to COVID-19. Based on the work performed, we found the recorded impairment, and the related disclosures, to be consistent with the explanations and evidence obtained. As disclosed in Note 1 to the financial statements, the impairment assessment as at 31 December 2019 did not consider the impact of COVID-19.

Compliance with laws and regulations

We refer to Note 35 Significant Risks and Uncertainties and the Director's Report.

The Group operates on the basis of its international license in Malta, and other territory specific licenses. 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. Regulations are developing, and this evolving environment makes compliance an increasingly complex area with the potential for litigation and license withdrawal resulting from non-compliance with territory specific regulations, including responsible gambling and anti-money laundering obligations.

The Group expects to be less directly exposed to legal and compliance risks associated with gaming operations upon the sale of its B2C business. In addition, the Group has decided to no longer offer its white label licensing after 2020 as part of its strategy to reduce risk.

The aim of the Group is to reduce its compliance risks in particular Anti Money Laundering risk inherent in transacting player funds.

The risk of non-compliance with relevant laws and license requirements could give rise to material fines, taxes and penalties, legal claims and market exclusion. To this effect, as disclosed in Note 35 the Group is exposed to contingent liabilities relating to potential fines that continue to be appealed by the Group. We focused on this area as it is inherently complex and has potential for financial exposures.

We evaluated management's legal and regulatory development monitoring and their assessment of the potential impact on the Group. We inquired of management and the Group's director of legal and compliance about any known instances of material breaches in regulatory or license requirements that needed to be accrued or disclosed. We also reviewed correspondence with regulators. We further considered the appropriateness of disclosures to the financial statements including contingency disclosures.

Although this area requires judgement calls, we found that the Group had appropriate basis of accounting for these matters in the financial statements and found the disclosures in the financial statements to be appropriate.

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

Other Information

Other information consists of the information included in the Company's annual report other than the consolidated financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free form material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

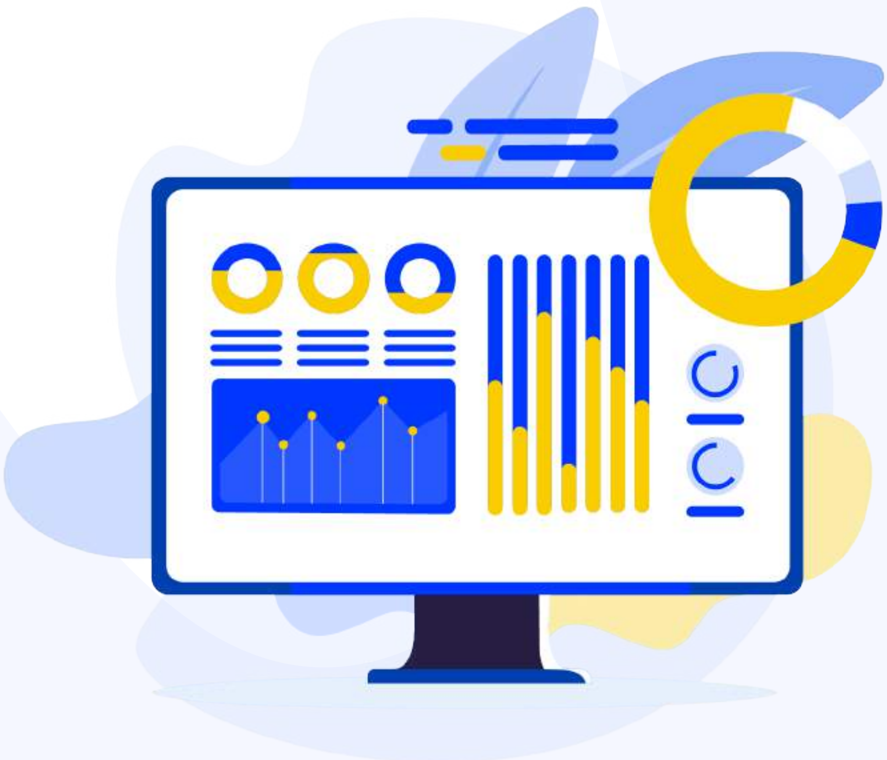
Opinion on the Board of Directors Report, Corporate Governance Report and Sustainability Report

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

Garden City, New York, 27 April 2020

Israeloff Trattner & Co. P.C.

Consolidated Financial Statements



Statements of Comprehsensive Income (Loss)

For the years ending 31 December 2019 and 2018

EUR 1000		Company		Parent	
	Notes	2019	2018	2019	2018
Revenues	**2,4,25**	**44,054**	**51,559**	**-**	**-**
Cost of sales	26	906	664	-	-
Gross profit		43,148	50,895	-	-
Operating expenses					
Personnel expenses	29	24,059	22,203	-	51
Depreciation & amortization	2,10,11	23,650	18,882	19	46
Impairment of intangible assets	2,10,12	3,911	-	77,553	7,320
Marketing expenses		5,272	5,782	2	-
Other operating expenses	27	10,373	8,544	88	137
Total Operating Expenses		**67,265**	**55,411**	**77,662**	**7,554**
Operating income (loss)		-24,117	-4,516	-77,662	-7,554
Other income (expense)					
Other Income (expense)	30	-8,227	-4,323	-4,346	4,248
Total other income (expense)		**-8,227**	**-4,323**	**-4,346**	**4,248**
Results before income taxes		-32,344	-8,839	-82,008	-3,306
Income tax (expense) credit	28	-627	-815	-	-648
Loss from continuing operations		-32,971	-9,654	-82,008	-3,954
Loss from discontinuing operations	7	-31,720	-13,097	-	-
Loss for the year		-64,691	-22,751	-82,008	-3,954
Other comprehensive income (loss)					
Exchange differences on translation of foreign operation	2	-245	133	-	-
Change in fair value through other comprehensive income	14	-1,284	-15	-1,284	-15
Total other comprehensive income (loss)		-1,529	118	-1,284	-15
Total comprehensive income (loss)		**-66,220**	**-22,633**	**-83,292**	**-3,969**
Total comprehensive income (loss) attributable to:					
Owners of the parent	2,12	-66,218	-22,635		
Non-controlling interests	2,12	-2	2		
Total comprehensive income (loss)		-62,220	-22,633		
Earnings per share attributable to Gaming Innovation Group Inc.					
Basic and diluted loss per share from continuing operations		-0.37	-0.11		
Basic and diluted loss per share from discontinuing operations		-0.35	-0.15		
Basic and diluted loss per share attributable to GiG Inc.		-0.72	-0.25		
Weighted average shares outstanding (1000)		90,006	89,567		
Diluted weighted average shares outstanding (10009		90,006	89,567		

Statements of Financial Position

As at 31 December 2019 and 2018

EUR 1000		Company		Parent	
	Notes	31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-current assets					
Goodwill	2,10	15,995	69,570	-	-
Intangible assets	2,10	40,912	69,253	14	33
Property, plant and equipment	2,11	5,014	4,399	-	-
Right-of-use assets	6	14,007	-	-	-
Investment in subsidiaries	12	-	-	84,066	151,791
Deferred income tax assets	23	60	60	-	-
Other non-current assets	13,15,20	542	892	-	575
Financial assets at fair value through other comprehensive income	14	568	1,852	568	1,852
Financial assets at fair value through profit and loss	16	-	145	-	145
Total non-current assets		**77,098**	**146,171**	**84,648**	**154,396**
Current assets:					
Trade and other receivables	17	20,464	29,190	16,368	27,951
Cash and cash equivalents	18	4,557	14,669	23	29
Prepaid and other current assets	19	3	5	-	-
Total current assets		**25,024**	**43,864**	**16,391**	**27,980**
Assets classified as held for sale	**7**	**32,966**	**-**	**-**	**-**
TOTAL ASSETS		**135,088**	**190,035**	**101,339**	**182,376**
Liabilities and Shareholders' Equity					
Shareholders' equity:					
Share capital issued	24	78,858	78,858	78,858	78,858
Share premium	24	31,577	33,677	35,364	37,464
Accumulated translation income (loss)		-1,742	-1,497	-	-
Retained earnings (deficit)		-87,797	-22,987	-80,794	1,214
Total equity attibutable to owners of the Company		**20,896**	**88,051**	**33,428**	**117,536**
Non-controlling interests		24	25	-	-
Total equity		**20,920**	**88,076**	**33,428**	**117,536**
Liabilities					
Long term liabilities:					
Bond payable	8	36,908	64,230	36,908	64,230
Lease liabilities	6	12,496	-	-	-
Long term loans	22	-	1,953	-	-
Deferred income tax liabilities	23	1,270	955	448	448
Total long term liabilities		**50,674**	**67,138**	37,356	64,678
Current liabilities:					
Trade payables and accrued expenses	21	22,801	34,204	220	162
Lease liabilities	6	2,140	-	-	-
Short term loans	22	-	617	-	-
Bond payable	8	30,035	-	30,255	-
Total current liabilities		**54,976**	**34,821**	**30,256**	**162**
Total liabilities		**105,649**	**101,959**	**67,611**	**64,840**
Liabilities directly associated with assets classified as held for sale	**7**	**8,519**	**-**	**-**	**-**
TOTAL EQUITY AND LIABILITIES		**135,088**	**190,035**	**101,339**	**182,376**

Statements of Changes in Equity

For the years ending 31 December 2019 and 2018

Company (EUR 1000)	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Share Premium/ Adjustment	Non-controlling interest	Translation reserve	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2018	**89,565,626**	**89,565,626**	**78,483**	**32,143**	**23**	**-1,630**	**-236**	**108,783**
Exercise of options and issuance of shares for cash	440,000	440,000	375	473	-	-	-	848
Share compensation expense	-	-	-	1,078	-	-	-	1,078
Change in value of financial assets at fair value through comprehensive income	-	-	-	-15	-	-	-	-15
Net results	-	-	-	-	2	-	-22,753	-22,751
Exchange differences on translation	-	-	-	-6	-	133	6	133
Balance at 31 December 2018 - restated (Note 24)	**90,005,626**	**90,005,626**	**78,858**	**33,677**	**25**	**-1,497**	**-22,987**	**88,076**
Share compensation expense	-	-	-	-677	-	-	-	-677
Change in value of financial assets at fair value through comprehensive income	-	-	-	-1,284	-	-	-	-1,284
Adjustment in relation to prior period	-	-	-	-139	-	-	-119	-258
Net results from continuing operations	-	-	-	-	-1	-	-32,971	-32,972
Net results from discontinuing operations	-	-	-	-	-	-	-31,270	-31,270
Exchange differences on translation	-	-	-	-	-	-245	-	-245
Balance at 31 December 2019	**90,005,626**	**90,005,626**	**78,858**	**31,577**	**24**	**-1,742**	**-87,797**	**22,920**

Parent (EUR 1000)	Common Stock Shares issued	Common Stock Shares Outstanding	Common Stock Amount	Share Premium/ Adjustment	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2018	**89,565,626**	**89,565,626**	**78,483**	**35,928**	**5,168**	**119,579**
Exercise of options	440,000	440,000	375	473	-	848
Share compensation expense	-	-	-	1,078	-	1,078
Change in value of financial assets at fair value through comprehensive income	-	-	-	-15	-	-15
Net results	-	-	-	-	-3,954	-3,954
Balance at 31 December 2018 Restated (Note 24)	**90,005,626**	**90,005,626**	**78,858**	**37,464**	**1,214**	**117,536**
Share compensation expense	-	-	-	-677	-	-677
Adjustment in relation to prior period	-	-	-	-139	-	-139
Change in value of financial assets at fair value through comprehensive income	-	-	-	-1,284	-	-1,284
Net results	-	-	-	-	-82,008	-82,008
Balance at 31 December 2019	**90,005,626**	**90,005,626**	**78,858**	**35,364**	**-80,794**	**33,428**

