



# **WICKET GAMING AB**

## **ANNUAL REPORT 2022**

**Corp. ID no. 559015-1360**

# CONTENTS

WICKET GAMING IN BRIEF .....	2
SUMMARY OF THE PAST YEAR .....	3
CEO STATEMENT 2022 .....	4
PRODUCT INFORMATION .....	6
DIRECTORS' REPORT .....	9
BUSINESS OPERATIONS .....	9
THE GAMING MARKET IN BRIEF .....	10
FINANCIAL DEVELOPMENT .....	10
FUTURE RISKS AND UNCERTAINTIES .....	11
SIGNIFICANT EVENTS .....	13
THE SHARE .....	15
MULTI-YEAR OVERVIEW, GROUP .....	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	18
CONSOLIDATED INCOME STATEMENT .....	21
PARENT COMPANY INCOME STATEMENT .....	24
NOTES .....	27

# WICKET GAMING IN BRIEF

## DESCRIPTION OF THE BUSINESS

Wicket Gaming is the parent company in a group focused on gaming and educational technology. The core of the Company's business is the creation of proprietary products and services. In the gaming segment, the aim is to be a market leader in relation to sports management games for mobile devices, starting with the Company's core product Cricket Manager Pro, a manager simulation game in F2P format. Revenues generated from this game are realised through purchases and microtransactions in the application as well as through advertising revenues.

The Company collaborates with some of the best-known cricket players in the world. The Company's development of this game involves the creation of a sports management simulation platform for several areas of application. In this way, the Company can easily adapt the platform to other sports in order to scale up the reach and increase revenue generation. The other vertical, Education, uses the underlying technology behind the games to develop professional educational and learning tools. These Serious Games and Game-based Learning solutions are widely used in K-12 education, by universities and museums, and within the business community.

## ORGANISATIONAL STRUCTURE

Wicket Gaming is a group with a wholly owned subsidiary, Wicket Media, which is a holding company for six companies: Wegesrand GmbH & Co. KG, Wegesrand Verwaltungsgesellschaft GmbH, Unger & Fiedler Transmedia Studio GmbH, Linked Dimensions GmbH, IndieAdvisor & Company GmbH & Co. KG and IndieAdvisor Holding GmbH. Wicket Media's subsidiaries are hereinafter collectively referred to as the "Wegesrand Group" and constitute a merged group consisting of the six subsidiary companies.

The Wegesrand Group is active in game development and educational technology. At present, Wicket Gaming, including its subsidiaries, has around 20 full-time employees and several fully developed titles for launch in the coming years. Linked Dimensions is a game development company with a team that has experience of working with titles such as FIFA and Football Manager. Unger & Fiedler is a design studio in game development with media focus. Wegesrand is an educational technology company with many years' experience of development of Serious Games, Game-based Learning and Gamification. IndieAdvisor & Company is a network hub in the gaming industry that promotes business development in new markets.

## GAMES

### Wicket Gaming AB

Wicket Gaming is a Swedish listed gaming and educational technology company that includes several smaller companies in Germany via the subsidiary Wicket Media GmbH. Wicket Gaming provides products and services in the Games and Education verticals.

### Linked Dimension GmbH

Linked Dimension develops games for all platforms, with primary focus on the free-to-play model in the sports manager game segment and the development of PC games.

### Unger & Fiedler Transmedia Studio GmbH

Unger & Fiedler Transmedia Studio GmbH is a graphic design studio with interactive content for games and the education sector. The core focus is on UX/UI design and two- and three-dimensional graphics. The studio also provides consulting services in graphic design in relation to games and educational technology.

### IndieAdvisor & Company GmbH & Co. KG and IndieAdvisor Holding GmbH

IndieAdvisor is based in Berlin in Germany. The company provides expertise in relation to business development in the gaming industry and public funding for external and internal gaming projects. IndieAdvisor arranges various events and exhibitions in the gaming industry.

## EDUCATION

### Wegesrand GmbH & Co. KG and Wegesrand Verwaltungsgesellschaft GmbH

Wegesrand is a German-based provider of digital game-based learning solutions. The company is focused on creating effective learning tools in the area of Serious

Games, Game-based Learning and Gamification. In this way, the company utilises its extensive knowledge and experience from the top echelons of the gaming industry to create learning tools for e.g. K-12 education, museums, information campaigns and company training.

# SUMMARY OF THE PAST YEAR

## THE YEAR IN BRIEF

### GROUP

- Earnings before interest, taxes, depreciation and amortisation (EBITDA): SEK -11,381 thousand.
- Net loss after financial items: SEK -15,551 thousand.
- Earnings per share: SEK -2.00 before dilution and SEK -1.83 after dilution.
- Investments during the period amounted to SEK -32,988 thousand.
- Cash flow for the period amounted to SEK -2,089 thousand.

### PARENT COMPANY

- Earnings before interest, taxes, depreciation and amortisation (EBITDA): SEK -11,279 thousand (-8,166).
- Net loss after financial items: SEK -12,665 thousand (-8,221).
- Earnings per share: SEK -1.63 (-1.45) before dilution and SEK -1.49 (-1.42) after dilution.
- Investments during the period amounted to SEK -32,547 thousand (-8,134).
- Cash flow for the period amounted to SEK -6,073 thousand.

### SIGNIFICANT EVENTS DURING THE YEAR

#### Acquisition

Wicket Gaming acquired the German group Wegesrand, with whom Wicket Gaming had previously signed a letter of intent. The acquisition is part of the Company's adopted strategy and vision of developing the Company into a larger group consisting of four verticals: Games, Media, iGaming and Education.

The acquisition was completed in October 2022 and provides Wicket Gaming with a strong position in EdTech. The transaction was carried out for a total purchase price of approximately EUR 4 million, of which EUR 1.5 million in cash and EUR 2.5 million in newly issued shares in Wicket Gaming.

#### New share issues

In May, the Company carried out a directed share issue, primarily for the purpose of acquiring capital to complete the acquisition of the German gaming and media group Wegesrand. In addition, the new share issue aimed to secure the Company's financial conditions for continued expansion of the business.

In December, the Company published a prospectus for a forthcoming rights issue, which was approved by the Swedish Financial Supervisory Authority in February 2023. The rights issue was subscribed to a total of 70.7 percent, of which approximately 29.3 percent was subscribed through the exercise of unit rights and approximately 41.4 percent was subscribed without exercise of unit rights.





## CEO STATEMENT 2022

It is no understatement to say that 2022 was an intense year for Wicket Gaming. External developments in the form of war, inflation and rising interest rates have been part of Wicket Gaming's reality in recent times. Naturally, the war in Ukraine has had an impact on the Company, not least due to the fact that several of our developers have lived and worked in Ukraine. The acquisition of the German Wegesrand Group in October 2022 represents one of our most important milestones.

The acquisition of the free-to-play mobile game King Royale is, of course, yet another success for Wicket Gaming. Today, Wicket Gaming is a gaming and edtech group with 30 employees and is well positioned for further growth in 2023. Through our German subsidiaries, Wicket Gaming intends to take market shares in markets with strong growth, such as virtual education products and mobile games.

*"2022 – an intense year that saw the achievement of several important milestones"*

One of the most important milestones has been to enable the production of Cricket Manager to "move home". We now manage the entire development of the game in-house via our German subsidiaries. The process of moving over the production has been resource- and time-consuming but was extremely necessary. Unrest in the outside world was the single most important reason for making this strategic decision. The completion of the acquisition of the German gaming and edtech group Wegesrand is by far the most important milestone. Wicket Gaming is no longer simply a company built on hope and ambition; it is now a company with a solid foundation in the form of both capacity and sales. The financial accounts have been consolidated, and a common organisation and governance has been established.

Finally, the acquisition of King Royale must also be highlighted as a milestone. The game is a casual strategy game set against a medieval backdrop. Since the test launch of King Royale, the game has been downloaded 450,000 times and has received a high rating at both Apple App Store and Google Play. With a rating of 4.5, the game has achieved the status "Featured" at Apple App Store. At the time of writing, we have commenced marketing activities and have launched King Royale. The marketing is taking place through influencers with the help of Wehype and "paid marketing" through Facebook and Google ads.

Cricket Manager underwent a number of major technical improvements in 2022, and the game is now in the monetization phase. This means that we are implementing technical improvements with the aim of increasing the willingness of users to make payments in the game and strengthening the game's retention data. The game has also received a social function, whereby users will be able to group themselves into teams and play against other teams via different events. We are seeing steady improvements in the game's KPIs (Key Performance Indicators).

## *“2023 – global launches and increased revenue streams”*

Cricket Manager is now out there in the global arena. Through AB de Villiers’ social platforms, we have commenced marketing initiatives and are measuring the development of the game’s KPIs on an ongoing basis. We are seeing a steady positive trend, and game optimisations are being implemented on an ongoing basis to meet the technical requirements that exist, in particular in India. A marketing budget has been set for Cricket Manager, and our ambition is to significantly increase the level of marketing

at the moment we achieve the right monetization data. We want to ensure that we gain maximum effect from every penny we invest in marketing. Through our global cricket stars (AB de Villiers, Hardik Pandya and Jasprit Bumrah), we believe we have the ability to quickly establish a large user base.

