

Q3 2022

Gaming Innovation Group Inc.
Interim Report



09 Nov 2022

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Q3 2022 Interim Report

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€22.9m

Revenues*

+35% growth

€8.5m

EBITDA adj.

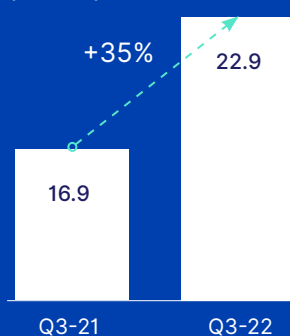
+47% growth

37.0%

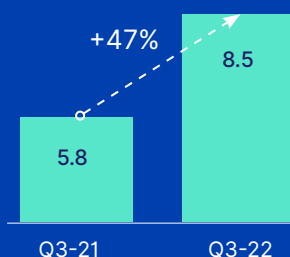
EBITDA margin*

(34.1% in Q3 2021)

Revenues* (MEUR)



EBITDA (MEUR)



EBIT (MEUR)



Q3 Highlights

Financial highlights

- Gaming Innovation Group achieved all time high revenues* in Q3 2022 of €22.9m (16.9), an increase of 35% YoY, whereof 24% organic
- Adjusted EBITDA was €8.5m (5.8), up 47%, adjusted EBITDA margin increased to 37.0% (34.1)
- EBIT was €2.5m (2.1), with an EBIT margin of 10.8% (12.6%)
- Revenues in GiG Media at all-time high of €15.1m (11.2), an increase of 35%, with an adjusted EBITDA of €6.8 (5.1)
- Revenues* for Platform & Sportsbook were €7.8m (5.7), an increase of 36% whereof 3% organic (14% organic excl. premium fees), with adjusted EBITDA of €1.7m (0.6)
- Positive net profit of €0.6m (0.0)
- Positive cash flow from operations of €10.0m (8.0)

Operational highlights

- GiG Media reached a seventh successive all-time high in quarterly revenues and player intake, FTDs ended at 86,500 (46,700), up 85%
- Granted a platform supplier licence for Ontario province in Canada, first two brands live in Q4
- Platform & Sportsbook signed six new agreements in the quarter, whereof three in Europe, two in LATAM and one in North America
- Four brands went live in Q3 2022, and the number of live brands were 62 at quarter end

Events after Q3 2022

- Signed agreement to power a leading land-based operator's online expansion, strengthening GiG's position within the large and growing LATAM market
- Three brands have gone live so far in Q4 2022
- October has developed positively, and revenues are up 34% compared to the same period last year, whereof 22% organic growth
- GiG Media reached all-time high player intake in October 2022

*Revenues are adjusted for revenues from a platform client where GiG recognises the full operations in its profit and loss statement, see Note 2 on page 26



Letter from the CEO

Dear shareholders,

I am pleased with the development and performance of GiG over the third quarter. The business delivered another record quarter with revenue growth up 35% year-over-year whereof 24% organic, and adjusted EBITDA improved by 47% despite the general lower seasonal activity through July and August. September saw several areas of the business achieve new monthly records, setting a good pace for the coming quarters.

We delivered strong financial performance in the third quarter, and importantly we achieved some key milestones as we saw our media business continue to rapidly expand and scale its player intake. The group also took a meaningful step forward on the post acquisition plan of Sportnco, where the technical integration of the Sportsbook product was completed and we can now turn our attention to the next phases of the integration.

Seven consecutive quarters of growth continues to demonstrate the diverse and multi levered revenue growth and earnings quality of our Media business. During the period we saw strong ROI potential in several of our paid media channels and quickly deployed further marketing spend in order to capture that future earnings potential. We continue to see growth across multiple existing markets and new market entries and we continue to invest to expand the reach of the business to pursue our growth goals.

Our Platform & Sportsbook business grew both revenue and EBITDA quarter-on-quarter despite impacts of the slower sporting calendar in the summer, and year-over-year this business segment delivered 36% revenue growth and was up 174% in adjusted EBITDA. We saw strong demand for our platform and sportsbook products as well as managed services, with six additional agreements signed during the period. In total, 17 agreements including market expansion deals with existing clients have been signed for Platform & Sports so far in 2022, continuing to secure additional revenue streams for the business unit. We had a strong rate of project completions and deliveries in the quarter which has led to three brands already going live in the fourth quarter.

Despite another set of record results for GiG, we have a continued emphasis on improvement as an operating principle. We always focus on what we can do better, and how to deliver better to staff, clients and shareholders.

Continued focus and drive towards our targets of sustainable growth and increasing profitability are central themes as we develop our plans for the years ahead. We are never satisfied and we still have so much to go out and achieve. Given the business' strong position within diverse and high value areas of the B2B supply chain in the iGaming and Sportsbetting industry we enter the tail end of the year and into 2023 with real excitement, building on from where we stand today.

_ Richard Brown,
CEO at GiG

Summary and outlook

GiG Media

GiG Media delivered all-time-high revenues of €15.1 (11.2) million in the third quarter 2022, a 35% increase YoY, all organic, continuing the positive development seen over the past quarters. Paid and Publishing reached all-time-high in revenues, up 77% and 20% YoY respectively, despite the third quarter normally being affected by weaker seasonality. Adjusted EBITDA for GiG Media ended at €6.8 (5.1) million for the quarter, a 32% increase YoY, with a margin of 45% (46%). The EBITDA margin was impacted by increased marketing spend in the latter part of the quarter in preparation for the upcoming football World Cup.

First Time Depositors (FTD) ended at 86,500 (46,700) in the third quarter, an 85% increase YoY. Publishing launched five new websites and three new markets in the third quarter, continuing the strategy to diversify operations. Paid continued to expand and grew the business in the quarter, obtaining several licenses to start operating in new markets on search engines and social media. The strong increase in player intake should benefit revenue share earnings going forward.

Platform & Sportsbook

Platform & Sportsbook delivered revenues* of €7.8 (5.7) million in the third quarter 2022, a 36% increase YoY, whereof 3% organic. Adjusted EBITDA ended at €1.7 (0.6) million, with a margin of 22.0% (10.9%).

A total of six new clients were signed in third quarter 2022. This includes final agreements with UK based Tier 1 retail operator Aspers Group for the provision of platform and a full turnkey managed service solution, and Crab Sports in Maryland, the first combined deal for GiG and Sportnco in the US. Heads-of-terms were signed with both in the second quarter. In addition, new strategic partner Kings Media Ltd were signed for Ontario, Canada, and Luckiest.com for international and emerging markets under an Alderney licence. Further agreements were signed with an existing partner for new market entries in Argentina.

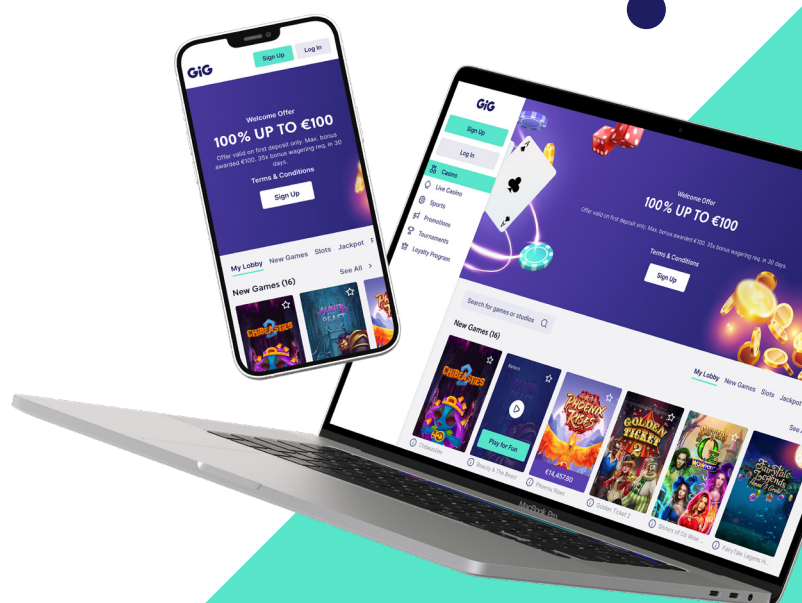
Four clients went live in the quarter, including Playstar in New Jersey. Seven additional brands were development complete, pending the clients' decision to launch. The total number of live brands was 62 as of 30 September 2022 with an additional 13 brands in the integration pipeline.

Outlook and guidance

GiG Media has seen a strong performance over the past two years, delivering double digit quarterly growth in both revenues and FTDs, securing strong cash-flow and increased diversity in earnings. With recent market entries and a large portion of the growing player intake on revenue share agreements, GiG expects continued sustainable revenue growth. GiG Media will continue to invest in expanding geographically and through new assets and marketing channels to secure diversified, sustainable long-term revenue growth for the business.

For Platform & Sportsbook, GiG now offers innovative and proprietary products with an unparalleled geographical footprint with certifications in 29 markets worldwide and 7 more in the current pipeline as of today. This gives GiG a large overall addressable market and focus will be to sign new clients but also to offer growth and diversification to existing clients through extended geographical presence. Existing clients went live in Ontario in October, increasing their market access, and it is expected that this strategy will grow revenues for Platform & Sportsbook going forward.

Overall operations are improving and the initiatives to increase performance for GiG's platform operations develops according to plan. The main effects will be realised by the end of the year and into 2023 due to completion of ongoing work

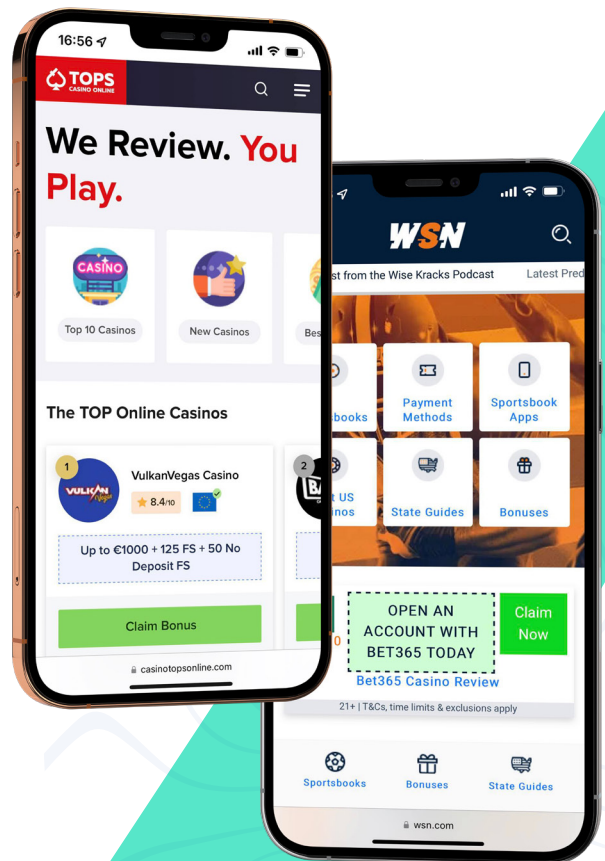


related to existing clients and planned new market entries with anticipated annualised savings in the region of EUR 8 million when completed.

The Board of Directors will continue to have a strong focus on overall operations and will look at possible strategic options to increase shareholder value going forward.

