

Q4 2023

Restated - Interim Report

Gaming Innovation Group Inc.

Q4 2023 Restated Interim Report

Reference is made to Gaming Innovation Group Inc.'s ("GiG") Q4 2023 Interim Report, announced on 14 February 2024. The condensed consolidated statements have been restated as described below.

In February 2023, the Board initiated a strategic review with the intention to split GiG into two main business segments. The split will be achieved through the divestment of the Platform & Sportsbook segment, which will be distributed to the shareholders. In accordance with IFRS 5, Platform & Sportsbook's financial results are presented as a discontinued operation, and the assets and liabilities of this disposal group held for distribution have been separately presented in the financial statements for the periods ended 31 December 2023. The results of the discontinued operation have been restated within the Company's income statement.

In relation to IFRS 5, there has been certain restatements between Media (reported and continuing operations) and Platform & Sportsbook (discontinued operations to be distributed to owners), and some reclassifications between current and non-current assets and liabilities. The restatements related to IFRS 5 have reduced the reported net result in continued operations by EUR 530k.

In April 2024, the Company amended the terms for a client agreement, resulting in overall transaction price to be decreased with a longer payment plan. Given the postponement of payments and further uncertainty related to two other clients that has discontinued their operations, the Company has decided to increase the loss allowance.

The restatements have reduced the net result in discontinued operations to be distributed to owners by a total of EUR 3,127k.

Below are the restated condensed consolidated statements of operations and cash flow for the fourth quarter of 2023 and for the full year 2023 and the restated condensed consolidated financial position as of 31 December 2023. For further information see the Company's 2023 Annual Report.

30 April 2024

The Board of Directors of
Gaming innovation Group Inc.

Gaming Innovation Group Inc.

Restated Condensed Statements of Operations

GiG plan to split the Company in two by distributing the Platform & Sportsbook segment to its shareholders in 2024. In accordance with IFRS 5, Platform & Sportsbook's financial results are reported as assets held for distribution in the Company's financial statements. Previous periods have been restated accordingly. For more details, see Note 7.

EUR 1000	Restated			As Reported		
	Q4 2023	2023	Q4 2023	Q4 2022	2023	2022
Revenues	26 051	88 621	26 514	17 813	89 084	61 738
Cost of sales	-	-	-	-	-	-
Gross profit	26 051	88 621	26 514	17 813	89 084	61 738
Marketing expenses	8 534	26 777	8 534	5 663	26 777	18 150
Other operating expenses	6 606	22 342	6 464	3 290	22 200	14 237
Total operating expenses	15 140	49 119	14 998	8 953	48 977	32 387
EBITDA	10 911	39 502	11 516	8 860	40 107	29 351
Depreciation & amortisation	4 044	12 488	2 977	1 839	11 421	7 804
EBIT	6 867	27 014	8 539	7 021	28 686	21 547
Financial income (expense)	-5 300	-10 887	-6 375	-972	-11 962	-1 881
Result before income taxes	1 567	16 127	2 165	6 050	16 723	19 665
Tax income/(expense)	-1 696	-3 244	-1 763	-396	-3 311	-760
Profit from continuing operations	-129	12 883	402	5 654	13 412	18 905
Profit/(loss) from discontinuing operations	-61	-736	-61	-1 302	-736	-2 608
Profit/(loss) from assets held for distribution	-7 467	-680	-4 340	-4 204	2 447	-13 193
Profit for the period	-7 657	11 534	-3 999	148	15 123	3 104
Exchange differences on translation of foreign operations	-144	-258	-555	-40	-669	-89
Total comprehensive income	-7 801	11 209	-4 555	108	14 454	3 015
Total comprehensive income/(loss) attributable to:						
Owners of the Company	-7 776	11 134	-4 539	-57	14 222	3 003
Non-controlling interests	-25	75	-25	217	75	-2
Total comprehensive income/(loss)	-7 801	11 209	-4 555	108	14 454	3 0156
Weighted average shares outstanding (1000)	128 956	127 887	128 956	122 787	127 887	116 348
Diluted weighted average shares outstanding (1000)	130 871	129 782	130 871	125 385	129 802	118 947
Basic and diluted earnings (losses) per share:						
- from continuing operations:	0,00	0,10	0,00	0,05	0,10	0,16
- from discontinuing operations	-0,06	-0,01	-0,03	-0,04	0,01	-0,13
- attributable to GiG Inc.	-0,06	0,09	-0,03	0,00	0,11	0,03

Gaming Innovation Group Inc.

Restated Condensed Statements of Financial Position

GiG plan to split the Company in two by distributing the Platform & Sportsbook segment to its shareholders in 2024. In accordance with IFRS 5, Platform & Sportsbook's financial results are reported as assets held for distribution in the Company's financial statements. Previous periods have been restated accordingly. For more details, see 2023 Annual Report.