King Royale is a game that is performing extremely well, and from the game’s KPIs it is apparent that this is a game with a large financial capacity. A “Day 1 retention” of 36% places the game in the very best performing category, and the game’s financial capacity is evidenced by an ARPDau (Average Revenue Per Daily Active User) of USD 0.10 and an ROI of 33%. We will monetize the game during 2023, for which we have a marketing budget of SEK 5 million.

We are growing steadily in the edtech segment, with the receipt of new assignments on an ongoing basis, and we expect to see increased revenues in 2023. We recently received a prestigious edtech assignment worth around SEK 3.8 million, and further assignments are expected. We intend to strengthen our position in the Serious Games and Playful Learning segments in 2023. According to Grand View Research, the edtech market is currently worth around 127 billion dollars and is expected to grow to around 430 billion dollars by 2030.

The acquisition of the Wegesrand Group was our first acquisition, and it is our intention to make further acquisitions. We are involved in an ongoing process of mapping and initiating contacts with regard to potential acquisition targets. A number of potential candidates have been identified, and it is our intention to reach at least one acquisition agreement in 2023. We rank the candidates in terms of attractiveness, whereby we place the highest value on criteria such as revenue and positive cash flow, although the potential acquisition target must, of course, also be a good fit for our portfolio.

In the autumn of 2022 we initiated a rights issue that was carried out during Q1 2023. The purpose of the rights issue was to secure the financial conditions necessary for our continued expansion and marketing. However, in our assessment, the proceeds from the rights issue will not need to be used to pay for further development, as the major development costs have already been absorbed in relation to both Cricket Manager and King Royale.

*Eric De Basso, CEO  
Wicket Gaming AB*

# PRODUCT INFORMATION

## CRICKET MANAGER

Wicket Gaming's first proprietary game, Cricket Manager, is a cricket-based sports manager game for mobile devices and has been designed for all cricket fans who love the sport. The game is based on creating and owning your own cricket club and competing against other managers across the globe. One season in the game equates to four weeks in real time, and the player faces daily challenges with the aim of winning international, national and local titles. Each daily match affects the player's ranking in either a positive or negative direction, depending on the outcome. The player can also participate in an unlimited number of matches, climb leaderboards and win attractive prizes.

*"Cricket is the second largest sport in the world, after football, with more than 2.5 billion fans globally, and is extremely popular in fast-growing countries such as India, Pakistan and Bangladesh, where the number of mobile and internet users is increasing at a rapid rate."*



Another exciting feature of Cricket Manager is building your club's stadium with associated facilities, such as the training area, medical facilities and parking. This area is visualised in 3D, and players are encouraged to upgrade their buildings and facilities, just like their actual cricket team, in order to gain advantages over their opponents.

When both the cricket team and the stadium area have been developed, the player is also offered the opportunity to collaborate with other players and form

alliances that can compete in special alliance leagues. These are arranged on a weekly basis, and the winners receive significant rewards.

Alliances provide Cricket Manager with a social element, which is why the Company has also integrated social media into the game. This contributes to increased playing time and player retention.

# CRICKET MANAGER PRO





## KING ROYALE

In 2022, Wicket Gaming acquired the free-to-play (F2P) game King Royale from the German game studio Motap. The acquisition is part of the Company's ambition to establish itself in more game genres and thus broaden its game portfolio. Through the acquisition, Wicket Gaming became the owner of the digital rights and technology behind Idle King.

King Royale is a casual arcade/simulation game that has been downloaded more than 450,000 times since its test launch. The game has a Google Play rating of 4.3 and an equivalent rating at Apple App Store of 4.7. The game has demonstrated a good margin (33%) with regard to revenues related to user acquisition (UA). At the same time, the game's ARPDAU (Average Revenue Per Daily Active User) has amounted to USD 0.10, which is very good in the arcade/simulation genre, where the top-ranked games have an average equating to USD 0.04 during the test launch phase.

*"King Royale has been downloaded more than 450,000 times since its test launch. The game has a Google Play rating of 4.3 and an equivalent rating at Apple App Store of 4.7."*



After minor optimisations, King Royale was released globally during Q1 2023. The developers behind the game are the German game studio Motap, who also own the game studio Ahoii.

The game is a casual strategy game in which the player (as a medieval king) must rescue a princess who has

been captured by the enemy. As the king, the player has the possibility of hiring workers with the task of generating gold coins, which in turn can be used to activate and upgrade troops to fight against the enemy outside the walls of the castle.

# DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Wicket Gaming AB (publ), 559015-1360, with registered office in Uppsala, hereby present the annual report and consolidated financial statements for the financial year 01/01/2022 – 31/12/2022.

All amounts are presented in Swedish kronor (SEK).

## BUSINESS OPERATIONS

Wicket Gaming is an acquisition-driven gaming and educational technology company consisting of two verticals: game development (Games) and educational technology (EdTech). The vision is to create a corporate group that offers proprietary products and services, in particular in the mobile games segment, while also using the games' simulation platforms to create services and products in the rapidly growing EdTech segment.

The Company's core product is currently a cricket manager mobile game with the title Cricket Manager Pro, which is free to download (free-to-play, or "F2P"). In the game, users take on the role of manager of their own cricket team, whereby they train and replace the team's players, develop the team's stadium and facilities, and otherwise develop the team in different ways. The game is focused on cricket, but in the long term it is Wicket Gaming's intention to expand the Company's game portfolio for mobile manager games to also include other sports categories. To date, CMP has been launched in a number of markets that Wicket Gaming has assessed as strategically important with regard to cricket manager games. Examples of such markets include India, Australia and the United Kingdom. At present, the game is being rolled out globally on the world's largest operating systems for mobile devices – Android and iOS.

Within EdTech, Wicket Gaming is focusing on the development of products in genres such as Game-based Learning and Serious Games. It is in these areas that the Company has identified the greatest synergies between the Company's two verticals. Through the simulation platforms that are developed within the Company's game development activities, an effective transfer of technology can take place with the aim of creating products that use, among other things, virtual reality and augmented reality (VR and AR) to create educational content for e.g. schools, universities, museums and companies.

## BUSINESS MODEL

### Earnings and revenue model

Wicket Gaming has a diversified revenue model based on various revenue sources, all of which have potential. By spreading revenues across several verticals, the Company can create conditions for stability in cash flows while also maximising earning potential in the future. These revenue sources primarily consist of in-app

purchases and in-game marketing. Of all revenue originating from F2P games, mobile games with in-app purchases account for around 75 percent of the total market revenue. In Wicket Gaming's case, during the years covered by the historical financial information, around 80 percent of revenues have been generated from in-app purchases, while the remaining revenues (around 20 percent) have been generated from advertising in the application. The majority of in-app purchases have been made by users located in Australia, New Zealand and the United Kingdom, while the majority of advertising revenues have been generated from the Indian market.

The pricing of e.g. microtransactions (in-app purchases) is not completely static but rather a function of geographical factors. On both Android and iOS, the acquisition cost per user differs from country to country and can vary from USD 0.46 to USD 1.41. Countries characterised by economic prosperity entail a higher acquisition cost per user compared with less developed countries that are characterised by low purchasing power. This justifies the use of a flexible pricing model.

### Microtransactions

Free-to-play games often rely on microtransactions, or in-app purchases, after they have been downloaded, rather than the player making a one-off payment at the time of download. The microtransactions give the user access to certain benefits in the game, such as obtaining game currency or saving time.

This part of the revenue model is an advantageous method for encouraging loyalty to the game among users, as they not only invest their time but also financial resources.

### In-game marketing

In-game marketing is an advantageous way of also being able to capitalise on users who do not carry out any microtransactions. The premise is based on companies that wish to reach the player audience purchasing marketing space in the games. Players who choose to access/watch the ads receive virtual benefits similar to those allocated in connection with a completed microtransaction, but on a smaller scale.

One concrete example of how this type of marketing is presented to players is that they can choose to watch a short commercial or advertising video, in return for which they receive game currency that can then be used to make virtual purchases.

The popularity of in-game advertising is growing rapidly among F2P games, as it is an advantageous method for deriving benefit from the types of players who are not willing to make any virtual purchases.

#### **Scalable platform**

The platform on which Wicket Gaming's first game, Cricket Manager, is based is intended to act as a technical foundation for the development of a number of other manager games in the sports genre. The Company has chosen to focus on cricket initially in order to be able to capitalise on the sport's enormous group of followers.

The platform is designed to be adaptable and scalable, which facilitates the future launch of a number of new titles while also minimising production times and costs.

#### **Consulting**

Via the subsidiary company Wicket Media, consulting- and project-based development is carried out in the area of Serious Games, Game-based Learning and Gamification. In this way, Wicket Gaming utilises its extensive knowledge and experience from the gaming industry to create learning tools for e.g. K-12 education, museums, information campaigns and company training.

## **THE GAMING MARKET IN BRIEF**

### **THE GAMING INDUSTRY**

The gaming industry is the fastest-growing part of the entertainment industry. This is due to the fact that young people are playing games more today than previously, and that interest in following and sharing digitally streamed videos has revived the passion of a large audience that had stopped playing.

The different geographical regions are expected to consistently show continued strong growth in the next few years, with an average annual global market growth rate (CAGR) of 9.4%.

### **MOBILE GAMES**

Within the gaming industry, mobile games clearly represent the fastest-growing segment, with a share of around 49 percent of the industry's total revenue. F2P mobile games represent one of the most popular segments in the mobile games market.