Statements of Cash Flows

For the years ending 31 December 2019 and 2018

EUR 1000		Company		Parent	
	Notes	2019	2018	2019	2018
Cash flows from operating activities					
Results before income taxes		-32,344	-8,839	-82,008	-3,306
Loss from discontinued operations	7	-31,720	-13,097	-	-
Taxes	28	-627	-815	-	-648
Amortization of intangible assets	10	21,217	18,474	19	46
Depreciation of property, plant and equipment	11	2,061	1,499	-	-
Depreciation of right-of-use assets	6	2,628	-	-	-
Impairment of intangibles	10,13,16	44,098	13,726	911	-
Provision for impairment of investments in subsidiaries	12	-	-	76,643	7,320
Share based compensation		-677	1,078	-	-
Provision for impariment of trade receivables		-281	-155	-	-
Early redemption fee on bond		994	-	994	-
Change in trade and other receivables		-348	-620	5,249	10,239
Change in current assets		2	189	-	-
Change in non-current assets		-223	-112	-	-
Change in trade and other payables		-703	6,322	3,263	-7,887
Net cash (used in)/generated from operating activities		**4,077**	**17,649**	**5,071**	**5,764**
Cash flows from investing activities					
Purchases of intangible assets	10	-7,697	-9,458	-	-
Purchases of property, plant and equipment	11	-2,704	-2,511	-	-
Acquisition of associates	13	-100	-461	-100	-460
Acquisition of subsidiaries	12	-	-	-	-604
Net cash used in investing activities		**-10,501**	**-12,430**	**-100**	**-1,064**
Cash flows from financing activities					
Repayment of loans	22	-2,570	-	-	-362
Proceeds from loans	22	-	1,551	-	-
Proceeds from issuance of shares	24	-	823	-	-
Proceeds from bond issue	8	2,446	-537	-	-
Lease liability principal payments	6	-2,796	-	-	-
Loans to associate investments	8	-80	-145	-80	-145
Interest paid on bond		-4,897	-4,483	-4,897	-4,483
Net cash generated from financing activities		**-7,897**	**-2,791**	**-4,977**	**-4,990**
Translation loss		-245	133	-	-
Fair value movements		-1,284	-15	-	-
Net movement in cash and cash equilalents		-15,850	2,546	-6	-290
Cash and cash equivalents at beginning of year	18	14,669	12,079	29	309
Cash and cash equivalents attributable to discontinued operations		5,738	-	-	-
Cash and cash equivalents arising upon business combination		-	-44	-	10
Cash and cash equivalents at end of year	18	**4,557**	**14,669**	**23**	**29**

Notes to Consolidated Financial Statements

For the years ended 31 December 2019 and 2018

1. Corporate Information

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

The Company's principal activity is to provide a platform for and facilitate internet gambling, gaming and sports betting.

The consolidated financial statements of the Company as at and for the years ended 31 December 2019 and 2018 are comprised of Plc and Plc's accounting basis subsidiaries.

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long-term partner of the Company, generating revenues to the Company's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

On 16 April 2020, the Company completed the sale of its B2C assets to Betsson. GiG received EUR 33 million as a consideration including an upfront cash payment EUR 22.3 million relating to the acquisition, a prepaid platform fee of EUR 8.7 million, EUR 2 million relating to GiG's Spanish casino license, but excluding working capital adjustments. On 22 April 2020, GiG used part of these proceeds to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending the maturity date of the bond from 6 March 2020 to 22 April 2020.

2. Summary of Significant Accounting Policies

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

2.1 Basis of preparation

Statement of Compliance and Presentation of Financial Statements

The consolidated Company financial statements include the financial statements of the accounting parent, Plc, and its subsidiaries. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The consolidated financial statements report the full year of operations of 2019 and 2018.

The consolidated financial statements are presented on the historical cost basis and reflect all acquisitions, adjusted for all post acquisition gains, earnings and losses. Parent only financial statements report the results of Plc, the accounting parent. The statements were approved by the Board of Directors and issued on 27 April 2020

Repayment of Bond

As at 31 December 2019, the net current assets of the Company amounted to EUR 25,023,985 (2018: net current assets EUR 43,864,166). As at 31 December 2019, the net current liabilities of the Company amounted to EUR 54,976,999 (2018: net current liabilities EUR 34,821,116). Current liabilities include a bond for an amount of EUR 30,035,406 (nominal value SEK 300 million), with a maturity date of 6 March 2020, which has been repaid on 22 April 2020. Further, as described in note 8, a bond with a nominal value of EUR 36,907,743 (SEK 400 million), becomes payable in June 2022.

The Company has repaid the 2017 - 2020 tranche of borrowings on 22 April 2020 following receipt of the proceeds due from the Company's divestment of its B2C vertical to Betsson Group (see note 7). As a result of this transaction, the Company has received EUR 34.0 million on 16 April 2020, inclusive of net working capital adjustments, which have been used to fund the bond redemption for a total Euro equivalent of EUR 27.4 million (applying currency rates in April 2020), exclusive of any late payment fees.

The Company expects its financial position to improve following the repayment of the bond. At the same time, GIG acknowledges that pressures on liquidity will continue to prevail, until actions emanating from the Company's strategic review are successfully implemented.

These include rationalisation of costs and operations in line with the Company's new focus. As described in note 7, an advance payment of EUR 8.7million on B2B support services, has partly been used to settle the bond in April 2020, giving rise to increased liquidity pressures in the short term.

All of the above factors, combined with the advent of COVID-19 pandemic further described below, increase the Company's liquidity risk exposures, and may lead to uncertain scenarios, where liquidity shortfalls can occour. Notwithstanding the uncertainties, management continues to believe that these financial statements should be drawn up on a going concern basis, primarily due to cost mitigation measures already initiated as well as new initiatives that they consider could be introduced relatively quickly to alleviate pressures on liquidity.

Impact on the going concern due to COVID-19

The occurrence of extraordinary events, such as natural disasters, and the outbreak of disease epidemics, has an adverse impact on the global economy, and may lead to a global recession. In early 2020, the existence of a new virus, now known as COVID-19, was confirmed, and since this time COVID-19 has spread across the world. COVID-19 has caused disruption to businesses and economic activity, which has also adversely impacted global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company, or to provide a quantitative estimate of this impact. Management has, however, considered the potential impact based on the known circumstances as at the date of reporting, and their assessment of potential future developments.

The Company closely monitored the progress of the Coronavirus (COVID-19) outbreak, and introduced contingency measures to reduce the risk for its staff, and to ensure business continuity. The Company successfully deployed its Business Contingency Plan (BCP), and systems and operations continued to perform. The Company operates from various offices in several countries, and local measures have been adopted in line with recommendations made by the respective authorities.

The Company has a robust BCP to ensure continuity of operations, and working from home is an integral part of day to day operations. Proactive steps were taken to advise employees to work from home prior to any announcements by governments. As part of the BCP, production environments require an extra level of approval to protect both the Company's business and its customers. COVID-19 did not result in disruption to the Company's operating model as a result of its agility.

Potential impact on Sports due to COVID-19

Since the pandemic has resulted in several sport events across the globe being cancelled, or postponed for safety reasons, management anticipates that there will be a negative impact from COVID-19 for sports betting revenues. Since revenues related to sports betting only accounted for around 6.5% of total revenues in 2019, and similar proportions were projected for 2020, management expects the impact for GIG to be contained. Most of sports related revenues relate to paid Media, and initiatives are already in place to re-direct media spend from sports to casino. Management has already considered cost-mitigation measures and is able to benefit from relief offered by governments. Although the likely length of cessation of sports events is uncertain, management considers that activity may resume after the summer break. Events that are postponed may contribute positively when they are subsequently rescheduled.

Potential impact on Casino due to COVID-19

Casino operations, which account for a substantial portion of the Company's business, have not so far been affected by the turmoil. The Company's casino activity has been in line with forecast up to March 2020. The Company cannot exclude that there could be a negative effect in the future if a global recession continues to prevail.

Potential impact on Company outlook due to COVID-19

There is a risk that the prevailing unfavourable economic conditions due to the outbreak of COVID-19 could reduce online users' disposable incomes. Therefore, negative developments in the global economy dependent on external factors outside of the Company's control could adversely affect casino activity in the longer term. However, there could also be positive developments from a potential shift of gambling activity from offline brick and mortar casinos to online casinos.

Potential impact on asset value due to COVID-19

Management's assessment of the recoverable amount of intangible assets, including consideration of indicators of impairment relating to intangibles, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Such assessment did not therefore contemplate the impact of COVID-19, which only emerged in 2020. Since approximately 9% of the carrying value of the Company's assets from continued operations relate to Sports business, management does not expect the impact of future impairment to be significant as a result of COVID-19, when also considering the Copmpany's amortisation policy for these assets. Management expects that EUR 5.3million of the Company's right-of-use assets will no longer be utilised by the Company following the down-scaling of operations. Management remains cautiously optimistic about the opportunity to sub-lease such property on a commercial basis.

Potential impact on liquidity and going concern due to COVID-19

Given that the Company is not materially exposed to Sports and that Casino operations, which account for a substantial portion of the

Company's business, have not so far been affected by the turmoil, the impact of COVID-19 on the Company's liquidity is not expected to be significant in the very short term. However, as indicated above, there is a risk that if a global recession prevails due to the outbreak of COVID-19 there could be a reduction in online users' disposable incomes. This could in turn have an adverse impact on both the Company's Casino and Sports operations, when these will eventually resume, which could in turn have an adverse impact on the Company's cash generation that could be material. These factors compounded by the Company's existing liquidity pressures may lead to uncertain scenarios, where liquidity shortfalls may occur.

In order to address these uncertainties, management plans to accelerate its cost mitigation measures and the implementation of other initiatives to alleviate pressures on liquidity and strengthen the Company's financial position sufficiently to enable GIG to face adversities brought about by COVID-19. Furthermore, the Company plans to tap into COVID-19 related assistance, which governments in the territories in which the Company operates have introduced. Accordingly, management continues to believe that these financial statements should be drawn up on a going concern basis.

Standards, Interpretations and Amendments to Published Standards Effective in 2019 and 2018

In 2019 and 2018, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2019 and 2018. The adoption of the 2019 and 2018 revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard was effective for annual periods beginning on or after 1 January 2018.

IFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss or through OCI, the irrevocable option is at inception. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. The standard was effective for accounting periods beginning on or after 1 January 2018. The impact of IFRS 9 on financial assets is disclosed in note 4.1. The Company's financial liabilities continue to be measured at amortised cost under IFRS 9 consistently with IAS 39.

IFRS 16, Leasing agreements replaced the previous IAS 17 Leasing agreements and IFRIC 4 determining whether an arrangement contains a Lease or related agreements. The standard was mandatory from 1 January 2019. The new standard requires that all contracts which fulfil the definition of a leasing agreement, except contracts of less than 12 months duration and those with low values be recognised as an asset and liability in the financial statements. The accounting according to IFRS 16 is based upon the approach that the lessee has the right to use the assets under a specific time period and simultaneously have an obligation to pay for the rights. The assets and liabilities are accounted for as a discounted present value of the future leasing payments. The cost regarding the leased assets consists of amortization of the assets and interest cost towards the leasing liability. Contracts that earlier have been classified as operating leases were thereby be accounted for in the balance sheet with the effect that the current operating costs, leasing cost for the period, were replaced with amortization of the right-to-use asset and interest expense in the income statement.