GiG maintains its positive outlook and guiding, and the combined operations for GiG and Sportnco for the full year 2022 should generate revenues of €87-93 million with an EBITDA of €30-35 million. The Company's long-term financial targets are as follows:

- Growth:** To achieve annual organic revenue growth in the region of 20%
- Profitability:** To achieve an adjusted EBITDA margin in excess of 50% during 2024
- Leverage:** Cash generated from the business will be used to lower leverage ratio while continually pursuing growth opportunities in the rapidly growing iGaming sector.



Financial highlights

Gaming Innovation Group Inc. (GiG) had all-time-high revenues* of €22.9m (16.9) in the third quarter 2022, a 35% increase year-over-year, whereof 24% organic.

Marketing expenses* were €4.6 (2.7) million in the quarter, a 73% increase year-over-year, mainly driven by GiG Media scaling up marketing across both Publishing and Paid. Other operating expenses amounted to €9.5 (8.4) million in the third quarter 2022, an increase of 14% year-over-year that was mainly driven by the consolidation of Sportnco from the second quarter. Excluding Sportnco, other operating expenses increased 3% year-over-year.

Adjusted EBITDA ended at €8.5 (5.8) million, a 47% increase year-over-year, corresponding to an adjusted EBITDA margin* of 37.0% (34.1%). Including non-cash option expenses, EBITDA was €8.0 (5.7) million, a 42% increase year-over-year.

Depreciation and amortisation amounted to €5.5 (3.5) million in the third quarter 2022, whereof €1.5 million related to Sportnco and €1.1 (1.1) million relates to amortisation of assets from previous affiliate acquisitions. Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €3.5 (2.0) million.

EBIT ended at €2.5 (2.1) million in the third quarter 2022, an increase of 16%. The EBIT margin* was 10.8% (12.6%).

Net other expense was €-1.2 (-1.4) million in the third quarter 2022, and includes €1.3 (1.2) million in interest on the Company's bond and an unrealized gain of €0.5 (0.4) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter.

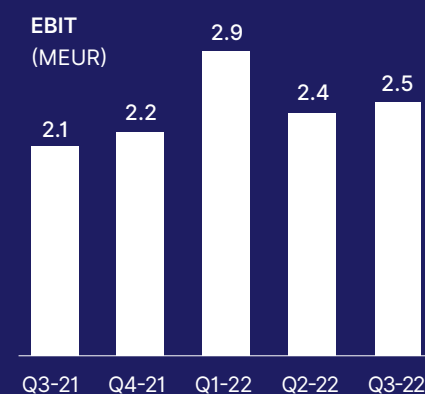
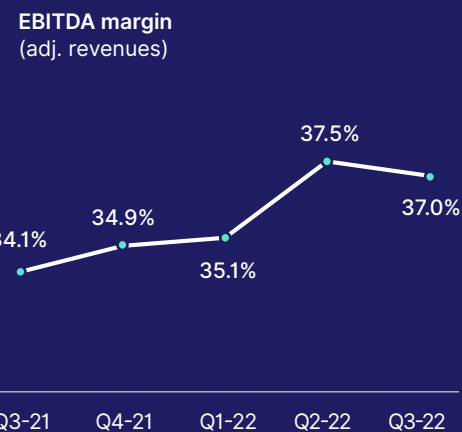
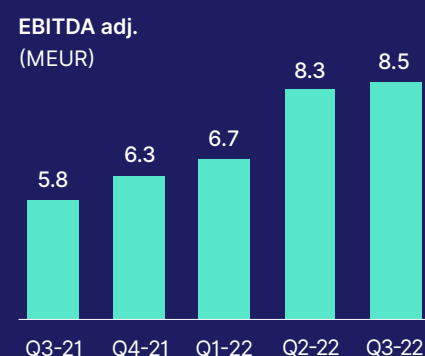
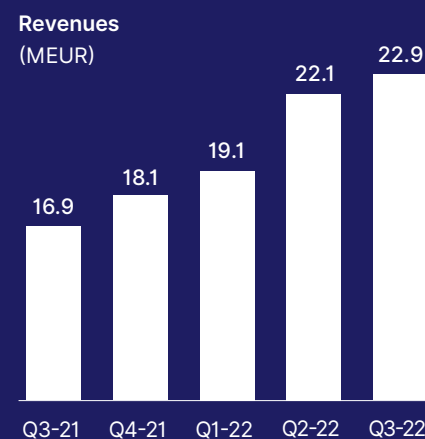
Results from continued operations were €0.7 (0.5) million.

Loss from discontinued operations were €-0.1 (-0.5) million and the net result in the third quarter 2022 thus ended at €0.6 (-0.0) million.

Cash flow from operations were €10.0 (8.0) million with a cash balance as at 30 September 2022 of €14.1 (11.3) million.

Total assets were €182.8 (92.4) million with an equity ratio of 35.2% (14.9).

*Revenues and marketing expenses are adjusted for revenues from a platform client where GiG recognises the full operations in its profit and loss statement, see Note 2 on page 26 for more details.



Operational review

GiG Media

GiG Media continued its strong performance and, for the 7th time in a row, reached an all-time high in quarterly revenues in Q3 2022. Revenues were up 35% year-on-year and 2% quarter-over-quarter, all organic growth, despite the summer months being impacted by traditionally lower seasonality in casino and a slower sporting calendar. Activity was back on track in September which was a new record month for GiG Media.

Player intake reached an all-time quarterly high with 86.500 First Time Depositors (FTDs) referred to partners in the third quarter, up 85% year-on-year and 9% quarter-over-quarter. Marketing spend was increased through the end of the quarter in preparation for the upcoming football World Cup. The strong growth in player intake provides a strong foundation for future revenue since most of the players generated have a meaningful revenue share component, with players referred on either pure revenue share or hybrid.

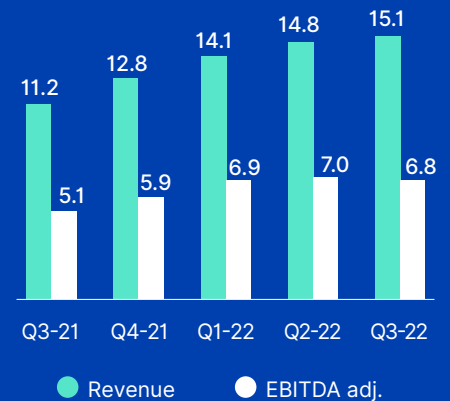
Publishing reached another all-time high in revenues in the third quarter of 2022, up 20% year-on-year and 2% quarter-over-quarter. The player intake was stable for the quarter, slightly down year-over-year but slightly up quarter-over-quarter. GiG Media will continue to focus on markets with a higher player value, with revenue growth as the primary KPI for the business. Consequently, the operational pace in Publishing continued in the quarter with five new websites launched, three new markets entered into, and more new market entries planned before year-end. The launch of a new website targeting the recently regulated Canadian province of Ontario in July has seen positive progress through the quarter, strengthening GiG Media's presence in North America.

Paid revenues increased 77% year-on-year and 2% quarter-over-quarter, reaching another successive all-time high in the third quarter 2022. Player intake in Paid saw a significant growth, up 206% year-on-year and 13% quarter-over-quarter. The growth continues to be driven by a mix of expanding current campaigns while also expanding into new markets. GiG Media obtained several licenses to expand activities with search engines and social media channels in the quarter, and expects social media to become a material channel in 2023; growth opportunities are identified across all channels.

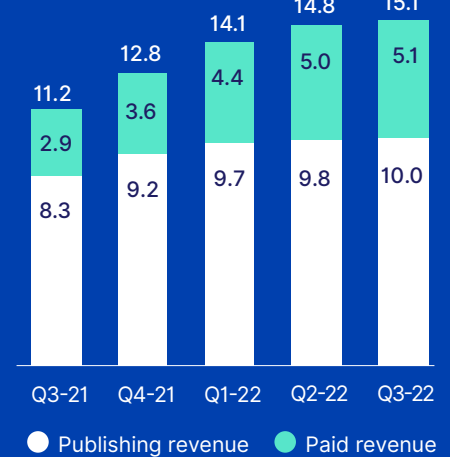
During the quarter, GiG Media continued to see strong ROI indicators and therefore increased marketing spend in the quarter (9% quarter-over-quarter and 69% year-on-year) in both Paid and Publishing in preparation for the upcoming football World Cup, which is expected to be a key revenue driver in Q4 of 2022. The increase in marketing spending aligns with the ambition to diversify and invest in a broader composition of markets and channels to drive sustainable long-term growth.

GiG Media's overall strategy to grow revenue while diversifying regional dependence continued in Q3 2022. Revenues from the Americas increased close to 200% year-over-year, accounting for around 20% of total GiG Media revenue in the quarter, up from 9% in the third quarter of 2021. GiG Media's traditional markets, the Nordics and Europe increased 26% year-over-year.

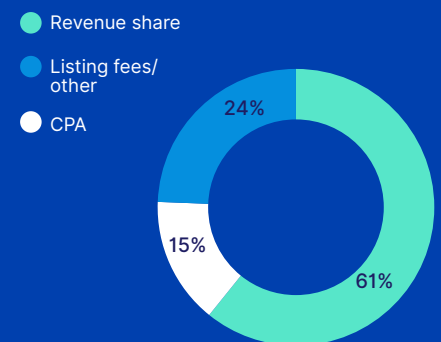
GiG Media Revenue and EBITDA (MEUR)



GiG Media Revenue (MEUR)



GiG Media Revenue split Q3-22



US organic traffic to GiG premium assets, Wsn.com and Casinotopsonline.com, increased 83% year-over-year. GiG now holds 13 licences and vendor registrations in the US and is qualified to do business in 22 states as well as Washington D.C.

After the quarter ended, GiG was granted a license to operate in Greece with its flagship website, casinotopsonline.com.

GiG's proprietary compliance tool, GiG Comply, signed two new clients in the third quarter and re-signed three existing clients.

Revenues and EBITDA

Revenues for GiG Media were €15.1 (11.2) million in the third quarter 2022, a 35% increase year-on-year and all organic growth, with the main revenue growth driver being the increase in revenue share. 61% (62%) of revenues in the third quarter 2022 derived from revenue share agreements, 15% (13%) from CPA (Cost per Acquisition) and 24% (25%) from listing fees and other services. Paid Media represented 34% (26%) of GiG Media revenues in the quarter.

Marketing expenses in GiG Media were €4.6 (2.7) million in the third quarter 2022, a 69% increase year-over-year. Other operating expenses in GiG Media were up 12% year-over-year and 3% quarter-over-quarter and accounted for 25% of revenue in the third quarter 2022, down from 30% in the third quarter 2021. Personnel cost remained stable in the quarter.