In India, a country with 1.4 billion inhabitants, 36% of the population own a mobile device. The market is displaying very good growth potential and is currently sufficiently large to penetrate. Mobile games account for 89 percent of the total games market in India and thus clearly represent the dominant segment. This gives Wicket Gaming the benefit of growing in a market with an enormous population and fast-growing smartphone penetration.

## **FINANCIAL DEVELOPMENT**

### **SALES AND EARNINGS**

#### **GROUP**

##### **Sales**

Net sales for the whole of 2022 amounted to SEK 6,888 thousand, with a net loss for the year of SEK -15,551 thousand. The sales are primarily attributable to the German operations that were acquired in October 2022 and thus relate to Q4.

##### **Expenses**

Earnings before interest and taxes (EBIT) amounted to SEK -14,040 thousand, with earnings before interest, taxes, depreciation and amortisation (EBITDA) of SEK -11,381 thousand. The loss is primarily attributable to development costs in the Swedish operations, which increased during the year, and amortisation of goodwill related to the acquisition of Wegesrand.

##### **Cash flow**

Cash flow for the year amounted to SEK -2,089 thousand, and investments amounted to SEK 32,988 thousand. The cash settlement part of the purchase price for the acquisition of Wegesrand, as well as development costs in relation to the Company's games, had the greatest impact on cash flow.

### **PARENT COMPANY**

##### **Sales**

Net sales for the whole of 2022 amounted to SEK 7 thousand (1), with a net loss for the year of SEK -12,665 thousand (-8,361). The low level of sales is due to the fact that the Company's operations continued to be subject to a product development phase during the year.

##### **Expenses**

Earnings before interest and taxes (EBIT) amounted to SEK -11,290 thousand (-8,171), with earnings before interest, taxes, depreciation and amortisation (EBITDA) of SEK -11,279 thousand (-8,166). The loss is largely due to personnel expenses, operating expenses and marketing expenses, mainly in relation to the Cricket Manager game.

##### **Cash flow**

Cash flow for the year amounted to SEK -6,073 thousand, and investments amounted to SEK -32,547 thousand. Cash flow was primarily affected by investments related to the acquisition of the German Wegesrand Group, while the remaining investments were mainly related to the development of the Company's games.

##### **Going concern principle**

In March 2023, the outcome of the rights issue of units, consisting of shares and warrants of series TO2, was announced. The rights issue was decided by the Board of

Directors on 2 December 2022 and was approved by the subsequent extraordinary general meeting on 4 January 2023. The rights issue was subscribed to a total of 70.7 percent, of which approximately 29.3 percent was subscribed through the exercise of unit rights and approximately 41.4 percent was subscribed without exercise of unit rights. The rights issue provided the Company with SEK 26.6 million in cash before issue expenses. During Q1 2023, the Company has repaid the loan of approximately SEK 11.5 million, and associated issue expenses have been paid. This has resulted in a positive net cash outcome of approximately SEK 11 million for the purpose of completing the global launch of Cricket Manager Pro and the continued financing of the group's growth strategy. Focus is now being placed on completing the ongoing restructuring of Wicket Gaming and the implementation of the recently acquired Wegesrand Group through Wicket Media GmbH.

In the parent company, during the first quarter of 2023, Cricket Manager Pro has been launched globally, and the acquired game King Royale has also been launched, whereby there are revenues forecast from the second quarter of 2023.

Wicket Gaming's subsidiary in Germany generates revenues from its business activities on an ongoing basis, and the assessment is that this unit will continue to be cash flow-positive during 2023. Continued investments in development will take place on an ongoing basis during 2023.

The majority of the Company's costs are of a variable nature, whereon an adjustment of the Company's cost profile may be undertaken as necessary based on how the launch of the Company's games proceeds and the revenues that are generated.

In November 2023, outstanding loans (liabilities to credit institutions) of approximately SEK 8 million fall due and must either be repaid or renegotiated.

In connection with the rights issue, 7.2 million warrants were issued for which the subscription period is 01/11/2023 – 14/11/2023. If, within the scope of the rights issue, all warrants of series TO2 are fully exercised, the Company may receive a capital injection of SEK 20-40 million depending on the volume-weighted average price (VWAP) of the Company's share on Spotlight Stock Market during the period from 17 October 2023 until 30 October 2023. The proceeds from the exercise of warrants of series TO2 will primarily be used for expansion within the Education vertical, repayment of loans and strengthening of working capital.

Based on the cash flow forecast and the assessments that have been performed in relation to the ongoing operating activities, investing activities and financing activities, the group will have a positive cash flow during 2023 to facilitate the continuation of business operations as a going concern.

## RESEARCH AND DEVELOPMENT

The Company's research activities are based on the ongoing planning and implementation of systematic research aimed at obtaining new technical knowledge and insights for the development of the Company's technical platform and games. The knowledge obtained is then transferred for application in the development work.

Wicket Gaming's intangible fixed assets consist of capitalised expenditure in the form of own work capitalised for development work performed by the Company's own employees and external development costs. In 2022 the Company capitalised development expenditure amounting to SEK 14.4 million (8.1).

## FUTURE RISKS AND UNCERTAINTIES

### OPERATIONAL RISK

#### Growth risk

In order for the Company to achieve its goals with regard to revenues and growth, it is necessary for the Company to successfully manage business opportunities and revenues and meet the product and service requirements imposed in order to satisfy customer demand in the market in which the Company operates. The Company may therefore need to explore new revenue-generating strategies and increase the business complexity of its operations, which could entail higher demands on the Company's routines, systems, internal controls, procedures and management.

Such increased demands could in turn affect the Company's possibilities to manage future growth in a desirable manner. If the Company is unable to successfully adapt to changes and increased demands in order to manage future business opportunities and revenues, this could have a negative impact on the Company's growth, which in turn could have a negative impact on the Company's operations, performance and financial position.

### FINANCIAL RISK

#### Future financing requirements

The Company's Board of Directors and management team evaluate the Company's future capital requirements and available financing alternatives on an ongoing basis. It is the Company's assessment that the current financing is sufficient to conduct the Company's operations to the prevailing extent during the next twelve months.

However, despite the Company's current assessment of the financing, there is a risk that capital requirements and financing risks may arise in the Company in the future. The Company may need to look for additional financing alternatives in the future, which entails a risk

that such financing could take place on disadvantageous terms for the Company or may not be able to be arranged at all, which in turn could have a negative impact on the Company's operations, performance and financial position.

## **INDUSTRY RISK**

### **Competitive market**

The Company is active in a competitive market characterised by rapid innovation. In the future, the market in which the Company operates may be subject to increased competition. The Company has identified a number of competitors in the EdTech segment, and more companies could establish business operations in the market. Consequently, in the future, the Company could be subject to increased competition in relation to both the mobile games market and the EdTech market.

Product development and innovation by other operators in the market could lead to the development of products with better functions than the Company's product, that directly or indirectly compete with the Company's product. The Company is dependent on having the ability to monitor and adapt to market developments. There is a risk that the Company's continued development could be disrupted, and that the Company may therefore fail to develop at the same rate as the market, or at the rate planned, and that ongoing game projects could be delayed. The occurrence of any of these risks could have a negative impact on the Company's operations, performance and financial position.

### **Risks related to the use of mobile devices as gaming platforms**

The Company's future success is dependent on growth in the use of mobile devices as gaming platforms. The number of people who use mobile devices, for example smartphones, has increased significantly in recent years, and the markets for both mobile telephony and mobile games are still growing.

However, there is a risk that the use of mobile devices as gaming platforms will not increase in line with historical trends. If there is a downturn in the number of people who use mobile devices or the market for mobile games, this could have a negative impact on the Company's operations, performance and financial position.

## **EXPECTED FUTURE DEVELOPMENTS**

### **GAMES**

After a period of development work, Wicket Gaming has commenced the launch of the mobile game Cricket Manager and released the acquired strategy game King Royale globally during Q1 2023. This represents the start of a period during which the Company will scale up the games for launch in more countries while also increasing marketing activities aimed at generating revenues. The Company is working intensively with marketing aspects

aimed at developing a campaign that will generate the greatest possible outcome from the global launches.

Through the collaborations with marketing agencies that have been initiated by the Company, as well as the collaboration agreements that the Company has entered into with business partners, Wicket Gaming will combine these marketing initiatives to achieve maximum coverage in connection with the launch of the games. During the widespread launch phase, Wicket Gaming will also intensify activities involving performance marketing, whereby players are acquired through advertising via (for example) social media channels in order to generate downloads.

### **Cricket Manager Pro – Mobile, Android and iOS, F2P**

A sports manager game for cricket in which the user, in the role of manager, builds and develops a cricket club by training the club's players, buying and selling players, upgrading the stadium and then competing against other managers to win the league and cup competitions.

The global launch commenced during the first quarter of 2023, and the game has reached more than 600,000 downloads.

### **King Royale – Mobile, Android and iOS, F2P**

After minor optimisations, King Royale was released globally during Q1 2023. The game is a casual strategy game in which the player (as a medieval king) must rescue a princess who has been captured by the enemy. As the king, the player has the possibility of hiring workers with the task of generating gold coins, which in turn can be used to activate and upgrade troops to fight against the enemy outside the walls of the castle.

King Royale has been downloaded more than 450,000 times since its test launch. The game has a Google Play rating of 4.3 and an equivalent rating at Apple App Store of 4.7.