Transitional method

The Company has implemented IFRS 16 by using the simplified transitional method, which means that the prior periods have not been restated.

Transition effects

As an operational lessee, the effect relates primarily to office premises contracts with the effect that total assets, operating profit and financial costs increases as well as the related cash flows move from the operational activities to financing activities. The opening effect on the Company's balance sheet as of 1 January 2019 is EUR 15.9 million, consisting of a leasing asset as well as a leasing liability in the balance sheet. Equity has not been affected. At 31 December 2019 the total leasing asset amounted to Eur 14.0 million and the leasing liability amounted to EUR 14.6 million. The effect on the Company's income statement during the full year of 2019 amounted to EUR 2.63 million and EUR 0.90million for depreciation and interest cost respectively. The average marginal interest rate of 7 percent has been used as a discounting rate when calculating the transitional effects. For the Company's alternative Key Performance Indicators (KPI), there were no significant effects after the implementation of IFRS 16.

Standards, Interpretations and Amendments to Published Standards that are not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not mandatory for the Company's accounting period beginning after 1 January 2019. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Company's Directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements on the period of initial application.

Use of Estimates, Judgements and Assumptions

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

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

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

2.2 Consolidation

Subsidiaries

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

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

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

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share 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 companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

In the Parent'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 Parent grants as remuneration to employees and other consultants who provide services to the Parent's subsidiaries.

Provisions are recorded where, in the opinion of management, 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.

Associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.8.

Transactions with non-controlling interests

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

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

Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company operates two segments, the Business to Consumer ("B2C") segment which includes the gaming operations directed towards end users, and the Business to Business ("B2B") segment which includes its platform offering, sports trading, game-studio, front-end services and affiliate marketing. Asset and liability information is not presented by segments as such information is not used for monitoring purposes by the Company. During Q4 2019, the decision to divest the B2C segment was taken. The B2C segment has been reflected as discontinued operations in these financial statements since the criteria were met as at year end.

Business combinations between entities under common control

Business combinations between entities under common control, which do not all 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 entity's results and balance sheet prospectively from the date on which the business combination between entities under common control occurred

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Euros (EUR), which is the functional currency of the Company.

(b) Transactions and 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 Company's and Parent's accounting policy is to present all exchange differences within other income (expense), including exchange differences arising on cash and cash equivalents and amounts due from payment providers.

(c) Subsidiaries

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

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

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

2.3 Financial instruments

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

2.4 Cash and cash equivalents

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

2.5 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 2.9.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.6 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 (CGU's) or groups of CGU's, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

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

(b) Domains

Domains comprise the value of domain names acquired by the Company as well as the value derived from the search engine optimisation activity embedded in the acquired portfolios. Separately acquired domains are shown at historical cost, which represents their acquisition price. Certain domains are expected to have a useful life of eight 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 three 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.

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 a useful life of 2 years and are subsequently carried at cost less accumulated amortisation and impairment losses. Some trademarks are not amortised and are held indefinitely because trends show that they will generate net cash inflows for the Company for an indefinite period.

(d) Computer software and technology platforms

Acquired computer software and technology 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 three years or in the case of computer software, over the term of the license agreement, if different.

Costs associated with maintaining these intangible assets are recognised as an expense when incurred. Development costs that are directly attributable to the design of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it
- will be available for use;
- management intends to complete the intangible assets 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 use or sell the intangibles 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 labor costs of employees.

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

2.7 Property, plant and equipment

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

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

Depreciation is calculated using the straight-line method over the following periods:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. (Note 2.8)

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

2.8 Impairment of non-financial assets

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

2.9 Financial assets

2.9.1 Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

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

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

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

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

2.9.2 Recognition and measurement

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

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

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

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

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

2.9.3 Impairment

From 1 January 2018, the Company assesses, on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

2.10 Share-based compensation

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

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

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specific period of time).

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

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

2.11 Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilise the same numerator, but outstanding shares in gain periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. Due to the loss in 2019, outstanding common stock options and warrants were anti-dilutive and accordingly were excluded from this calculation. For the year ended 31 December 2019, the Company had 1011,111 options outstanding.

2.12 Inter-company transactions

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

2.13 Foreign currency transactions

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

2.14 Revenue recognition policy

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

Gaming Operators

Gaming transactions that are not deemed to be financial instruments, where the Company revenues stem from commissions. The revenue recognised in this manner relates to Poker. Such revenue represents the commission charged at the conclusion of each poker hand in cash games (i.e. rake). The Company's performance obligation in this service is the provision of the poker game to the individual players. The performance obligation is satisfied and the Company is entitled to its share of the pot (i.e. the rake) once each poker hand is complete. In this respect, revenue recognition under IFRS 15 is consistent with that under IAS 18 (i.e. to recognise revenue as each hand is complete).

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, are 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 sports betting and casino. These are governed by IFRS 9 and thus out of the scope of IFRS 15.

Revenue from transactions where the Company is taking positions against players, such as sports betting and online casino, is recognised when the outcome of an event is known. Revenue from commission arising on transactions where the Company does not take open position against players, such as poker, is recognised when players place wagers in a pool.

Platform Services

In contracting with white label operators (operators that are rebranded under another name), the Company considers that it is acting as an intermediary between the third party platform and the related service providers. On this basis revenue is recognised net of payments made to service providers.

Costs that are not reported as part of the net gain or loss within revenue include inter alia bank charges, fees paid to platform and payment providers and certain gaming taxes.

In contracting with own license operators (operators that own their own licences), the Company generates revenue by entering into a revenue share or a fixed arrangement 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. Accordingly, it is appropriate for the Company to recognise the monthly amounts invoiced in the P&L.

The only difference between accounting for such arrangements under the previous revenue standard and IFRS 15 pertains to the set-up fees. Under IAS 18, the set-up fees were deferred over a period of (generally) six months until the go-live date. 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 for 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 IFRS 15 impact and concluded that this has an immaterial affect for the Company.

Media Services

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

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

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

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.

2.15 Non controlling interest

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

2.16 Share capital

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

2.17 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.

2.18 Financial liabilities

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

2.19 Borrowings

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

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

2.20 Current and deferred taxation

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

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

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

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

The Company files U.S. federal income tax returns and state income tax returns in Florida, New Jersey and California. Returns filed in these jurisdictions for tax years ended on or after 31 December 2015 are subject to examination by the relevant taxing authorities. In addition, Plc and its subsidiaries, and GiG Properties file tax returns in Malta, Spain, Gibraltar, Norway and Denmark.

2.21 Leases

As explained in note 2.1 above, the Company has changed its accounting policy for leases where the Company is the lessee. The new policy is described in note 12 and the impact of the change in note 6.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard

2.22 Dividend distribution

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

2.23 Offsetting financial instruments

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

2.24 Non-current assets held for sale and discontinued operations

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

3. Segment Information

IFRS 8 defines segments as business activities that may earn revenues or incur expenses, whose operating results are regularly monitored by the chief operating decision maker and for which discrete financial information is available. Reported information is based on information that management uses to direct the business. Segment disclosures are based on information management has reported to the chief operating decision maker.

The Company operates two segments, the Business to Consumer ("B2C") segment which includes the gaming operations directed towards end users, and the Business to Business ("B2B") segment which includes its platform offering, sports trading, game-studio, front-end services and affiliate marketing. Asset and liability information is not presented by segments as such information is not used for monitoring purposes by the Company. During Q4 2019, the decision to divest the B2C segment was taken, and the game-studio was shut down in Q3. The B2C segment has been classified as discontinued operations in these financial statements since the respective criteria were met as at year end (see note 7). The following tables are included for informational purposes only.

2019 (EUR 1000)	B2C	B2B	Eliminations	TOTAL
Revenue	78,972	51,330	-7,276	123,026
Cost of sales	26,702	906	-3,519	24,089
Depreciation & amortization	3,325	22,113	467	25,905
Impairment	40,185	3,000	911	44,096
Marketing cost	28,739	5,272	-2,906	31,105
Other operating expenses	15,442	38,956	-731	53,667
Operating loss	-35,421	-18,917	-1,498	-55,836

2018 (EUR 1000)	B2C	B2B	Eliminations	TOTAL
Revenue	99,812	62,669	-11,110	151,371
Cost of sales	30,906	664	-4,212	27,358
Depreciation & amortization	1,496	18,477	-	19,973
Impairment	13,726	-	-	13,726
Marketing cost	46,137	5,794	-4,696	47,235
Other operating expenses	22,750	40,212	-2,270	60,692
Operating loss	-15,203	-2,478	68	-17,613

The Company operates in a number of geographical areas as detailed below:

2019 (EUR 1000)	B2C	B2B	TOTAL
Nordic countries	43,448	1,872	45,320
Europe excl. Nordic countries	30,104	36,683	66,787
Rest of world	5,420	5,499	10,919
TOTAL	**78,972**	**44,054**	**123,026**

2018 (EUR 1000)	B2C	B2B	TOTAL
Nordic countries	72,051	5,303	77,354
Europe excl. Nordic countries	22,885	37,505	60,390
Rest of world	4,877	8,751	13,628
TOTAL	**99,813**	**51,559**	**151,372**

The following table presents the Company's revenues by product line, net of intra-segment eliminations:

(EUR 1000)	2019	2018
B2C:		
Casino	75,208	97,861
Sports	2,359	1,592
Poker	1,405	359
Total	**78,972**	**99,812**
B2B:		
Performance marketing	29,994	29,307
Platform services	11,699	20,085
Other revenues	2,361	2,167
Total	**44,054**	**51,559**
Net revenue	**123,026**	**151,372**

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

	2019	2018
Europe	701	704
North America	2	2
	703	**706**

Similarly, the Company has assets at 31 December 2019 and 2018 by continent:

(EUR 1000)	2019	2018
Europe	124,252	174,156
North America	10,836	15,879
	135,088	**190,035**

4. Financial Risk Managment

4.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

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

A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the period was deemed necessary for liabilities denominated in SEK. At the period end, had the SEK exchange rate strengthened or weakened against the EUR by 2% with other variables held constant, the increase or decrease respectively in net assets of the Company would amount to approximately EUR 1,312,610 and EUR 1,366,186 respectively

A sensitivity analysis for all other assets and liabilities was not deemed necessary on the basis that management considered it to be immaterial.

(ii) Price risk

Management does not consider the Company to be exposed to significant market risk in terms of the online casino since the outcome of wagers is based on a fixed winnings percentage.

The Company is exposed to market risk due to the possibility of an unfavourable outcome on events on which the Company has accepted bets. The Company has adopted risk management policies to mitigate this risk. Management monitors the odds real time to determine the appropriate risk levels for certain events and where possible reacts to large risks by, inter-alia, not accepting bets that exceed the maximum risk limit on an individual bet or by closing the event that was offered as a bet. The risk is spread across a large number of events and sports. The Company's exposure to open bets was not significant as at 31 December 2019 and 2018 and on this basis, management considers the potential impact on profit or loss of a shift in odds that is reasonably possible at the end of the reporting period to be immaterial.

Although the Company is also exposed to the possible effect which movements in equity markets may have on the value of the financial assets measured at fair value through other comprehensive income, management considers this risk to be immaterial

(iii) Fair value interest rate risk

The Company's significant instruments which are subject to fixed interest rates comprise the bonds issued (Note 8). In this respect, the Company is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

(b) Credit risk

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

The Company assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has processes in place to ensure that sales of products and services are effected to customers with an appropriate credit history. The Company monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Company's receivables taking into account historical experience in collection of accounts receivable.