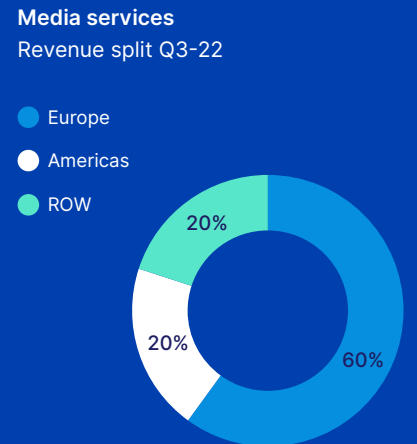
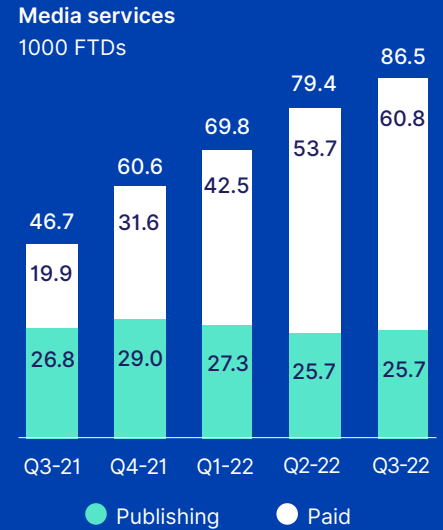
Adjusted EBITDA was €6.8 (5.1) million, an increase of 32% year-over-year, with a margin of 45% (46%). The EBITDA margin was impacted by the increased marketing spend. Non-cash option expenses were €0.1 (0.0) million in the quarter, resulting in an EBITDA of €6.7 (5.1) million.

For the first nine months of 2022, revenues for GiG Media were €43.9 (32.2) million, a 36% increase year-on-year. Adjusted EBITDA was €20.7 (15.1) million, an increase of 37%, with a margin of 47% (47%). Non-cash option expenses were €0.2 (0.2) million in the first nine months of 2022, resulting in an EBITDA of €20.5 (15.0) million first nine months of 2022.

FTDs

GiG Media referred 86,500 (46,700) new FTDs (First Time Depositors) to operators in the third quarter 2022, an 85% increase year-on-year, and 9% up from the previous quarter. With around 95% of the FTDs generated on deals with revenue share agreements, player intake is expected to grow recurring revenue share going forward.

For the first nine months of 2022, 236,100 (137,200) new FTDs were referred to operators, a 72% increase year-on-year.



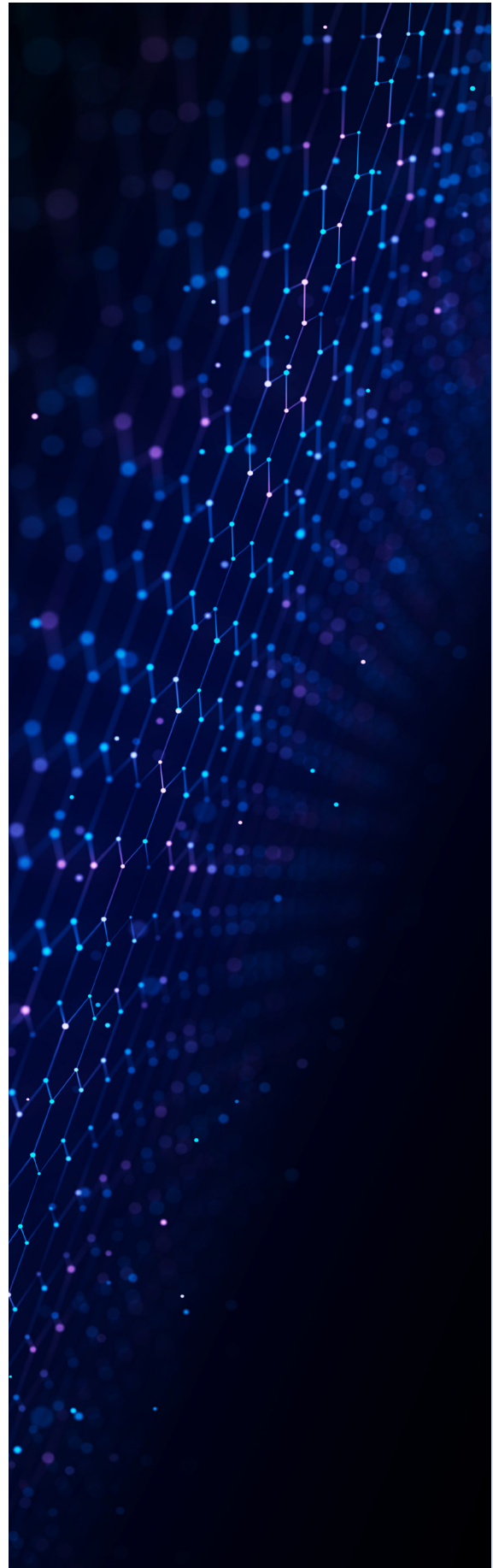
Strategy

GiG Media will continue to expand its presence in existing markets and enter new markets when attractive opportunities are identified. A mix of paid channels and own-operated website assets (publishing) enables GiG Media to share knowledge between the business units. It is a focus point to ensure the diverse growth of marketing channels and website assets to drive sustainable long-term revenue growth for both Publishing and Paid.

GiG Media will continue to invest in expanding its premium websites, wsn.com and casinotopsonline.com while growing new websites targeting new markets. Specifically, within Paid media, social media channels will likely contribute to continued revenue growth in 2023. Further growth outside traditional core markets is expected, with the Americas being key growth markets.

In 2022, GiG Media has further developed its proprietary centralised content-management system to quickly implement successful changes to all assets in order to increase player intake, conversion of traffic and the monetisation of generated players. GiG Media will continue to build its marketing technology and data understanding to ensure that the business maintains a leading position in the industry.

The fourth quarter 2022 started positively with player intake in October up 67% compared to the same period in 2021.



Platform & Sportsbook

Platform & Sportsbook are comprised of the technical iGaming platforms, front end development and other managed services such as player safety, customer operations and CRM/marketing.

GiG completed the acquisition of Sportnco Gaming SAS ("Sportnco") on 1 April 2022, and Sportnco has been consolidated from this date. Sportnco's platform and sportsbook are included in the Platform & Sportsbook segment from this date.

The combined product offering has led to an uplift in interest for combined solutions from both new and existing customers, showing the power and synergies of combining both products and managed services offerings. The integration of the two companies including products and technology has developed according to plan, and the integration of Sportnco's Sportsbook into GiG's platform has been completed. Focus is now on new client onboardings prior to migrations of GiG's existing Sports clients post the upcoming football World Cup.

New contracts

The sales pipeline developed positively in the third quarter 2022, with four new agreements signed in the quarter in addition to the formalisation of two prior heads-of-terms agreements:

- In July, the heads-of-terms from April with UK based tier 1 retail operator, Aspers Group, was formalized by signing a 3-year platform and managed services partnership for the provision of turnkey managed service solutions.
- In August, an agreement was signed with tier 1 operator Betsson Group for the provision of Platform for their brand colbet.co in Colombia, strengthening the relationship by adding Colombia to a long list of regulated markets where GiG supports Betsson.
- In August, an extension was signed with Grupo Boldt in Latam, covering two additional regulated markets for their Bplay brand.
- In August, an agreement was signed with brand new strategic partner Kings Media Ltd for the 'King Billy' casino brand in the newly regulated Ontario province in Canada.
- In August an agreement was signed with Luckiest.com, a new strategic partner with a brand new casino concept that will initially operate across international and emerging markets under an Alderney licence.

- Following a head-of-terms signed in June, the agreement to provide Platform and Sportsbook to US based brand Crab Sports in the state of Maryland was formalised in August.

So far in the fourth quarter, an agreement has been signed to power a leading land-based operator's online expansion, strengthening GiG's position within the large and growing Latin American (LATAM) market.

Integration pipeline

Four new clients went live on the platform in the third quarter, including Playstar in New Jersey (US) and Olimpo in Ecuador. In addition, seven brands were development complete, pending regulatory delays or clients' decision to launch.

In July, GiG was granted a supplier licence for Ontario, allowing it to partner with operators based in the newly regulated Canadian province. Development work for the platform for this market has been completed and the first brands are now live in Ontario on GiG's platform. GiG expects a healthy growth from Ontario going forward with more brands in the integration pipeline for this market.

In addition to the planned development work for the client pipeline and the integration of Sportnco, the integration of Betsson's sportsbook was completed in July, and both the brands Rizk and Guts were successfully migrated.

In September 2022, GiG increased its potential in the US by receiving interim authorisation from the Pennsylvania Gaming Control Board (PGCB), allowing it to do business in the US state as an interactive gaming manufacturer.

Existing customers on the platform as of today add up to a total of 65 brands. GiG's SaaS offerings are currently live in 29 certified jurisdictions and has seven new jurisdictions in the integration pipeline.

The integration pipeline stands at 13 brands as of today and consists of various clients ranging from existing online clients adding additional brands to larger land-based casinos going online in new regulatory environments.

GiG offers managed services to its customers, and around 75 of staff are handling the day-to-day operations for certain clients, including casino management, media services, payments, risk and fraud, player safety, customer support and KYC on a 24/7 basis. The cost base for this operation is stable, and with new clients signed over the past months, margins should improve, and managed services will contribute to the overall performance for Platform & Sportsbook.

Revenues and EBITDA

Revenues* for Platform & Sportsbook were €7.8 (5.7) million in the third quarter 2022, a 7% increase quarter-on-quarter and a 36% increase year-over-year (3% organic). Revenues were impacted €0.6 million year-over-year by the expiration of premium fees from Betsson from 15 April 2022, and excluding these premium fees, organic growth was 14%. Overall, the first part of the third quarter was affected by general Covid relief as well as weaker seasonality due to holidays in many markets.

Adjusted EBITDA for the third quarter 2022 was €1.7 (0.6) million, a 174% increase compared to the third quarter 2021, and a margin of 22.0% (10.9%). Non-cash option expenses, mainly relating to the Sportnco acquisition, were €0.4 (0.1) million in the quarter, resulting in an EBITDA of €1.3 (0.6) million.

In 2022, initiatives have been taken to reduce operating expenses for GiG’s platform operations, including annual savings of around €1.5 million from the discontinuation of GiG’s own sportsbook. The cost reductions are progressing according to plan, with the main effects to be realised by the end of the year and into 2023 due to completion of ongoing work related to existing clients and planned new market entries. The anticipated annualised savings will be in the region of EUR 8 million when completed, including synergies from the Sportnco integration, with full effect from the second quarter 2023.

For the first nine months of 2022, revenues for Platform & Sportsbook were €20.1 (16.1) million, a 25% increase year-on-year, whereof 1 % organic. Excluding premium fees, organic growth was 10%. Adjusted EBITDA was €2.8 (1.3) million, with a margin of 13.8% (8.1%). Non-cash option expenses were €1.0 (0.2) million in the first nine months of 2022, resulting in an EBITDA of €1.8 (1.1) million in the first nine months of 2022.

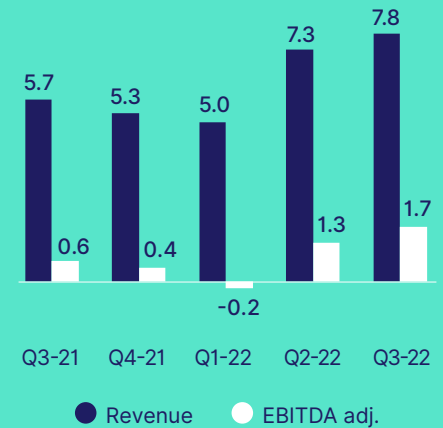
Strategy

After the acquisition of Sportnco, GiG is well positioned as a turnkey B2B provider across the main verticals in iGaming with an award-winning platform and a tier 1 sportsbook offering, including fully managed services. With current presence in 29 regulated markets, and seven more in the pipeline, the overall addressable market is large, and GiG will focus on increasing its footprint in existing regulations through up-selling to existing client portfolio as well as targeting new clients. Digital transformation from land-based operations to online including managed services will continue to be important, with additional regulated or soon-to-be regulated markets addressed on a case-by-case basis.