### **EDTECH**

According to Grand View Research, the EdTech market has a global market size (2022) of USD 127 billion and will continue to grow, reaching USD 429.5 billion by 2030. EdTech can be said to consist of three components: hardware, software and content.

According to Grand View Research, hardware drove the market's growth in 2021 and accounted for 40 percent of the market's total revenue. This is due, among other things, to the development and expansion of digital classrooms with associated aids such as VR headsets. However, content is the area that is expected to account for the major share of growth in the future. This will occur as infrastructure for digital learning becomes established and must be filled with immersive virtual realities and educational environments. There are a number of trends that are expected to drive the growth of the EdTech market, including:

- Gamification (of learning)
- Virtual and augmented reality (VR and AR)
- Nanolearning
- Artificial intelligence (AI)
- Big data (large amounts of data)
- K–12 digital education

Wicket Gaming is entering this broad market with focus on content and the following segments – gamification, virtual and augmented reality, nanolearning and adaptive learning for K–12 education, corporate learning and various target groups in the area of public authorities and state-owned institutions, such as museums.

More specifically, Wicket Gaming is developing EdTech solutions that fall within genres such as Serious Games and Game-based Learning. Serious Games and Game-based Learning are categories of games that are developed for a purpose other than entertainment. It could be a matter of developing virtual environments and technologies that are used to train employees and customers or to market a product or service in an engaging manner.

## SIGNIFICANT EVENTS

### SIGNIFICANT EVENTS DURING THE YEAR

- Wicket Gaming launches Cricket Manager Pro in Australia and Sri Lanka.
- Wicket Gaming enters into collaboration agreements with the Indian cricket star Jasprit Bumrah and the South African cricket star Abraham Benjamin de Villiers. The latter will also act as an ambassador and figurehead for Cricket Manager Pro with regard to social media marketing. These collaborations are based on reaching the cricket stars' followers on the social media channels Instagram, Facebook and Twitter.
- Board member Antanyos Budak resigns from Wicket Gaming's Board of Directors for personal reasons.
- Wicket Gaming appoints well-known business angels Peter Vesterbacka and Kustaa Valtonen as strategic advisors. Both will contribute important expertise and experience in relation to decisions concerning business development and marketing.
- Wicket Gaming appoints Jonathan Neil "Jonty" Rhodes as strategic advisor for business development and will benefit from his international business network, in particular in India and South Africa.
- Wicket Gaming carries out a directed share issue of SEK 5 million and takes out a loan of SEK 15 million. The aim is to raise capital in a timely and cost-effective manner in order to complete the acquisition of Wegesrand, finance investments necessary to accelerate the Company's growth, and strengthen the Company's shareholder base with a strategic shareholder in connection with the share issue.
- Wicket Gaming launches the Cricket Manager Pro game in the strategically important Indian market, in accordance with the previously established launch plan, following a positive response in the test markets (South Africa, Australia and Sri Lanka).
- Wicket Gaming applies for listing on OTCQB in USA, with the aim of making it easier for international investors to invest in Wicket Gaming.
- Wicket Gaming enters into an agreement to acquire 100 percent of the Wegesrand Group. By signing this agreement, the Company realises its intention of acquiring the Wegesrand Group in accordance with the information published by the Company on 25 October 2021.
- Wegesrand signs two project deals with German museums worth a total of SEK 4.75 million. The clients are the cities of Mannheim and Nuess.
- Cricket Manager Pro reaches more than 500,000 downloads. Of the markets in which the game has been launched to date, India continues to account for the majority of the downloads, followed by Australia, South Africa and Sri Lanka.
- Wicket Gaming takes an important step into the American market. On 29 September, the Company qualifies for trading on OTCQB Venture Market under the symbol "WIGAF".
- Wicket Gaming completes the acquisition of the Wegesrand Group on 5 October. The purchase price amounts to EUR 4 million (EUR 1.5 million in cash and EUR 2.5 million in consideration shares).
- Wicket Gaming's subsidiary Wegesrand signs a project agreement worth SEK 4.07 million with one of the largest German insurance companies in Germany.
- Wicket Gaming's Board of Directors decides to carry out a rights issue of units consisting of shares and warrants of series TO2, with right of pre-emption for existing shareholders, of approximately SEK 46.7 million before deduction of issue expenses.
- In connection with the rights issue, Wicket Gaming's Board of Directors procures a bridge loan of SEK 4.5 million from Formue Nord Fokus A/S. In addition to procuring the bridge loan, Wicket Gaming has undertaken to repay part of the loan procured from the lender on 25 May 2022.
- Wegesrand wins two awards for its serious games project Erhard City at the Australian LearnX Live Awards. The awards relate to a Diamond award for "Best Elearning Design – Interactive Scenario" and a Gold award for "Best Elearning Design – Microlearning".
- Wicket Gaming launches Cricket Manager Pro in the United Kingdom, in accordance with the previously

established launch plan, following a positive response to the earlier launches in India, South Africa, Australia and Sri Lanka.

- Wicket Gaming acquires the free-to-play (F2P) game Idle King from the German game studio Motap. The acquisition is financed and paid for in the form of newly issued shares. The acquisition is part of the Company's ambition to establish itself in more game genres and thus broaden its game portfolio.

#### **SIGNIFICANT EVENTS AFTER THE END OF THE YEAR**

- Wicket Gaming announces the global launch of Cricket Manager Pro on 27 February. The game will be available via Google's app store "Google Play" and Apple's equivalent "App Store", thus making it available to Android and iOS users worldwide.
- Wicket Gaming launches the free-to-play mobile game Idle King under its own brand via App Store and Google Play.
- Wicket Gaming publishes a prospectus regarding the forthcoming rights issue, which the Board of Directors decided on 2 December 2022, with subsequent approval by the extraordinary general meeting of shareholders on 4 January 2023. The prospectus was approved by the Swedish Financial Supervisory Authority on 20 February.
- Wicket Gaming publishes details of the outcome of the rights issue, which was subscribed to a total of 70.7 percent, of which approximately 29.3 percent was subscribed through the exercise of unit rights and approximately 41.4 percent was subscribed

without exercise of unit rights. This means that the rights issue has been carried out without utilisation of underwriting commitments.

- Wicket Gaming changes the name of the game Idle King to King Royale, and launches a dedicated website for the game. The purpose of the name change is to optimise the game based on popular keywords used for searches at App Store and Google Play, thus creating the best possible conditions to maximise the number of downloads.
- Wicket Gaming's subsidiary Wegesrand is nominated in the category "Best Serious Game" at the German Computer Games Awards 2023 for its museum app "Abenteuer Hanse". The app, which makes it possible for visitors of all ages to undertake a very special journey of discovery at the European Hansemuseum in Lübeck, connects virtual content with the exhibition and creates a new, playful experience in relation to the history of the Hanseatic League.
- On 17 April, a more widespread launch of the Company's free-to-play game King Royale commences through the use of advertising and influencer marketing.
- Wicket Gaming's subsidiary Wegesrand commences a collaboration with the award-winning design studio Rotes Pferd GmbH and signs a project agreement with a German museum worth a total value of SEK 3.82 million (EUR 348,420), with an agreement period that runs until May 2024.



## THE SHARE

Wicket Gaming AB was listed on Spotlight Stock Market on 22 July 2021. Spotlight Stock Market is a securities company under the supervision of the Swedish Financial Supervisory Authority and operates a trading platform (MTF). The Company's ticker is WIG, and the ISIN code is SE0015811377.

The closing price of the Company's share on the last day of trading, 30 December 2022, was SEK 3.20. The total number of shares outstanding is 7,791,094.

SHARE DATA	
Marketplace	Spotlight Stock Market
Listed	22 July 2021
Sector	Electronic Gaming & Multimedia
Ticker	WIG
ISIN code	SE0015811377
Currency	SEK
Number of shares	7,791,094
Highest share price 2022	34.00 SEK
Low est share price 2022	3.00 SEK
Closing share price 2022	3.20 SEK
Financial advisor	Mangold Fondkommission AB

### LARGEST SHAREHOLDERS AS OF 31/03/2023

LARGEST SHAREHOLDERS	NO. OF SHARES	OWNERSHIP %
Avanza Pension	1,691,455	21.71%
Thorsten Unger	1,253,127	16.08%
Johan Svensson	864,243	11.09%
Nordnet Pensionsförsäkring	629,880	8.08%
Blasieholmen Investment Group	265,000	3.40%
Eric de Basso	123,550	1.59%
Svante Egon Torvald Nilsson	110,000	1.41%
Marcus Andersson	99,076	1.27%
MPL Trading Sweden AB	87,856	1.13%
Sw edbank Försäkring	85,844	1.10%



## MULTI-YEAR OVERVIEW, GROUP

SEK	31/12/2022
Net sales	6,887,589
EBITDA	-11,380,829
EBIT	-14,040,499
Net loss for the period	-15,551,309
Operating margin %	neg
Profit margin %	neg
Equity ratio at end of period %	53.3
Return on equity %	neg
<b>Equity per share</b>	
before dilution (SEK)	6.5
after dilution (SEK)	5.9
<b>Earnings per share</b>	
before dilution (SEK)	-2.00
after dilution (SEK)	-1.83
<b>Number of shares at end of period</b>	
before dilution	7,791,094
after dilution	8,488,872
Outstanding warrants	697,778

