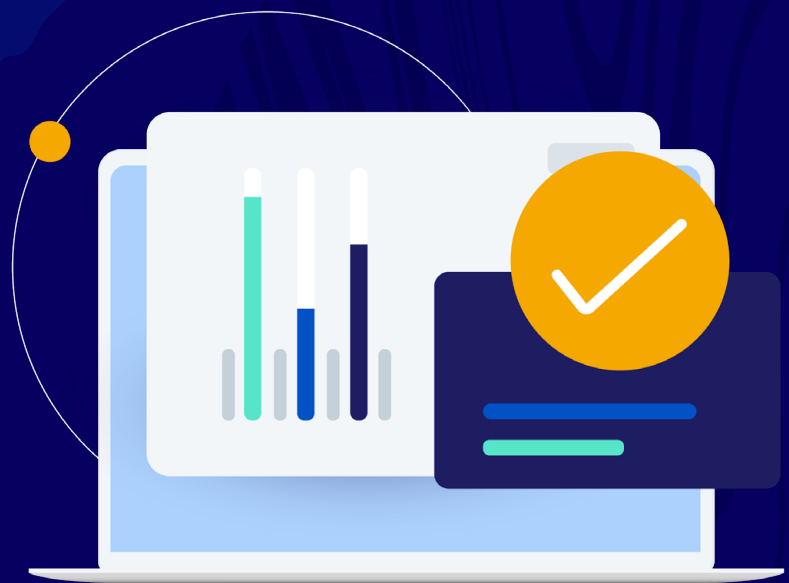


GiG



Q4 2021

Gaming Innovation Group Inc.
Interim Report



15 Feb 2022

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Q4 2021 Interim Report

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Highlights Q4 2021

Financial highlights Q4

- Revenues* in Q4 2021 were €18.2m (14.1), an increase of 29% YoY, all organic growth
- EBITDA was €5.6m (4.1), up 35%, EBITDA margin* increased to 30.7% (29.1%)
- Revenues in Media Services at all-time high of €12.8m (9.0), an increase of 42%, with an all-time high EBITDA of €5.7m (4.3)
- Revenues* for Platform Services were €5.3m (4.9), an increase of 8% generating a positive EBITDA of €0.2m (0.2). Excluding discontinued white-labels, revenues increased 22%
- Positive EBIT of €1.8m (-0.1), an improvement of €1.9m
- Positive cash flow from operations of €1.2m (-0.2), an improvement of €1.4m

Operational highlights Q4

- Signed a Share Purchase Agreement in December to acquire Sportnco Gaming, closing expected in Q1 2022
- Media Services reached a fourth successive all-time high in quarterly revenue and player intake, FTDs ended at 60,600 (33,200), up 82%
- Signed a long-term agreement with an established German operator that will migrate its existing brand to GiG's iGaming Platform
- Signed a long-term agreement with Rank Entertainment Holdings, for the provision of GiG's iGaming platform technologies to power the worldwide growth for their brand Marina888
- Two new brands were launched in Q4 and two additional brands were development complete at year end

Events after Q4 2021

- Signed a three year extension to the long-term agreement with Betsson Group for the provision of Platform & Managed Services, taking the term of the contract to Q4 2025
- Two brands has gone live so far in 2022, and the remaining integration pipeline are progressing towards their project plans
- January has developed positively, and revenues are up 20% compared to the same period last year, and adjusted for terminated white-labels, revenues are up 24%

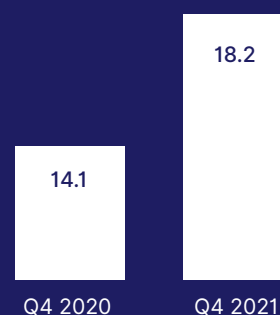
*Revenues are adjusted for revenues from a platform client where GiG recognizes the full operations in its profit and loss statement, which are partly offset by related cost of sales and site overheads. Cost of sales, marketing expenses and EBITDA-margin are adjusted accordingly. See Note 2 on page 27 for more details.

€18.2m
Revenues*
+29% growth

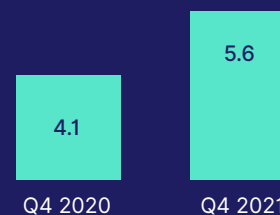
€5.6m
EBITDA
+35% growth

30.7%
EBITDA margin

Revenues - MEUR



EBITDA - MEUR



Highlights full year 2021

Financial highlights 2021

- Full year 2021 revenues* were €66.8m (52.2), an increase of 28%, all organic growth
- EBITDA* was €20.7m (10.7), up 93%, EBITDA margin* increased to 31.1% (20.6%)
- Revenues in Media Services at all-time high of €45.0m (34.3), an increase of 31%, with an all-time high EBITDA of €20.7m (17.5)
- Revenues* for Platform Services were €21.4m (18.9), an increase of 13% generating a positive EBITDA of €1.4m (-2.5). Excluding discontinued white-labels, revenues increased 42%
- Positive EBIT of €7.0m (-8.7), an improvement of €15.7m
- Positive cash flow from operations of €12.6m (17.7)

Operational highlights 2021

- Signed 9 new agreements for Platform Services in 2021
- 6 new brands were launched on the platform in 2021 and two additional brands were development complete at year end (launched in 2022)
- Media Services reached all-time high in player intake, FTDs ended at 198,000 (126,000), up 57%



Key figures	Q4 2021	Q4 2020	2021	2020
Revenues*	18.2	14.1	66.8	52.2
Gross profit*	18.1	14.0	66.3	51.8
Marketing expenses*	3.5	1.8	11.3	6.6
Operating expenses	9.0	8.1	34.3	34.4
EBITDA	5.6	4.1	20.7	10.7
EBIT	1.8	-0.1	7.0	-8.7
Income/(loss) from discontinued operations	-0.2	-0.4	-0.5	-1.8
Net results	-1.7	-4.1	-0.1	-17.7
EPS (EUR)	-0.02	-0.05	-0.00	-0.20

*Revenues are adjusted for revenues from a platform client where GiG recognizes the full operations in its profit and loss statement, which are partly offset by related cost of sales and site overheads. Cost of sales, marketing expenses and EBITDA-margin are adjusted accordingly. See Note 2 on page 27 for more details.



Letter from the CEO



with an additional two contracts signed in the fourth quarter while two brands went live in the quarter followed by a post holiday roll out of two more so far in 2022. The platform business unit continues to build towards its expansion strategy and pursue with force its growth drivers. The underlying business that will be the driver for growth in the years to come, has delivered 42% annual growth in 2021 and EBITDA has grown by 155% year over year from a loss of €2.5m to a positive €1.4m. The business has an exciting pipeline of customers to go live and is extremely well positioned to continue to expand its regulatory footprint and pursue its long term growth ambitions.

The fourth quarter saw us take a significant step forward in our strategic position and growth opportunities with the signing of an SPA with Sportnco, a business with an outstanding product in sportsbook which will enable the group to pursue that vertical with real force over the coming years. The business combination will allow GiG to go after sportsbook lead markets and sportsbook led customers and in conjunction with a highly complementary jurisdictional footprint to GiG's existing business, we have rapidly expanding our TAM and future growth prospects, we are truly excited to start the integration program post closing in the first quarter and welcoming the team at Sportnco into GiG.

I would like to also take this opportunity to thank the staff at GiG, who have worked tirelessly towards not only achieving the results in 2021 but also the work they put into developing the business for the long term benefit of our ambitions.

2021 was an exciting and rewarding year, and our first full year as B2B only focus, and we have made real ground in positioning the business and have continued to focus on improving our client offering and operational structures to enable us to continue to pursue the success and growth opportunities that are in front of the business to ultimately deliver value for our shareholders.

Richard Brown
CEO

Dear Shareholders,

We have closed off 2021 with another strong quarter for the group with revenues at an all time high, 29% up and EBITDA up 35% compared to the fourth quarter of 2020, and importantly we have laid a truly exciting and expansive structure in place to further accelerate our global long term ambitions via the acquisition of SportnCo in December.

While pleased with results for Q4, I still very much feel that we are only beginning our journey towards creating full value potential in the group's business. Media Services continues to go from strength to strength, expanding rapidly in new markets and taking further share of wallet in existing markets. The team and strategy has delivered exceptionally well during 2021 with organic growth of 31% on a full year basis, and Q4 rounded off this stellar year with another quarter of all time highs in both revenue and EBITDA. This diverse and robust part of the group is continuing to thrive and we see strong potential and future in the business as we continue to move forward our market expansion and begin to invest further into the North American markets as part of the global strategy of the business unit.

While we faced headwinds through the year with the impact from the re-regulation of the German market and in Q4 the closure of the Dutch market, I am happy to deliver over 20% revenue growth from the underlying SaaS business after the strategic shut down of the white-label business and 8% as total. The year saw us increase our onboarding rate and enter 6 more regulated markets, a key driver for the long term growth of the business. Sales momentum continued

Summary and outlook

Acquisition of Sportnco

In December 2021, GiG signed an agreement to acquire the iGaming company Sportnco Gaming SAS (“Sportnco”), a leading platform provider of turnkey betting and gaming solutions for operators in regulated markets through its inhouse developed sportsbook and PAM. The combined company will enhance and strengthen GiG’s position as one of the industry leading platforms and media providers with innovative and proprietary products and creating one of the largest and fastest growing providers in regulated iGaming with an unparalleled geographical footprint.