The Company seeks to manage credit risk by only undertaking transactions with counterparties which include financial institutions or intermediaries and payment providers with quality standing. Control structures are in place to assess credit risk on similar lines.

Impairment of financial assets

The Company has the following financial assets that are subject to the expected credit loss model: trade receivables and other financial assets carried at amortised cost. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but due to the low credit risk the loss was immaterial in both the current and prior years. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales over a period of 8 months before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2019 was determined as follows for trade receivables:

31 December 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 300 days past due	More than 500 days past due	More than 700 days past due	Total
Expected loss rate	1.2%	5.1%	10.6%	12.6%	15.6%	43.4%	74.7%	100.0%	
Gross (EUR 1000)	1,521	631	337	172	118	346	122	118	3,365
Loss allowance	18	32	36	22	18	150	91	118	485

The loss allowance balance as at 31 December 2019 includes a specific provision of EUR 64,298 for the balance due from a partner as concluded to be uncollectable.

Other than trade receivables for which provisions for impairment of EUR 548,676 (2018: EUR 112,149) have been recorded, the Company did not hold any material past due but not impaired financial assets as at 31 December 2019. The Company manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from partners are within controlled parameters. Management assesses the credit quality of the operators considering its financial position past experience and other factors. The Company's receivables, which are not impaired financial assets, are principally in respect of transactions with partners for whom there is no recent history of default. Management does not expect any losses from non-performance by these partners. Management considers that the Company was not exposed to significant credit risk as at the end of the current reporting period.

(c) Liquidity risk

The Company and the Parent are exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables, interest on bonds and loans (refer to Notes 8, 21 and 24). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company and Parent's obligations.

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

4.2 Capital risk management

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

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

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

4.3 Fair values of financial instruments

Financial instruments carried at fair value

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

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

EUR 1000		Company		Parent
Assets (level 3):	**2019**	**2018**	**2019**	**2018**
Financial assets at fair value through profit or loss (recorded in other non-current assets):				
Derivative instruments - purchase call options (Note 15)	206	206	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities - unlisted equities (Note 14)	568	1,852	568	1,852
Total financial assets	**774**	**2,058**	**568**	**1,852**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company and Parent's instrument included in level 3 comprise a private equity investment, disclosed in Note 14 and 15 of these financial statements, which also includes a reconciliation from opening to closing value of the instruments.

Level 3 valuations are reviewed regularly by the Management. The Company's derivative financial instrument, comprising an option to purchase intangible assets, is also included in level 3, and is disclosed in Note 15. Further details on how the fair value of these instruments was calculated are disclosed in the respective notes to these financial statements.

There were no transfers between levels of the fair value hierarchy during 2019 and 2018.

Financial instruments not carried at fair value

As at 31 December 2019 and 2018 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 8.

5. Critical Accounting Estimates and Judgements

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

The Company and Parent make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, other than the uncertainty associated with the legal environment that the Company operates in (disclosed in Note 35), are addressed below.

Company and Parent

(i) Fair value of available-for-sale financial asset and related derivative instrument

During 2015, the Company, acquired an available-for-sale financial asset for a consideration of EUR 689,085. During 2017, the asset had been revalued to EUR 1,866,750 based on a recent transaction which took place during that year between a subsidiary in which the Company holds its investment and third parties. As at 31 December 2019, management continues to believe that the carrying value reflects the investment's fair value based on their knowledge of the entity and its circumstances.

Company

(i) Impairment test of goodwill and other intangible assets with indefinite lives

The Company 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. A detailed analysis for each CGU disclosed below.

Business-to-Customer CGU

Following the decision to divest of B2C segment in the last quarter of 2019, the recoverable amount of afor this CGU was determined with reference to the estimated realisable value, net of related selling expenses. On this basis, an impairment charge of EUR 34,945,604 was reflected in the income statement. Further detail on the trans-action executed subsequent to year end may be found in note 7.

The recoverable amount of the CGU is determined based on value-in-use calculations, which are based on management assumptions. As disclosed in Note 10, the calculations for B2B segment are based on cash flow projections reflecting the financial budget approved by the Company's Board for 2020, the projection of free cash flow to be generated in 2021, 2022 and 2023 (2018: 2020-2022) as well as an estimate of the residual value. The residual value captures the perpetual cash flows to be generated after the explicit period, based on the projected free cash flows to be generated in 2023 capitalised using the post-tax discount rate of 17% (2018: 15%) applied in the value-in-use calculation, net of the assumed perpetual growth rate. The perpetual growth rate is assumed at 2% (2018: 2%) based on the estimated long-term inflation rate.

The Business-to-Business CGU comprises two main business activities which are performance marketing and technology services.

With regards to performance marketing, which accounts for 90% of the carrying amount of intangibles, management considers that the impairment assessment on this activity is less sensitive due to the level of headroom between the reported intangible assets and the respective value-in-use.

During 2018, the Company initiated two main projects in relation to technology services i.e. building a new sportsbook together with a game's studio. During 2019, the Company discontinued the games studio, resulting in an impairment charge of EUR 2,000,000. The sportsbook was also impaired by EUR 1,000,000.

As disclosed in Note 7, Betsson, through the SPA agreement, will become a long term partner of GiG, generating revenues to GiG's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated. Based on the expected platform fees, the total value of the transaction is estimated at approximately EUR 50 million.

(ii) Valuation of share options

As explained in Note 24 the Company operates equity-settled and cash-settled share-based compensation plans. In order to determine the fair value of services provided, the Company estimates the fair value of the ordinary shares as of each grant date using the Black-Scholes valuation model. Refer to Note 24 for a summary of the inputs used and other assumptions made on calculating the fair value of share options granted as part of the share-based payment scheme.

(iii) Contingent liability

During 2019, iGamingCloud (Gibraltar) Limited, a subsidiary of the Company received a third-party claim alleging that a restrictive covenant in a contractual arrangement had been breached. The amount claimed in terms of the said contract is significant. Management considered that there were grounds for disputing the claim, and on this basis no provision for the potential exposure was reflected in the financial statements as at 31 December 2019. Subsequent to the year end, management engaged in negotiations and does not expect the eventual outcome to have a significant impact on the financial statements.

The Company is involved in disputes relating to outstanding debts owed to it. Management considers that the necessary provisions have been taken into consideration during 2019 in relation to these disputes.

One of the Company's subsidiaries has been sanctioned by Spelinspektionen on 1st April 2020 and ordered to pay by the Administrative Court the sum of SEK 3 million for alleged violations of the Swedish Gambling Act specifically related to the offering of bets on events where the majority of the participants are under 18. The Company is taking legal advice and considering appealing the sanction to the higher courts.

One of the Company's subsidiaries is aware that it's conduct is being reviewed in relation to potential violations of the Swedish Gambling Act related to the prohibition of bonuses in Sweden. Management believes that the outcome of such review is uncertain and therefore deemed that no provision is required.

Since 2015, one of the Company's subsidiaries has been defending a claim brought by a supplier, who was alleging that Mavrix Promotions Limited, a related party to the Company, has not legally terminated a partner agreement in relation to provision of marketing services to the Betit Group. The supplier proceeded to file a garnishee order for EUR 1,000,000 against the Company. The case has been closed in favour of the Company's subsidiary and any provisions relating to the case were released during 2019.

Certain Company subsidiaries have postponed the remittance of certain taxes which could potentially lead to fines and penalties. Management is discussing with the relevant authorities on a payment plan and therefore does not deem necessary to provide for any potential fines on this matter.

6. Changes in accounting policies

In MThis note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements and discloses the new accounting policy that have been applied from 1 January 2019.

The Company adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

(a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7%. The associated right-of-use assets for property leases were measured at the amount equal to the lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Group (EUR 1000)	As at 31 December 2019	As at 31 December 2018
Right-of-use-assets:		
Buildings	14,007	15,877
Lease liabilities		
Non-current	1,270	1,901
Current	12,496	13,976
	13,766	15,877

Additions to the right-of-use assets during the 2019 financial year were EUR 757,819.

(ii) Amounts recognised in the statement of profit or loss

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

Company (EUR 1000)	As at 31 December 2019	As at 31 December 2018
Depreciation charge of right-of-use assets	2,628	-
Interest expense (included in other expenses)	895	-
Expenses related to short-term leases (included in other income/expense)	12	-
Expenses related to variable lease payments (included in other income/expense)	201	-

The total cash outflow for lease payments was EUR 2,796,099

Maturity analysis - contractual undiscounted cash flows (EUR 1000)	As at 31 December 2019	As at 31 December 2018
Less than one year	3,250	3,709
One to five years	11,055	9,405
	14,305	13,114

Company (EUR 1000)	2019
Operating lease commitments disclosed as at 31 Dec 2018	113,114
Add: lease commitments entered into as at 1 January 2019	7,956
Operating lease commitments in the scope of IFRS 16:	
Discounted using the Company's incremental borrowing rate at at the date of initial application	15,889
Less: short-term leases recognised on a straight-line basis as expense	-12
Lease liabilities recognised as at 1 January 2019	**15,877**
Of which are:	
Current lease liabilities	1,901
Non-current lease liabilties	13,976
	15,877

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) The Company's leasing activities and how these are accounted for

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

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to profit or loss 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 incentive receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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 incentive 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.

Extension and termination options

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

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.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that createan 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.

The Company as a lessor

During the year one of the Company's subsidiaries entered into a contract whereby the Company will be leasing out one of its domains which will be transferred to the counterparty at the end of the agreement if all the terms of the agreement are met. The Company will receive monthly fixed payments as well as variable payments based on the performance of the domain for a minimum of 4 years and until the terms of the agreement are satisfied. The first payment was due in March 2020.

7. Discontinued operations

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long-term partner of the Company, generating revenues to the Company's Platform Services. On the day of closing, Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

On 16 April 2020, the Company completed the sale of its B2C assets to Betsson. GiG received EUR 33 million as a consideration including an upfront cash payment EUR 22.3 million relating to the acquisition, a prepaid platform fee of EUR 8.7 million, EUR 2 million relating to GiG's Spanish casino license, but excluding working capital adjustments. On 22 April 2020, GiG used part of these proceeds to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending the maturity date of the bond from 6 March 2020 to 22 April 2020.

(a) Financial performance and cash flow information:

EUR 1000	2019	2018
Net revenue	78,972	99,813
Expenses	-70,507	-99,184
Impairment losses	-40,185	-13,726
Operating losses	**-31,720**	**-13,097**
Income tax expense	-	-
Operating losses from discontinued oerations	**-31,720**	**-13,097**
Loss from discontinued operations attributable to:		
Owners of the Company	-31,720	-13,097
Non-controlling interest	-	-
	-31,720	**13,097**
Net cash flow from operating activities	**4,135**	**216**
Net cash from investingactivities	**-1,368**	**-289**
Net cash inflow/(outflow) from financing activities	**-**	**-**
Net increase in cash generated by discontinued operations	**2,767**	**73**

(b) Assets and liabilities of disposal group classified as held for sale

EUR 1000	2019	2018
Assets classified as held for sale		
Non-current assets held for sale:		
Goodwill	24,827	-
Current assets held for sale		
Prepayments	341	-
Other trade receivables	60	-
License guarantee	2,000	-
Cash and cash equivalents	5,738	-
Total assets of disposal held for sale	32,966	-
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	-2,572	-
Player liability	-4,341	-
Jackpot liability	-1,606	-
Total liabilites of disposal group held for sale	-8,519	-

8. Bond Payable

In March 2017, GIG issued a SEK 400 million senior secured bond in the Nordic bond market, with a SEK 1,000 million borrowing limit and fixed interest of 7% per annum with maturity in March 2020. Net proceeds from the bond issue were used for acquisition of affiliate markets, paying off existing debt in full, as well as towards general corporation purposes. The bond was initially drawn on 6 March 2017 with a subsequent issue of SEK 250 million on 14 September 2017 for a total of SEK 650 million.