The transition from white.labels to a pure SaaS offering is complete, and the negative impact on revenues from regulatory changes as seen in Germany and the Netherlands should be limited going forward. When adjusting for these impacts as well as premium fees and other one-off revenues, the underlying SaaS revenue has seen a stable growth over the past two years.

With new clients going live for both GiG and Sportnco and anticipated growth for existing clients, it is expected that revenues for Platform & Sportsbook will grow going forward. Combined with the anticipated €8 million annualised cost savings, a significant improvement in operational performance for Platform & Sportsbook in 2023 and onwards is expected.

Platform services
Revenue* and EBITDA adj. (MEUR)



43 Clients
(10% YoY)

62 Brands
(19% YoY)

37% of clients take Sportsbook
(36% Q3-21)

*Revenues are adjusted for revenues from a platform client where GiG recognises the full operations in its profit and loss statement, see Note 2 on page 26.

Financial review

Reported revenues include revenues from a platform client where GiG recognises the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses (marketing). Below, normalised revenues, cost of sales and marketing cost are commented on, see Note 2 on page 26 for more details.

GiG divested its B2C operations in April 2020 and in accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements. In addition, GiG's sportsbook will be phased out as a standalone product due to the acquisition of Sportnco and Sports Betting Services are reported as a discontinued operation. Previous periods have been restated accordingly, see Note 7 on page 28.

Third Quarter 2022

Revenues

Consolidated revenues amounted to €22.9 (16.9) million in the third quarter 2022, a 35% increase year-over-year, whereof 24% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.3 (0.1) million in the third quarter 2022. This resulted in a gross profit of €22.6 (16.8) million, an increase of 35% and a gross profit margin of 99% (99%). In the third quarter 2022, cost of sales mainly relates to the sportsbook operations in Sportnco.

Marketing expenses

Marketing expenses were €4.6 (2.7) million in the third quarter, an increase of 73%. Marketing expenses' share of revenues were 20% (16%). Marketing expenses are mainly related to GiG Media, including pay-per-click for Paid Media of €3.0 (1.8) million.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €9.5 (8.4) million in the third quarter 2022, a 14% increase from the third quarter 2021, the increase resulting from the acquisition of Sportnco on 1 April 2022. Excluding Sportnco, other operating expenses increased by 3% from the third quarter 2021. Other operating expenses' share of revenues were 42% (50%).

Personnel expenses were €7.0 (6.4) million, an increase of 9.5%, and includes €0.2 million in redundancy costs. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €3.5 (2.0) million in the third quarter and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook and the development of the product towards new market entries related to new platform client signings.

Non-cash option expenses were €0.5 (0.1) million in the third quarter 2022. Option expenses includes costs related to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco. The option holders will, pending continued employment, receive shares in GiG at future VWAP valuation up to a total aggregate value of €4 million, see Note 12.

EBITDA

EBITDA for the third quarter 2022 was €8.0 (5.7) million, a 42% increase year-over-year, with an EBITDA margin of 35.0% (33.5%).

Adjusted for non-cash option expenses, adjusted EBITDA was €8.5 (5.8) million, a 47% increase year-over-year, with an adjusted EBITDA margin of 37.0% (34.1%).

D&A

Depreciation and amortisation amounted to €5.5 (3.5) million in the third quarter 2022, an increase of 57%, whereof €0.4 (0.3) million in depreciation.

The increase is mainly related to the acquisition of Sportnco, where €1.5 million are amortisation of acquired assets, see Note 12.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €1.1 (1.1) million. Acquired affiliate domains/SEO assets have been conservatively amortised over 8 years which is at a considerably faster pace than industry peers. The balance is mainly related to capitalised development expenses. Depreciation expense related to IFRS16 was €0.6 (0.6) million.

GiG is subleasing part of its office space, with rent income of €0.3 (0.2) million in the third quarter 2022.

EBIT

EBIT came in at €2.5 (2.1) million in the third quarter 2022, an increase of 16% from the third quarter 2021.

Financial and other expenses

Interest on the Company's bonds were €-1.3 (-1.2) million in the third quarter 2022, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €0.5 (0.4) million. Other financial expenses were €-0.4 (-0.7) million in the third quarter 2022, including interest related to IFRS16 of €-0.2 (-0.2) million.

Tax

Net tax expense was €-0.6 (-0.2) million in the third quarter 2022.

Net result from continuing operations

The profit from continuing operations was € 0.7 (0.5) million in the third quarter 2022.

Discontinued operations

The loss from discontinued operations were €-0.1 (-0.5) million in the third quarter 2022 (see Note 7 for more information). The net result after discontinued operations was €0.6 (-0.0) million in the third quarter 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €10.0 (8.0) million for the third quarter 2022.

The net cash flow used on investing activities was €-4.1 (-2.1) million, whereof €-3.5 (-2.0) million were capitalised development expenses.

The net cash flow from financing activities was €-3.2 (-2.2) million in the third quarter 2022, which includes €-0.8 million in repayment of loans held by Sportnco, see also Note 12.

Cash and cash equivalents increased by €2.5 (3.7) million in the third quarter 2022.

Financial position

As at 30 September 2022, holdings of cash and cash equivalents amounted to €14.1 (11.3) million. In addition, cash in transit from payment providers amounted to €0.3 (0.9) million. Customer monies, that are held in fiduciary capacity, amounted to €1.2 (4.3) million.

GiG held total assets of €182.8 (92.4) million as at 30 September 2022. The increase is mainly related to the

acquisition of Sportnco, see Note 12. Shareholders' equity was €64.3 (13.8) million with an equity ratio of 35% (15%). The Company's lease liability is included with €3.2 (2.0) million under current liabilities and €7.4 (12.4) million under long-term liabilities.

Loans in Sportnco are included with €3.7 million under current liabilities and €14.0 million under long-term liabilities. In addition, the contingent consideration (earn-out) related to the Sportnco acquisition is included with €18.5 million, with €8.9 million under current liabilities and €9.6 million under long-term liabilities, see also Note 12.

January to September 2022

Revenues

Consolidated revenues amounted to €64.1 (48.3) million in the first nine months of 2022, an increase of 33% year-over-year, whereof 26% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.5 (0.1) million in the first nine months of 2022. This resulted in a gross profit of €63.6 (48.2) million, an increase of 32% and a gross profit margin of 99% (100%).

Marketing expenses

Marketing expenses were €12.7 (7.8) million in the first nine months of 2022, an increase of 64%. Marketing expenses' share of revenues were 20% (16%). Marketing expenses are mainly related to GiG Media, whereof pay-per-click and related costs for Paid Media were €5.3 (3.6) million, a 45% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €27.4 (24.0) million in the first nine months of 2022, an increase of 14%, mainly due to the acquisition of Sportnco effective from 1 April 2022. Other operating expenses' share of normalised revenues were 43% (50%). Other operating expenses includes €0.7 million in non-recurring transaction expenses related to the Sportnco acquisition.

Personnel expenses were €20.4 (18.6) million, an increase of 10%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €9.5 (5.9) million in the first nine months of 2022 and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook.

Non-cash option expenses were included with €1.2 (0.3) million in the first nine months of 2022. Option expenses includes costs related to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco, see Note 12.

EBITDA

EBITDA for the first nine months of 2022 was €22.3 (16.1) million, a 38% increase, with an EBITDA margin of 34.8% (33.4%).

Adjusted for non-cash option expenses, adjusted EBITDA was €23.5 (16.4) million, a 43% increase year-over-year, with an adjusted EBITDA margin of 36.6% (34.1%).

D&A

Depreciation and amortisation amounted to €14.5 (9.9) million in the first nine months of 2022, an increase of 46%. The increase is related to the acquisition of Sportnco, were €4.0 million are amortisation of acquired assets, see Note 12.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €3.3 (3.2) million. Acquired affiliate domains/SEO assets have been conservatively amortised over 8 years which is at a considerably faster pace than industry peers. Depreciation expense related to IFRS16 was €1.9 (1.9) million. The balance is mainly related to capitalised development expenses.

GiG is subleasing part of its office space, with rent of €0.8 (0.6) million in the first nine months of 2022.

EBIT

EBIT came in at €7.8 (6.2) million in the first nine months of 2022, a 25% improvement from the same period in 2021.

Financial and other expenses

Interest on the Company's bonds were €-3.8 (-3.3) million in the first nine months of 2022, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR during the period was €2.9 (0.8) million. Other financial expenses were €-1.6 (-1.8) million in the first nine months of 2022, including interest related to IFRS16 of €-0.6 (-0.7) million.

Tax

Net tax expense was €-1.0 (1.1) million in the first nine months of 2022. The tax income for the same period in 2021 includes recognition of a deferred tax asset due to a reassessment of

prior year taxable losses that is expected to be utilised in the coming years.

Net result

The profit from continuing operations was €4.3 (2.9) million in the first nine months of 2022. The loss from discontinued operations were €-1.3 (-1.3) million in the first nine months of 2022 (see Note 7 for more information). The profit after discontinued operations was €3.0 (1.6) million in the first nine months of 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €23.3 (11.4) million for the first nine months of 2022. Included in the net cash flow from operating activities are changes in operating assets and liabilities.

The net cash flow from investing activities was €-42.9 (-6.9) million, whereof €9.5 (-5.9) million were capitalised development expenses. Included is the €31.9 million cash element related to the acquisition of Sportnco Gaming SAS on 1 April 2022.

The net cash flow from financing activities was €25.2 (-4.8) million in the first nine months of 2022, which includes a €8.4 million net cash infusion from the SEK 100 million bond tap in January 2022 and €25.0 million from the share issue related to the Sportnco acquisition, see also Note 12.

Cash and cash equivalents increased by €5.6 (-0.2) million in the first nine months of 2022.

Personnel

At the end of the third quarter 2022, 578 (458) employees were spread throughout Malta, Spain, France and Denmark. Approximately 375 people contributed towards Platform & Sportsbook, 155 were focusing into GiG Media with the balance in corporate functions. The above numbers include approximately 70 full time consultants and remote workers with which at present GiG collaborates across Europe and USA. Additionally, GiG is contracting approximately 100 outsourced tech resources to be dedicated to the delivery of key projects. As from 1 April 2022 the reported head count includes 138 employees in Sportnco Gaming Group based in France (Toulouse) and Spain (Madrid and Barcelona).

The personnel are 54% employed in Malta, 29% in Spain, 10% in Denmark, 7% in France.

During Q3 2022 the Company has taken the operational decision to close the Riga office which was running some media operations employing approximately 15 people.

GiG is a people first organisation, and the health and well-being of its workforce are of high importance. After a year of restrictions, the Company implemented a new flexi-working approach in 2021, giving much needed stability to employees and the ability to improve their work-life balance, whilst ensuring that productivity remains high. This work model is allowing GiG to optimise investments on office space across all locations and is proving the commitment towards a long-term sustainable plan towards optimal use of facilities.

