

Q4 2022

Gaming Innovation Group Inc.
Interim Report



15 Feb 2023

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Q4 2022 Interim Report

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€26.0m

Revenues*

+44% growth

€10.8m

EBITDA adj.

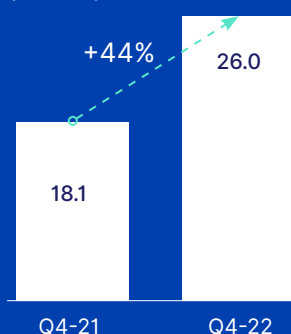
+71% growth

41.4%

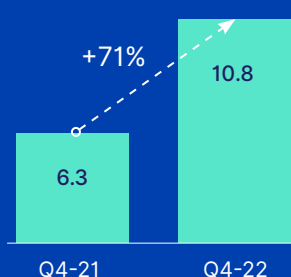
EBITDA margin*

(34.9% in Q4 2021)

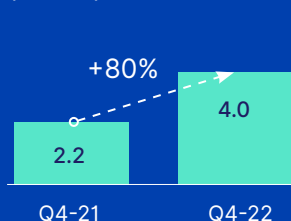
Revenues* (MEUR)



EBITDA adj. (MEUR)



EBIT (MEUR)



Q4 Highlights

Financial highlights

- The Group achieved all-time high revenues* in Q4 2022 amounting to €26.0m (18.1), an increase of 44% YoY, whereof 35% organic
- Adjusted EBITDA was €10.8m (6.3), up 71%, adjusted EBITDA margin* increased to 41.4% (34.9)
- EBIT was €4.0m (2.2), with an EBIT margin* of 15.5% (12.4%), an increase of 80% YoY
- Revenues in GiG Media at all-time high of €17.8m (12.8), an increase of 40%, with an adjusted EBITDA of €8.9 (5.9)
- Revenues* for Platform & Sportsbook were all-time high at €8.2m (5.3), an increase of 54% whereof 35% organic (39% organic growth excluding premium fees), with adjusted EBITDA of €1.8m (0.4)
- Positive cash flow from operations of €8.5m (4.9)

Operational highlights

- GiG Media reached another successive all-time high in quarterly revenue and player intake, FTDs ended at 115,900 (60,600), up 91%
- GiG Media entered into a new commercial partnership with News Corp UK & Ireland Limited for sports betting and casino content to their premium media websites The Sun and talkSPORT
- Agreement signed to acquire the casino affiliate websites AskGamblers.com, Johnslots.com, Newcasinos.com and several smaller domains
- Launched four brands, whereof two in Ontario, the newly regulated Canadian province
- Platform & Sportsbook signed six new agreements in the quarter
- Number of live brands were 62 at quarter end
- Awarded the ISO 20000 certification for the platform after an extensive review of internal service management system, framework and practices

Events after Q4 2022

- Initiated strategic review for the purpose of separating the Company into two independent publicly listed companies
- Acquisition of AskGamblers was completed end of January with several initiatives to grow revenue and EBITDA for the asset being identified
- Commercial partnership with the Sun and talkSPORT delivers material results just few months into operations
- Signed three new agreements for Platform & Sportsbook
- January has developed positively, and revenues are up 29% compared to the same period last year, whereof 15% organic growth

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



Letter from the CEO

Dear shareholders,

We have delivered a stellar quarter across the business with strong growth for Group revenues and EBITDA of 44% & 71% respectively. We have closed off the year which saw our annual revenue leap to €90.1 million and our EBITDA margin expand to 38% enabling an adjusted EBITDA of €34.2 million.

Our Media business continued the strong momentum, referring 115,900 new first time depositors to partners in the quarter. Above average margins for the casino side enabled our revenue share structure to deliver exceptionally well. The FIFA World Cup also provided a strong period for our player acquisition plans. 2022 has continually been a record year for our Media business, the team have executed with laser focus across our strategy and built up several additional revenues streams that we believe will continue to support the growth of the segment. I am immensely proud of the team's hard work, execution and continuing effort.