Combined, GiG and Sportnco will be licensed in 25 markets as Sportnco’s geographical presence is highly complementary to GiG’s current offering. Sportnco’s tier 1 sportsbook product is industry leading, supporting profitable operators in some of the most regulated markets in the world, such as France, Spain and across LATAM. The acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth. Sportnco will enable GiG to expand its addressable markets through their extensive presence in regulated markets in addition to targeting partners looking for a standalone sportsbetting solution.

The initial consideration is €50.8 million, whereof €23.5 million will be paid in new shares in GiG and €27.3 million in cash. In addition, GiG will assume existing debt in Sportnco of €19.2 million and there will be an earn-out of up to €23.0 million based on the Sportnco performance in 2022 and 2023. Closing is expected before end of Q1 2022 and is subject to necessary approvals from relevant gaming authorities and final approval by GiG’s Board of Directors.

GiG also entered into an agreement with SkyCity Entertainment Group Limited (“SkyCity”), whereby SkyCity will, subject to final completion of the acquisition, invest €25 million in GiG through a directed share issue at NOK 18.00 per share, that will finance the main part of the cash consideration.

Sportnco is an independent sports betting and iGaming business with international presence in Europe, South

America and the US through a combination of tier 1 clients and strong local players. Sportnco has been successful in entering into new geographical markets and has around 40 partners working in 12 countries across Europe and Latin America and currently being launched in new regions in North America.



Platform Services

Platform Services delivered revenues of €5.3 (4.9) million in the fourth quarter 2021, an 8% increase YoY. Excluding discontinued white-labels, revenues increased 22% YoY. EBITDA was positive for the fourth consecutive quarter and ended at €0.2 (0.2) million, with an EBITDA margin of 4% (3%).

For the full year 2021, revenues were €21.4 (18.9) million, a 13% increase YoY with an EBITDA of €1.4 million, up from €-2.5 million in 2020. Excluding white-labels, revenues increased 42% in 2021.

Two new contracts were signed in the fourth quarter, one with an established German operator and one with Rank Entertainment Holdings, to power its continued growth worldwide for their brand Marina888. The sales pipeline develops positively, and GiG continues aiming to increase its sales and onboarding velocity while also looking to extract higher average contract value. Two clients went live in the quarter with two additional brands so far in 2022. The number of live brands on the platform is 25 as of today, up from 18 year-end 2020, with an additional nine brands in the integration pipeline.



Media Services

Media Services delivered all-time high revenues of €12.8 (9.0) million in the fourth quarter 2021, a 42% increase YoY, all organic, continuing the positive development seen over the past quarters, with both Paid Media and Publishing reaching all-time-high in revenues, up 41% and 43% YoY respectively. EBITDA for Media Services ended at €5.7 (4.3) million for the quarter, a 34% increase YoY.



For the full year 2021, revenues were €45.0 (34.3) million, a 31% increase YoY, with an EBITDA of €20.7 (17.5) million, up 18%.

First Time Depositors (FTD) ended at 60,600 (33,200) in the fourth quarter, an 82% increase YoY. Media Services' websites have seen positive impact in search rankings during the past quarters, and positive search rankings, global expansion in campaigns and the increase in player intake indicates continued growth for Media Services in 2022 as the strong increase in player intake throughout 2021 suggests strong growth in revenue share earnings in future quarters.

Outlook and guidance

Platform Services continues to sign new clients and with additional brands going live with recurring revenues from new regulated markets, GiG expects a positive outlook for Platform Services through 2022. With the addition of SportnCo and their proven Sportsbook, Platform Services will emerge as a completely new and profitable business unit through 2022.

Media Services has seen a strong performance over time, and the growth in player intake and as well as the positive developments in website rankings sustains further growth in this segment. Around 95% of new FTDs are on revenue share or hybrid deals, increasing GiG's large player database with perpetual revenue share. GiG increases its geographical diversification and continued sustainable revenue growth for Media Services is expected going forward.

GiG is pleased with the overall development and expects to continue to grow going forward. The Company's long-term financial targets will be revised following the SportnCo acquisition, but remains as follows:

- Growth:** To deliver an annual double digit organic revenue growth
- Profitability:** To achieve an EBITDA margin in excess of 40% by 2025
- 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 revenues* of €18.2m (14.1) in the fourth quarter 2021, a 29% increase year-over-year and 7% above the third quarter 2021. For the full year 2021, revenues were €66.8 (52.2) million, a 28% increase year-over-year.

Marketing expenses* were €3.5 (1.8) million in the quarter, mainly related to GiG's paid media operation, a 97% increase year-over-year. Other operating expenses amounted to €9.0 (8.1) million in the fourth quarter 2021, an increase of 10% year-over-year.

EBITDA was €5.6 (4.1) million, a 35% increase year-over-year, corresponding to an EBITDA margin* of 30.7% (29.1%). For the full year 2021, EBITDA was €20.7 (10.7) million, a 93% increase year-over-year.

Depreciation and amortisation amounted to €3.8 (4.3) million in the fourth quarter 2021, whereof €1.1 (1.5) million relates to amortisation of assets from previous affiliate acquisitions. Continued investments into the development of new technology and new regulations in order to pursue the multitude of growth opportunities within the global gambling market resulted in capitalized salaries of €2.1 (1.2) million.

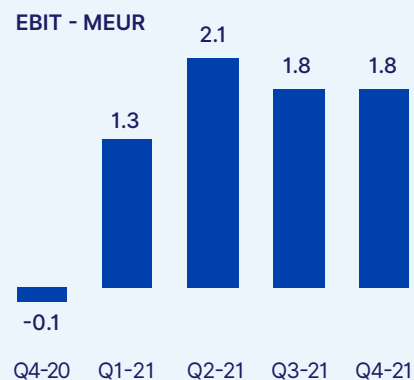
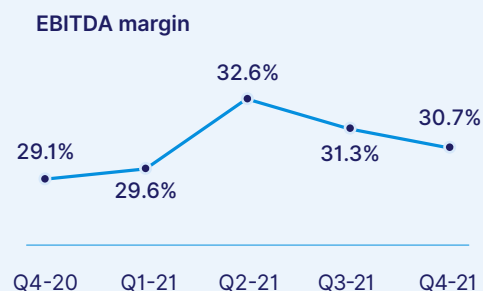
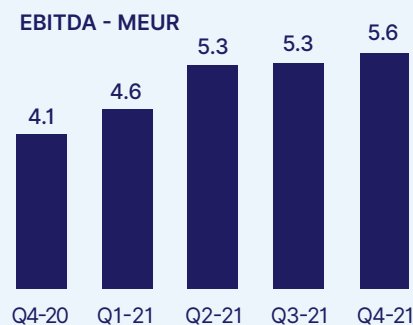
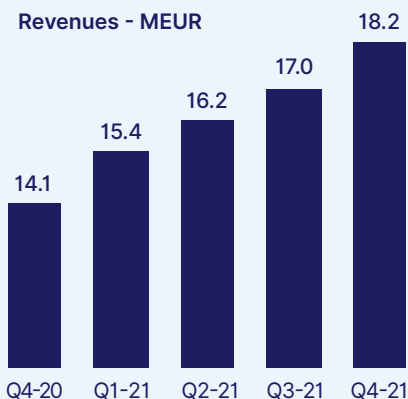
EBIT was positive at €1.8 (-0.1) million in the fourth quarter, an improvement of €1.9 million. For the full year 2021, EBIT was €7.0 (-8.7) million, a €15.7 million improvement.

Net other expense was €-2.8 (-3.5) million in the fourth quarter 2021 and included an unrealized gain of €0.3 (-2.0) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter, and €2.0 million in one-off expenses related to the acquisition of Sportnco and the bond.

Results from continued operations were €-1.5 (-3.6) million, a €2.2 million improvement compared to the fourth quarter 2020. Loss from discontinued operations were €-0.2 (-0.4) million and the net result in the fourth quarter 2021 ended at €-1.7 (-4.1) million. For the full year 2021, net loss was €-0.1 million, a significant improvement from €-17.7 million in 2020.

Cash flow from operations were €1.2 (-0.2) million, which is negatively impacted by the €3.0 million payment of a jackpot win early October. The cash balance as at 31 December was €8.6 (11.5) million. The cash balance last year was positively impacted by the €8.5 million convertible loan drawn in December 2020.

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Operational review

Platform Services

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

The sales pipeline continued to develop positively, with two new agreements signed in the fourth quarter 2021, adding to a total of nine new contracts in 2021:

- In November, an agreement was signed with established German operator that will migrate its existing brand to GiG's Platform. The brand has been operating for 18 months and has established a significant database of customers. The agreement is based on a revenue share model with a minimum duration of four years.
- In December, a long-term agreement was signed with Rank Entertainment Holdings for the provision of GiG's iGaming platform technologies to power the worldwide growth of the existing Marina888 brand. The agreement includes GiG's platform, frontend, CMS and managed services, and is based on a revenue share model with a minimum duration of five years. Rank Entertainment is a privately owned organisation with long retail experience and a solid online customer base. In addition, they have ongoing development in emerging markets, particularly in regulated regions of Africa with a total of 9 venues, with 4 others in the pipeline, and an operation in Nepal.