Whilst always monitoring local and world-wide health issues, GiG aims to hold more and more activities and events within its office walls and on digital platforms, breaking down social and geographical barriers experienced by GiGsters. Bringing people together at every opportunity.

The Company's operations have not been materially negatively affected by COVID-19 and GiG has applied a work from home policy, operating in a work from home and hybrid office set up allowing, when possible and safe, to employees to work from the Company's facilities which are constantly sanitised and respectful of all local and WHO's protocols and regulations. Given the uncertainties, it is difficult to ascertain the longer-term impact of COVID-19 on the Company's operations, or to provide a quantitative estimate of this impact.

GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy, and may lead to a global recession. GiG does not have business in the impacted conflict regions of Ukraine and Russia, and while difficult to predict the wider impact on consuming spending, no material impact is experienced so far in GiG's operations. Historically, the online gambling industry has proved robust and normally not been materially affected by uncertain periods for the global economy.

For further description on risks related to COVID-19 and other risk factors, see GiG's 2021 Annual Report that is available on www.gig.com/ir.

Shareholder matters

The GiG share is dual listed on Oslo Stock Exchange and Nasdaq Stockholm with the same ISIN code: US36467X2062. The authorised number of shares are 150,000,000 shares (par value USD 1.00), whereof 122,786,526 shares were outstanding as at 30 September 2022.

During the third quarter 2022, 8,000 options were exercised, and GiG borrowed shares for the immediate transfer of the option shares. Upon issuing of these shares, the number of outstanding shares will increase to 122,794,526 shares. In addition, 376,000 options were cancelled, resulting in 3,036,000 options outstanding as at 30 September 2022.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders in May 2022 resolved that the Nomination Committee shall represent all shareholders, and consist of not less than three and not more than four members. Each of the three largest shareholders of the Company as per 31 August 2022 shall have the right to appoint one member each to the Nomination Committee. Should any of the three largest shareholders waive their right to appoint a representative, or their representative resign from the Nomination Committee, or when members of the Nomination Committee representing shareholders who are no longer among the three largest shareholders resign, the opportunity to appoint a member of the Nomination Committee shall thereafter be passed on in order of the largest shareholding. The three members appointed by the largest shareholders may decide, by simple majority, to appoint a fourth member to the Nomination Committee. If such fourth member is a member of the Board of Directors, such member cannot run for re-election as member of the Board of Directors upon expiry of his/her current term as a Board member.

The Company has followed the principles set out by the Annual Meeting of Shareholders, and the new nomination committee are as follows:

- Julie Amey, representing SkyCity Entertainment Group Limited
- Dan Castillo, representing Optimus Invest Ltd.
- Helge Nielsen, representing Myrlid AS

For further information, see [here](#)

Legal disclaimer

Gaming Innovation Group Inc. gives forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

Financial calendar

Q4 2022 Interim Report	15 Feb 2023
Q1 2023 Interim Report	5 May 2023
Annual Meeting of Shareholders	23 May 2023
Q2 2023 Interim Report	16 Aug 2023
Q3 2023 Interim Report	8 Nov 2023

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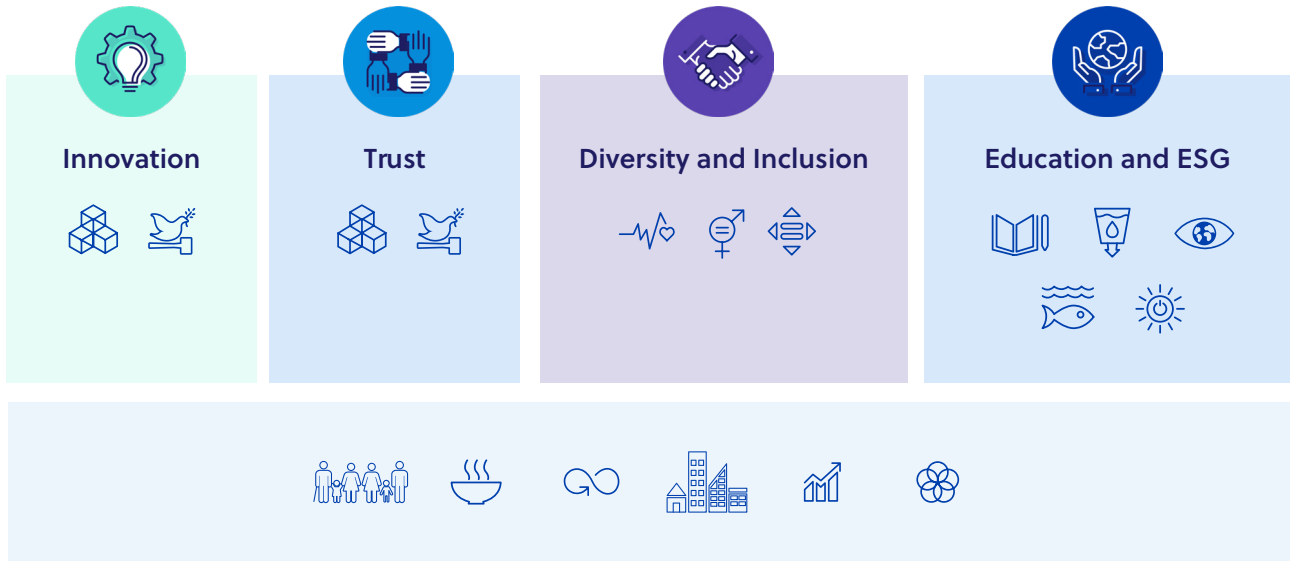
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This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 9 November 2022.

Our strategic approach to Sustainability

Our people and stakeholders are at the heart of every decision we make, as are the communities in which we live and work. We want to create sustainable growth for every internal and external stakeholder. We have aligned our four

key pillars and development areas, with the United Nations 2030 Agenda for Sustainable Development and the 17 Goals for People, for the Planet.



Innovation - *It's in our name*

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

- Important development in US and Canada.** Ben Clemes is to lead the creation of a North American hub. Ben, a founder of GiG, who helped lead the expansion of GiG from Malta into Marbella and has been dealing with the US since they first went live in New Jersey in 2018, will focus on the continued development of the client base in the US and Canada, whilst also building a team to help service the continued requirements in the region.
 - Adding a third State to portfolio.** GiG was granted authorisation in Pennsylvania, and work has continued to regulate our platform in all three states, meaning GiG Core will have New Jersey, Iowa and Pennsylvania available, and we are also working on Maryland and the GLI 33 certification.
 - Impressive number of go-live dates and new deals signed in US, Canada and UK.** Playstar go-live in New Jersey. Having signed the deal in 2021, the Casino
- focused brand go-live in the first state GiG were ever authorised to operate within the US. GiG also formalised an agreement with Crab Sports, where The 'Head of Terms' were signed in Q2 and now the Sportsbook offering in Maryland has signed the agreement formally. Kings Media signed an Ontario focused Platform deal with GiG. Ontario has been a focus for GiG since it decided to regulate in 2021 and GiG has signed a deal with the well known brand King Billy to allow them to operate in the jurisdiction. Plus Platform agreement signed with Casino-only brand, Luckiest, operating out of Alderney.
- GiG expands activity in LATAM.** Signing with Boldt and the Bplay brand, helping them expand into the Argentinian Province of Entre Rios, and signing an agreement with Betsson in Colombia to expand the ongoing relationship to 5 jurisdictions.

- **Many initiatives and integrations in Q3.** We enhanced our portfolio by adding iSoftbet freespins, Kalamba integration along with Kalamba freespins, Push gaming Integration and PariPlay integration including freespins to our portfolio. We also have a few initiatives underway

that were kicked off in Q3 and will be delivered in Q4, such as Playtech Direct Integration, EGT Digital direct integration, IGT Freespins and Microgaming Freespins.



Trust - *It's what we're building*

Through compliance and resilient technology we are developing best in class compliance products. Our expert in-house compliance, legal, information security and training teams focus on compliance analysis, emerging markets, responsible marketing and advertising, protecting our data and managing our vulnerabilities, and embedding responsible gaming and AML - and everything in between

- **Increased our SETA** (training and awareness) presence, improving further our dedicated learning paths and targeted awareness. With 90% compliance reached for internal phishing simulations, the GRC function dedicated further improvements to our phishing campaigns.
 - **Continued reporting** on our security processes with over 97% of training and awareness completed across the GiG Group launched awareness learning paths across the Sportnco organisation.
 - **Continued** GiG's ISO 27001 accredited certification with the expansion covering all GiG leading products.
 - **Improved** GRC's focus on Risk Management frameworks with more dedicated reporting and escalation lines inc. re-adjusting how GiG's third-party supply chain risk is assessed across 50 suppliers to date, with 94% of pre-existing suppliers being re-assessed.
 - **Tested** 20 products (across all verticals), saving approx €75,000 with only 5 left thus testing 80% of products so far.
 - **Monitored** (Opaque) web logs and events from GiG Core, enhanced with additional security information obtained from Magic, Infra, various threat feeds, and OSINT resources.
 - **Media:** ingestion of web and OS logs and events from Media T1 and T2 servers, allowing security monitoring and alerting for applicable use-cases. plans to ingest and monitor TX servers
- Safer Gambling:**
- **Research to be published in Scientific Journal.** In 2021, GiG, in collaboration with Bournemouth University, funded a research project called "Minimising Gambling Related Harm Through Cognitive Tasks and Interactive Dialogue." The research focused on harm minimisation strategies, and the paper is intended to be published in the Scientific Journal soon.
 - **RG Risk Profile** - Currently work is underway to develop a methodology which will risk assess a player from a safer gambling perspective. This will allow for an automated approach when determining the risk classification of a player and will remove any subjectivity when performing manual reviews on a players account and lead to automated interactions and spend limits to protect the player from any gambling related harm.
 - **Watchtower AI and leading RG tools.** For those business partners who take advantage of our managed services package, our Operations teams provide comprehensive RG monitoring, assessment and action on their customer database, utilising our plethora of advanced tools and processes, supported by experienced and highly trained people. We are constantly upgrading our RG repertoire, with the latest addition being the Watchtower AI language tool from Edgetier, designed to automatically alert and escalate concerning behaviour in customer contacts. We have applied for the Gamcare Advanced RG Accreditation, to highlight our industry leading customer protection program.
 - **Broadcasting our efforts to the world.** Our lead General Counsel Claudio Caruana was invited to the World Gaming Executive Summit in Barcelona as one of the headline speakers for the "Delving into ESG: The importance of finding the right balance between revenue and regulation", and focused in on our Safer Gambling and Community efforts.
 - Constantly developing our social responsibility product and practice. Our Player Safety team collaborated with Bournemouth University, in a workshop on player interactions, using the results to implement more successful channels and content on communication with potential problem gamblers. We also, in partnership with one of our biggest clients, participated in an external responsible gambling audit conducted by a leading RG consultancy, in order to constantly improve and develop our social responsibility product and practice.



Diversity, equity and inclusion - *It's what we practise*

We respect and celebrate the uniqueness of every GiGster. Through updating our practices and implementing new policies and initiatives we recognise, raise awareness of and address every bias including gender, nationality, ethnicity, religion, age, sexual orientation or disability.