During the fourth quarter we have further expanded our geographic and revenue diversity by signing an agreement to acquire AskGamblers.com. We see a huge amount of potential in the brand and website group, with multiple technological, product and operational synergies that we are confident will provide a strong long term growth engine and a valuable asset within our Media business.

Our Platform & Sportsbook business continued to secure long term revenue growth with the signing of six additional contracts during the quarter that will contribute positively towards the revenue growth and margin expansion of the business. We saw record numbers of activity during the FIFA World Cup on our Sportsbook and despite the interruption to the normal sporting calendar we are pleased with the performance of our Sportsbook during the quarter.

We have transformed the Platform & Sportsbook business over the last three years from a white-label model into a SaaS structure that continues to gain momentum. Yearly growth in underlying SaaS and related revenues has been strong with last four years CAGR at 65% (45% excl. Sportnco). Our teams have transformed the business and made meaningful progress across product, technology and operations during 2022 and we look forward to continuing execution towards our long-term goals within the segment.

We continue to see good demand for our products and a global regulated footprint in 30+ markets continues to position us exceptionally well to be a supplier of choice for partners.

We enter 2023 with further belief that our strategy and long-term objectives are providing us exciting opportunities to continue to develop the business, provide earnings growth and ultimately increase shareholder value. Our employees and I are eager to push forward with conviction and ambition towards growing the business.

_ Richard Brown,
CEO at GiG

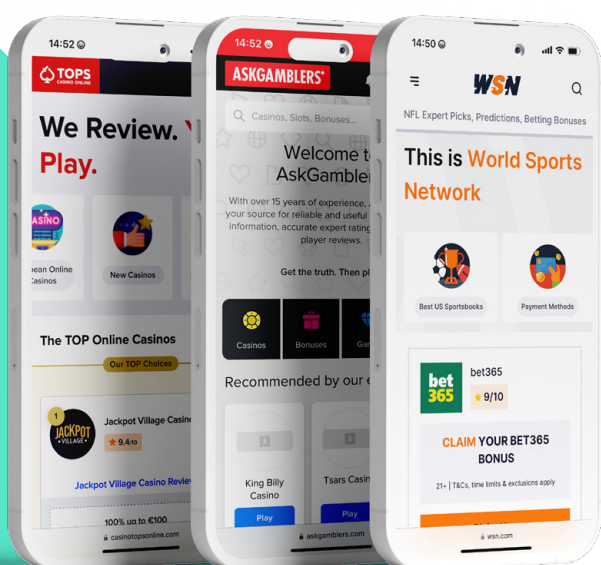
Summary and outlook

GiG Media

GiG Media delivered all-time-high revenues of €17.8 (12.8) million in the fourth quarter 2022, a 40% increase YoY, all organic, continuing the positive development seen over the past quarters. Both Paid and Publishing reached all-time-high in revenues, up 77% and 25% YoY respectively. The FIFA World Cup had a positive impact in the quarter in addition to normal seasonality effects within casino. Adjusted EBITDA for GiG Media ended at €8.9 (5.9) million for the quarter, a 52% increase YoY, with a margin of 50% (46%).

For the full year 2022, revenues were €61.7 (45.0) million, a 37% increase YoY, with an adjusted EBITDA of €29.6 (21.0) million, a 41% increase YoY.

First Time Depositors (FTD) ended at 115.900 (60.600) in the fourth quarter, an 91% increase YoY. GiG Media continued to scale up marketing spend, and the strong increase in player intake should benefit revenue share earnings going forward. Publishing launched five new websites and two new markets in the fourth quarter, and websites launched earlier this year grew successfully in the quarter. Social media channels had a strong increase in the fourth quarter, and Paid obtained four new licenses, adding Greece, Italy and the United Kingdom to the list of markets in which to operate with paid campaigns. Initiatives in the fourth quarter continued the strategy to diversify operations.