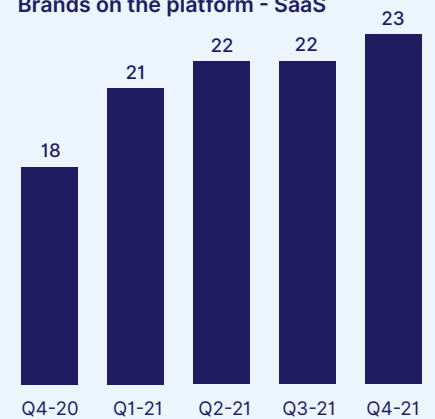
In February 2022, GiG signed an extension to the long-term agreement with Betsson Group for the provision of Platform & Managed Services. The contract extension is for an additional three years taking the term of the contract to Q4 2025. GiG will also deliver several new growth market entries as part of the agreement which is a testament to GiG's ability to take tier one brands into multiple regulated jurisdictions outside of their core markets.

Integration pipeline

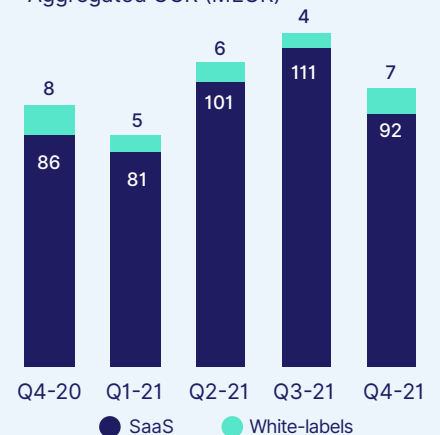
Two new clients went live on the platform in the fourth quarter, including Grupo Slots in Argentina, GiG's first brand in the important Latin-America market. So far in 2022, two additional brands are live, including TipWin in Germany. Hard Rock in New Jersey migrated off the platform in the fourth quarter.

The integration pipeline stands at 9 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. Increasingly complex licensing procedures and effects of COVID-19 continue to impact the onboarding process, issues that are mainly outside of GiG's control. Overall, the integration pipeline is developing towards expectations and GiG has increased the integration capacity and pace during 2021.

Brands on the platform - SaaS



Platform Services
Aggregated GGR (MEUR)



Existing customers on the platform as of today adds up to a total of 25. GiG's platform is currently live in 14 certified jurisdictions, has 5 new jurisdictions in the current integration pipeline. The entry into new additional markets will be decided after completion of the Sportnco transaction.

Revenues and EBITDA

Revenues for Platform Services were €5.3 (4.9) million, an 8% increase year-over-year despite a decrease in revenues from white-labels by €0.6 million. Thus, SaaS and other revenues saw a 22% year-over-year growth. EBITDA for the fourth quarter 2021 was €0.2 (0.2) million, in line with the fourth quarter 2020.

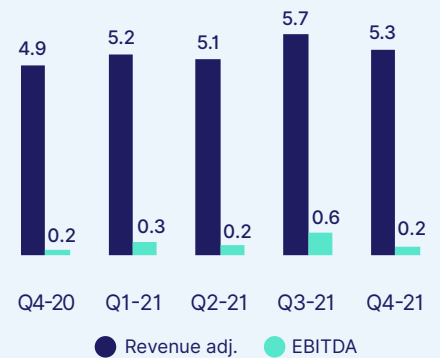
Aggregated gross gaming revenue (GGR) through the platform in the fourth quarter was €100 (94) million, a 6% increase year-on-year and a 13% decrease quarter-over-quarter. Some Platform clients are on fixed fee contracts, thus GGR will not fully correlate with revenues over time. For the full year 2021, GGR was €408 (345) million, an 18% increase year-on-year.

For the full year 2021, revenues for Platform Services were €21.4 (18.8) million, a 13% increase. EBITDA was €1.4 (-2.5) million, a 155% improvement, with an EBITDA margin of 6% (-13%). Excluding white-labels, revenues were €20.8 (14.7) million in 2021, a 42% increase.

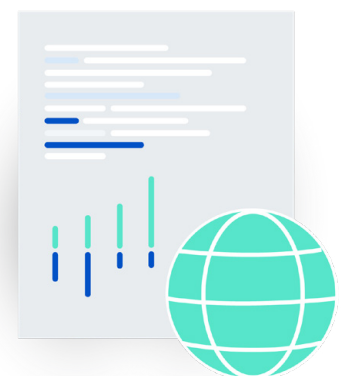
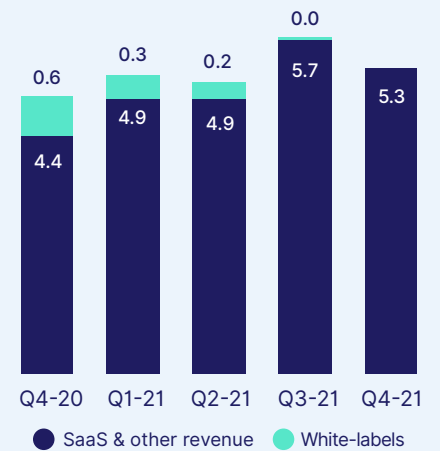
Strategy

GiG is well positioned as a turnkey and fully managed service provider across the main verticals in iGaming. All products and services can also be sold separately as modular sales. The addressable market is large and GiG can partner for the long term to support growth in the digital space and/or a digital transformation from a land-based operation to an online presence with a Software-as-a-Service. Target markets are regulated or soon-to-be regulated markets. Platform Services has achieved a sustainable cost level to onboard 10-15 new clients per year, with limited additional cost needed. New clients operational on the platform give a higher operational margin as revenues increases in parallel with existing live brands gaining further market share.

Platform Services
Revenue & EBITDA - MEUR



Platform Services
Revenue split (MEUR)



Media Services

Media Services delivered its fourth successive all-time high in revenues, up 42% year-on-year and 14% quarter-over-quarter, all organic growth. Player intake continues to be strong and reached an all-time quarterly high at 60.600 in the fourth quarter 2021, up 82% year-on-year and 30% quarter-over-quarter. The strong growth in player intake implies a future increase in revenue as most players are generated on a revenue share contract (pure revenue share or hybrid).

Paid revenues increased 41% year-on-year and 24% quarter-over-quarter, reaching an all-time high. Player intake in Paid saw a significant growth, up 244% year-on-year and 59% quarter-over-quarter, also reaching an all-time high. The growth is driven by a mix of expanding current campaigns while also expanding into new markets.

Publishing reached another all-time high in revenues in the fourth quarter 2021, up 43% year-on-year and 11% quarter-over-quarter. Player intake grew 21% YoY and 8% quarter-over-quarter reflecting the positive Google updates for Publishing in the quarter. Publishing's results were bolstered by growth outside its core markets.

Media Services continued to increase marketing spend in the quarter (22% quarter-over-quarter and 84% year-on-year) in both Paid and Publishing in-line with the ambition to diversify and invest in a broader composition of markets and channels to drive sustainable long-term growth. Paid entered into three new markets in the fourth quarter, diversifying its portfolio and market risk.

In the fourth quarter, Media Services registered to do business in the US states of Mississippi, Connecticut and New York, acquired a non-gaming Supplier Vendor Exemption in Louisiana and submitted a vendor application in Maryland. Media Services can now carry out business in 19 states with a licence total of 12. GiG will continue to invest in the US market to carry out our long-term strategy to claim the US market through our premium assets, Wsn.com and Casinotopsonline.com. The organic traffic to these assets increased 41% quarter-over-quarter and 92% year-on-year.

GiG's proprietary compliance tool, GiG Comply, signed one new client in the quarter and re-signed four existing clients continuing the positive developments for GiG Comply.

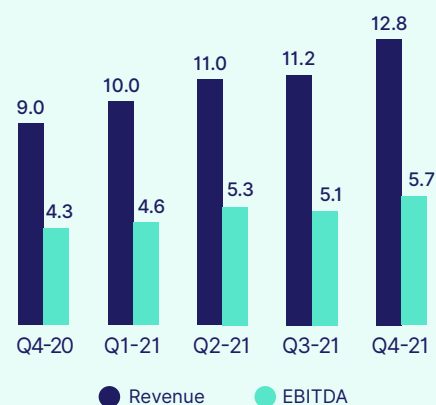
Revenues and EBITDA

Revenues for Media Services were €12.8 (9.0) million in the fourth quarter 2021, a 42% increase year-on-year. Paid represented 28% (29%) of Media Services' revenues in the quarter. EBITDA was €5.7 (4.3) million, an increase of 34% year-over-year, with an EBITDA margin of 45% (48%), reflecting GiG's ambition to grow revenue by higher investments in marketing.

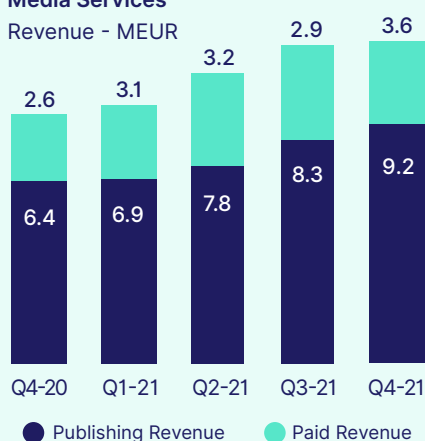
Marketing expenses includes Paid's "pay-per-click" costs (PPC) and were €1.8 (1.0) million in the fourth quarter 2021, a 86% increase, reflecting the growth in Paid. PPC' share of Paid's revenue was 50% (38%).