## MULTI-YEAR OVERVIEW, PARENT COMPANY

SEK	31/12/2022	31/12/2021	31/12/2020
Net sales	7,142	870	33,588
EBITDA	-11,278,652	-8,166,345	-4,634,876
EBIT	-11,289,925	-8,170,808	-4,634,876
Net loss for the period	-12,665,206	-8,360,749	-4,817,819
Operating margin %	neg	neg	neg
Profit margin %	neg	neg	neg
Equity ratio at end of period %	65.0	92.7	88.4
Return on equity %	neg	neg	neg
<b>Equity per share</b>			
before dilution (SEK)	6.8	5.6	0.2
after dilution (SEK)	6.2	5.5	0.2
<b>Earnings per share</b>			
before dilution (SEK)	-1.63	-1.33	-0.11
after dilution (SEK)	-1.49	-1.31	-0.11
<b>Number of shares at end of period</b>			
before dilution	7,791,094	6,263,316	44,526,755
after dilution	8,488,872	6,403,316	44,526,755
Outstanding warrants	697,778	140,000	0

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK	Share capital	Other contributed capital	Retained earnings	Net loss for the year	Total	Non-controlling interests	Total equity
<b>Opening balance 01/01/2022</b>	<b>6,263,316</b>	<b>51,898,654</b>	<b>-14,454,850</b>	<b>-8,360,749</b>	<b>35,346,371</b>	<b>0</b>	<b>35,346,371</b>
New issue	1,527,778	30,898,976			32,426,754	0	32,426,754
Employee stock options			365,659		365,659	0	365,659
Issue expenses		-2,834,844			-2,834,844	0	-2,834,844
Exchange differences in translation of foreign subsidiaries			538,160		538,160	0	538,160
Transfer of loss for previous year			-8,360,749	8,360,749	0	0	0
Net loss for the period				-15,551,309	-15,551,309	0	-15,551,309
<b>Closing balance 31/12/2022</b>	<b>7,791,094</b>	<b>79,962,787</b>	<b>-21,911,780</b>	<b>-15,551,309</b>	<b>50,290,792</b>	<b>0</b>	<b>50,290,792</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK	Share capital, new issue under reg.	Reserve for development expenditure	Share premium reserve	Retained earnings	Net loss for the year
<b>Opening balance 01/01/2022</b>	<b>6,263,316</b>	<b>17,850,302</b>	<b>51,898,654</b>	<b>-32,305,152</b>	<b>-8,360,749</b>
New issue	1,527,778		30,898,976		
Employee stock options				365,659	
Issue expenses			-2,834,844		
Capitalisation of development expenditure		13,055,126		-13,055,126	
Transfer of loss for previous year				-8,360,749	8,360,749
Net loss for the period					-12,665,206
<b>Closing balance 31/12/2022</b>	<b>7,791,094</b>	<b>30,905,428</b>	<b>79,962,786</b>	<b>-53,355,368</b>	<b>-12,665,206</b>

### Appropriation of profit or loss

Proposed appropriation of the Company's loss

Retained earnings					-53,355,368
Share premium reserve					79,962,786
Net loss for the year					-12,665,206
<b>Total non-restricted equity</b>					<b>13,942,212</b>

The Board of Directors proposes that available earnings be carried forward					13,942,212
					<b>13,942,212</b>

The Company's results and financial position are otherwise presented in the following income statement, balance sheet and cash flow statement with associated notes.

**CRICKET  
MANAGER  
PRO**



## CONSOLIDATED INCOME STATEMENT

SEK	NOTE	31/12/2022
Net sales		6,887,589
Own work capitalised		13,508,824
Other income		850,297
<b>Operating income</b>		<b>21,246,710</b>
Services purchased		-5,428,503
Other external expenses		-18,477,660
Personnel expenses	3	-8,520,635
Depreciation/amortisation		-2,659,670
Other operating expenses		-200,742
<b>Operating expenses</b>		<b>-35,287,209</b>
<b>Net operating loss</b>	18	<b>-14,040,499</b>
<b>Result from financial items</b>		
Interest income	4	914
Interest expenses	5	-1,511,724
<b>Net loss after financial items</b>		<b>-15,551,309</b>
<b>Net loss before tax</b>		<b>-15,551,309</b>
Tax for the year		0
<b>Net loss for the period</b>		<b>-15,551,309</b>

## CONSOLIDATED BALANCE SHEET

SEK	NOTE	31/12/2022
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible fixed assets</i>		
Capitalised expenditure for development and similar work	6	37,289,835
Purchased licenses, trademarks and similar rights	7	2,554,311
Goodwill	9.17	44,631,958
<i>Tangible fixed assets</i>		
Equipment	10	158,678
<b>Total fixed assets</b>		<b>84,634,782</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Accounts receivable		2,015,813
Other receivables		778,949
Prepaid expenses and accrued income	12	1,531,326
<i>Cash and cash equivalents</i>		5,443,409
<b>Total current assets</b>		<b>9,769,497</b>
<b>TOTAL ASSETS</b>		<b>94,404,279</b>

SEK	NOTE	31/12/2022
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital		7,791,094
Other contributed capital		79,962,787
Other equity including profit/loss for the year		-37,463,089
<b>Equity attributable to Parent Company shareholders</b>		
Non-controlling interests		0
<b>Total equity</b>		<b>50,290,791</b>
<i>Provisions</i>		
Other provisions	14	5,925,633
<i>Long-term liabilities</i>		
Long-term liabilities to credit institutions	15	2,105,173
<i>Current liabilities</i>		
Current liabilities to credit institutions		19,500,000
Accounts payable		9,072,514
Other current liabilities		5,218,737
Accrued expenses and deferred income	16	2,291,431
<b>Total liabilities</b>		<b>44,113,488</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94,404,279</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEK	NOTE	31/12/2022
<b>Operating activities</b>		
Net loss after financial items		-15,551,309
Adjustments for non-cash items		3,027,370
<b>Cash flow from operating activities before changes in working capital</b>		<b>-12,523,939</b>
<i>Cash flow from changes in working capital</i>		
Increase (-) / Decrease (+) in operating receivables		7,661,251
Increase (+) / Decrease (-) in operating liabilities		13,882,257
<b>Cash flow from operating activities</b>		<b>9,019,568</b>
<b>Investing activities</b>		
Investments in intangible fixed assets		-14,875,666
Investments in tangible fixed assets		-30,659
Investments in financial fixed assets		-18,081,385
<b>Cash flow from investing activities</b>		<b>-32,987,711</b>
<b>Financing activities</b>		
New issue		5,000,004
Issue expenses		-2,834,844
Employee stock options		208,948
Borrowings		19,504,836
<b>Cash flow from financing activities</b>		<b>21,878,945</b>
<b>Cash flow for the period</b>		<b>-2,089,198</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>7,532,607</b>
<b>Cash and cash equivalents at end of period</b>		<b>5,443,409</b>



## PARENT COMPANY INCOME STATEMENT

SEK	NOTE	31/12/2022	31/12/2021
Net sales		7,142	870
Own work capitalised		13,055,126	8,102,218
Other income		6,022,667	1,950
<b>Operating income</b>		<b>19,084,935</b>	<b>8,105,038</b>
Services purchased		-2,906,757	-235,177
Other external expenses		-21,601,592	-12,871,621
Personnel expenses	3	-5,655,682	-3,098,971
Depreciation/amortisation		-11,273	-4,463
Other operating expenses		-199,556	-65,614
<b>Operating expenses</b>		<b>-30,374,860</b>	<b>-16,275,846</b>
<b>Net operating loss</b>	18	<b>-11,289,925</b>	<b>-8,170,808</b>
<b>Result from financial items</b>			
Interest income	4	914	0
Interest expenses	5	-1,376,194	-50,074
<b>Net loss after financial items</b>		<b>-12,665,206</b>	<b>-8,220,882</b>
<b>Net loss before tax</b>		<b>-12,665,206</b>	<b>-8,220,882</b>
Tax for the year		0	-139,867
<b>Net loss for the period</b>		<b>-12,665,206</b>	<b>-8,360,749</b>

## PARENT COMPANY BALANCE SHEET

SEK	NOTE	31/12/2022	31/12/2021
<b>ASSETS</b>			
Subscribed capital unpaid		0	12,000,040
<b>Fixed assets</b>			
<i><b>Intangible fixed assets</b></i>			
Capitalised expenditure for development and similar work	6	30,905,428	17,850,302
Purchased licenses, trademarks and similar rights	7	1,372,312	0
<i><b>Tangible fixed assets</b></i>			
Equipment	10	55,081	27,676
<i><b>Financial fixed assets</b></i>			
Participations in group companies	8	267,603	0
Receivables from group companies	11	45,931,385	0
<b>Total fixed assets</b>		<b>78,531,808</b>	<b>29,878,018</b>
<b>Current assets</b>			
<i><b>Current receivables</b></i>			
Other receivables		454,755	346,642
Prepaid expenses and accrued income	12	517,269	387,792
<i><b>Cash and cash equivalents</b></i>			
		1,459,147	7,532,607
<b>Total current assets</b>		<b>2,431,171</b>	<b>8,267,041</b>
<b>TOTAL ASSETS</b>		<b>80,962,979</b>	<b>38,145,059</b>

