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GAN INTEGRITY SOLUTIONS APS
KRONPRINSESSEGADE 54 2., 1306 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 15 July 2024**

Nicolas William Manolis

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 28 27 97 79

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COMPANY DETAILS**Company**

GAN INTEGRITY SOLUTIONS ApS
Kronprinsessegade 54 2.
1306 Copenhagen K

CVR No.: 28 27 97 79
Established: 1 October 2004
Municipality: Copenhagen
Financial Year: 1 January - 31 December

Executive Board

Nicholas William Manolis
Neil Hodgson
Monica Elizabeth Bruni

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of GAN INTEGRITY SOLUTIONS ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 15 July 2024

Executive Board

Nicholas William Manolis
Managing Director

Neil Hodgson
Director

Monica Elizabeth Bruni
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of GAN INTEGRITY SOLUTIONS ApS

Disclaimer of Opinion

We were engaged to audit the financial statements of GAN Integrity Solutions ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, and notes to the financial statements, including a summary of accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

We do not express an opinion on the financial statements of the Company. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements.

Basis for Disclaimer of Opinion

The Company's accounting records are incomplete and contains numerous errors in relation to several financial statement accounts. Management has not complied with the requirements for recognition and measurement within the selected accounting policies in accordance with Danish Financial Statements Act for several accounts, as accounting records were initially prepared in accordance with an inapplicable financial reporting framework. As of the date of our report, Management was still in the process of rectifying the accounting records and correcting the errors. We were unable to confirm or verify by alternative means the financial statements accounts.

As a result, we were unable to determine whether any adjustments were necessary in respect to the financial statement 2023 and comparatives.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark and to issue an auditor's report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary

As described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. We do not express an opinion on the Management Commentary.

Report on other legal and regulatory requirements

Non-compliance with the Danish Bookkeeping Act

The Company has not complied with the requirements of the Danish Bookkeeping Act in respect of the bookkeeping being organized and effected in accordance with generally accepted accounting practice with due consideration for the Company's complexity, the number of transactions and the financial scope of the transactions. Management may incur liability on basis of the non-compliance with the Danish Bookkeeping Act.

Violation the Danish VAT legislation

The Company has submitted incorrect VAT returns in violation of the Danish VAT legislation. Management may incur liability on basis of the violation with the Danish VAT legislation.

Copenhagen, 15 July 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Iben Larsen
State Authorised Public Accountant
MNE no. mne34474

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise is to offer a Software as a Service (SaaS) platform that manage enterprise compliance and risk programs.

Assumptions for continued operations

The company is operating at a loss and has lost its equity. The ultimate parent company, GAN Integrity Holdings Inc., has issued a letter of support to the Company, in which the ultimate parent company commits to guaranteeing the company's obligations and thereby ensuring the subsidiary's continued operations until December 31, 2024. Based on this letter of support and management's assessment of the company's future earning potential, management believes that the company can continue its operations, and therefore the annual report has been prepared on a going concern basis. Please refer to note 10 "Going concern assumptions."

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		32.031.332	14.069.534
Staff costs.....	1	-35.174.368	-44.129.058
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-6.750.531	-4.127.953
OPERATING LOSS		-9.893.567	-34.187.477
Other financial income.....	2	42.743	32.220
Other financial expenses.....	3	-2.924	-33.744
LOSS BEFORE TAX		-9.853.748	-34.189.001
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR		-9.853.748	-34.189.001
 PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-9.853.748	-34.189.001
TOTAL		-9.853.748	-34.189.001

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed, including patents and similar rights originating from development projects.....		17.229.614	10.946.668
Intangible assets.....	4	17.229.614	10.946.668
Land and buildings.....		2.265.319	4.263.078
Other plant, fixtures and equipment.....		1.375.161	988.605
Property, plant and equipment.....	5	3.640.480	5.251.683
Rent deposit and other receivables.....		955.271	955.271
Financial non-current assets.....	6	955.271	955.271
NON-CURRENT ASSETS.....		21.825.365	17.153.622
Trade receivables.....		11.260.048	10.502.917
Receivables from group enterprises.....		15.058.899	11.562.985
Other receivables.....		2.343.191	607.933
Prepayments.....		17.721.555	17.895.718
Receivables.....		46.383.693	40.569.553
Cash and cash equivalents.....		856.396	719.932
CURRENT ASSETS.....		47.240.089	41.289.485
ASSETS.....		69.065.454	58.443.107