59% (59%) of revenues in the fourth quarter 2021 derived from revenue share agreements, 13% (14%) from CPA (Cost per Acquisition) and 28% (27%) from listing fees and other services.

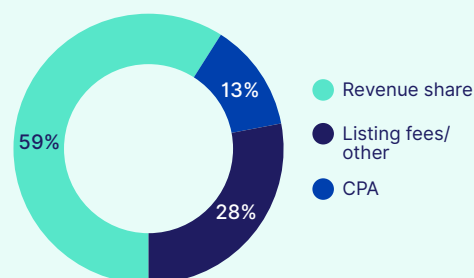
Media Services
Revenue & EBITDA - MEUR



Media Services
Revenue - MEUR



Revenue split Q4-21



For the full year 2021, revenues for Media Services were €45.0 (34.3) million, a 31% increase year-on-year. EBITDA was €20.9 (17.5) million in 2021, an increase of 19%, with an EBITDA margin of 46% (51%).

FTDs

Media Services referred 60,600 (33,300) new FTDs (First Time Depositors) to operators in the fourth quarter 2021, an 82% increase year-on-year, and 30% up from the previous quarter. Both Publishing and Paid increased in the quarter. With around 95% of the FTDs referred on revenue share agreements, the investment is expected to yield future revenues.

Full year 2021, 198.000 (126.000) new FTDs were referred to operators, a 57% increase year-on-year.

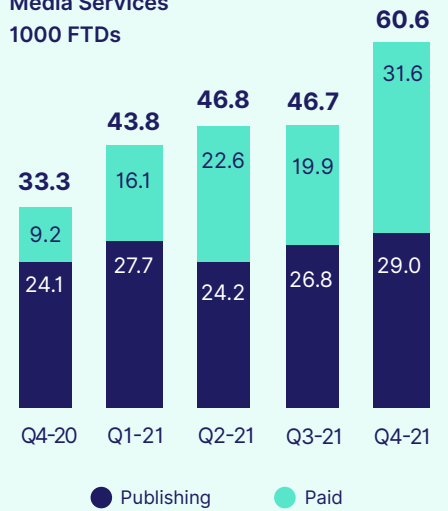
Strategy

Media Services will continue to expand its global footprint in order to diversify business to drive sustainable long-term revenue growth and growing revenue outside of core markets in both Publishing and Paid. GiG is optimising the creation of website assets, the conversion of traffic and the monetisation of players generated while optimising SEO, content management and tech development.

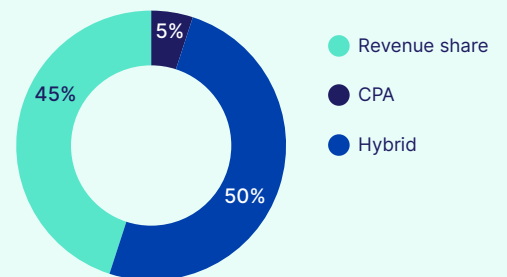
The teams work and optimisations towards creating high quality web assets over the last 12 months have been rewarded in recent Google updates, rolled out during the summer and have been positive for Media Services websites, anticipating further growth going forward.

The first quarter 2022 started positively with player intake in January up 50% compared to the same period in 2021.

**Media Services
1000 FTDs**



FTDs: Q4-21



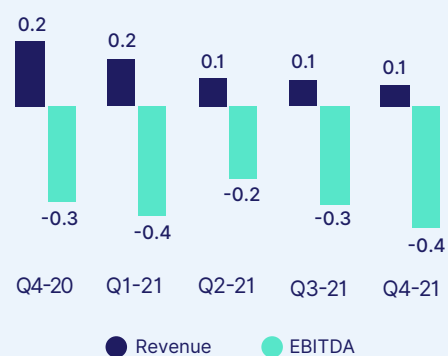
Sports Betting Services

Six clients are live with the sportsbook as of today. The combined turnover was €16.4 (26.4) million in the fourth quarter 2021, a 38% decline over the fourth quarter 2020.

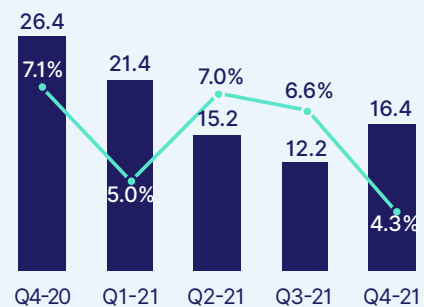
Revenues from Sports Betting Services were €0.1 (0.2) million in the fourth quarter 2021. EBITDA ended at €-0.4 (-0.3) million, a 25% decline from the fourth quarter 2020.

With the acquisition of SportnCo, GiG's sportsbook will be phased out as a stand alone product and Sportnco's sportsbook is expected to be the preferred product going forward.

Sports Betting Services
Revenue & EBITDA - MEUR



Sports Betting Services
Turnover (MEUR) and margin



Financial review

Reported revenues include revenues from a platform client where GiG recognizes the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses (included under marketing). Below, normalised revenues, cost of sales and marketing cost are commented on, see Note 2 on page 27 for more details.

GiG divested its B2C operations effective on 16 April 2020. In accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements for the full years 2020 and 2021 and for the periods ending 31 December 2020 and 2021 (see Note 7 on page 28).

Fourth Quarter 2021

Revenues

Consolidated revenues amounted to €18.2 (14.1) million, a 29% increase year-over-year and up 7% compared to EUR 17.0 million in the third quarter 2021.

Cost of sales and gross profit

Cost of sales amounted to €0.1 (0.1) million in the fourth quarter 2021. This resulted in a gross profit of €18.1 (14.0) million, an increase of 29% and a gross profit margin of 99% (99%).

Marketing expenses

Marketing expenses were €3.5 (1.8) million in the fourth quarter, an increase of 97%. Marketing expenses' share of revenues were 19% (13%). Marketing expenses are mainly related to Media Services, consisting of pay-per-click for Paid of €1.8 (1.0) million, with a 86% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €9.0 (8.1) million in the fourth quarter 2021, a 10% increase from the fourth quarter 2020. Other operating expenses' share of revenues were 49% (57%).

Personnel expenses were €7.0 (6.4) million, an increase of 10%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €2.1 (1.2) million in the fourth quarter and are amortised over 3 years. These costs are mainly related to Platform Services and the development of the product towards new market entries related to new platform client signings and future growth of the business global reach.

EBITDA

EBITDA for the fourth quarter 2021 was €5.6 (4.1) million, a 35% increase year-over-year, with an EBITDA margin of 30.7% (29.1%).

D&A

Depreciation and amortisation amounted to €3.8 (4.3) million in the fourth quarter 2021, a reduction of 12%.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €1.1 (1.5) million. Acquired affiliate assets have been conservatively amortised over 3 years for customer contracts and 8 years for domains/SEO, which is at a considerably faster pace than industry peers. The amortisation of customer contracts were completed in 2020. During the first quarter 2021, the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets. The net effect of the changes in the current quarter was a decrease in amortization expense of €0.4 million.

The balance is mainly related to capitalised development expenses. Depreciation expense related to IFRS16 was €0.7 (0.7) million.

EBIT

EBIT came in at €1.8 (-0.1) million in the fourth quarter 2021, a €1.9 million improvement from the fourth quarter 2020.

Financial and other expenses

Interest on the Company's bonds were €-1.0 (-1.0) million in the fourth quarter 2021, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €0.3 (-2.0) million. Other financial expenses were €-2.0 (0.5) million in the fourth quarter 2021, which include €2.0 million in one-off expenses related to the acquisition of Sportnco and the bond. Interest related to IFRS16 were €-0.2 (-0.3) million.

Tax

Net tax expense was €-0.6 (-0.1) million in the fourth quarter 2021.

Net result from continuing operations

The net loss from continuing operations was €-1.5 (-3.7) million in the fourth quarter 2021, a €2.2 million improvement from the fourth quarter 2020.

Discontinued operations

The loss from discontinued operations were €-0.2 (-0.4) million in the fourth quarter 2021 (see note 7 for more information). The net loss after discontinued operations was €-1.7 (-4.1) million in the fourth quarter 2021.

Cash flow

The consolidated net cash flow from operating activities amounted to €1.2 (-0.2) million for the fourth quarter 2021. The net cash flow from operating activities in the quarter was negatively impacted by a €3.0 million jackpot that were won late September and paid out early October. Adjusted for this, cash flow from operations were €4.2 million in the fourth quarter.

Cash flow from operations in the fourth quarter were also negatively affected with €1.5 million by the prepayment of platform fees in April 2020 in connection with the sale of the B2C segment, however the prepayment has been depleted in full in the fourth quarter, and will not affect cash flow in 2022.

The net cash flow from investing activities was €-2.3 (-1.4) million, whereof €-2.1 (-1.0) million were capitalised development expenses.

The net cash flow from financing activities was €-1.5 (7.3) million in the fourth quarter 2021, consisting of interest on the bond and office leases. The fourth quarter 2020 included proceeds of €8.5 million from the convertible loan.