SEK	NOTE	31/12/2022	31/12/2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i><b>Restricted equity</b></i>			
Share capital		7,791,094	5,752,676
New issue under registration		0	510,640
Reserve for development expenditure		30,905,428	17,850,302
<i><b>Non-restricted equity</b></i>			
	13		
Share premium reserve		79,962,787	51,898,654
Retained earnings		-53,355,368	-32,305,152
Net loss for the year		-12,665,206	-8,360,749
<b>Total equity</b>		<b>52,638,734</b>	<b>35,346,371</b>
<i><b>Provisions</b></i>			
Other provisions	14	1,372,312	641,345
<i><b>Current liabilities</b></i>			
Current liabilities to credit institutions		19,500,000	0
Accounts payable		5,718,645	1,384,715
Other current liabilities		208,672	158,770
Accrued expenses and deferred income	16	1,524,615	613,858
<b>Total liabilities</b>		<b>28,324,245</b>	<b>2,798,688</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>80,962,979</b>	<b>38,145,059</b>

## PARENT COMPANY CASH FLOW STATEMENT

SEK	NOTE	31/12/2022	31/12/2021
<b>Operating activities</b>			
Net loss after financial items		-12,665,206	-8,220,882
Adjustments for non-cash items		51,388	4,463
<b>Cash flow from operating activities before changes in working capital</b>		<b>-12,613,818</b>	<b>-8,216,419</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) / Decrease (+) in operating receivables		10,333,376	-767,672
Increase (+) / Decrease (-) in operating liabilities		6,723,664	1,563,665
<b>Cash flow from operating activities</b>		<b>4,443,221</b>	<b>-7,420,426</b>
<b>Investing activities</b>			
Investments in intangible fixed assets		-14,427,438	-8,102,220
Investments in tangible fixed assets		-38,678	-32,139
Investments in financial fixed assets		-18,081,285	0
<b>Cash flow from investing activities</b>		<b>-32,547,401</b>	<b>-8,134,359</b>
<b>Financing activities</b>			
New issue		5,000,004	22,684,368
Issue expenses		-2,834,844	-539,100
Warrants		0	119,543
Employee stock options		365,659	0
Borrowings		19,500,000	0
<b>Cash flow from financing activities</b>		<b>22,030,820</b>	<b>22,264,811</b>
<b>Cash flow for the period</b>		<b>-6,073,360</b>	<b>6,710,026</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>7,532,607</b>	<b>822,581</b>
<b>Cash and cash equivalents at end of period</b>		<b>1,459,247</b>	<b>7,532,607</b>

# NOTES

## Note 1 – Accounting principles

All amounts are presented in Swedish kronor (SEK) unless otherwise stated.

### General accounting principles

This annual report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

The accounting principles are unchanged from the previous year, although this is the first time that consolidated financial statements have been prepared. The same accounting and valuation principles are applied to both the parent company and the group.

### Valuation principles etc.

Unless otherwise stated below, assets, provisions and liabilities are measured at acquisition cost.

## Consolidated financial statements

### Consolidation method

Subsidiaries are included in the consolidated financial statements from the date on which the controlling interest is transferred to the group. They are excluded from the consolidated financial statements from the date on which the controlling interest ceases. The consolidated financial statements have been prepared in accordance with the acquisition method. This means that identifiable assets and liabilities of acquired businesses are recognised at market value according to the acquisition analysis that has been prepared. If the acquisition cost of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is recognised as goodwill.

### Transactions between group companies

Intra-group receivables and liabilities, as well as transactions between group companies and unrealised profits, are eliminated in their entirety. Unrealised losses are also eliminated, unless the transaction corresponds to an impairment need.

Changes in internal profits during the financial year have been eliminated in the consolidated income statement.

Subsidiaries in other countries prepare their annual report in a foreign currency. During the consolidation process, the items in these companies' balance sheets and income statements are translated using the exchange rate on the balance sheet date and an average exchange rate for the period respectively. The exchange differences that arise are recognised in accumulated exchange differences in equity in the consolidated balance sheet.

### Fixed assets

Tangible and intangible fixed assets are recognised at cost

less accumulated depreciation/amortisation according to plan and any impairment losses.

Depreciation/amortisation occurs on a straight-line basis over the expected useful life of the asset, taking into account any material residual value. The following depreciation/amortisation rates are applied:

### Intangible fixed assets

Capitalised expenditure for development work	5 years
Purchased licenses, trademarks and similar rights	5 years
Goodwill	5 years

No amortisation has commenced in relation to the parent company's capitalised expenditure for development work in 2022, as the first game has not yet been launched during the year.

Amortisation occurs on a straight-line basis over the estimated useful life of the asset.

### Tangible fixed assets

Equipment, tools and fixtures and fittings	5 years
--------------------------------------------	---------

### Intangible fixed assets

#### Research and development expenditure

Expenses for research, i.e. planned and systematic research aimed at obtaining new scientific or technical knowledge and insight, are recognised as an expense when they arise.

The capitalisation model is applied to the recognition of development expenditure. This means that expenses arising during the development phase are recognised as an asset when all of the following criteria are satisfied:

- It is technically possible to complete the intangible fixed asset so that it can be used or sold.
- The intention is to complete the intangible fixed asset and to use or sell it.
- Conditions are in place to use or sell the intangible fixed asset.
- It is probable that the intangible fixed asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources in place to complete the development and to use or sell the intangible fixed asset.
- The expenses attributable to the intangible fixed asset can be reliably calculated.

### Tax

Tax for the year in the income statement consists of current tax and deferred tax. Current tax is income tax on the taxable net profit for the current financial year and the

part of income tax from previous financial years that has not yet been recognised. Deferred tax is income tax on taxable net profit relating to future financial years as a result of earlier transactions or events.

No deferred tax asset has been recognised on tax loss carryforwards, as the Company has not yet started to report any profits.

#### **Provisions**

A provision is made when there is a legal or constructive obligation and a reliable estimate of the amount can be performed.

#### **Revenues**

##### Earnings and revenue model

Wicket Gaming has a diversified revenue model based on various revenue sources, all of which have potential. By spreading revenues across several verticals, the Company can create conditions for stability in cash flows while also maximising earning potential in the future. These revenue sources primarily consist of in-app purchases and in-game marketing. Of all revenue originating from F2P games, mobile games with in-app purchases account for around 75 percent of the total market revenue. In Wicket Gaming's case, during the years covered by the historical financial information, around 80 percent of revenues have been generated from in-app purchases, while the remaining revenues (around 20 percent) have been generated from advertising in the application. The majority of in-app purchases have been made by users located in Australia, New Zealand and the United Kingdom, while the majority of advertising revenues have been generated from the Indian market.

The pricing of e.g. microtransactions (in-app purchases) is not completely static but rather a function of geographical factors. On both Android and iOS, the acquisition cost per user differs from country to country and can vary from USD 0.46 to USD 1.41. Countries characterised by economic prosperity entail a higher acquisition cost per user compared with less developed countries that are characterised by low purchasing power. This justifies the use of a flexible pricing model.

##### Microtransactions

Free-to-play games often rely on microtransactions, or in-app purchases, after they have been downloaded, rather than the player making a one-off payment at the time of download. The microtransactions give the user access to certain benefits in the game, such as obtaining game currency or saving time.

This part of the revenue model is an advantageous method for encouraging loyalty to the game among users, as they not only invest their time but also financial resources.

##### In-game marketing

In-game marketing is an advantageous way of also being able to capitalise on users who do not carry out any

microtransactions. The premise is based on companies that wish to reach the player audience purchasing marketing space in the games. Players who choose to access/watch the ads receive virtual benefits similar to those allocated in connection with a completed microtransaction, but on a smaller scale.

One concrete example of how this type of marketing is presented to players is that they can choose to watch a short commercial or advertising video, in return for which they receive game currency that can then be used to make virtual purchases.

The popularity of in-game advertising is growing rapidly among F2P games, as it is an advantageous method for deriving benefit from the types of players who are not willing to make any virtual purchases.

##### Consulting assignments

For service assignments performed on a fixed price basis, the revenues and expenditures attributable to a performed service assignment are recognised as income and expenses respectively in relation to the degree of completion of the assignment on the balance sheet date (percentage-of-completion method). The degree of completion of an assignment is determined by comparing the amount of expenditure incurred as of the balance sheet date with the estimated total expenditure for the assignment. If the outcome of an assignment cannot be reliably calculated, revenues are only recognised to an extent that equates to the assignment expenditures incurred for which compensation is likely to be received from the client. An anticipated loss on an assignment is immediately recognised as an expense.

For service assignments performed on a current account basis, the revenues attributable to a performed service assignment are recognised as income in line with the performance of work and delivery or consumption of materials.

##### **Foreign currencies**

Monetary assets and liabilities in a foreign currency are translated using the spot exchange rate on the balance sheet date. Transactions in a foreign currency are translated using the spot exchange rate on the transaction date.

##### **Leasing**

Lease agreements under which the financial risks and benefits associated with owning an asset are in all material respects transferred from the lessor to a company in the group are classified as financial leases in the consolidated financial statements. The rights and obligations associated with financial leases are recognised as an asset and liability respectively in the balance sheet. The asset and liability are initially recognised at the lower of the fair value of the asset and the present value of the minimum leasing fees. Expenditure that is directly attributable to the lease agreement is added to the value of the asset. The leasing fees are allocated as interest and amortisation in accordance with the effective interest method. Variable fees are recognised as an expense in the period in which

they arise. The leased asset is amortised on a straight-line basis over the estimated useful life of the asset.