- **Our numbers.** From Q2 to Q3, the gender split remained the same with 67.25% male and 32.25% female and 0.5% non-binary, and we continue to house an impressive 62 nationalities under our roof, from around the world.
- **Improving employee experience.** We continue to improve and optimise our employee experience. Please refer to our [Annual Sustainability Report](#) for an in-depth description of all ongoing activities regarding: **Talent Acquisition** and **Marketing Recruitment, Well-being #Together programme, GiG Allies** and **Your Voice**.
- **Optimising our office environments.** Our workplace services team have been working hard to finalise the office revamp and sublease in Malta, including internal building moves, creation of collaboration and meeting spaces, and are supporting Sportnco with the Madrid office move expected to finalise in H1 2023.
- **Increased meetups and events.** We re-introduced our monthly social events every Friday and are currently planning our Christmas events including a family day and Christmas GiG Giving charity activities which will all take place throughout December.
 - We had 14 in-person and online team events in Media, Group, Sports and Platform between July and September 2022, with 288 people coming together. And we held a further 3 lightning sessions, Beach clean-up and four themed Beer Fridays across all offices



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

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

- **Training and education.** Over 865 courses have been completed with over 2500 active unique learners and log ins on our GiGster Academy. Anti-Money Laundering, Hercules Training (GiG Media), GiG Leadership Foundations, Acceptable Use Policy, Introduction to iGaming were the most active courses (in hours of learning time). We also have published 8 new courses on the Academy, and have continued hosting the Leadership Programme training in Denmark and Malta with 50 leaders attending from all locations.
 - **Sportnco ISO certification:** We're continuously investing in keeping ours and our clients' information secure, and an important part of the integration was to bring Sportnco Group into the fold of our processes to protect our united organisation and maintain our ISO certification by taking 2 mandatory courses and be in line with our Infosec practices and policies.
- GiG Gives - Bridging the gap:**
- **Community Outreach:**
 - **We donated** 20kgs of food to our partnered charity in Malta to a women and children's shelter
 - **Raised and donated over €10,000 worth of equipment and money.** 12 laptops, 40 monitors, 2 tablets and 1 mobile phone were sold by our people and all the funds raised (over €4k euros) were donated to our GiG Gives charity organisation. 18 PC Desktops and 18 monitors were donated to an African school based in Malta worth a total of €3,600 euros and 14 laptops were donated to a Ukrainian family worth €2,100 euros.
 - **Ukraine Crisis Appeal.** Our support is continuous and is still active in all efforts mentioned in our Q2 2022 report.

- **ESG**

- In 2021 we embarked on the journey every company should be taking to record and report on the 4 categories and 12 subcategories of ESG reporting. We are fully committed to reducing our impact on the global environment, and we are excited to begin our journey in earnest to achieve Net Zero through analysis, reduction and neutralisation. Based on initial indications we believe we can achieve this by 2030. We will publish our strategic roadmap in 2023, with comprehensive measurements and KPIs. Please see our [Annual Sustainability Report 2021](#) for further details.





Consolidated Financial Statements



Gaming Innovation Group Inc.

Condensed Statements of Operations

EUR 1000 - Unaudited					
	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Revenues	27 397	21 835	76 962	59 240	82 155
Cost of sales	1 427	1 269	3 893	2 883	4 167
Gross profit	25 970	20 566	73 069	56 357	77 988
Marketing expenses	7 959	6 416	22 246	16 020	23 005
Other operating expenses	9 539	8 391	27 356	23 908	32 244
Total operating expenses	17 498	14 807	49 602	39 928	55 249
EBITDA adjusted	8 472	5 759	23 467	16 429	22 739
Share option expense (non-cash)	452	102	1 203	318	644
EBITDA	8 020	5 657	22 264	16 111	22 095
Depreciation & amortisation	4 455	2 422	11 250	6 678	9 336
Amortisation of acquired affiliate assets	1 086	1 098	3 258	3 232	4 313
EBIT	2 479	2 137	7 756	6 201	8 446
Financial income (expense)	-1 686	-1 857	-5 374	-5 146	-8 201
Unrealized exchange gain(loss) on the bond	524	422	2 895	776	1 064
Result before income taxes	1 317	702	5 277	1 831	1 309
Tax income/(expense)	-589	-234	-1 015	1 070	519
Profit/(loss) from continuing operations	728	468	4 262	2 901	1 828
Profit/(loss) from discontinuing operations	-149	-495	-1 306	-1 270	-1 890
Profit/(loss) for the period	579	-27	2 956	1 631	-62
Exchange differences on translation of foreign operations	-189	129	-116	-210	-323
Total comprehensive income/(loss)	390	102	2 840	1 421	-385
Total comprehensive income/(loss) attributable to:					
Owners of the Company	389	104	2 839	1 419	-385
Non-controlling interests	1	-2	1	-2	-
Total comprehensive income/(loss)	390	102	2 840	1 421	-385
Weighted average shares outstanding (1000)	122 787	96 676	114 179	93 122	94 018
Diluted weighted average shares outstanding (1000)	125 362	97 945	116 754	94 391	95 247
Basic and diluted earnings (losses) per share:					
- from continuing operations:	0.01	0.00	0.04	0.03	0.02
- from discontinuing operations	-0.00	-0.01	-0.01	-0.01	-0.02
- attributable to GiG Inc.	0.00	0.00	0.02	0.02	0.00

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited

	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets			
Non-current assets:			
Goodwill	75 330	16 324	16 325
Intangible assets	61 341	32 499	31 732
Deposits and other non-current assets	10 074	13 986	13 482
Total non-current assets	146 745	62 809	61 539
Current assets:			
Trade and other receivables	21 905	18 279	17 569
Cash and cash equivalents	14 144	11 263	8 561
Total current assets	36 049	29 542	26 130
Total Assets	182 794	92 351	87 669
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	108 018	86 992	84 323
Share premium/reserves	61 114	32 534	35 491
Retained earnings (deficit)	-104 864	-105 766	-107 912
Total equity attributable to GiG Inc.	64 268	13 760	11 902
Non-controlling interests	24	15	23
Total shareholders' equity	64 292	13 775	11 925
Liabilities:			
Trade payables and accrued expenses	19 618	21 809	20 485
Lease liabilities	3 175	1 962	3 156
Contingent liability	8 942	-	-
Short term loan	3 719	-	-
Short term bond	4 358	3 853	3 853
Total current liabilities	39 812	27 624	27 494
Bond payable	44 437	38 043	38 850
Other long term liabilities	9 573	12 369	9 400
Contingent liability	9 591	-	-
Long term loans	14 025	-	-
Deferred tax liability	1 063	540	-
Total long term liabilities	78 689	50 952	48 250
Total liabilities	118 501	78 576	75 744
Total liabilities and shareholders' equity	182 794	92 351	87 669

Condensed statements of changes in equity:

	30 Sep 2022	30 Sep 2021	31 Dec 2021
Equity at beginning of period	11 925	3 606	3 606
Adjustment in prior period	-	-	8
Loan converted to shares	-	8 051	8 051
Acquisition	-	27	-
Shares issued for acquisition	48 500	-	-
Transaction costs	-176	-	-
Share compensation expense	1 203	330	645
Exchange differences on translation of foreign operations	-116	129	-323
Net results from continuing operations	4 262	2 901	1 828
Net results from discontinuing operations	-1 306	-1 270	-1 890
Equity at end of period	64 292	13 775	11 925

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Cash flows from operating activities:					
Results from continuing operations before income taxes	1 317	702	5 278	1 831	1 309
Income/(loss) from discontinued operations	-149	-495	-1 306	-1 270	-1 890
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	-589	-234	-1 015	1 070	520
Depreciation and amortization	5 860	3 737	15 296	10 500	14 602
Share based compensation	452	135	1 203	330	645
Transaction costs	-85	-	-1 600	-	-67
Other adjustments for non-cash items and changes in operating assets and liabilities	3 183	4 004	5 483	-768	-2 188
Net cash provided by operating activities	9 988	8 021	23 339	11 693	12 931
Cash flows from investing activities:					
Purchases of intangible assets	-4 066	-1 952	-10 724	-6 425	-8 625
Purchases of property, plant and equipment	-39	-102	-221	-450	-577
Acquisition of associates	-	-	-31 922	-26	-26
Net cash from investing activities	-4 105	-2 054	-42 867	-6 901	-9 228
Cash flows from financing activities:					
Lease liability principal payments	-1 153	-1 080	-3 137	-2 433	-2 993
Interest paid on bonds	-1 249	-1 153	-3 580	-2 861	-3 801
Repayment of loans	-751	-	-1 502	-2 328	-2 328
Proceeds from bond issue	-	-	8 446	42 431	42 431
Repayment of bonds	-	-	-	-39 632	-39 632
Proceeds from share issue	-	-	25 000	-	-
Net cash from financing activities	-3 153	-2 233	25 227	-4 823	-6 323
Translation loss	-189	129	-116	210	-323
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	2 540	3 691	5 583	-241	-2 943
Cash and cash equivalents - beginning	11 604	7 572	8 561	11 504	11 504
Cash and cash equivalents - end	14 144	11 263	14 144	11 263	8 561

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 September 2022 and 2021

1. General information

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

The Company's principal activities during 2021 and 2022 were the provision of online gaming services, primarily remote gaming platforms, sportsbook and affiliate marketing operations.

2. Revenue recognition

Reported revenues include revenues from a platform client where GiG recognises the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. By assuming standard white-label accounting principles, normalised revenues, cost of sales and marketing cost will, in the opinion of management, give a more comparable view on the Company's operational performance. The differences are shown in the table below, and in the narrative part of the report, the normalised revenue, cost of sales and marketing expenses are commented on.

Reported numbers - EUR 1000 - Unaudited	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Revenues	27 397	21 835	76 962	59 240	82 155
Cost of sales	1 427	1 269	3 893	2 883	4 167
Gross profit	25 970	20 566	73 069	56 357	77 988
Marketing expenses	7 959	6 416	22 246	16 020	23 005
Other operating expenses	9 539	8 391	27 356	23 908	32 244
Total operating expenses	17 498	14 807	49 602	39 928	55 249
Adjusted EBITDA	8 472	5 759	23 467	16 429	22 739
Non-cash option expenses	452	102	1 203	318	644
EBITDA	8 020	5 657	22 264	16 111	22 095

Normalised numbers - EUR 1000 - Unaudited	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Revenues	22 893	16 908	64 072	48 254	66 343
Cost of sales	253	93	508	75	868
Gross profit	22 640	16 815	63 564	48 179	65 475
Marketing expenses	4 629	2 675	12 740	7 762	11 208
Other operating expenses	9 539	8 381	27 356	23 986	31 528
Total operating expenses	14 168	11 056	40 096	31 748	42 736
Adjusted EBITDA	8 472	5 759	23 467	16 429	22 739
Non-cash option expenses	452	102	1 203	318	644
EBITDA	8 020	5 657	22 264	16 111	22 095

3. Basis of preparation

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the periods ended 30 September 2022 and 2021 of Gaming Innovation Group Inc. and subsidiaries and have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated financial statements for the periods ended 30 September 2022 and 2021 have not been audited by the Company's auditors.

The Company's condensed consolidated financial statements are presented in Euro (EUR), which is the presentation and functional currency of the Company. The functional currencies of its subsidiaries are the United States dollar, the Euro and Norwegian and Danish Kroners which are translated into EUR at monthly

average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the condensed consolidated statement of comprehensive income (loss).