Cash and cash equivalents decreased by €2.7 (5.6) million in the fourth quarter 2021.

Financial position

As at 31 December 2021, holdings of cash and cash equivalents amounted to €8.6 (11.5) million. In addition, cash in transit from payment providers amounted to €0.7 (0.6) million. Customer monies, that are held in fiduciary capacity, amounted to €1.4 (2.7) million.

GiG held total assets of €87.7 (93.2) million as at 31 December 2021. Shareholders' equity was €11.9 (3.6) million with an equity ratio of 14% (4%). The Company's lease liability is included with €3.2 (2.4) million under current liabilities and €9.4 (11.7) million under long-term liabilities as per IFRS 16.

January to December 2021

Revenues

Consolidated revenues amounted to €66.8 (52.2) million for the full year 2021, an increase of 28%.

Cost of sales and gross profit

Cost of sales amounted to €0.5 (0.4) million for the full year 2021. This resulted in a gross profit of €66.3 (51.8) million, an increase of 28% and a gross profit margin of 99% (99%).

Marketing expenses

Marketing expenses were €11.3 (6.6) million for the full year 2021, an increase of 71%. Marketing expenses' share of revenues were 17% (13%). Marketing expenses are mainly related to Media Services, consisting of pay-per-click for Paid of €6.4 (2.9) million, a 116% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €34.3 (34.4) million for the full year 2021, in line with the same period last year despite a 28% increase in revenues. Other operating expenses' share of normalised revenues were 51% (66%).

Personnel expenses were €25.6 (25.0) million for the full year 2021. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €7.9 (4.4) million for the full year 2021 and are amortised over 3 years. These costs are mainly related to Platform Services.

EBITDA

EBITDA for the full year 2021 was €20.7 (10.7) million, an increase of 93% year-over-year, with an EBITDA margin of 31.1% (20.6%).

D&A

Depreciation and amortisation amounted to €13.7 (19.4) million for the full year 2021, a reduction of 29%.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €4.3 (7.3) million. Acquired affiliate assets have been conservatively amortised over 3 years for customer contracts and 8 years for domains/SEO, which is at a considerably faster pace than industry peers. The amortisation of customer contracts were completed in 2020. In 2021, the estimated useful lives of media domains were revised to reflect the re-assessed value of such assets.

The balance is mainly related to capitalised development expenses. Depreciation expense related to IFRS16 was €2.6 (2.7) million.

EBIT

EBIT came in at €7.0 (-8.7) million for the full year 2021, a €15.7 million improvement from 2020.

Financial and other expense

Interest on the Company's bonds were €-4.3 (-4.2) million for the full year 2021, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR for the full year 2021 was €1.1 (-0.7) million. Other financial expenses were €-3.0 (-1.1) million for the full year 2021, which include €2.0 million in one-off expenses related to the acquisition of Sportnco and the bond. Interest related to IFRS16 were €-0.9 (-1.0) million.

Tax

Net tax income of €0.5 (-0.3) million for the full year 2021 includes recognition of a deferred tax asset in the first quarter 2021 as a result of 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 positive with €0.4 (-15.9) million for the full year 2021. The loss from discontinued operations were €-0.5 (-1.8) million in for the full year 2021 (see note 7 for more information). The loss after discontinued operations was €-0.1 (-17.7) million for the full year 2021, a €17.6 million improvement.

Cash flow

The consolidated net cash flow from operating activities amounted to €12.6 (17.7) million for the full year 2021. Included in the net cash flow from operating activities are changes in operating assets and liabilities. Cash flow from operations are negatively affected with €7.7 million by the prepayment of platform fees in connection with the sale of the B2C segment in April 2020.

The net cash flow from investing activities was €-9.2 (14.6) million, whereof €-7.3 (-4.6) million were capitalised development expenses. The disposal of the B2C segment in April 2020 was included with €22.3 million in 2020.

The net cash flow from financing activities was €-6.3 (-25.2) million for the full year 2021. The €27.8 million repayment of the Company's 2017-2020 bond in April 2020 are included in 2020.

Cash and cash equivalents decreased by €-2.9 (6.9) million in the full year 2021.

Personnel

By the end of the fourth quarter 2021, 468 (458) employees were spread throughout Malta, Spain, Denmark and some satellite offices at other locations. Approximately 230 people contributed towards Platform Services, 145 were focusing into Media Services and 20 in Sports Betting Services with the balance in corporate functions.

The post pandemic employment scenario is allowing a wider talent search and is providing a good opportunity for the Company to strengthen outsourcing agreements in order to supply talent in a scalable and longer-term sustainable way. At present, GiG collaborates with approximately 50 full time consultants (based across Europe and USA) and almost 100 outsourced resources dedicated to tech departments for the delivery of key projects.

The announced acquisition of Sportnco will bring around 130 employees with office presence in Toulouse, Madrid and Barcelona.

GiG is a people first organisation, where the health and well-being of its workforce comes before anything else. 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.

Whilst always monitoring local and world-wide health issues, the 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 its employees, bringing people together at every opportunity.

Bonds

In June 2019, Gaming Innovation Group Plc. issued a SEK 400 million senior secured bond with maturity on 28 June 2022. In June 2021, the 2019-22 bond was refinanced through the issuance of a new 3-year SEK 450 million senior secured bond with more favourable terms and a SEK 550 million borrowing limit. The new bond has a floating coupon of 3 months STIBOR + 8.50% per annum and is listed on Nasdaq Stockholm.

As at 31 December 2021, the outstanding bond amount was SEK 450 million (€42.6m). The leverage ratio as per the bond terms was 1.9 as at 31 December 2021, compared to 2.8 as 31 December 2020.

The acquisition of SportnCo requires the bond terms to allow for roll over of the current long-term loans in SportnCo as well as some other amendments to cater for the acquisition. A written resolution was proposed to the bondholders and the proposed resolutions were adopted in January 2022 with the requisite majority.

Also in January 2022, GiG successfully completed a SEK 100 million subsequent bond issue under the existing bond framework, to be used towards partially finance the acquisition of SportnCo and general corporate purposes. The outstanding bond amount is now SEK 550 million.

Shareholder matters

The GiG share is dual-listed on Nasdaq Stockholm and Oslo Børs with the same ISIN code: US36467X2062. 96,675,626 shares (par value USD 1.00) and 1,720,000 options were outstanding as at 31 December 2021.

In December, GiG entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity"), whereby SkyCity will, subject to final completion of the acquisition of SportnCo, invest €25 million in GiG through a directed share issue at NOK 18.00 per share, that will finance the main part of the cash consideration for the SportnCo acquisition.

A Special Meeting of Shareholders were held on 20 January 2022, where the shareholders approved to increase the number of authorized shares from 110,000,000 to 150,000,000 to cater for the share issues in relation to the acquisition of SportnCo. The shareholders also approved to increase the number of board members and to authorize the board to appoint a new member to the Board of Directors.

In February 2022, 1,700,000 options were granted to key employees with an exercise price of NOK 22.00 per share. The options are exercisable with 20% after 1 January 2023, 30% after 1 January 2024 and 50% after 1 January 2025. All options expire on 31 December 2027 and are conditional upon employment at time of exercise. The options were

granted under the option plan approved by the Annual Meeting of Shareholders in May 2019. After the grant, a total of 3,420,000 options are outstanding.

COVID-19

The COVID-19 virus spread across the world in 2020 and caused disruption to businesses and economic activity. 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.

So far, the Company's operations has 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 inherent 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.

For further description on risks related to COVID-19 and other risk factors, see GiG's 2020 Annual Report that is available on www.gig.com/ir.

About Gaming Innovation Group

Gaming Innovation Group is a leading iGaming technology company, providing solutions, products and services to iGaming Operators. 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 mission is to drive sustainable growth and profitability of our partners through product innovation, scalable technology and quality of service. Gaming Innovation Group operates out of Malta and is dual-listed on the Oslo Stock Exchange under the ticker symbol GIG and on Nasdaq Stockholm under the ticker symbol GIGSEK.