Lease agreements under which the financial benefits and risks attributable to the object of the lease are in all material respects retained by the lessor are classified as operating leases. Payments, including any initial higher rental amount, made under these agreements are recognised as an expense on a straight-line basis over the term of the lease.

#### **Remuneration to employees**

Short-term remuneration in the Company consists of salaries, social security contributions, paid annual leave and director's fees. Short-term remuneration is recognised as an expense and a liability when there is a legal or constructive obligation to pay the remuneration.

#### Remuneration after cessation of employment

The group has defined contribution pension plans. Under the defined contribution pension plans, the Company pays fixed fees to another company and does not have any legal or informal obligation to make any additional payments, even if the other company is unable to fulfil its undertaking. Expenses are recognised in the consolidated income statement in line with performance of the employees' pension-qualifying services.

#### **Impairment of non-financial assets**

Impairment testing is performed when there is an indication that an asset's value has decreased. If the asset has a recoverable value that is lower than the carrying amount, it is impaired to the recoverable value. When assessing impairment requirements, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units).

#### **Financial instruments**

Financial instruments are recognised in accordance with the rules in chapter 11 of K3, which means that the measurement is based on acquisition cost.

An instrument is recognised in the balance sheet when the Company becomes party to the instrument's contractual terms.

Financial assets are derecognised from the balance sheet when the right to obtain cash flows from the instrument has expired or been transferred and the Company has essentially transferred all risks and benefits associated with ownership.

Financial liabilities are derecognised from the balance sheet when the obligations are settled or otherwise cease.

#### Accounts receivable and other receivables

Receivables are recognised as current assets, except for items with a due date more than 12 months after the balance sheet date, in which case the item is classified as a fixed asset. Receivables are recognised at the amount expected to be received less deduction for individually assessed doubtful debts.

#### Participations in group companies

Participations in group companies are recognised at acquisition cost less deduction for any impairment losses.

#### Loans and accounts payable

Loans are initially recognised at acquisition cost less deduction for transaction costs (amortised cost). If the carrying amount differs from the amount to be repaid on the loan's maturity date, the difference is allocated as an interest expense over the term of the loan using the instrument's effective interest rate. Hence, the carrying amount of the loan on the maturity date is consistent with the amount that is to be repaid.

Current accounts payable are recognised at acquisition cost.

#### Offsetting of financial receivables and financial liabilities

Financial assets and financial liabilities are offset and recognised at a net amount in the balance sheet only when there is a legal right to offset the reported amounts and an intention to settle them with a net amount or simultaneously realise the asset and settle the liability.

#### Impairment testing of financial fixed assets

On each balance sheet date, the Company assesses whether there is any indication of impairment requirements in relation to any of the financial fixed assets. An asset is impaired if the decrease in the asset's value is deemed to be permanent.

#### Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The reported cash flow only includes transactions involving inflows or outflows of cash.

### **Note 2 – Estimates and judgements**

Wicket Gaming regularly performs estimates and judgements concerning the future. The estimates performed for accounting purposes that result from these estimates and judgements will, by definition, seldom correspond to the actual outcome. The estimates and assumptions that entail a significant risk of material adjustments to the carrying amounts of assets and liabilities during subsequent financial years are summarised below.

#### **Capitalised development expenditure**

The capitalisation model is applied to the recognition of development expenditure. This means that expenses attributable to the development phase are recognised as an asset when all the criteria described in the accounting principles can be deemed to be satisfied. An ongoing assessment is performed as to whether incurred expenditure can be deemed to satisfy the criteria for capitalisation.

An assessment regarding estimated useful life is performed to determine the asset's amortisation period, and amortisation occurs on a straight-line basis over the asset's estimated useful life. Amortisation for the

subsidiary in Germany occurs on an ongoing basis, but no amortisation has commenced in 2022 for the parent company, as the platform and the first game are under continued development, and no launch has taken place.

The estimated useful life of an intangible fixed asset is reassessed if there is an indication that the asset's useful life has changed in comparison with the estimate as of the previous balance sheet date. Impairment testing has been carried out on the basis of forecast cash flows, and the assessment is that there are no impairment requirements.

#### Deferred tax on tax loss carryforwards

A deferred tax asset relating to tax loss carryforwards or other future tax deductions is recognised to the extent that it is probable that the deduction can be offset against future taxable profits.

For precautionary reasons, no deferred tax asset has been recognised as the Company has not yet reported any taxable profits against which tax loss carryforwards can start to be utilised.

#### Goodwill

An assessment regarding estimated useful life is performed to determine the asset's amortisation period, and amortisation occurs on a straight-line basis over the asset's estimated useful life. The estimated useful life of an intangible fixed asset is reassessed if there is an indication that the asset's useful life has changed in comparison with the estimate as of the previous balance sheet date. Impairment testing has been carried out on the basis of forecast cash flows, and the assessment is that there are no impairment requirements.

#### Note 3 – Employees and personnel expenses

Group	31/12/2022
Average number of employees:	
Men	21
Women	2
<b>Total</b>	<b>23</b>
Salaries and other remuneration	6,327,960
Social security contributions	1,793,527
Other personnel expenses	399,147
	<b>8,520,634</b>

Parent Company	31/12/2022	31/12/2021
Average number of employees:		
Men	4	3
<b>Total</b>	<b>4</b>	<b>3</b>
Salaries and other remuneration	3,955,038	2,358,976
Social security contributions	1,301,497	739,872
Other personnel expenses	399,147	0
	<b>5,655,682</b>	<b>3,098,848</b>

#### Note 4 – Interest income

Group	31/12/2022
Interest income	914
<b>Total</b>	<b>914</b>

  

Parent Company	31/12/2022	31/12/2021
Interest income	914	0
<b>Total</b>	<b>914</b>	<b>0</b>

#### Note 5 – Interest expenses and similar items

Group	31/12/2022
Interest expenses	1,511,724
<b>Total</b>	<b>0</b>

  

Parent Company	31/12/2022	31/12/2021
Interest expenses	1,376,194	50,074
<b>Total</b>	<b>1,376,194</b>	<b>50,074</b>

## Note 6 – Capitalised expenditure for development and similar work

Group	31/12/2022
<i>Accumulated acquisition cost</i>	
- Opening balance	17,850,302
- Internally developed assets	13,055,126
- Acquired developed assets	6,643,403
Closing balance	37,548,831
<i>Accumulated amortisation</i>	
Amortisation for the year	-258,995
Closing balance	-258,995
<b>Closing carrying amount</b>	<b>37,289,836</b>

Parent Company	31/12/2022	31/12/2021
<i>Accumulated acquisition cost</i>		
- Opening balance	17,850,302	9,748,082
- Internally developed assets	13,055,126	8,102,220
Closing balance	30,905,428	17,850,302
<i>Accumulated amortisation</i>		
Closing balance	0	0
<b>Closing carrying amount</b>	<b>30,905,428</b>	<b>17,850,302</b>

## Note 7 – Purchased licenses, trademarks and similar rights

Group	31/12/2022
<i>Accumulated acquisition cost</i>	
- Opening balance	0
- Investments	2,580,290
Closing balance	2,580,290
<i>Accumulated amortisation</i>	
Closing balance	0
Amortisation for the year	-25,979
Closing balance	-25,979
<b>Closing carrying amount</b>	<b>2,554,311</b>

Parent Company	31/12/2022	31/12/2021
<i>Accumulated acquisition cost</i>		
- Other investments	1,372,312	0
Closing balance	1,372,312	0
<i>Accumulated amortisation</i>		
Closing balance	0	0
<b>Closing carrying amount</b>	<b>1,372,312</b>	<b>0</b>

## Note 8 – Participations in group companies

Parent Company	31/12/2022	31/12/2021
<i>Accumulated acquisition cost</i>		
- Opening balance	0	0
- Purchases of shares	267,603	0
- Impairment	0	0
<b>Closing carrying amount</b>	<b>267,603</b>	<b>0</b>

## Note 9 – Goodwill

Group	31/12/2022
<i>Accumulated acquisition cost</i>	
- Opening balance	0
- Acquisition of subsidiaries	46,825,822
- Exchange differences	155,186
Closing balance	46,981,008
<i>Accumulated amortisation</i>	
- Opening balance	0
- Amortisation for the year	-2,338,950
- Exchange differences	-10,100
- Closing balance	-2,349,050
<b>Closing carrying amount</b>	<b>44,631,958</b>



## Note 10 – Equipment

Group	31/12/2022
<i>Accumulated acquisition cost</i>	
- Opening balance	32,139
- New purchases	38,678
- Acquired assets	116,205
Closing balance	187,022
<i>Accumulated depreciation</i>	
- Opening balance	-4,463
- Depreciation for the year	-23,881
- Change in depreciation for the year	-19,418
- Closing balance	-28,344
<b>Closing carrying amount</b>	<b>158,678</b>

Parent Company	2022-12-31	2021-12-31
<i>Accumulated acquisition cost</i>		
- Opening balance	32,139	0
- New purchases	38,678	32,139
Closing balance	70,817	32,139
<i>Accumulated depreciation</i>		
- Opening balance	-4,463	0
- Depreciation for the year	-11,273	-4,463
- Change in depreciation for the year	-6,810	-4,463
- Closing balance	-15,736	-4,463
<b>Closing carrying amount</b>	<b>55,081</b>	<b>27,676</b>

## Note 11 – Receivables from group companies

Parent Company	2022-12-31	2021-12-31
<i>Accumulated acquisition cost</i>		
- Opening balance	0	0
- Receivables from group companies	45,931,385	0
- Reclassifications	0	0
<b>Closing carrying amount</b>	<b>45,931,385</b>	<b>0</b>

## Note 12 – Prepaid expenses and accrued income

Group	31/12/2022
Prepaid insurance premiums	3,532
Other prepaid expenses	513,737
Accrued income not yet invoiced	1,014,057
<b>1,531,326</b>	

Parent Company	31/12/2022	31/12/2021
Prepaid insurance premiums	3,532	540
Other prepaid expenses	513,737	387,252
<b>517,269</b>	<b>387,252</b>	

## Note 13 – Appropriation of profit or loss

### Parent Company

Proposed appropriation of the Company's profit or loss.