In June 2019, the Company issued a new SEK 400 million senior secured bond with a SEK 1,000 million borrowing limit and fixed interest of 9% per annum with maturity on 28 June 2022. SEK 350 million of the net proceeds were used to refinance part of the existing SEK 650 million bond for a new bonds total of SEK 700 million (SEK 300 million due March 2020 and SEK 400 due June 2022). The balance of the new issue was used to pay down the Company loans in July 2019.

The outstanding balance of the short term bond at 31 December 2019 and 2018 was EUR 30,035,406 and EUR 0 respectively, with accrued interest of EUR 657,131 and EUR 0 respectively. The outstanding, balance of the long term bond at 31 December 2019 and 2018 was EUR 36,907,743 and EUR 64,229,542 respectively, with accrued interest of EUR 382,211 and 2,082,455, respectively. The bonds are registered in the Norway Central Securities Depository. The 2017-20 bond was listed on the Oslo Stock Exchange (GIGLTD01) and the 2019-22 bond is listed on Nasdaq Stockholm in Q4 2019.

The Company has repaid the 2017 - 2020 tranche of borrowings on 22 April 2020 following receipt of the proceeds due from the Company's divestment of its B2C vertical to Betsson Group. As a result of this transaction, the Company has used part of the funds generated from the sale to repay Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending maturity date of the bond from 6 March 2020 to 22 April 2020.

The remaining bond is redeemable at par (SEK 1,000,000). The Company has the option to early redeem the SEK 400 million bond, at a fee, before its maturity date on 28 June 2022. The Company will not avail of the option and will redeem at maturity.

The amount of transaction costs which are being capitalised as part of borrowings is EUR 718,000 was capitalised during 2019.

9. Acquisitions

In FeIn March 2018, the Company acquired the German sports betting company Nordbet for EUR 500,000, which holds a sports betting license in the German state Schleswig-Holstein.

10. Goodwill and Intangibles

A reconciliation of goodwill and intangibles for the years ended 31 December 2019 and 2018 is as follows:

Company (EUR 1000)	Goodwill	Trade-marks	Domains	Affiliate contracts	Technology platform	Computer software	Non-compete agreement	Other	Total
Balance 1 January 2018	69,444	850	61,227	10,656	11,286	1,015	271	228	154,977
Additions	-	6	-	-	6,759	2,194	-	500	9,458
Acquisitions upon merger	-	-	6,406	-	-	20	-	-	6,426
Impairment losses	-	-	-13,726	-	-	-	-	-	-13,726
Exchange Differences	126	-	8	-	27	-	-	-	162
Reclassification	-	-	58	-	-	-	-58	-	-
Amortisation Charge	-	-1	-6,066	-4,441	-6,602	-1,157	-171	-36	-18,474
Balance 31 December 2018	69,570	854	47,908	6,215	11,470	2,072	42	692	138,823
Additions	-	7	-	-	6,146	1,544	-	-	7,697
Assets classified as held for sale	-24,827	-	-	-	-	-	-	-	-24,827
Impairment losses attributable to continuing operations	-	-13	-	-	-2,811	-176	-	-	-3,000
Impairment losses attributable to discontinued operations	-28,590	-	-10,426	-	-545	-625	-	-	-40,186
Exchange Differences	-158	-	-	-	-60	-	-	-	-217
Prior year amortisation adj.	-	-	-	-	-42	-125	-	-	-168
Amortisation Charge	-	-7	-6,154	-4,509	-8,771	-1,735	-42	-	-21,217
Balance 31 December 2019	15,995	841	31,328	1,706	5,389	956	-	692	56,907

Parent (EUR 1000)	Platform	Computer software	Total
Balance 1 January 2018			
Additions	71	8	79
Amortisation	-42	-4	-46
Balance 31 December 2018	29	4	33
Amortisation	-17	-2	-19
Balance 31 December 2019	12	2	14

Impairment test for goodwill and intangible assets with indefinite useful lives

The recoverable amount of the Company's reported goodwill as at 31 December 2019 primarily arises as a result of the acquisitions of Betit Holding Limited, OddsModel AS and Rebel Penguin ApS, a company offering digital marketing services. Trademarks acquired in 2017 are also considered to have an indefinite life.

For the purposes of the impairment testing of goodwill and intangibles with an indefinite useful life the following CGUs were identified: business-to-customer ("B2C"), and business-to-business which comprises performance marketing and technology services ("B2B"). These reflect how the Company manages the day-to-day operations of the business and how decisions about the Company's assets and operations are made.

For each of the CGUs with significant amount of goodwill and indefinite-lived intangible assets, the carrying amounts, key assumptions and discount rate used in the value-in-use calculations are described below:

	Cash-Generating unit			
EUR 1000		B2B		B2C
	2019	2018	2019	2018
Carrying amounts:				
Goodwill	-	42	5	12
Intangible assets with indefinite lives	-	11	1	-
	-	53	6	12

The key assumptions on which management has based its impairment test are based on the cash flow projections reflecting actual income from operations in the current year, the budget for the following year as confirmed by the entity's Board and an estimate for years 2021 - 2023 includes (2018: 2020 – 2022):

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

The post-tax discount rate applied to the cash flow projections was 15% (2018: 15%) for each CGU. The perpetual growth rate, as assumed in the CGUs' residual value, is assumed at 2% (2018: 2%) based on the estimated long term inflation.

Business-to-Consumer CGU

As described earlier, the Company has signed a SPA with Betsson and will be transferring its B2C brands. Management has assessed that the acquisition price attributed to this sale is that of the upfront payment of EUR 22.3 million in addition to an element equivalent to EUR 4.3 million within the premium platform fee payable during the first 24 months. Management has concluded on the amount of EUR 4.6 million after taking into consideration other technology integrations that GiG will perform during the first 24 month period such as the integration with the Betsson sportsbook.

Discount Rate

Management believes that a relatively high discount rate (17%) is required with regards to the future cash flows of the premium rate. This is due to the evolving environment which makes compliance an increasingly complex area with the risk of non-compliance with territory specific regulations, including responsible gambling and anti-money laundering obligations. These uncertainties will represent a risk for Betsson's ability to develop and grow the business, as changes in legislation or enforcement practices could force Betsson to exit markets which would have an impact on their Net Gaming Revenue and as a result a lower platform fee to GiG.

Using the above assumptions, the impairment cost of the B2C segment was calculated as EUR 40.2 million.

Business-to-Business CGU

ThThe business-to-business CGU is composed of two main business activities which is performance marketing and technology services.

With regards to performance marketing, management considers that the impairment assessment on this activity is less sensitive due to the level of headroom between the reported intangible assets and the respective value-in-use. Goodwill attributable to this CGU was EUR 5.5 million as at 31 December 2019.

With regards to technology services, during 2019 the Company incurred an impairment loss of EUR 2.0 million from the discontinuation of its own proprietary gaming studio where such impairment included substantially all of the intangible assets attributable to this business activity. The Company has also recognised a EUR 1 million impairment in relation to its sportsbook platform.

11. Property, plant and equipment

Company (EUR 1000)	Installations and improvement to premises	Furniture & fittings	Computer & office equipment	Total
At 1 January 2018				
Cost	1,378	943	2,306	4,627
Accumulated Depreciation	-274	-267	-718	-1,259
Net book amount	1,104	676	1,588	3,368
Year ended 31 Dec 2018				
Opening net book amount	1,104	676	1,588	3,368
Acquisition of subsidiaries	1	12	5	18
Additions	1,039	406	1,067	2,512
Depreciation charge	-453	-252	-794	-1,499
Closing net book amount	1,691	842	1,866	4,399
At 31 December 2018				
Cost	2,418	1,361	3,378	7,157
Accumulated Depreciation	-727	-519	-1,512	-2,758
Net book amount	1,691	842	1,866	4,399
Year ended 31 Dec 2019				
Opening net book amount	1,691	842	1,866	4,399
Additions	1,471	371	862	2,704
Disposals	-	-	-13	-13
Exchange differences	-4	-9	-2	-15
Depreciation charge	-805	-353	-903	-2,061
Closing net book amount	2,353	851	1,810	5,014
At 31 December 2019				
Cost	3,885	1,723	4,225	9,833
Accumulated Depreciation	-1,532	-872	-2,415	-4,819
Net book amount	2,353	851	1,810	5,014

12. Investments in Subsidiaries

EUR 1000	2019	2018
At 1 January	151,791	114,688
Additions	-	604
Capital contribution	8,918	36,499
Impairment of investment	-76,643	-
At 31 December	**84,066**	**151,791**
At 31 December		
Cost	**160,709**	**151,791**
Impairment	**-76,643**	**-**
Carrying amount	**84,066**	**151,791**

During the year, various entities within the Company have been merged as follows:

- Betit Holdings Limited has been merged into fellow subsidiary MT Secure Trade Limited, and
- Mavrix Technologies Services Limited has been merged into a fellow subsidiary iGaming Cloud SLU.

These mergers did not have any impact on the Company.

During the year, the Parent impaired its investments in subsidiaries which were attributable to the B2C segment and recognised an impairment of EUR 71,403,560.

The subsidiaries at 31 December 2019 and 2018, whose results and financial position affected the figures of the Company are shown below.

Additionally, during the year, the Company has waived amounts due from its subsidiaries of EUR 8,918,181 which resulted in an increase in investments in subsidiaries of the same amount.

Under Maltese law, certain corporations are required to be owned by a minimum of two entities/persons, as such in some 1 share is owned by the Chief Operating officer of the Company or fiduciary agent (see Note 2.15 Non-Controlling interest).