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

Q1 2022 Interim Report	10 May 2022
2022 Annual Shareholder Meeting	19 May 2022
Q2 2022 Interim Report	16 Aug 2022
Q3 2022 Interim Report	9 Nov 2022

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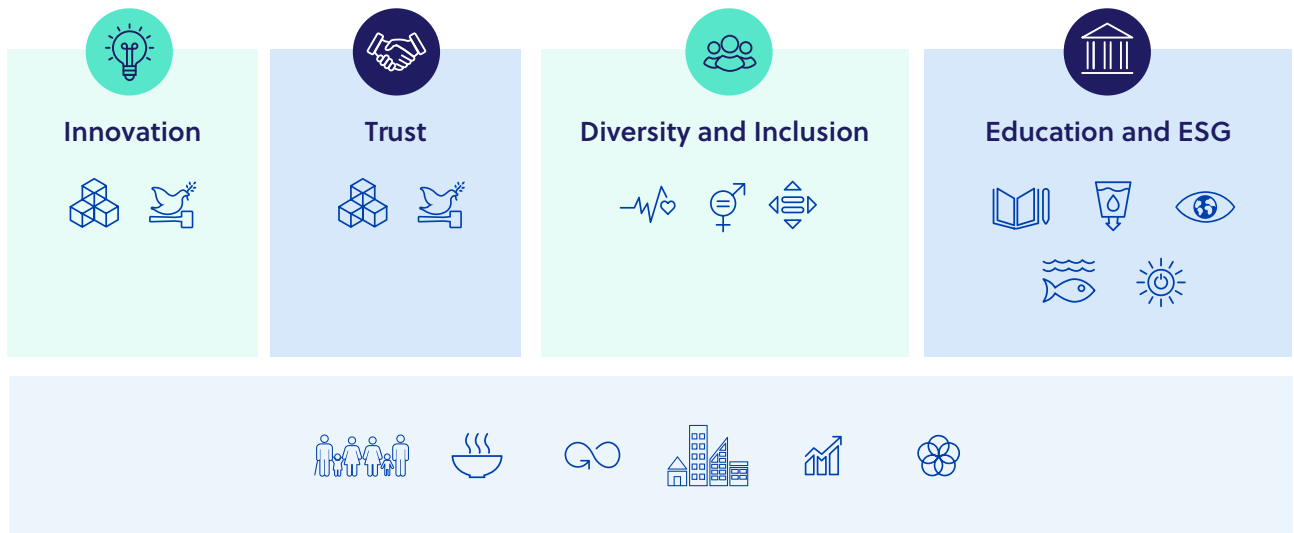
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This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 15 February 2022.

Sustainability - our approach

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 single stakeholder and by refocusing our sustainability efforts we believe we can deliver real impact together during

this three year approach. Building on our already solid strategic approach, we have aligned our key development areas with the United Nations 2030 Agenda for Sustainable Development and the 17 Goals for People, for Planet.



SUSTAINABLE DEVELOPMENT GOALS



Our Q4 progress update under our four sustainability pillars are as follows:

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.

Our product, platform, tech and commercial highlights from the fourth quarter are:

- Launched in Buenos Aires market with partner Grupo, expanding our regulated market reach overall and putting our foot in LATAM
- Delivered EGT game provider integration, giving our partners direct access to their content
- Christmas and seasonal features launched for operators to be able to take advantage of the festive period
- Secured a Platform deal with Rank Holdings from Sri Lanka. Rank is a traditional retail casino with several properties in Sri Lanka and Africa and more in the pipeline. For the last three years they have operated online in Sri Lanka only and want to internationalise their Marina888 brand. We have the opportunity to grow them in new markets, and we will also be migrating their existing customers and revenue onto our platform.
- Proposed purchase of Sportnco infinitely helps the commercial effort at GiG to increase the addressable market we can target as a sales effort and secondly, we have a tier 1 Sportsbook that expanding tier 1 operators will consider and appreciate.
- Onboarded a 24/7 security operations team to monitor billions of monthly events generated by our assets with the aim of detecting a threat towards GiG as early as possible. The SoC team and the engineering team have alerted hundreds of types of attacks, constantly hunting for newly introduced threats and making sure we are able to detect them via new alerts.
- Hosted over 600 bite-sized training modules, aimed at providing dedicated security awareness training for our teams. Created videos for our tier 1 company policies, all whilst revamping 13 of them to enable our GiGsters in their journey towards protecting our information.
- Automated access control reviews for our identity management systems
- Implemented a supplier due diligence process which allows us to assess the security and privacy controls of our suppliers, and to put into place any required mitigating controls that would protect us against supply chain attacks
- Performed over 35 business impact analyses, to ensure we keep our business continuity management system updated and that our business continuity plans reflect our current business objectives
- Reported measurable quarterly KPIs against our critical security controls, allowing us to monitor our security posture, and showing YoY continued improvement on our security protection.
- Performed internal testing of all our networks and infrastructure, ensuring our internal eco system is secure, protecting the business from internal threats.
- Tested all our products, and integrated automated testing in our development pipelines, that ensure timely identification of vulnerabilities before they even impact our live products
- Tested three systems providing affordability models and data to better equip our customers to carry out responsible gaming checks and proactively look after their customers well-being

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.

Our highlights from the fourth quarter are:

- Finalised the integration of a 24/7 SoC team with our business having visibility of our GiG servers, systems and network devices, all our Platform products, our critical Media sites, our Malta, Spain and Copenhagen Offices and our very own GiG Cloud via our SIEM

Diversity and inclusion - It's what we practice.

We are blind to gender, nationality, ethnicity, religion, age, sexual orientation or disability, and at the same time we respect and celebrate the uniqueness of every GiGster. Through education and working closely with organisations

like All-in Diversity as a founding member, we will continue to reduce inequalities in the communities in which we live and work, ensure the health and wellbeing of our people and continuously improve processes and how we do things in the workplace to make a better and brighter tomorrow.

Our highlights from the fourth quarter are:

Our numbers. Real change takes time, and after an increase Q2 on Q3, we then dropped 1 point from 36% to 35% of women in our environment in Q4. However our number of females in a c-level position increased by 13%, as did our number of female board members increase when we welcomed Kathryn Moore Baker this quarter. And the diversity of nationalities working with us increased Q on Q by 12, giving us 57 nationalities around the world. Which helps us to achieve one of our Diversity Equality and Inclusion 2023 objectives, to "Increase diversity of thinking and perspective by recruiting from an increasingly diverse talent pool"

Marketing recruitment. We continue to increase diversity of thinking and perspective by recruiting from an increasingly diverse talent pool. We are building a multicultural global workforce independent from any preferences other than skill sets and talent. We are continuously assessing how and where we look for talent, and have been casting our net farther around the world creating a new marketing recruitment plan assessed and measured monthly. Always looking for new ways to increase diversity in the hiring process, from language, to working hours and all-round flexibility.

Well-being #Together. Our new mental health and wellbeing annual programme which was to commence in Q4 with our first live workshop in November, was unexpectedly rearranged due to Covid, and will take place on 21 Jan 2022. The planning has been underway for several months now. We are partnering with internationally renowned stress and personal resilience specialists the Stress Management Society, and we will use all of our current health and wellbeing initiatives and create a new holistic approach to support everyone whatever their needs - across the five pillars of well-being (physical, mental, emotional, social and spiritual)

Team building events. We have united almost 224 GiGsters this quarter in online and face to face (where Covid-19 restrictions allow) team building events from Oct to Dec 2021 for a total of 2930 hours. Our events booking process ensures each team comes together, across every remote and office location, to learn and develop in appropriate business topics and to build a relationship and bond through planned engaging activities. Our overall eNPS score for team building events sits at 71, with over 74% of our people feeling more engaged after their event. We had a 27% increase in engagement from Q3 to Q4 2021. We also hosted our Christmas event in Dec, managing to

unite almost 400 GiGsters face to face with a total of 3,600 hours spent together, and we awarded a well-being top-up to our remote GiGsters who couldn't join us, to use in 2022 towards an experience or activity. Our overall eNPS score for the Christmas event sits at 53.

Trading Places. Partnering with All-in Diversity project we are in the early stages of creating a development programme where people chosen by their HR teams, can engage with a network of companies worldwide, and trade places with a different company's employee to gain more experience and develop professionally, take control of their own learning and progress, and gain valuable work experience in places otherwise not available to them. We are as committed as ever to this project, however priorities have been refocused to internal allyship and we will be putting this project on the back burner until we have the new GiG Allies platform up and running. We will update in our Q1 report on GiG Allies.

Diversity and Inclusion plan. Consolidating all of our practices, policies and strategic plans, we have created a three year diversity and inclusion strategy to run concurrently with our new approach to sustainability. We have included an abridged version below, or see the full plan [here](#).

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 inhouse training and development team to our new GiG Gives educational direction "Bridging the gap" 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. We will be working with NGOs like iGaming European Network together with 25 other gaming companies to enact change.

Our highlights from the fourth quarter are:

- **Training and education.** Our expert inhouse training and development team have empowered our GiGsters to complete almost 800 courses in the GiGsters Academy, with the focus being Information Security and Leadership.

Safer Gambling. We are collaborating with iGEN and other gaming companies to promote and highlight the safer gambling week which have been moved over to H1 2022. Some of them are; Promoting and creating awareness through social media, and collaborating with Betsson (Rizk) where we had Dr Reece Bush from University of Bournemouth share this study we contributed to. [More details here.](#)

- **Bournemouth University.** We are supporting the Gambling Research Group at Bournemouth University in their research project EROGamb 2.0, which is a longitudinal study using player data to support specific intervention messages. We intend to use the results obtained from the research group to strengthen our responsible gaming framework within our core systems. Research for recruitment is still ongoing and we will revisit the progress in Q1 2022.
- **Environmental clean-ups.** As part of iGEN's network we are taking part in regular clean-ups in Malta and are looking to include our other office locations. This will commence in H1 2022.
- **GiG Gives**
 - **Community Outreach** - As part of our Christmas Quiz and Christmas Jumper Day, we donated collectively over €3600 to grassroots charities in the local communities in which we live and work in Denmark, Latvia, Malta, Spain, UK and USA. We also topped up the health and well-being allowances of our 10 Christmas Quiz winners.
 - **"Bridging the gap"**. We have completed the registration of GiG Gives as a charitable organisation as an official foundation. Bridging the gap is one arm of our community outreach to increase the availability of education, which went through a metamorphosis of change after a number of meetings. We are now in the process of creating our proof of concept of this education incubator where we take digital problems from local charities and give them to our group of disadvantaged or discriminated against people from our local communities. They will solve the problem with the support of our internal SMEs and our educational partner - thus giving them a portfolio of work to get them back into gainful employment or education. We have already established an internal committee of volunteers and we will update you with further details soon as we decided on a pilot scheme for 2022



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Consolidated Financial Statements.