In December, GiG Media signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains for a total consideration is EUR 45 million. The transaction was completed in January 2023. Askgamblers.com is an award-winning website recognised as a well-trusted source in the iGaming industry with strong brand recognition by users. The acquisition cements GiG Media's position as the leading casino affiliate and will provide the business with several key strategic assets and multiple revenue opportunities.

Platform & Sportsbook

Platform & Sportsbook delivered all-time-high revenues* of €8.2 (5.3) million in the fourth quarter 2022, a 54% increase YoY, whereof 24% organic. Adjusted EBITDA ended at €1.8 (0.4) million, with a margin of 22.0% (8.3%).

For the full year 2022, revenues were €28.3 (21.4) million, a 33% increase YoY whereof 8% organic, with an adjusted EBITDA of €4.6 (1.7) million, a 163% increase YoY.

Six new clients were signed in fourth quarter 2022. This includes both landbased operators going online and online clients for new markets. The new agreements spread around different markets, increasing geographical diversification with a total of 37 markets covered including the current pipeline. Four brands went live in the quarter, with two in the Ontario province in Canada. Five additional brands were development complete at year end, pending the clients' decision to launch. The total number of live brands was 62 as of 31 December 2022 with an additional 14 brands in the integration pipeline.

Outlook and guidance

GiG Media has seen a strong performance over the past two years, delivering double digit quarterly growth in both revenues and FTDs, securing strong cash-flow and increased diversity in earnings. The AskGamblers acquisition will diversify the business further in line with the strategy to create sustainable long-term growth and provide the business with several key strategic assets and multiple revenue opportunities. Growth in player intake throughout the year, along with the FIFA World Cup and strong seasonality within casino contributed to a record quarter for GiG Media, and GiG expects continued sustainable future revenue growth for GiG Media going forward, however with some seasonality through the quarters.



For Platform & Sportsbook, GiG offers innovative and proprietary products with an unparalleled geographical footprint with certifications in 29 markets worldwide and 8 more in the current pipeline. This gives GiG a large overall addressable market and focus will be to sign new clients but also to offer growth and diversification to existing clients through extended geographical presence. New clients are added each quarter, building a sustainable and recurring SaaS revenue stream that will improve the operational performance for the segment going forward. The full effects of the cost initiatives taken in 2022 will be seen through increased contribution from Platform & Sportsbook in 2023.