Subsidiaries	Country of incorporation	Class of shares held	Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by the Parent	
			2019	2018	2019	2018
NV Securetrade	Curacao	Ordinary shares	-	-	100	100
iGamingcloud NV	Curacao	Ordinary shares	-	-	100	100
Innovation Labs Limited	Malta	Ordinary shares	100	100	100	100
MT Secure Trade Limited	Malta	Ordinary shares	100	100	100	100
iGamingcloud Limited	Malta	Ordinary shares	100	100	100	100
Betit Holdings Limited*	Malta	Ordinary shares	-	100	-	100
Zecure Gaming Limited**	Malta	Ordinary shares	100	100	100	100
Online Performance Marketing Ltd.	British Virgin Islands	Ordinary shares	100	100	100	100
iGaming Cloud SLU	Spain	Ordinary shares	-	-	100	100
iGaming Cloud (Gilbraltar) Ltd	Gilbraltar	Ordinary shares	-	-	100	100
GiG Norway AS	Norway	Ordinary shares	100	100	100	100
Mavrix Technologies Services Ltd.*	Gibraltar	Ordinary shares	-	100	-	100
Pronzo Entertainment B.V	Curacao	Ordinary shares	-	-	100	100
Mavrix Activities Limted	Gilbraltar	Ordinary shares	-	-	100	100
Mavrix 5 X 5 Limited	Gilbraltar	Ordinary shares	-	-	100	100
Mavrix Services Limited**	Gilbraltar	Ordinary shares	-	-	100	100
Mavrix Promotions Limited	Gilbraltar	Ordinary shares	-	-	100	100
Mavrix Holding Limited	Gilbraltar	Ordinary shares	-	-	100	100
Gaming Innovation Group Inc.	USA	Ordinary shares	100	100	100	100
GIG Central Services Limited	Malta	Ordinary shares	100	100	100	100
Rebel Penguin ApS	Denmark	Ordinary shares	-	-	100	100
iGamingCloud Inc.	USA	Ordinary shares	-	-	100	100
GiG Properties Inc.	Malta	Ordinary shares	-	-	100	100
Nordbet GmbH**	Germany	Ordinary shares	100	-	100	-
Kaboo Services Limited	Malta	Ordinary shares	100	-	100	-
Thrills Services Limited	Malta	Ordinary shares	100	-	100	-
Guts Services Limited	Malta	Ordinary shares	100	-	100	-
Highroller Services Limited	Malta	Ordinary shares	100	-	100	-
GiG Operations plc**	Malta	Ordinary shares	100	-	100	-

*The subsidiaries ahve been merged into other entities within the Company.
**The subsidiaries that will be transferred to Betsson

13. Investments accounted for using the equity method (recorded in Other non-current asets)

EUR 1000	Company and Parent 2019	2018
At 1 January	575	204
Acquisitions	100	461
Share of net loss of associates accounted for using the equity method	-	-90
Impairment of associates accounted for using the equity method	-675	-
At 31 December	**-**	**575**

During the year, the Company recognised an impairment of EUR 274,674 relating to an investment in its Hong Kong based games studio D-tech International. During 2018, the Company also acquired a further 8% in its associate company Infobot Limited for EUR 100,300. During the year, the Company recognised an impairment of EUR 400,300 relating to the investment in Infobot Limited.

14. Financial assets at fair value through other comprehensive Income

EUR 1000	Company and Parent 2019	2018
At 1 January	1,852	1,867
Losses recognised in other comprehensive income	-1,378	-
Exchange differences	95	-15
At 31 December	**568**	**1,852**

During 2015, the Company purchased shares in Easy Payment Gateway Limited. The Company has irrevocably elected at initial recognition to recognise it in this category.

Valuation of the financial asset at fair value though other comprehensive income

During 2017, the asset had been revalued to EUR 1,866,750 based on a recent transaction which took place during that year between the company in which the Company holds its investment and third parties. During the year, the Company's investment diluted to 3.57%. Based on this, management has revalued the investment's fair value based on their knowledge of the entity and its circumstances. The fair value movement amounting to EUR 1,378,680 has been recognised in other comprehensive income.

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

EUR 1000	Company 2019	2018
Call option to acquire intangible assets Non-current		
At 31 December	**206**	**206**

Valuation of call option to acquire intangible assets

During 2016, the Company acquired the right to buy the remaining 50% of the risks and rewards of 'development domains' at any time during March 2018 and March 2019. The purchase price payable by the Company upon exercise is calculated using a specified price mechanism, equating to the revenue generated by the development domains during a period of six months prior to the exercise date, on which a 2.5x multiple will be applied.

At initial recognition, the fair value of the acquired option was estimated to amount to EUR 205,714. The fair value of the option represents the difference between the consideration payable as determined by the above-mentioned price mechanism (established in the purchase contact), compared with the price payable if an industry multiple would have been applied to the mechanism determining the consideration payable by the Company. Based on past acquisitions of similar domains, management believes that a multiple of 4x revenue generated by domains is a fair representation of an industry multiple. A discount rate of 15% was used to calculate present value of the derivative, both at initial recognition, and at year end.

Management estimates that as at 31 December 2019 and 2018, using the same inputs above, the fair value of the derivative remains substantially unchanged and accordingly no fair value movements were recognised in profit and loss for the year.

Adjusting the valuation by increasing/decreasing the industry multiple would result in the fair value of the option increasing/decreasing respectively. Management envisages that a reasonable shift in the unobservable inputs used in the valuation would not have a significant impact on the amounts on consolidated profit or loss and total assets.

The Company has not exercised its option to acquire the remaining 50% of the risks and rewards of 'development domains' in March 2019 and the option is due to expire in June 2021.

16. Financial assets at fair value through profit or loss

	Company and Parent	
EUR 1000	2019	2018
At 1 January	145	-
Financial assets at fair value	81	145
Interest	11	-
Impairment	-237	-
At 31 December	**-**	**145**

During 2018, the Company issued a loan of EUR 145,254 to D-Tech. During 2019, the Company issued a further loan to D-Tech of EUR 80,500. The loan is subject to fixed interest at the rate of 8.00% and is repayable in June 2020 and carries the option to be converted into ordinary shares. As a result, this investment was classified at fair value through profit or loss. During the year, it was decided to fully impair the loan to D-Tech based on uncertainty in recoverability.

17. Trade and other receivables

		Company		Parent
EUR 1000	2019	2018	2019	2018
Trade receivables - gross	6,566	6,485	-	1
Less loss allowance	-549	-267	-	-
Net	6,017	6,218	-	-
Amounts due from payment providers	7,052	12,359	-	-
Amounts due from subsidiaries	-	-	-	14,475
Amounts due from company undertakings	768	792	-	-
Amounts due from related parties	361	500	21,574	13,428
Indirect taxation	3,232	3,438	20	-
Other receivables	3,791	3,921	4	-
Accrued income	-	35	-	43
Prepayments	1,645	1,927	10	4
Prepayments classified as assets held for sale (Note 7)	-341	-	-	-
Trade and other receivables classified as assets held for sale (Note 7)	-2,060	-	-	-
Balance sheet	20,464	29,190	21,608	27,951

In the Company, amounts due from Company undertakings and related parties are unsecured, interest free and repayable on demand.

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

18. Cash and cash equivalents

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

		Company		Parent
EUR 1000	2019	2018	2019	2018
Cash and cash equivalents	4,557	14,669	23	29
Restricted cash	-2,561	-8,523	-	-
Cash, net of restricted cash	**1,996**	**6,146**	**23**	**29**

Included in the Company’s cash in bank are amounts of EUR 2,560,639 (2018: EUR 8,522,974) that are held in a fiduciary capacity and represent customer monies, whose use is restricted in terms of the Remote Gaming Regulations,. 2004 and UK Gambling Act, 2005.

19. Prepaid and other current assets

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

20. Other non-current assets

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

21. Trade and other payables

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

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

		Company		Parent
EUR 1000	2019	2018	2019	2018
Trade payables	7,505	7,555	71	6
Jackpot balances	2,589	2,151	-	-
Players' accounts	5,919	6,372	-	-
Amounts due to subsidiaries	-	-	15	-
Amounts due to related parties	-	7	-	-
Other payables	3,977	6,895	115	115
Accruals and deferred income	5,974	7,994	19	41
Indirect taxation	5,355	3,231	-	-
Players accounts classified as held for sale	-4,341	-	-	-
Jackpot balances classified as held for sale	-1,606	-	-	-
Trade and other payables classified as held for sale	-2,572	-	-	-
	22,800	**34,204**	**220**	**162**

22. Short term and long term loans payable

In December 2015, the Company entered into a revolving loan facility in the amount of NOK 9,700,000 with a shareholder owning more than 10% of the Company with an interest rate of 10% per annum due on demand at monthly intervals. This facility was increased to NOK 19,200,000 in July 2016. In December 2017, the Company, utilized the revolving loan facility and borrowed NOK 10,000,000 and in December 2018, an additional NOK 9,000,000. The outstanding amount, NOK 19,000,000, was repaid in July 2019.

In December 2018, the Company entered into a loan agreement for NOK 6,000,000 with an interest rate of 10% per annum with maturity on 30 November 2019. The loan was repaid in July 2019.

Short-term loans outstanding balances at 31 December 2019 and 2018 were EUR 0 and EUR 616,770, respectively with accrued interest of EUR 0 and 4,562, respectively. Long term loans outstanding balances at 31 December 2019 and 2018 were EUR 0 and EUR 1,953,105, respectively with accrued interest of EUR 0 for both periods.

23. Deferred income taxation

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

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

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Deferred tax asset to be recovered in more than 12 months	60	60	-	-
Deferred tax liability to be recovered in more than 12 months	-1,270	-955	-448	-448
	-1,210	**-895**	**-448**	**-448**

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

	Company		Parent	
EUR 1000	2019	2018	2019	2018
As at 1 January	**-895**	**-213**	**-448**	**-448**
Deferred tax assets acquired upon merger	-	183	-	-
Deferred tax liability on temporary differences	-315	-865	-	-
As at 31 December	**-1,210**	**-895**	**-448**	**-448**

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

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Net operating loss carryforwards from US operations	12,041	11,916	-	-
Future tax credits on subsidiaries undistributed profits	60	60	-	-
Temporary differences arising due to differences between the tax base and carrying base of intangible assets	-	1	-	-
Differences between the tax base and carrying amounts of available for sale investments	-	-	-448	-448
Temporary differences arising on differences between the tax base and carrying base of intangible assets	-1,646	-1,315	-	-
Capital allowances and tax losses	352	348	-	-
Net valuation allowance on US net operating losses	-12,041	-11,916	-	-
Temporary differences arising on provision for impairment of receivable	24	11	-	-
TOTAL	**-1,210**	**-895**	**-448**	**-448**

As at 31 December 2019, the Company also had unrecognised unutilised tax credits amounting to EUR 37,113,101 (2018: EUR 21,184,592) arising from unabsorbed tax losses and capital allowances, and net deductible temporary differences arising from intangible assets and property, plant and equipment amounting to EUR 1,525,113 (2018: net taxable temporary differences of EUR 999,053). These give rise to a net deferred tax asset for the Company amounting to EUR 1,931,911 (2018: EUR 1,009,277), which is not recognised in these financial statements.

As at 31 December 2019 the Company had approximately Euro 43,002,000 of net operating loss carry-forwards from its previous operations in the U.S. as well as 2019 adjusted for exchange fluctuations.

The availability to offset income taxes in future years in the United States of America was restricted because the Company underwent an ownership change. For the period ended 31 December 2019, the Company incurred taxable losses for U.S. domestic income tax purposes and, as such, had no related U.S. federal or state income tax expense.

In assessing the realisability of the deferred tax assets related to net operating losses from its US operations, management considered whether it is probable that some portion or all of the deferred tax assets will not be realised. The realisation of deferred tax assets depends on the Company's ability to generate taxable income in the future. The Company has determined that it is uncertain to what extent it will realise the benefit of its deferred tax assets and as such has recorded an allowance against 100% of its deferred balance.

24. Equity

Oslo Bors Registration

The Company's shares are traded on the Oslo Stock Exchange ("Oslo Bors") with the "GiG" ticker symbol and on Nasdaq Stockholm ("Nasdaq") from 26 March 2019 with the "GIGSEK" ticker symbol.

Authorized Shares

A special meeting of the shareholders was held on 11 December 2018. Shareholders approved a 10-for-1 reverse split of the Company's common stock. The Shareholders also approved an increase in the authorized shares from 95,000,000 (after the reverse split) to 100,000,000, each with a par value of USD 1.00.

On 27 December 2018 the Company completed the 10-for-1 reverse split. The number of outstanding shares on 27 December 2018 was 89,565,626 each with a par value of USD 1.00 with the authorized shares at 100,000,000.