Gaming Innovation Group Inc.

Condensed Statements of Operations - B2C included as discontinued operations

EUR 1000 - Unaudited				
	Q4 2021	Q4 2020	2021	2020
Revenues	22 990	17 256	82 574	63 027
Cost of sales	1 378	830	4 564	2 967
Gross profit	21 612	16 426	78 010	60 060
Marketing expenses	6 985	4 185	23 005	14 900
Other operating expenses	9 047	8 118	34 256	34 418
Total operating expenses	16 032	12 303	57 261	49 318
EBITDA	5 580	4 123	20 749	10 742
Depreciation & amortisation	2 674	2 767	9 415	12 131
Amortisation of acquired affiliate assets	1 081	1 499	4 313	7 276
EBIT	1 825	-143	7 021	-8 665
Financial income (expense)	-3 055	-1 609	-8 201	-6 394
Unrealized exchange gain(loss) on the bond	288	-1 995	1 064	-652
Other income (expense)	-	136	-	103
Result before income taxes	-942	-3 611	-116	-15 608
Tax income/(expense)	-551	-58	519	-323
Profit/(loss) from continuing operations	-1 493	-3 669	403	-15 931
Profit/(loss) from discontinuing operations	-200	-449	-465	-1 753
Profit/(loss) for the period	-1 693	-4 118	-62	-17 684
Exchange differences on translation of foreign operations	-113	-66	-323	-174
Fair value movement in available for sale investment	-	-	-	-13
Total comprehensive income/(loss)	-1 806	-4 184	-385	-17 871
Total comprehensive income/(loss) attributable to:				
Owners of the Company	-1 806	-4 182	-393	-17 862
Non-controlling interests	-	-2	8	-9
Total comprehensive income/(loss)	-1 806	-4 184	-385	-17 871
Weighted average shares outstanding (1000)	96 676	90 012	94 010	90 007
Diluted weighted average shares outstanding (1000)	96 676	90 012	94 010	90 007
Basic and diluted earnings (losses) per share:				
- from continuing operations:	-0.02	-0.04	0.00	-0.18
- from discontinuing operations	-0.00	-0.01	-0.01	-0.02
- attributable to GiG Inc.	-0.02	-0.05	-0.00	-0.20

Gaming Innovation Group Inc.

Condensed Statements of Financial Position - B2C included as discontinued operations

EUR 1000 - Unaudited

	31 Dec 2021	31 Dec 2020
Assets		
Non-current assets:		
Goodwill	16 325	16 287
Intangible assets	31 732	33 012
Deposits and other non-current assets	13 481	16 637
Total non-current assets	61 539	65 936
Current assets:		
Trade and other receivables	17 569	15 711
Cash and cash equivalents	8 561	11 504
Total current assets	26 131	27 215
Total Assets	87 669	93 151
Liabilities and shareholders' equity		
Shareholders' equity:		
Share capital	84 323	78 915
Share premium/reserves	35 491	32 204
Retained earnings (deficit)	-107 912	-107 527
Total equity attributable to GiG Inc.	11 902	3 592
Non-controlling interests	23	14
Total shareholders' equity	11 925	3 606
Liabilities:		
Trade payables and accrued expenses	20 485	24 866
Lease liabilities	3 156	2 351
Short term bond	3 853	3 455
Total current liabilities	27 494	30 672
Bond payable	38 850	35 998
Other long term liabilities	9 400	21 346
Deferred tax liability	-	1 529
Total long term liabilities	48 250	58 873
Total liabilities	75 744	89 545
Total liabilities and shareholders' equity	87 669	93 151

Condensed statements of changes in equity:

	31 Dec 2021	31 Dec 2020
Equity at beginning of period	3 606	20 920
Adjustment in prior period	-	-14
Loan converted to shares	8 051	-
Fair value movement in available for sale investments	-	-12
Value of conversion rights on convertible loan	-	788
Exercise of options	-	139
Share compensation expense	645	-357
Non-controlling interests	-	-9
Exchange differences on translation of foreign operations	-323	-174
Net results from continuing operations	411	-15 922
Net results from discontinuing operations	-465	-1 753
Equity at end of period	11 925	3 606

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows - B2C included as discontinued operations

EUR 1000 - Unaudited

	Q4 2021	Q4 2020	2021	2020
Cash flows from operating activities:				
Results from continuing operations before income taxes	-1 493	-3 611	-901	-15 608
Income/(loss) from discontinued operations	-200	-449	-465	-1 753
Adjustments. to reconcile profit before tax to net cash flow:				
Tax expense	-	-58	-307	-323
Depreciation and amortization	4 039	4 266	14 602	19 407
Impairment of intangibles	-	-	-	1 100
Loss on disposal of B2C division	-	-	-	565
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 108	-1 063	-337	14 312
Net cash provided by operating activities	1 238	-189	12 592	17 700
Cash flows from investing activities:				
Purchases of intangible assets	-2 200	-1 691	-8 625	-6 564
Purchases of property, plant and equipment	-127	-288	-577	-1 673
Acquisition of associates	-	-	-26	-
Disposal of subsidiaries	-	550	-	22 850
Net cash from investing activities	-2 327	-1 429	-9 228	14 613
Cash flows from financing activities:				
Lease liability principal payments	-560	-788	-2 993	-3 155
Interest paid on bonds	-940	-888	-3 801	-4 479
Proceeds from bond issue	-	-	42 431	-
Repayment of bonds	-	-	-39 632	-27 825
Proceeds from (repayment of) loans	-	8 978	-2 328	10 281
Net cash from financing activities	-1 500	7 302	-6 323	-25 178
Translation loss	-113	-66	16	-174
Fair value movements	-	-	-	-13
Net increase (decrease) in cash	-2 702	5 618	-2 943	6 947
Cash and cash equivalents - beginning	11 263	5 886	11 504	10 295
Cash and cash equivalents attributable to discontinued operations	-	-	-	-5 738
Cash and cash equivalents - end	8 561	11 504	8 561	11 504

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the periods ending 31 December 2021 and 2020

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, The Golden Mile, Triq Id-Dragunara, St. Julian's STJ 3148, Malta.

The Company's principal activities during 2021 and 2020 were the provision of online gaming services, primarily casino and sports, provision of a remote gaming platform and affiliate marketing operations.

The condensed consolidated financial statements of the Company as at and for the periods ended 31 December 2021 and 2020 are comprised of the Company and of its subsidiary Plc and Plc's related accounting basis subsidiaries.

2. Revenue recognition

Reported revenues include revenues from a platform client where GiG recognizes 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 comment on.

Reported numbers - EUR 1000 - Unaudited	Q4 2021	Q4 2020	2021	2020
Revenues	22 990	17 256	82 574	63 027
Cost of sales	1 378	830	4 564	2 967
Gross profit	21 612	16 426	78 010	60 060
Marketing expenses	6 985	4 185	23 005	14 900
Other operating expenses	9 047	8 118	34 256	34 418
Total operating expenses	16 032	12 303	57 261	49 318
EBITDA	5 580	4 123	20 749	10 742

Normalised numbers - EUR 1000 - Unaudited	Q4 2021	Q4 2020	2021	2020
Revenues	18 166	14 130	66 762	52 164
Cost of sales	93	97	471	392
Gross profit	18 073	14 033	66 291	51 772
Marketing expenses	3 446	1 792	11 208	6 612
Other operating expenses	9 047	8 118	34 334	34 418
Total operating expenses	12 493	9 910	45 542	41 030
EBITDA	5 580	4 123	20 749	10 742

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 31 December 2021 and 2020 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 31 December 2021 and 2020 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).

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 31 December 2021 and 2020 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2020. See the 2020 Annual Report for more details, hereunder the Company's Revenue Recognition Policy.

Discontinued Operations

In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 31 December 2021 and 2020 and full year ended 31 December 2021 and 2020 respectively.

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

In the opinion of management, there are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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 recognize 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.

6. Change in accounting estimates – domain assets

During the first quarter of 2021, the estimated useful lives of media domains were revised to reflect the re-assessed life of such assets. The net effect of the changes in the fourth quarter was a decrease in amortization expense of EUR 0.4 million.

Assuming the assets are held until the end of their re-assessed estimated useful lives, amortization in future years in relation to these assets will increase/(decrease) by the following amounts:

Year:	Amount (EUR 1000):
2021	-1 558
2022	-1 558
2023	-1 739
2024	-1 673
2025	999
2026	3 121
2027	1 204
2028	1 204

7. Discontinued operations

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which include the operator brands Rizk, Guts, Kaboo and Thrills. On 16 April 2020, the Company completed the sale of its B2C assets to Betsson. In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 31 December 2021 and 2020.

B2B and B2C financial data is also presented for comparative and informational purposes.

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 31 December 2021 and 2020. There were no assets or liabilities classified as held for sale as at 31 December 2021 and 2020.