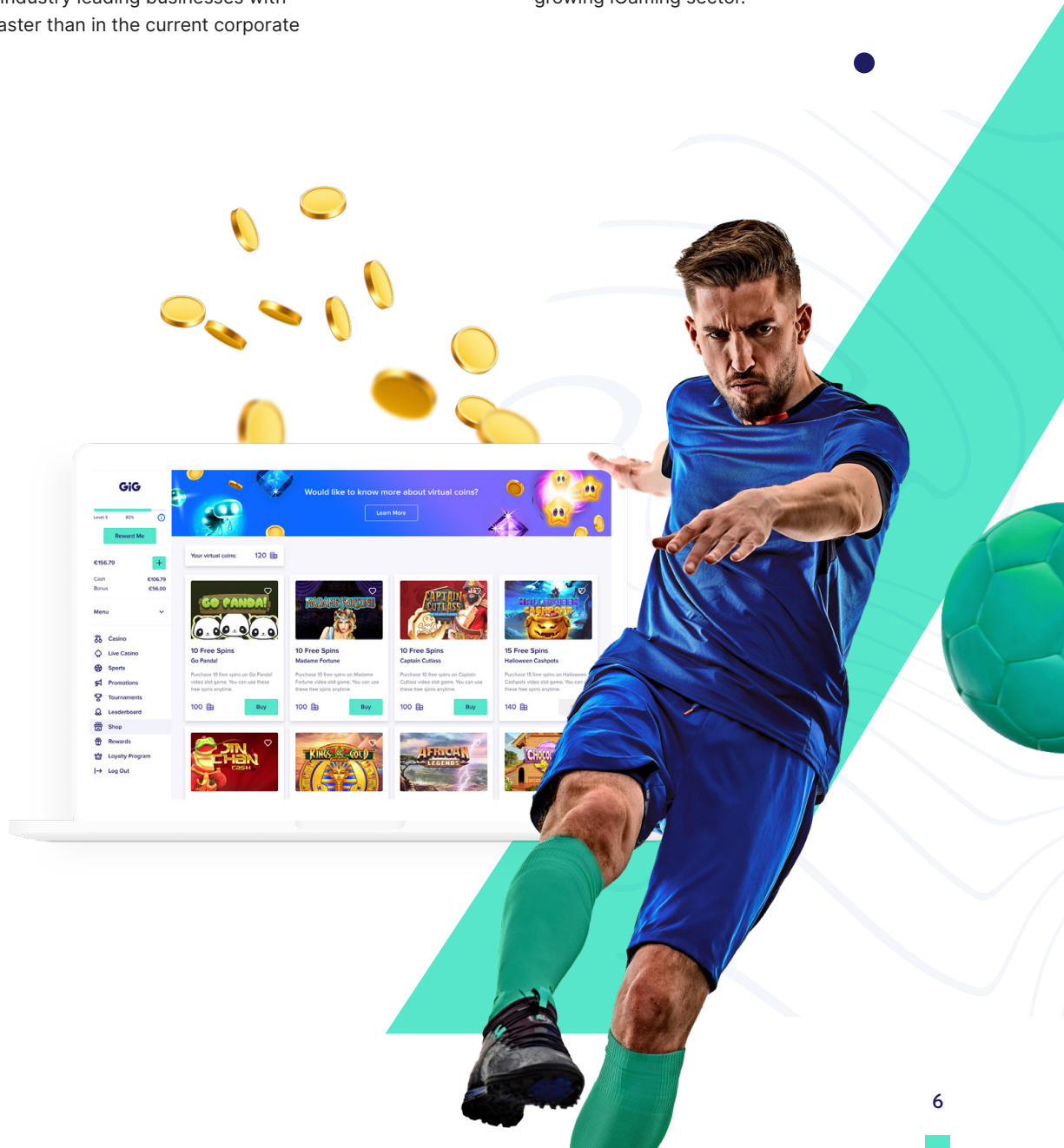
The Board of Directors has decided to initiate a strategic review with the intention to distribute its subsidiary Innovation Labs Ltd to GiG's shareholders. Such distribution would result in a split of GiG's two main business segments, GiG Media and Platform & Sportsbook.

The purpose of the split is to optimise growth opportunities and ensure each business can benefit from the strategic and financial flexibility of their distinctive business models. The split will form two industry leading businesses with the potential to grow faster than in the current corporate

structure. Planning will begin from Q1 onward and is expected to continue throughout 2023, and will initially focus on outlining the strategic and operational objectives that need to be achieved in order to execute the split. A final execution will be subject to all necessary corporate actions, including shareholder approval.

GiG has made good progress towards its operational and financial targets in 2022, with 35% organic growth and the adjusted EBITDA margin increased to 38%, and remains confident and committed to its long term financial targets which are as follows:

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



Q4 Financial highlights

Gaming Innovation Group Inc. (GiG) had all-time-high revenues* of €26.0m (18.1) million in the fourth quarter 2022, a 44% increase year-over-year, whereof 35% organic.

Marketing expenses* were €6.0 (3.3) million in the quarter, mainly related to GiG's paid media operation, an 80% increase year-over-year. GiG Media continued to scale up marketing spend due to favourable opportunities for a strong increase in player intake.

Other operating expenses amounted to €8.8 (3.3) million in the fourth quarter 2022, an increase of 6% year-over-year. Excluding Sportnco, that was acquired 1 April 2022, other operating expenses decreased 4% year-over-year.

Adjusted EBITDA ended at €10.8 (6.3) million, a 71% increase year-over-year, corresponding to an adjusted EBITDA margin* of 41.4% (34.9%). Including non-cash option expenses, EBITDA was €10.3 (6.0) million, a 72% increase year-over-year.