On 31 December 2018 the Company issued 440,000 shares of common stock in connection to the options exercised during 2018. During 2018, employees in the Company exercised options to buy 440,000 shares which were transferred during the year to the employees by way of borrowing shares from a shareholder. The new shares issued on 31 December 2018 were transferred back to the lender. 90,005,626 shares (par value USD 1.00) were outstanding as of 31 December 2019, where of the Company owned no treasury shares.

Share Based Payment Option Plans

The Company has various share based payment plans. The Company's 2006 option plan provides for the total number of options available for grants to be limited to 10% of the outstanding shares at the time of any grant and limits the amount of options that may be granted to non-employee directors to no more than 20%. Options granted under the 2006 Plan may be incentive or non-qualified stock options, as determined by management at the time of the grant. Incentive stock options are generally granted at a price not less than the fair market value of the stock on the date of the grant. Non-qualified stock options may be granted at a price to be determined by management, which may be equal to, greater than, or less than the fair market value at the date of the grant.

Option vesting terms are established by the Board at the time of the grant. The expiration dates of all options granted are determined at the time of the grant and may not exceed ten years from date of the grant. The fair value of stock options granted to employees and directors is determined using the Black-Scholes option-pricing model.

In June 2015, a total of 240,000 options were granted to key employees at an exercise price of NOK 12.50 per share. The options are exercisable in three equal tranches between: (a) 27 May to 27 June 2016, (b) 27 May to 27 June 2017 and (c) 27 May to 27 June 2018. Any shares received upon exercise of the options shall be subject to a lock-up until 27 May 2018.

In August 2015, a total of 45,000 options were granted to key employees at an exercise price of NOK 15.00 per share. The options are exercisable in three equal tranches in June 2016, June 2017 and June 2018. Any shares received upon exercise of the options shall be subject to a lock-up until June 30, 2018.
.

In October 2015, a total of 220,000 options were granted to key employees at an exercise price of NOK 15.00 per share. Of the options granted, 70,000 are exercisable in three equal tranches in October 2016, October 2017 and October 2018. The remaining 150,000 options were exercisable in April 2018, pending fulfilment of certain operational targets. All options are conditional upon employment at the time of exercise.

In February 2016, 150,000 options were granted to a key employee at an exercise price of NOK 24.00 per share. The options are exercisable in three equal tranches in February 2018, February 2019 and February 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

In May 2016, a total of 222,000 options were granted to key employees at an exercise price of NOK 40.00 per share. Of the options granted, 72,000 are exercisable in three equal tranches in May 2018, May 2019 and May 2020. The remaining 150,000 options are exercisable in three equal tranches in September 2018, September 2019 and September 2020. All options are conditional upon employment at the time of exercise.

Also in May 2016, 100,000 options were granted to a key employee at an exercise price of NOK 37.70 per share. The options are exercisable with 50% until 20 May 2017 and 50% from 20 May 2017 to May 2018.

In February 2017, 1,027,500 options were granted to key employees at an exercise price of NOK 40.00 per share. The options are exercisable in three tranches: 20% in January 2018, 30% in January 2019 and 50% in January 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

In July 2017, 235,000 options were granted to key employees at an exercise price of NOK 60.00 per share (192,500 expired during 2017). The options are exercisable in three tranches: 20% in July 2018, 30% in July 2019 and 50% in July 2020. Any shares received upon exercise of the options shall be subject to a one year lock-up from exercise.

In January 2018, 180,000 options were granted to key employees at an exercise price of NOK 60.00 per share. The options are exercisable in three tranches: 20% in February 2019, 30% in February 2020 and 50% in February 2021.

In March 2018, 210,000 options were granted to key employees at an exercise price of NOK 75.00 per share. The options are exercisable in three tranches: 20% in April 2020, 30% in April 2020 and 50% in April 2021.

In April 2019, 500,000 options were granted to key employees at an exercise price of NOK 30.00 per share. The options are exercisable in three tranches: 20% in April 2019, 30% in April 2021 and 50% in April 2022. At 31 December 2018 there were 1,011,111 options outstanding. The following tables summarise information about stock options and warrants outstanding at 31 December 2019 and 2018, respectively:

Exercise Prices NOK	Outstanding and Exercisable at 31 Dec 2019	Weighted Average Contractual Life in Years	Weighted Average Exercise Price NOK
15.00	10,000	3.10	15.00
24.00	50,000	3.17	24.00
40.00	36,000	3.42	40.00
40.00	175,000	3.00	40.00
60.00	105,000	3.50	60.00
60.00	120,000	4.09	60.00
75.00	45,000	3.17	75.00
30.00	470,000	5.25	30.00
TOTAL	**1,011,000**	**4,26**	**40.32**

Exercise Prices NOK	Outstanding and Exercisable at 31 Dec 2018	Weighted Average Contractual Life in Years	Weighted Average Exercise Price NOK
12.50	10,000	2.49	12.50
13.00	10,000	0.16	13.00
15.00	20,000	4.10	15.00
24.00	100,000	4.17	24.00
37.70	100,000	2.39	37.70
40.00	36,000	4.42	40.00
40.00	150,000	4.75	40.00
40.00	390,000	4.00	40.00
60.00	220,000	4.50	60.00
60.00	180,000	5.09	60.00
75.00	75,000	5.09	75.00
TOTAL	**1,291,000**	**4.25**	**46.00**

The weighted average fair value of options granted during the period determined using the BlackScholes valuation model was EUR 1.50 per option. The significant inputs into the model were weighted average share price of EUR 4.60 at the grant date, exercise price shown above, volatility of 67%, dividend yield of 0%, an expected option life of 4.25 years and an annual risk-free interest rate of 0.57%. 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.

Top 20 shareholders at 31 December 2019

Name	Shares	Percentage
Swedbank Robur Ny Teknik	8,300,000	9.2%
Andre Lavold	7,603,559	8.4%
Henrik Persson Ekdahl	4,696,125	5.2%
Myrlid AS	4,383,526	4.9%
Skandinaviska Enskilda Banken S.A. nom.	4,376,260	4.9%
Hans Mikael Hansen	4,360,445	4.8%
Morten Hillestad Holding AS	3,880,999	4.3%
Frode Fagerli	3,638,266	4.0%
Saxo Bank A/S nom.	2,783,809	3.1%
Stenshagen Invest AS	2,478,585	2.8%
Kvasshøgdi AS	2,009,437	2.2%
CMM Invest I AS	2,004,504	2.2%
Ben Clemes	1,882,146	2.1%
Anders Berntsen	1,650,571	1.8%
Digeelva Invest I AS	1,602,213	1.8%
G.F. Invest AS	1,400,000	1.6%
Mikael Riese Harstad	1,342,136	1.5%
Nordnet Bank AB nom.	1,155,556	1.3%
Carnegie Investment Bank AB nom.	1,000,546	1.1%
Symmetry Invest A/S	1,000,000	1.1%
Total shares owned by the 20 largest	**61,548,683**	**68.4%**
Other	28,456,943	31.6%
Total Shares Issued	**90,005,626**	**100.0%**

The 31 December 2018 balances reported for share premium/reserves and deficit have been restated in 2019 to correct for a reclassification of EUR 89 million recorded in error on the 2018 financial statements. As such the 31 December 2019 balances reported for share premiums/reserves were decreased by EUR 89 million and the deficit balance was decreased by the same to properly reflect the historical balances of the Company. Such adjustment did not have any effect on the results of operations of the Company.

25. Revenues

The Company's revenue comprises the following:

Company - EUR 1000	2019	2018
Affiliate marketing services	29,994	29,308
Platform services	11,699	20,084
Other gaming revenue	2,361	2,167
	44,054	**51,559**

26. Cost of sales

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

Company - EUR 1000	2019	2018
Odds setting fees	432	540
Fraud costs	375	124
Platform and service provider fees	39	-
Software development services	60	-
	906	**664**

27. Other Operating Expenses

Other operating expenses include:

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Combined				
Platform and service provider fees	429	162	-	-
Gaming taxes	75	47	-	-
Consultancy fees	3,065	3,991	88	124
Office rent expense	12	2,653	-	-
Other operating expenses	6,792	1,691	-	14
	10,373	**8,544**	**88**	**137**

Other operating expenses for the Company include a one-off accrual with regards to a potential settlement to the UK Gambling Commission following an internal audit of EUR 2.6 million.

Fees charged by the Company's auditors for services rendered during the financial period ended 31 December 2019 and 2018 are shown below.

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Annual statutory audit	292	250	20	20
Tax advisory and compliance services	77	76	3	2
Other non-audit services	117	104	-	11
	486	**430**	**23**	**33**

28. Tax expense

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Current tax (income)/expense - current year	312	50	-	648
Deferred tax (credit)/expense (Note 21) - current year	315	865	-	-
	627	**815**	**-**	**648**

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

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Profit/(loss) before tax	-64,064	-21,936	-76,769	-3,306
Tax calculated at domestic tax rates to (losses)/profits in the respective countries applicable	-3,039	-1,745	-26,869	-1,757
Tax effect of:				
Income subject to tax	-	-940	-	-1,134
Disallowed expenses	-2,704	2,878	26,235	2,941
Movements in unrecognised deferred tax assets	922	586	634	-
Other differences	40	36	-	-2
Tax expense	**627**	**815**	**-**	**648**

29. Employee benefit expense

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Gross wages and salaries	26,823	24,297	-	-
Employee costs capitalized as part of software development	-5,082	-5,560	-	-
Net wages and salaries, including other benefits	21,741	18,737	-	-
Recharge of salaries	-	-	-	51
Taxes and costs	2,726	2,509	-	-
Share options (forfeited)/granted to employees	-417	885	-	-
Cash – settled options vested during the year	9	72	-	-
	24,059	**22,203**	**-**	**51**

	Company	
The Company employed, on average:	2019	2018
Managerial	7	7
Administrative	696	699
	703	**706**

30. Other income (expense) net

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Finance expense - net	-8,222	-4,210	-4,346	1,931
Other income (expense)	-5	-113	-	2,497
	-8,227	**-4,323**	**-4,346**	**4,248**

Included within Other income (expense) are exchange differences arising from transactions carried out in a foreign currency. As described in Note 2.2, it is the Company's accounting policy to present all foreign exchange differences within finance income or finance costs.

31. Litigation

In December 2018, the Company was notified of the ruling by Bergen City Court in the dispute against Euro TV AS. The court concluded that GiG shall transfer 340,000 shares to Euro TV AS on the basis of an alleged oral agreement between the parties. GiG disagreed with the court's ruling and appealed the judgement. In Q4 2018 the Company accrued an expense of EUR 200,000. Please see note 30 in GiG's 2018 annual report for further information about the dispute. In May 2019, the Company agreed to and, paid in full, a settlement with Euro TV of NOK, 1,750,000.

From time to time, the Company is involved in litigation brought by previous employees or other persons. The Company and its legal counsel believe that these claims are without merit.

32. Wages paid to the Company's Board of Directors and Management

Establishment of Salaries to Board of Directors and Management

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

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

In addition, the Company has granted stock options to part of its executive management and other key employees in recognition of services rendered (Note 24). Fees below were expenses of the periods covered by these statements.

The table below summarizes payments made to key management personnel in 2019 and 2018.