The condensed consolidated financial statements of the Company as at and for the periods ended 30 September 2022 and 2021 are comprised of its subsidiary Plc and Plc's related accounting basis subsidiaries.

As at 30 September 2022, the Group reported net current liabilities of €3.8 million. After adjusting for non-cash items, primarily representing the earn-out consideration payable in shares in relation to the SportnCo acquisition (see Note 12), the adjusted current asset position amounts to €0.1 million for the Group as at 30 September 2022.

4. Summary of significant accounting policies

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended 30 September 2022 and 2021 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2021. See the 2021 Annual Report for more details, hereunder the Company's Revenue Recognition Policy.

Discontinued Operations

In accordance with IFRS 5, the B2C and Sports financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 30 September 2022 and 2021 and full year ended 31 December 2021 respectively.

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

In 2022, there are no new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2022. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

5. Impairment of intangible assets

The Company reviews the carrying amounts of its tangible and intangible assets on an annual basis (or more frequently if events or changes in circumstances indicate a potential impairment) to determine if there are any indications that the assets have decreased in value. If any such indications exist, the recoverable amount is set to determine the need to recognise an impairment. When calculating the recoverable amount, future cash flows are discounted to present value using a discount rate before tax. If the recoverable amount is determined to be lower than the carrying amount, an impairment is recorded through a charge to the statement of operations. There were no impairments in periods covered by this interim report.

The Company has decided not to exercise its option to acquire the remaining 50% of the risks and rewards of 'development domains' during Q3 2022. This option had been recognised as a derivative asset and had a value of €206k. During Q3 2022, the derivative asset was written off and is included within Depreciation & Amortisation.

6. Segment information

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

The Group operates two segments: affiliate marketing ('Media') and

platform and sportsbook services ('Platform'). Sportnco is included in Platform from 1 April 2022. The Group's internal reporting to its management team now focuses on Platform and Media, and accordingly the segment information below discloses financial information for these two segments. Prior periods have been restated for comparison.

Q3 2022 (EUR 1000)	Media	Platform	Total
Revenue	15 068	12 329	27 397
Cost of sales	-	-1 427	-1 427
Marketing costs	-4 557	-3 402	-7 959
Other operating costs	-3 752	-5 788	-9 539
EBITDA adjusted	6 759	1 712	8 472
Share option expense (non-cash)	-56	-396	-452
Depreciation & amortisation	-2 014	-3 527	-5 541
Operating profit/(losses)	4 689	-2 211	2 479

Q3 2021 (EUR 1000)	Media	Platform	Total
Revenue	11 177	10 658	21 835
Cost of sales	-	-1 269	-1 269
Marketing costs	-2 691	-3 725	-6 416
Other operating costs	-3 365	-5 026	-8 391
EBITDA adjusted	5 121	638	5 759
Share option expense (non-cash)	-41	-61	-102
Depreciation & amortisation	-1 669	-1 852	-3 520
Operating profit/(losses)	3 412	-1 275	2 137

9M 2022 (EUR 1000)	Media	Platform	Total
Revenue	43 925	33 037	76 962
Cost of sales	-	-3 893	-3 893
Marketing costs	-12 488	-9 758	-22 246
Other operating costs	-10 739	-16 618	-27 356
EBITDA adjusted	20 698	2 768	23 467
Share option expense (non-cash)	-208	-994	-1 202
Depreciation & amortisation	-5 689	-8 819	-14 508
Operating profit/(losses)	14 801	-7 045	7 757

9M 2021 (EUR 1000)	Media	Platform	Total
Revenue	32 200	27 040	59 240
Cost of sales	0	-2 883	-2 883
Marketing costs	-7 686	-8 334	-16 020
Other operating costs	-9 388	-14 521	-23 908
EBITDA adjusted	15 126	1 302	16 429
Share option expense (non-cash)	-153	-165	-318
Depreciation & amortisation	-5 319	-4 591	-9 910
Operating profit/(losses)	9 654	-3 454	6 201

2021 (EUR 1000)	Media	Platform	Total
Revenue	44 970	37 185	82 155
Cost of sales	-	-4 167	-4 167
Marketing costs	-10 959	-12 046	-23 005
Other operating costs	-13 031	-19 214	-32 244
EBITDA adjusted	20 980	1 758	22 739
Share option expense (non-cash)	-275	-369	-644
Depreciation & amortisation	-7 259	-6 389	-13 648
Operating profit/(losses)	13 446	-5 000	8 446

7. Discontinued operations

B2C Operations

In April 2021, the Company completed the sale of its B2C assets to Betsson Group (Betsson). In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company's financial statements as of and for the periods ended 30 September 2022 and 2021 and full year ended 31 December 2021.

Sports

In December 2021, the Company signed a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco"). On 1 April the transaction was closed following all the necessary approvals from relevant gaming authorities, shareholders and bondholders. As a result of the acquisition of Sportnco, the Company took the decision to divest its Sportsbook.

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 30 September 2022 and 2021 and the full year 2021:

(EUR 1000)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Net revenue	665	87	882	344	419
Other income	-	-	-	-	-
Expenses	-814	-582	-2 188	-1 614	-2 309
Impairment losses	-	-	-	-	-
Loss on disposal of B2C segment	-	-	-	-	-
Operating profit/(losses)	-149	-495	-1 306	-1 270	-1 890
Loss from discontinued operations attributable to:					
Owners of the Company	-149	-495	-1 306	-1 270	-1 890
Non-controlling interest	-	-	-	-	-
Total	-149	-495	-1 306	-1 270	-1 890
Net cash flow from operating activities	-678	-289	-1 157	-775	-1 890
Net cash flow from investing activities	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-	-	-
Net increase in cash generated by discontinued operations	-149	-495	-1 306	-1 270	-1 890

8. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in profitable periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 30 September 2022, the Company had 3,036,000 options outstanding.

9. Changes in equity

On 1 April 2022, GiG completed the acquisition of Sportnco Gaming SAS, hereunder to issue new shares to the shareholders of Sportnco and separately issued shares in return for cash to SkyCity Entertainment Group Limited ("SkyCity"), see Note 12. 26,110,900 new shares were issued, whereof 12,623,400 to the shareholders of Sportnco at a share price of NOK 18.08 (total EUR 23.5 million), and 13,487,500 to SkyCity Entertainment Group Limited at a share price of NOK 18.00 (total EUR 25.0 million). Following the share issues, the number of outstanding shares increased from 96,675,626 to 122,786,526.

As at 30 September 2022, the number of authorised shares was 150,000,000 whereof 122,786,526 shares and 3,036,000 options were outstanding.

10. Loans payable

In June 2020, the Company entered a NOK 25,000,000 credit facility with a shareholder on market terms with maturity in January 2021. NOK 14,000,000 was drawn under the facility in July 2020, and NOK 11,000,000 in November 2020. The credit facility was paid down in January 2021.

In December 2020, the Company issued a subordinated convertible loan of EUR 8.5 million to two Nordic investment funds with an interest rate of 8% per annum, convertible into shares in the Company at NOK 15 at the option of the lenders, or repayable on 18 June 2023. On 28 May 2021, this loan was converted into equity.

Through the business combination transaction with Sportnco (see Note 12), the Company acquired a number of loans with credit institutions, whereof the largest being in the amount of EUR 12.2 million with maturity in 2027 and interest of 1.8%. The remaining loans aggregated EUR 6.6 million with maturities varying from 2024 to 2028 and interest rates from 0.00-2.48%.

The outstanding short-term part of the loans at 30 September 2022 was EUR 3.7 million (2021: EUR 0), and the long-term part of the loans at 30 September 2022 was EUR 14.0 million (2021: EUR 0).

11. Senior secured bonds

In June 2021, the Group issued a 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The net proceeds were used to refinance the then existing SEK 400 million 2019-2022 bond including transaction costs with the balance applied towards general corporate purposes. The 2021-2024 bonds has a floating coupon of 3 months STIBOR + 8.5% per annum and are registered in the Norway Central Securities Depository and listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market.

The acquisition of Sportnco required the bond terms to allow for roll over of long-term loans in Sportnco as well as some other amendments to the bond terms. The proposed resolutions were adopted by the bondholders in January 2022 through a written resolution with the requisite majority.

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

The outstanding balance of the short-term part of the bond at 30 September 2022 and 2021 was EUR 4.36 million (2021: EUR 3.85 million). The outstanding balance of the long-term part of the bond on 30 September 2022 was EUR 44.44 million (2021: EUR 38.04 million). Accrued interest amounted to EUR 0.78 million (2021: EUR 0.40 million).

12. Business combinations

Acquisition of Sportnco Gaming SAS

Subsequent to a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco") on 22 December 2021, Gaming Innovation Group has received the necessary approvals from relevant authorities, and GiG's Board of Directors resolved to complete the acquisition with effect on 1 April 2022. GiG acquired 100% of the issued shares of Sportnco, an unlisted group based in France, a leading sports betting and gaming solutions provider in the online gambling industry. As a result of the acquisition, GiG strengthens its position in the platform and sports segments of the iGaming industry and will have multiple possibilities going forward by increasing its product portfolio driving toward a profitable and cash generating business segment.

The goodwill of EUR 59.0 million arising from the acquisition consists largely of the synergies, increased value proposition with ever increasing growth prospect and further diversification of revenue and geographical reach expected from combining the operations of GiG and Sportnco.

Part of the goodwill recognised is expected to be deductible for income tax purposes (to be determined).

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

Consideration (EUR 1000)	
Equity instruments (12,623,400 ordinary shares in GiG) (i)	23 500
Cash transfer	31 922
Initial Consideration	55 422
Contingent consideration (ii)	18 527
Total Purchase Price (Equity Value)	73 948

Acquisition related costs amounting to EUR 0.7 million are included in Finance costs in GiG's statement of comprehensive income for the period ended 30 September 2022.

Recognised amounts of identifiable assets acquired and liabilities assumed

Asset valuation (EUR 1000)	
Cash and cash equivalents	4 419
Debt	-18 628
Trade and other receivables	1 718
Trade and other payables	-1 711
Deferred Tax	-377
Technology Platform	16 242
Other tangible assets	199
Contracts – Fair Value	14 037
Deferred tax liability on Contracts FV	-702
Asset Valuation	14 927
Goodwill	59 022

(i) Equity instruments

As part of the consideration paid for Sportnco, EUR 23.5 million was agreed to be paid in ordinary shares. 12,623,400 ordinary shares were issued and measured using the volume-weighted average price ("VWAP") (NOK 18.08) of GiG's ordinary shares for the ten days of trading preceding the acquisition date. GiG also entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity") in December 2021, whereby SkyCity invested EUR 25 million in GiG through a directed share issue at NOK 18.00 per share, equal to 13,487,500 new GiG shares, financing the main part of the cash consideration to the shareholders of Sportnco. GiG issued 26,110,900 new shares to the shareholders of Sportnco and SkyCity, increasing the number of outstanding shares from 96,675,626 to 122,786,526. The shares issued to the shareholders of Sportnco are subject to a 6-month lock-up period.

(ii) Contingent consideration

The contingent consideration arrangement requires GiG to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR 11.5 million per year (undiscounted). The earn-out will be paid 50% in cash and 50% in new shares in GiG, where the number of shares to be issued shall be based on a 10-day VWAP of the GiG share at the time of payment, expected in April 2023 and April 2024. Given the nature of the arrangements, all the contingent consideration is classified as a liability in GiG's financial statements.