EUR 1000	Restated 31 Dec 2023	31 Dec 2023	As Reported 31 Dec 2022
Assets			
Non-current assets:			
Goodwill	40 793	26 136	16 302
Intangible assets	62 673	78 077	20 275
Deposits and other non-current assets	4 083	5 193	6 086
Total non-current assets	107 549	109 406	42 662
Current assets:			
Trade and other receivables	18 501	25 523	14 492
Cash and cash equivalents	15 487	15 487	6 170
Total current assets	33 988	41 010	20 663
Assets classified as held for distribution	131 099	129 706	121 654
Total Assets	272 636	280 122	184 979
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	114 136	118 052	107 967
Share premium/reserves	71 856	67 916	61 889
Retained earnings (deficit)	-93 997	-90 908	-105 130
Total equity attributable to GiG Inc.	91 996	95 060	64 726
Non-controlling interests	315	315	240
Total shareholders' equity	92 311	95 375	64 966
Liabilities:			
Trade payables and accrued expenses	17 414	17 037	13 676
Lease liabilities	1 420	2 318	2 062
Short term loan	1 705	1 705	-
Other payables	16 922	17 308	-
Total current liabilities	37 461	38 368	15 272
Bond payable	74 551	74 551	48 191
Other long term liabilities	30 195	35 184	2 181
Lease liabilities	3 406	2 994	4 110
Deferred tax liability	3 990	3 990	1 026
Total long term liabilities	112 142	116 719	55 899
Liabilities directly associated with assets classified as held for distribution	30 722	29 660	48 844
Total liabilities	180 325	184 747	120 090
Total liabilities and shareholders' equity	272 636	280 122	184 979

Gaming Innovation Group Inc.

Restated Condensed Statements of Cash Flows

GiG plan to split the Company in two by distributing the Platform & Sportsbook segment to its shareholders in 2024. In accordance with IFRS 5, Platform & Sportsbook's financial results are reported as assets held for distribution in the Company's financial statements. Previous periods have been restated accordingly. For more details, see 2023 Annual Report.

EUR 1000 - Unaudited	Restated				As Reported	
	Q4 2023	2023	Q4 2023	Q4 2022	2023	2022
Cash flows from operating activities:						
Results from continuing operations	1 569	16 127	2 165	6 050	16 723	19 666
Income/(loss) from assets held for distribution	-2 099	-680	-2 155	-3 558	-736	-11 897
Income/(loss) from discontinued operations	-3 451	-736	-61	-1 302	2 654	-2 608
Adjustments to reconcile profit before tax to net cash flow:						
Tax expense	-166	-166	-3 517	-1 042	-3 517	-2 057
Depreciation and amortization	9 107	29 374	7 341	6 436	27 608	21 739
Share based compensation	361	1 534	361	496	1 534	1 699
Other adjustments for non-cash items and changes in operating assets and liabilities	9 844	-4 805	10 739	1 421	-3 910	5 296
Net cash provided by operating activities	15 165	40 648	14 873	8 501	41 074	31 839
Cash flows from investing activities:						
Purchases of intangible assets	-7 685	-20 349	-7 271	-5 153	-20 349	-15 877
Purchases of property, plant and equipment	-278	-3 438	-2 262	-71	-3 438	-292
Acquisition of subsidiary	-16 552	-31 635	-11 984	-	-31 635	-31 922
Net cash from investing activities	-24 515	-55 422	-21 518	-5 224	-55 422	-48 091
Cash flows from financing activities:						
Lease liability principal payments	-564	-3 200	-733	-59	-3 200	-3 196
Interest paid on bonds	-1 982	-5 796	-1 518	-1 374	-5 796	-4 953
Net proceeds from loans	728	-3 829	-977	-791	-3 829	-2 293
Proceeds from bond issue	26 313	24 842	24 842	-	24 842	8 446
Proceeds from share issue	54	10 277	58	-	10 277	25 000
Net cash from financing activities	24 549	22 294	21 672	-2 224	22 294	23 004
Translation loss	-116	-86	56	12	-86	-104
Fair value movements	-	-	-	-	-	-
Net increase (decrease) in cash	15 544	7 860	15 083	1 065	7 860	6 648
Cash and cash equivalents - beginning	7 987	15 209	7 987	14 144	15 209	8 561
Cash held by assets held for distribution	-7 583	-7 583	-7 583	-9 038	-7 583	-9 038
Cash and cash equivalents - end	15 487	15 487	15 487	6 170	15 487	6 170

Gaming Innovation Group Inc.

Q4 2023 - explanations to changes to financial statements due to restatement

The major changes to the Q4 2023 and full year 2023 condensed consolidated statements are detailed below.

Other changes are reclassifications, both between current and non-current assets and liabilities, between continued and discontinued operations, and year end audit adjustments.

For further information, see the 2023 Annual Report.

Re-evaluation of purchase price allocations

As at the reporting date for the Q4-2023 interim report, the status of the purchase price allocation process for KaFe Rocks was work in progress. A final purchase price allocation has been performed and EUR 11,740k has been allocated to goodwill and EUR 27,432k to other intangibles. Also, the purchase price allocation for AskGamblers has been restated by discounting the deferred payments, with a reduction in net identifiable assets acquired of EUR 3,821k. Deferred payments (liabilities) have been reduced by the same amount.

Restatements in discontinued operations to be distributed to owners

In April 2024, the Company amended the terms in a client agreement, resulting in overall transaction price to be decreased and a longer payment plan. Given the postponement of payments and further uncertainty related to two other clients the discontinued their operations in 2023, the Company has decided to increase the loss allowance by EUR 2,056k.

The Company has decided to increase provisions for player claims related to its discontinued business-to-consumer business, as well as other provisions related to discontinued operations by EUR 368k. Amortisation related to Sportnco's assets in Spain has been increased by EUR 400k.

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