(EUR 1000)	Q4 2021	Q4 2020	2021	2020
Net revenue	-	-	-	22 896
Other income	-	-	-	1 910
Expenses	-200	-449	-465	-25 368
Impairment losses	-	-	-	-1 100
Loss on disposal of B2C segment	-	-	-	-91
Operating profit/(losses)	-200	-449	-465	-1 753
Loss from discontinued operations attributable to:				
Owners of the Company	-200	-449	-465	-1 753
Non-controlling interest	-	-	-	-
	-200	-449	-465	-1 753
Net cash flow from operating activities	-200	-449	-465	-1 160
Net cash flow from investing activities	-	-	-	-197
Net cash inflow/(outflow) from financing activities	-	-	-	-
Net increase in cash generated by discontinued operations	-200	-449	-465	-1 357

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 at 31 December 2021, the Company had 1,720,000 options outstanding.

9. Changes in equity

As at 31 December 2021, 96,675,626 shares were outstanding following the issue of 6,600,000 shares on 28 May 2021 in connection with the conversion of the EUR 8.5 million convertible loan entered into in December 2020. The number of authorised shares was 110,000,000 as at 31 December 2021.

In December, the Company entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity"), whereby SkyCity will, subject to final completion of the acquisition of SportnCo, invest €25 million in GiG through a directed share issue at NOK 18.00 per share.

A Special Meeting of Shareholders on 20 January 2022 approved to increase the number of authorized shares from 110,000,000 to 150,000,000, to cater for the share issues in relation to the acquisition of Sportnco.

In February 2022, the Board of Directors granted 1,700,000 options to key employees with an exercise price of NOK 22.00 per share, exercisable with 20% after 1 January 2023, 30% after 1 January 2024 and 50% after 1 January 2025. All options expire on 31 December 2027 and are conditional upon employment at time of exercise. The options were granted under the option plan approved by the Annual Meeting of Shareholders in May 2019. After the grant, a total of 3,420,000 options are outstanding.

10. Loans payable to shareholders

In June 2020, the Company entered into a NOK 25,000,000 credit facility with a shareholder on market terms. The facility has a commitment fee of 3% per annum and an interest rate of 15% per annum, and maturity on 10 January 2022. 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.

Long term loans outstanding balances at 31 December 2021 and 2020 were EUR 0 and EUR 9,611,281, respectively with accrued interest of EUR 0 and EUR 36,370, respectively.

11. Senior secured bonds

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

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

On 22 April 2020, the Company used part of the proceeds from the sale of B2C to repay the Company's SEK 300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending maturity date of the bond from 6 March 2020 to 22 April 2020.

In June 2021, the Company issued a new 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The net proceeds were used to refinance the existing SEK 400 million 2019-2022 bond including transaction costs with the balance towards general corporate purposes. Transaction costs included a rollover premium to bondholders continuing participation in the new bond and a voluntary early redemption fee to bondholders being repaid, in aggregate EUR 1.3 million. The new bond has a floating coupon of 3 months STIBOR + 8.5% per annum and with more favorable terms than the existing SEK 400 million bond.

The 2021-24 bonds are registered in the Norway Central Securities Depository and listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market.

The outstanding short-term balance of the bond at 31 December 2021 and 2020 was EUR 3,853,349 and EUR 3,455,360, respectively, with accrued interest of EUR 456,665 and EUR 226,334 respectively. The outstanding long-term balance of the bond on 30 December 2021 and 2020 was EUR 38,849,954 and EUR 35,997,913, respectively.

The contemplated acquisition of SportnCo requires the bond terms to allow for roll over of current 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 existing bond framework, to be used towards partially finance the acquisition of SportnCo and general corporate purposes. The outstanding bond amount is now SEK 550 million.

12. Acquisitions

During the second quarter 2021 the Group acquired a new company YSG International for a consideration of EUR 52,850, payable in 2 installments with the remaining balance due within 12 months. The acquisition will help expand and support an existing roadmap of software, products and business model for the group.

In December 2021, the Group entered into a Share Purchase Agreement ("SPA") to acquire the iGaming company SportnCo Gaming SAS ("SportnCo"). The initial consideration is €50.8 million, whereof €23.5 million will be paid in new shares and €27.3 million in cash. In addition, GiG will assume existing debt in SportnCo of €19.2 million and there will be an earn-out of up to €23.0 million based on the SportnCo performance in 2022 and 2023. The acquisition is expected to be completed in Q1 2022.

13. Litigations

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 fourth quarter 2021 other than the loans mentioned in Note 10.

15. Subsequent events

There have been no other material subsequent events that occurred after 31 December 2021 other than events 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

EBITDA: Operating profit less depreciation, amortization and impairments

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

Organic growth: Growth excluding acquisitions

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

Gaming Innovation Group plc.

Condensed statement of operations - B2C included as discontinued 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.

As per the bond terms, the interim condensed consolidated accounts for the issuer for the fourth quarter 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

	Q4 2021	Q4 2020	2021	2020
Revenues	22 990	17 256	82 553	63 027
Cost of sales	1 378	830	4 563	2 967
Gross profit	21 612	16 426	77 990	60 060
Operating expenses				
Marketing expenses	5 487	4 185	23 009	14 900
Other operating expenses	8 473	7 713	33 068	33 143
Total operating expenses	13 960	11 898	56 077	48 043
EBITDA	7 652	4 528	21 913	12 017
Depreciation & amortisation	2 370	2 767	9 360	12 131
Amortisation on acquired affiliate assets	1 081	1 498	4 367	7 276
EBIT	4 201	263	8 186	-7 390
Financial income (expense)	-4 098	-3 294	-6 571	-6 731
Result before income taxes	103	-3 031	1 615	-14 121
Tax income/(expense)	-130	-57	-631	845
Profit/(loss) from continuing operations	-27	-3 088	984	-13 276
Profit/(loss) from discontinuing operations	-200	-449	-465	-1 753
Profit/(loss) for the period	-227	-3 537	518	-15 029
Exchange differences on translation of foreign operations	-105	-66	24	-174
Fair value movement in available for sale investment	-	-	-	-13
Total comprehensive income (loss)	-332	-3 603	542	-15 216
Total Comprehensive income (loss) attributable to:				
Owners of the Company	-333	-3 601	534	-15 207
Non-controlling interests	1	-2	8	-9
Total comprehensive income (loss)	-332	-3 603	542	-15 216

Gaming Innovation Group plc.

Condensed statements of financial position - B2C included as discontinued operations

EUR 1000 - Unaudited	31 Dec 2021	31 Dec 2020
Assets		
Non-current assets:		
Goodwill	5 877	5 839
Intangible assets	31 732	33 011
Deposits and other non-current assets	13 171	16 312
Total non-current assets	50 780	55 162
Current assets:		
Trade and other receivables	17 565	15 711
Cash and cash equivalents	8 484	8 043
Total current assets	26 049	23 754
Total assets	76 829	78 916
Liabilities and shareholders' equity		
Shareholders' equity:		
Share capital	51	51
Share premium/reserves	88 208	86 888
Retained earnings (deficit)	-92 241	-93 302
Total equity attributable to GiG Inc.	-3 982	-6 363
Non-controlling interests	23	14
Total shareholders' equity	-3 959	-6 349
Liabilities:		
Trade payables and accrued expenses	20 485	30 197
Lease liabilities	3 156	2 351
Bond payable	3 853	3 455
Total current liabilities	27 494	36 003
Bond payable	38 850	35 999
Deferred tax liability	-	1 529
Other long term liabilities	14 444	11 736
Total long term liabilities	53 294	49 264
Total liabilities	80 788	85 267
Total liabilities and shareholders' equity	76 829	78 916

Gaming Innovation Group plc.

Condensed statement of cash flows - B2C included as discontinued operations

EUR 1000 - Unaudited

	Q4 2021	Q4 2020	2021	2020
Cash flows from operating activities:				
Results from continuing operation before income taxes	-27	-3 031	2 868	-14 120
Results from discontinued operations	-200	-449	-465	-1 754
Adjustments. to reconcile profit before tax to net cash flow:				
Tax expense	-	-57	-234	-323
Depreciation and amortization	3 739	4 265	14 689	19 406
Impairment of intangibles	-	-	-	1 100
Loss on disposal of B2C division	-	-	36	565
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 859	-572	-4 375	14 326
Net cash provided by operating activities	1 653	156	12 519	19 200
Cash flows from investing activities:				
Purchases of intangible assets	-2 200	-1 691	-8 596	-6 564
Disposal of assets held for sale	-	550	-	550
Purchases of property, plant and equipment	-127	-288	-577	-1 673
Disposal/acquisition of associates	-	-	-26	22 300
Net cash from investing activities	-2 327	-1 429	-9 199	14 613
Cash flows from financing activities:				
Proceeds from/repayment of loans	-	5 307	3 899	5 368
Lease payments	-560	-788	-3 237	-3 155
Interest paid on bonds	-940	-888	-2 991	-4 479
Proceeds from/repayment of bonds	-	-	-636	-27 825
Net cash from financing activities	-1 500	3 631	-2 965	-30 091
Translation loss	-	-66	86	-174
Fair value movements	-	-	-	-13
Net increase (decrease) in cash	-2 174	2 292	441	3 535
Cash and cash equivalents - beginning	10 658	5 751	8 043	4 508
Cash and cash equivalents - end	8 484	8 043	8 484	8 043

We are GiG

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.



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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