The potential undiscounted amount of all future payments that GiG could be required to make under the contingent consideration arrangement is between nil and EUR 23 million. The fair value of the contingent consideration arrangement of EUR 18.5 million was estimated by applying the income approach.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs. The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco.

The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to an 85% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR 1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

The contingent consideration arrangement expires within 15 months and the effect of discounting would not warrant any material adjustments to EBITDA estimates.

IFRS 3 'Business Combinations' provides a measurement period (a period after the acquisition date) during which the acquirer may adjust the provisional amounts recognised for a business combination. In the quarter to 30 September 2022, the Group has adjusted downwards

the contingent consideration recognised linked to the Sportnco acquisition that had an effective date of 1 April 2022 ("acquisition date"). Such an adjustment to the contingent consideration provisional amount recognised at the acquisition date was necessary following new information obtained from Sportnco linked to facts and circumstances that existed as at the acquisition date. The corresponding revision to the contingent consideration amounting to EUR 3.33 million has been recognised as a reduction in goodwill.

(iii) Other information

The fair value of the financial assets acquired includes receivables with a fair value of EUR 1.7 million. The gross amount due approximates the fair value of the financial assets and no material adjustments are required to the fair value.

The revenues included in the consolidated statement of comprehensive income until 30 September 2022 contributed by Sportnco was EUR 5.40 million. Sportnco also contributed an operating loss of EUR -1.37 million over the same period. Had Sportnco been consolidated from 1 January 2022, the consolidated statement of comprehensive income would have included revenues of EUR 7.79 million and an operating loss of EUR -1.22 million.

(iv) Transactions recognised separately from the acquisition

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

13. Litigations

The Company has ongoing cases in Germany and Austria related to its discontinued business-to-consumer business, related to claims by former players for a return of their lost deposits during the period prior to Interstate Treaty 2021 coming into force. Also, from time to time, the Company is involved in litigation brought by previous employees or other persons. The Company and its legal counsel believe that these claims are without merit.

14. Related party transactions

There were no material related party transactions in the third quarter 2022 other than the loans mentioned in Note 10.

15. Subsequent events

There were no other subsequent events not already addressed in other sections within this report.

16. Alternative performance measures

Certain financial measures and ratios related thereto in this interim report are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this report because they are the measures used by management and they are frequently used by other interested parties for valuation purposes. In addition, the Company provides information on certain costs in the income statement, as these are deemed to be significant from an industry perspective.

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBIT margin: EBIT in percent of Normalised revenues

EBITDA: Operating profit less depreciation, amortization and impairments

Adjusted EBITDA: EBITDA less option expenses

EBITDA margin: EBITDA in percent of Normalised revenues

Adjusted EBITDA margin: Adjusted EBITDA in percent of Normalised revenues

First Time Depositor (FTD): A first time depositor is a person who places wagers or deposits an amount of money for the very first time

Gaming tax: Taxes paid on revenues in regulated markets

Gross Gaming Revenue (GGR): Total cash deposits less all wins payable to customers

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

Interest bearing debt: Other long-term debt and short-term borrowings

Net Gaming Revenue (NGR): Total cash deposits less all wins payable to customers after bonus costs and external jackpot contributions

Normalised revenues: See description in Note 2

Organic growth: Growth excluding acquisitions

Sports Betting Margin: Customers' total bets less winnings, divided by customers' total bets

Auditors' Review Report

To the Directors of Gaming Innovation Group Inc.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gaming Innovation Group Inc. as of September 30, 2022 and the related condensed interim statements of operations, changes in equity and cash flows for the nine-month period then ended and the explanatory notes. The Board of Directors and President are responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim reporting (International Accounting Standards 34 "Interim Financial Reporting"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial reporting and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared in all material respects in accordance with International Accounting Standards 34 "Interim Financial Reporting".

8 November 2022

Reid CPAs, LLP

REID CPAs LLP
Woodbury, New York, USA

Gaming Innovation Group plc.

Condensed statement of operations

In June 2021, Gaming Innovation Group Plc issued a new SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The bond matures in June 2024 and is listed on on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market. A SEK 100 million subsequent bond issue was completed in January 2022, increasing the outstanding bonds to SEK 550 million.

As per the bond terms, the interim condensed consolidated accounts for the issuer for the periods ending 30 September 2022 and 2021 and full year 2021 are stated below. Please refer to the selected notes to condensed consolidated financial statements for the parent Gaming Innovation Group Inc. for more information.

EUR 1000 - Unaudited

	Q3 2022	Q3 2021	9M 2022	9M 2022	2021
Revenues	27 397	21 835	76 962	59 240	82 155
Cost of sales	1 427	1 269	3 893	2 883	4 167
Gross profit	25 970	20 566	73 069	56 357	77 988
Operating expenses					
Marketing expenses	7 959	6 416	22 246	16 020	23 005
Other operating expenses	9 217	8 161	26 436	23 142	31 079
Total operating expenses	17 176	14 577	48 682	39 162	54 084
EBITDA adjusted	8 794	5 989	24 388	17 195	23 904
Share option expense (non-cash)	452	102	1 203	318	644
EBITDA	8 342	5 887	23 185	16 877	23 260
Depreciation & amortisation	4 455	2 422	11 250	6 678	9 337
Amortisation on acquired affiliate assets	1 086	1 098	3 258	3 232	4 313
EBIT	2 801	2 367	8 677	6 967	9 610
Financial income (expense)	-1 165	-1 418	-2 515	-3 842	-6 573
Result before income taxes	1 636	949	6 162	3 125	3 037
Tax income/(expense)	-589	-234	-1 015	1 070	-631
Profit/(loss) from continuing operations	1 047	715	5 147	4 195	2 406
Profit/(loss) from discontinuing operations	-149	-495	-1 306	-1 270	-1 890
Profit/(loss) for the period	898	220	3 840	2 925	515
Exchange differences on translation of foreign operations	-189	129	-83	-210	24
Fair value movement in available for sale investment	-	-	-	-	-
Total comprehensive income (loss)	709	349	3 757	2 715	542
Total Comprehensive income (loss) attributable to:					
Owners of the Company	708	349	3 756	2 715	534
Non-controlling interests	1	-	1	-	8
Total comprehensive income (loss)	709	349	3 757	2 715	542

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets			
Non-current assets:			
Goodwill	64 882	5 836	5 877
Intangible assets	61 341	34 663	31 732
Deposits and other non-current assets	9 768	13 715	13 170
Total non-current assets	135 991	52 090	50 779
Current assets:			
Trade and other receivables	22 032	16 871	17 565
Cash and cash equivalents	13 215	10 658	8 484
Total current assets	35 247	27 529	26 049
Total assets	171 238	79 619	76 829
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	50	54	51
Share premium/reserves	137 849	87 778	88 208
Retained earnings (deficit)	-88 328	-91 713	-92 241
Total equity attributable to GiG Inc.	49 571	-3 881	-3 982
Non-controlling interests	24	15	23
Total shareholders' equity	49 596	-3 866	-3 959
Liabilities:			
Trade payables and accrued expenses	22 841	26 938	20 485
Lease liabilities	3 175	1 962	3 156
Short term loan	3 719	-	-
Contingent liability	8 942	-	-
Bond payable	4 358	3 853	3 853
Total current liabilities	43 036	32 753	27 494
Bond payable	44 437	38 043	38 850
Deferred tax liability	1 063	12 149	9 313
Contingent liability	9 591	-	-
Long term loans	14 025	-	5 131
Other long term liabilities	9 491	540	-
Total long term liabilities	78 607	50 732	53 294
Total liabilities	121 642	83 485	80 788
Total liabilities and shareholders' equity	171 238	79 619	76 829

Gaming Innovation Group plc.

Condensed statement of cash flows

EUR 1000 - Unaudited

	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Cash flows from operating activities:					
Results from continuing operation before income taxes	1 636	949	6 162	3 125	3 037
Results from discontinued operations	-149	-495	-1 306	-1 270	-1 890
Adjustments. to reconcile profit before tax to net cash flow:					
Tax expense	-589	-234	-1 015	1 070	-234
Depreciation and amortization	5 860	3 737	15 296	9 910	14 689
Impairment of intangibles					
Share based compensation	452	574	1 203	318	642
Other adjustments for non-cash items and changes in operating assets and liabilities	3 268	2 885	2 116	-2 287	-3 764
Net cash provided by operating activities	10 478	7 244	22 455	11 162	12 581
Cash flows from investing activities:					
Purchases of intangible assets	-4 066	-1 952	-10 724	-6 396	-8 596
Purchases of property, plant and equipment	-	-102	-221	-450	-577
Disposal/acquisition of associates	-39	-	-31 922	-26	-26
Net cash from investing activities	-4 105	-2 054	-42 867	-6 872	-9 199
Cash flows from financing activities:					
Repayment of loans	-751	-	-1 502	-	-
Lease payments	-1 153	-1 080	-3 137	-2 677	-3 237
Interest paid on bonds	-1 249	-1 153	-3 580	-2 051	-2 991
Proceeds from/repayment of bonds	-	-	8 446	3 263	3 263
Proceeds from issuance of shares	-	-	25 000	-	-
Net cash from financing activities	-3 153	-2 233	25 227	-1 465	-2 965
Translation loss	-189	129	-83	-210	24
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	3 031	3 086	4 734	2 615	441
Cash and cash equivalents - beginning	10 184	7 572	8 481	8 043	8 043
Cash and cash equivalents - end	13 215	10 658	13 215	10 658	8 481

We are Gaming Innovation Group

Gaming Innovation Group Inc. ("GiG" or "the Company") is a technology company operating in the iGaming industry. Offering cutting edge cloud-based services and performance marketing through their B2B solutions. Founded in 2012, Gaming Innovation Group's vision is "to be the industry leading platform and media provider delivering world class solutions to our iGaming partners and their customers". GiG's agile iGaming platform is adaptable to change, providing partners with the choice and flexibility of selecting content and services tailored to their specific market requirements,

delivering a seamless omnichannel experience. Furthermore GiG is a lead generation and marketing provider with a 360 degree digital offering, supplying high value leads with global reach. All driving sustainable growth and profitability through product innovation, scalable technology and quality of service. GiG's strategy is centered on three customer focused business areas, which is key to be a relevant supplier, supported by its group ambition for top performance and operational excellence



Media Digital Marketing

- Finding leads through online media buys and publishing and refer these lead to operators
- Successful track record in multiple markets, sending traffic to leading iGaming operators



Platform Platform Services

- Offering state of the art PAM services and games from multiple vendors, to casino operators
- Providing casino, sportsbook and data technology to operators globally as well as full managed services capability



Sportnco Sports Services

- End to end Sportsbook solution
- Odds, trading and risk management platform and mobile first front end for sportsbooks



Managed Services

Supportive services to fulfil GiG's partner's operational needs across complex industry needs

Business Model

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

GiG realises that all partners do not have the same needs and offers all products and services agnostically so the partner

can pick and choose what products and services fit their needs at different times through their igaming journey. The same agnostic approach is also extended to content suppliers and auxiliary providers, where partners can choose the best tools and content for their operation and target market.

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



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