2019	Position	Board fees	Salary	Other	Option Expense	Total
Petter Nylander	Chairman	90.0	-	-	-	90.0
Helge Nielsen	Board member	39.0	-	-	-	39.0
Henrik Persson Ekdahl	Board member	29.7	-	-	-	29.7
Paul Fischbein	Board member	50.0	-	-	-	50.0
Robert Buren	Board member	45.0	-	-	-	45.0
Frode Fagerli	Board member	40.3	-	-	-	40.3
Richard Brown	CEO from Sept. (COO until Sept.)	-	216.8	75.6	29.4	321.8
Robin Reed	CEO until September	-	115.0	-	-	115.0
Tore Formo	Management	-	199.2	22.5	-	221.7
Tim Parker	Management	-	165.0	56.4	17.2	238.6
Justin Psaila	Management	-	150.2	73.9	23.4	247.5
Ben Clemes	Management	-	180.0	26.6	-	206.8
Cristina Niculae	Management	-	150.0	59.6	6.2	215.8
Chris Armes	Management from June	-	90.8	16.8	3.4	111.0
Mikael Angman	Management until June	-	62.6	24.7	-	87.3
		109.9	**1,329.6**	**356.1**	**409.6**	**2,059.3**

2018	Position	Board fees	Salary	Other	Option Expense	Total
Petter Nylander	Chairman from Dec	4.6	-	-	-	4.6
Helge Nielsen	Board member and chairman until Dec	41.6	-	-	-	41.6
Henrik Persson Ekdahl	Board member	9.9	-	-	-	9.9
Paul Fischbein	Board member from Dec	2.8	-	-	-	2.8
Robert Buren	Board member from Dec	2.5	-	-	-	2.5
Frode Fagerli	Board member from Dec	2.2	-	-	-	2.2
Morten Soltveit	Board member until Dec	19.7	-	-	-	19.7
Andre Lavold	Board member until Dec	19.7	-	-	-	19.7
Jon Skabo	Board member until April	6.9	-	-	-	6.9
Robin Reed	CEO	-	150.1	0,5	-	150.6
Tore Formo	Management	-	155.9	21,5	-	177.4
Mikael Angman	Management	-	146.7	42,5	89.5	278.7
Tim Parker	Management	-	100.0	5,8	26.7	132.5
Richard Brown	Management	-	130.1	130,1	221.4	481.6
Justin Psaila	Management	-	118.5	0,5	61.3	180.3
Ben Clemes	Management	-	138.8	-	-	138.8
Cristina Niculae	Management	-	89.1	-	10.7	99.8
		109.9	**1,029.2**	**200.9**	**409.6**	**1,749.7**

33. Related Party Transactions

Year-end balances arising from amounts due and loans from related parties, and other transactions are as follows:

	Company		Parent	
EUR 1000	2019	2018	2019	2018
Other receivables from related parties (Note 17):				
- subsidiaries	-	-	361	500

The following primary insiders participated in long term loans entered into in 2018 and 2017 totalling NOK 10,000,000 (EUR 1,015,935) and NOK 19,200,000 (EUR 2,015,104), respectively, directly or through close associates; Helge Nielsen, Kjetil Aasen and Morten Soltveit.

34. Events After Reporting Period

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which include the operator brands Rizk, Guts, Kaboo and Thrills. Betsson will, through this agreement, become a long-term partner of the Company, generating revenues to the Company's Platform Services. Betsson commits to initially keep the brands operational on GiG's platform for a minimum of 30 months. For the first 24 months, Betsson will pay a premium platform fee based on NGR generated.

On 16 April 2020, the Company completed the sale of its B2C Assets to Betsson. GiG received EUR 33 million as a consideration including a EUR 22.3 million cash payment for the acquisition, plus a prepaid platform fee of EUR 8.7 million in addition to EUR 2 million for the cash deposit securing GiG's Spanish casino license but excluding working capital adjustments. On 22 April 2020, GiG used part of these proceeds to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending maturity date of such bond from 6 March 2020 to 22 April 2020.

The sale of the B2C vertical is a result of GiG's strategic review, initiated in November 2019, leading to an evolved strategic direction to reduce complexity and improve efficiency. By divesting the B2C vertical, GiG will free up resources, enabling full dedication to driving and growing its B2B business, securing stable and sustainable earnings and profit margins. The Company sees a large and sustainable addressable market for its platform business as the regulation of the iGaming industry continues and is well positioned with the omni-channel platform offering to capitalise on the continued digital transformation of the worldwide gambling market.

GiG has, as part of the strategic review, made a decision to make its technical platform sportsbook agnostic, and partner with other sportsbook providers to offer the best solutions to its customers. Betsson's sportsbook solution is intended to be integrated on GiG's platform-offering. Both GiG and Betsson will gain strategic advantage in having the possibility to sell their respective B2B solutions in an environment without conflict of their own B2C brands.

The strategic review continues for its proprietary sportsbook where the Company is actively discussing joint ventures or other constellations with potential partners to release the true asset value of the sportsbook and to secure external long term funding.

The divestment of B2C assets strengthens the Company's balance sheet by reducing net interest bearing debt by SEK 300m through the repayment of the Company's SEK 300m 2017-2020 bond from the funds generated by the B2C sale.

The potential impact of COVID-19 is described below.

Impact of COVID-19 on the Group's operations and financial information

The occurrence of extraordinary events, such as natural disasters, and the outbreak of disease epidemics, has an adverse impact on the global economy, and may lead to a global recession. In early 2020, the existence of a new virus, now known as COVID-19, was confirmed, and since this time COVID-19 has spread across the world. COVID-19 has caused disruption to businesses and economic activity, which has also adversely impacted global stock markets.

The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company, or to provide a quantitative estimate of this impact. Management has, however, considered the potential impact, based on the known circumstances as at the date of reporting, and their assessment of potential future developments.

The Company closely monitored the progress of the Coronavirus (COVID-19) outbreak and introduced contingency measures to reduce the risk for its staff, and to ensure business continuity. The Company successfully deployed its Business Contingency Plan (BCP), and systems and operations continued to perform. The Company operates from various offices in several countries, and local measures have been adopted in line with recommendations made by the respective authorities.

The Company has a robust BCP to ensure continuity of operations and working from home is an integral part of day to day operations. Proactive steps were taken to advise employees to work from home prior to any announcements by governments. As part of the BCP, production environments require an extra level of approval to protect both the Company's business and its customers. COVID-19 did not result in disruption to the Company's operating model as a result of its agility.

Potential impact on Sports due to COVID-19

Since the pandemic has resulted in sporting events across the globe being cancelled or postponed for safety reasons, management anticipates that there will be a negative impact from COVID-19 for sports betting revenues. Since revenues related to sports betting only accounted for around 6.5% of total revenues in 2019, and similar proportions were projected for 2020, management expects the impact for the Company to be contained. Most of sports related revenues relate to paid Media, and initiatives are already in place to re-direct media spend from sports to casino. Management has already considered cost-mitigation measures and is able to benefit from relief offered by governments. Although the likely length of cessation of sports events is uncertain, management considers that activity may resume after the summer break. Events that are postponed may contribute positively when they are subsequently rescheduled.

Potential impact on Casino due to COVID-19

Casino operations, which account for a substantial portion of the Company's business, have not so far been affected by the turmoil. Certain regulators are considering introducing deposit limits for a temporary period of time. Although management is still reviewing any potential impact these restrictions might entail, the expectation is that these will not have a material impact. The Company's casino activity has been in line with forecast up to March 2020. The Company cannot exclude that there could be a negative effect in the future if a global recession continues to prevail.

Potential impact on Company outlook due to COVID-19

There is a risk that the prevailing unfavourable economic conditions due to the outbreak of COVID-19 could reduce online users' disposable incomes. Therefore, negative developments in the global economy dependent on external factors outside of the Compnay's control could adversely affect casino activity in the longer term. However, there could also be positive developments from a potential shift of gambling activity from offline brick and mortar casinos to online casinos.

Potential impact on asset value due to COVID-19

Management's assessment of the recoverable amount of intangible assets, including consideration of indicators of impairment relating to intangibles, was based on economic conditions, including equity market levels, that existed at 31 December 2019. Such assessment did not therefore contemplate the impact of COVID-19, which only emerged in 2020.

Since approximately 9% of the carrying value of the Company's assets from continued operations relate to Sports business, management does not expect the impact of future impairment to be significant as a result of COVID-19, when also considering the Company's amortisation policy for these assets. Management expects that EUR 5.3 million of the Company's right-of-use assets will no longer be utilised by the Company following the down-scaling of operations. Management remains cautiously optimistic about the opportunity to sub-lease such property on a commercial basis.

Potential impact on liquidity and going concern due to COVID-19

Given that the Company is not materially exposed to Sports and that Casino operations, which account for a substantial portion of the Company's business, have not so far been affected by the turmoil, the impact of COVID-19 on the Company's liquidity is not expected to be significant in the very short term. However, as indicated above, there is a risk that if a global recession prevails due to the outbreak of COVID-19 there could be a reduction in online users' disposable incomes. Also, certain regulators are considering introducing deposit limits for a temporary period of time. This could in turn have an adverse impact on both the Company's Casino and Sports operations, when these will eventually resume, which could in turn have an adverse impact on the Company's cash generation that could be material. These factors compounded by the Company's existing liquidity pressures may lead to uncertain scenarios, where liquidity shortfalls may occur.

In order to address these uncertainties, management plans to accelerate its cost mitigation measures and the implementation of other initiatives to alleviate pressures on liquidity and strengthen the Company's financial position sufficiently to enable the Company to face adversities brought about by COVID-19. Furthermore, the Company plans to tap into COVID-19 related assistance, which governments in the territories in which the Company operates have introduced. Accordingly, management continues to believe that these financial statements should be drawn up on a going concern basis.

There have been no other material subsequent events after 31 December 2019 other than noted above.

35. Significant Risks and Uncertainties

GiG operates on the basis of its international licence in Malta, and other territory specific licences.

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, would be closed due to legal restrictions being imposed. In some other cases, previously unregulated jurisdictions pass legislation regulating the market creating new opportunities to offer products and services to those markets with legal certainty.

Following the divestment of its B2C segment, GIG expects to be less directly exposed to legal and compliance risks associated with gaming operations. As part of its de-risking strategy, the Company has also reviewed its white label model, and will no longer offer white label licensing by the end of 2020. The Company will offer existing customers platform and back-office solutions as an alternative. The aim is for B2C gaming licenses to be relinquished, thereby materially reducing compliance risks, in particular AML risks inherent in transacting player funds.

The Company will continue to primarily operate in the online gambling industry. The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty, and in certain countries online gambling is prohibited and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators that are also the Company's customers, the Company's revenue streams from such customers may be adversely affected.

This risk will be mitigated through a fixed pricing model to be adopted for platform services.

It is the Company's view that the responsibility for compliance with laws and regulations rests with the customers for Media segment. 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 Company mitigates this risk through monitoring of legal developments, contractual arrangements, and by seeking external advice to assist with the assessment of risk exposures as appropriate.

This evolving environment makes compliance an increasingly complex area with the risk of non-compliance with territory specific regulations, including responsible gaming and anti-money laundering obligations. These uncertainties represent a risk for the Company's ability to develop and grow the business, as changes in legislation or enforcement practices could force the Company to exit markets, or even result in financial sanctions, litigation, license withdrawal or unexpected tax exposures, which have not duly been provided for in the financial statements. These risks will continue to apply to past exposures on B2C and white labelling lines of business, for as long as related warranties may continue to apply, and until white label licenses are terminated.

In addition to the above, the Company faces the risk that customers are not able to pay for the services rendered when these fall due. Specifically, for Media services, the Company faces operational risks arising from Google's changes of its algorithm that could temporarily impact rankings, and hence also impact revenues. Risk exposures associated with the impact of COVID-19 are included within 'Events after the reporting date' above.

36. Statutory information

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

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