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		805.287	805.287
Reserve for development costs.....		13.439.099	8.538.401
Retained earnings.....		-202.396.644	-187.642.198
EQUITY.....		-188.152.258	-178.298.510
Lease liabilities.....		263.134	2.327.694
Prepayments received from customers.....		2.603.111	1.312.158
Payables to group enterprises.....		221.472.395	201.902.636
Non-current liabilities.....	7	224.338.640	205.542.488
Lease liabilities.....		2.064.560	2.013.369
Prepayments from customers.....		16.493.071	15.542.581
Trade payables.....		3.091.933	3.909.745
Other liabilities.....		11.229.508	9.733.434
Current liabilities.....		32.879.072	31.199.129
LIABILITIES.....		257.217.712	236.741.617
EQUITY AND LIABILITIES.....		69.065.454	58.443.107
Contingencies etc.	8		
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EQUITY

DKK	Share Capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023.....	805.287	8.538.401	187.642.198	178.298.510
Proposed profit allocation.....			-9.853.748	-9.853.748
Other legal bindings				
Capitalized development costs.....		9.069.218	-9.069.218	0
Transfers				
Depreciations.....		-4.168.520	4.168.520	0
Equity at 31 December 2023.....	805.287	13.439.099	202.396.644	188.152.258

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	46	56	
Wages and salaries.....	33.897.932	42.049.937	
Social security costs.....	359.617	351.913	
Other staff costs.....	916.819	1.727.208	
	35.174.368	44.129.058	
 Other financial income			 2
Other interest income.....	42.743	32.220	
	42.743	32.220	
 Other financial expenses			 3
Other interest expenses.....	2.924	33.744	
	2.924	33.744	
 Intangible assets			 4
		Development projects completed, including patents and similar rights originating from development projects	
DKK			
Cost at 1 January 2023.....		19.222.195	
Additions.....		11.627.203	
Cost at 31 December 2023.....		30.849.398	
Amortisation at 1 January 2023.....		8.275.527	
Amortisation for the year.....		5.344.257	
Amortisation at 31 December 2023.....		13.619.784	
Carrying amount at 31 December 2023.....		17.229.614	

Capitalized development projects are amortised over 3 years.

NOTES

			Note
Property, plant and equipment			5
	Land and buildings	Other plant, fixtures and equipment	
DKK			
Cost at 1 January 2023.....	4.263.078	2.863.354	
Additions.....	0	1.073.788	
Cost at 31 December 2023.....	4.263.078	3.937.142	
Depreciation and impairment losses at 1 January 2023.....	0	1.874.749	
Depreciation for the year.....	1.997.759	687.232	
Depreciation and impairment losses at 31 December 2023....	1.997.759	2.561.981	
Carrying amount at 31 December 2023.....	2.265.319	1.375.161	
 Financial non-current assets			 6
		Rent deposit and other receivables	
DKK			
Cost at 1 January 2023.....		955.271	
Cost at 31 December 2023.....		955.271	
Carrying amount at 31 December 2023.....		955.271	
 Long-term liabilities			 7
	31/12 2023	Debt outstanding after 5 years	31/12 2022
DKK	total liabilities		total liabilities
Lease liabilities.....	263.134	0	2.327.694
Deferred income.....	2.603.111	0	1.312.158
Payables to group enterprises.....	221.472.395	221.472.395	201.902.636
	224.338.640	221.472.395	205.542.488
 Contingencies etc.			 8
Contingent liabilities			
The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.			

NOTES**Note****Charges and securities****9**

There are no charges and securities at the balance sheet date.

Going concern assumptions**10**

The company is operating at a loss and has lost its equity. The ultimate parent company, GAN Integrity Holdings Inc., has issued a letter of support to the Company, in which the ultimate parent company commits to guaranteeing the company's obligations and thereby ensuring the subsidiary's continued operations until December 31, 2024. Based on this letter of support and management's assessment of the company's future earning potential, management believes that the company can continue its operations, and therefore the annual report has been prepared on a going concern basis.

Consolidated Financial Statements**11**

The company is included in the consolidated financial statements of the parent company, GAN Integrity Holdings Inc.
228 Park Avenue S, PMB 44939
New York, NY 10003
USA

ACCOUNTING POLICIES

The Annual Report of GAN INTEGRITY SOLUTIONS ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 3 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	3 years	0 %
Other plant, fixtures and equipment.....	3-4 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Prepayments

Prepayments include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.