The Board of Directors proposes that non-restricted equity, SEK 13,942,213 be appropriated as follows:

Retained earnings	-53,355,368
Share premium reserve	79,962,787
Net loss for the year	-12,665,206
<b>13,942,213</b>	

## Note 14 – Provisions

Group	31/12/2022
King Royale	1,372,312
Part of purchase price withheld	3,845,065
Other provisions	708,256
<b>5,925,633</b>	

The total provisions primarily consist of SEK 1372 thousand in the Swedish operations relating to the purchase price for the King Royale game, and an amount of SEK 3,845 thousand in the German operations payable to the sellers if they fulfil their performance commitments according to the acquisition agreement for Wegesrand.

Parent Company	2022-12-31	2021-12-31
Winding up of operations in Thailand	0	641,345
King Royale	1,372,312	0
<b>1,372,312</b>	<b>641,345</b>	

The Company has reversed an earlier provision of SEK 641 thousand. In the absence of feedback from authorities in Thailand regarding the winding-up procedure for the Company's previous subsidiary, it is the Company's assessment that no claims are expected to be made against Wicket Gaming AB.

The current provision of SEK 1,372 thousand is related to the acquisition of the King Royale game and relates to the purchase price for which consideration is to be paid through newly issued shares.

## Note 15 – Long-term liabilities

Group	31/12/2022
Long-term liabilities to credit institutions	2,105,173
	<b>2,105,173</b>

The long-term liabilities consist of a bank loan taken out by the subsidiary company Wegesrand. The loan was taken out in connection with the COVID-19 pandemic for the purpose of coping with the effects of the pandemic.

## Note 16 – Accrued expenses and deferred income

Group	31/12/2022
Accrued holiday pay	481,373
Accrued social security contributions	151,248
Other accrued expenses	1,486,323
Accrued director's fees	172,487
	<b>2,291,431</b>

Parent Company	31/12/2022	31/12/2021
Accrued holiday pay	481,373	182,617
Accrued social security contributions	151,248	57,378
Other accrued expenses	719,507	248,863
Accrued director's fees	172,487	125,000
	<b>1,524,615</b>	<b>613,858</b>

## Note 17 – Acquisition analysis

A preliminary acquisition analysis was prepared in connection with the acquisition of the Wegesrand Group on 4 October 2022. Identifiable assets and liabilities have been assumed to correspond to the reported carrying amounts as of 30 September 2022. No surplus values have been identified. The total acquisition price, including transaction costs, is estimated to be SEK 50.0 million, of which the total value of goodwill that has arisen as a consequence of the acquisition amounts to SEK 46.8 million. The goodwill is amortised in accordance with the principles described in the accounting principles.

### Purchase price

The Wegesrand Group, with associated subsidiaries, was acquired through the issue of 1,250,000 shares in Wicket Gaming AB, with a value of SEK 27.4 million, in accordance with the acquisition agreement in which the subscription price for the consideration shares was set at EUR 2.00 per share, with an exchange rate of 10.9707 SEK/EUR. The issued shares were later offset against the liabilities that had arisen in relation to the sellers of the Wegesrand Group. In addition, a cash payment of EUR 1.2 million,

equating to approximately SEK 12.5 million, was payable in relation to the agreed settlement of the Wegesrand Group's net cash position (SEK -1.0 million), as well as a provision of SEK 3.8 million relating to an amount that is payable to the sellers if they fulfil their performance commitments with regard to performance of the acquisition agreement. The total purchase price, excluding transaction costs, amounts to SEK 44.7 million.

## Note 18 – Transactions with related parties

During the year, consulting services were purchased within the group for approximately SEK 5.18 million from companies that are deemed to be related parties, of which SEK 2.55 million relates to purchases by the parent company for product development. These transactions were carried out on market terms.

Purchases and sales between group companies	2022-12-31
The figures below specify the percentage of the year's purchases and sales that relate to group companies.	
Purchases	(%) 14
Sales	(%) 0

14

## Note 19 – Significant events after the end of the financial year

**February:** Wicket Gaming announces the global launch of Cricket Manager Pro on 27 February. The game will be available via Google's app store "Google Play" and Apple's equivalent "App Store", thus making it available to Android and iOS users worldwide.

Wicket Gaming launches the free-to-play mobile game Idle King under its own brand via App Store and Google Play.

Wicket Gaming publishes a prospectus regarding the forthcoming rights issue, which the Board of Directors decided on 2 December 2022, with subsequent approval by the extraordinary general meeting of shareholders on 4 January 2023. The prospectus was approved by the Swedish Financial Supervisory Authority on 20 February.

**March:** Wicket Gaming changes the name of the game Idle King to King Royale, and launches a dedicated website for the game. The purpose of the name change is to optimise the game based on popular keywords used for searches at App Store and Google Play, thus creating the best possible conditions to maximise the number of downloads.

Wicket Gaming publishes details of the outcome of the rights issue, which was subscribed to a total of 70.7 percent, of which approximately 29.3 percent was subscribed through the exercise of unit rights and approximately 41.4 percent was subscribed without exercise of unit rights. This means that the rights issue has been carried out without utilisation of underwriting commitments.

Wicket Gaming's subsidiary Wegesrand is nominated in the category "Best Serious Game" at the German Computer Games Awards 2023 for its museum app "Abenteuer Hanse". The app, which makes it possible for visitors of all ages to undertake a very special journey of discovery at the European Hansemuseum in Lübeck, connects virtual content with the exhibition and creates a new, playful experience in relation to the history of the Hanseatic League.

April: On 17 April, a more widespread launch of the Company's free-to-play game King Royale commences through the use of advertising and influencer marketing.

Wicket Gaming's subsidiary Wegesrand commences a collaboration with the award-winning design studio Rotes Pferd GmbH and signs a project agreement with a German museum worth a total value of SEK 3.82 million (EUR 348,420), with an agreement period that runs until May 2024.

## Note 20 – Definitions of key ratios

### *Net sales*

Revenues from sales that are part of the Company's normal operations.

### *EBITDA*

Earnings before interest, taxes, depreciation and amortisation of fixed assets.

### *EBIT*

Net operating profit before interest and taxes.

### *Net profit/loss for the period*

The Company's total net profit/loss after tax.

### *Operating margin*

Net operating profit before financial items and tax as a percentage of net sales.

### *Profit margin*

Net profit after tax as a percentage of net sales.

### *Equity ratio*

Equity as a percentage of total assets.

### *Return on equity*

Net profit after tax as a percentage of equity.

### *Exceptional revenues and expenses*

Exceptional revenues and expenses are revenues and expenses which, on account of their size or origin, deviate significantly from the normal course of business in the Company. They are often items of a one-off nature.



# SIGNATURES

The Board of Directors and the Chief Executive Officer hereby certify that this annual report provides a fair presentation of the Company's operations and financial position.

Uppsala, date as per electronic signatures

Erik Nerpin  
Chairman of the Board

Eric de Basso  
CEO and board member

Markus Söderlund  
Board member

Adam Harradine  
Board member

Our auditor's report was submitted on the date of our electronic signatures  
Öhrlings PricewaterhouseCoopers AB

---

Robert Nyholm  
Auditor-in-Charge  
Authorised Public Accountant

---

Henrik Boman  
Authorised Public Accountant



*Wicket Gaming AB is a Swedish gaming and educational technology company consisting of two verticals: Games and EdTech. Within the Games vertical, the business idea is based on developing and distributing free-to-play ("F2P") games within mobile games for Android and iOS. Within EdTech, the Company focuses on developing products within genres such as Game-based Learning and Serious Games. It is in these areas that Wicket Gaming has identified the greatest synergies between the Company's two verticals.*

POSTAL ADDRESS: Fyrislundsgatan 68, 754 50 Uppsala, Sweden

IR: [ir@wicketgaming.com](mailto:ir@wicketgaming.com)



## Auditor's report

To the general meeting of the shareholders of Wicket Gaming AB, corporate identity number 559015-1360

---

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of Wicket Gaming AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 9-35 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-8. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The



going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

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 annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and 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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.



## **Report on other legal and regulatory requirements**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Wicket Gaming AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors and the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.





Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The date indicated by the electronic signature

Öhrlings PricewaterhouseCoopers AB

Robert Nyholm  
Authorized Public Accountant  
Auditor in charge

Henrik Boman  
Authorized Public Accountant