Depreciation and amortisation amounted to €6.2 (3.7) million in the fourth quarter 2022, whereof €2.3 million related to Sportnco and €1.1 (1.1) million relates to amortisation of assets from previous affiliate acquisitions. Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €4.6 (2.1) million, whereof around 22% in GiG Media due to increased investments in proprietary SEO and marketing technology.

EBIT ended at €4.0 (2.2) million in the fourth quarter 2022, an increase of 80%. The EBIT margin* was 15.5% (12.4%).

Net other expense was €-1.5 (-2.8) million in the fourth quarter 2022 and includes €1.5 (1.0) million in interest on the Company's bond and an unrealized gain of €1.0 (0.3) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter.

Results from continued operations were €1.5 (-1.1) million.

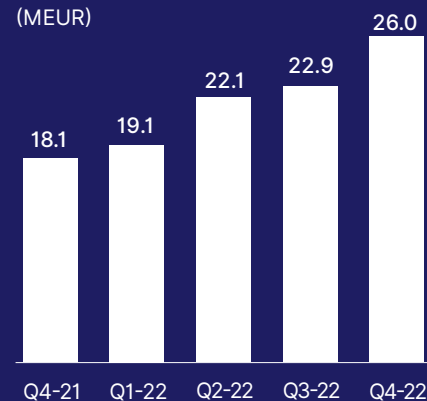
Loss from discontinued operations were €-1.3 (-0.6) million and the net result in the fourth quarter 2022 thus ended at €0.1 (-1.7) million.

Cash flow from operations were €8.5 (4.9) million with a cash balance as of 31 December 2022 of €15.2 (8.6) million.

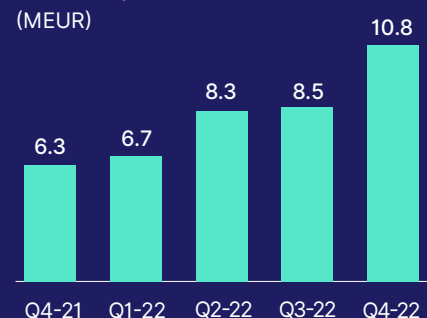
Total assets were €185.0 (87.7) million with an equity ratio of 35.1% (13.6).

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

Revenues
(MEUR)



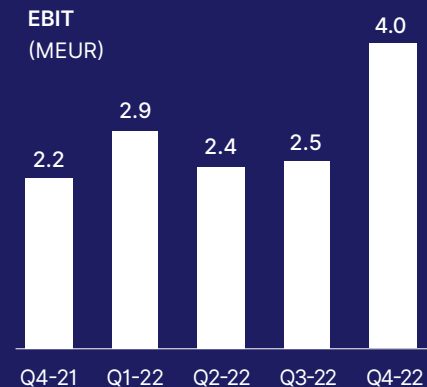
EBITDA adj.
(MEUR)



EBITDA margin
(adj. revenues)



EBIT
(MEUR)



2022 Financial highlights

For the full year 2022, reported revenues* were €90.1m (66.3), a 36% increase year-over-year, whereof 28% organic. The combined operations for GiG and Sportnco for the full year 2022 had revenues of €92.5m.

Marketing expenses* were €18.8 (11.2) million for the full year, a 68% increase year-over-year due to increased spend in GiG Media. Other operating expenses amounted to €36.2 (31.5) million in 2022, a 15% increase year-over-year. Excluding Sportnco, that was acquired 1 April 2022, other operating expenses increased by 6% year-over-year.

Adjusted EBITDA ended at €34.2 (22.7) million for the full year, a 51% increase year-over-year, corresponding to an adjusted EBITDA margin* of 38.0% (34.3%). Including non-cash option expenses, EBITDA was €32.5 (22.1) million, a 47% increase year-over-year. Adjusted EBITDA for the combined operations for GiG and Sportnco for the full year 2022 were €35.5m.

Depreciation and amortisation amounted to €20.7 (13.6) million in 2022, whereof €6.3 million related to Sportnco. Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €14.1 (7.9) million, whereof €3.5 million in Sportnco.

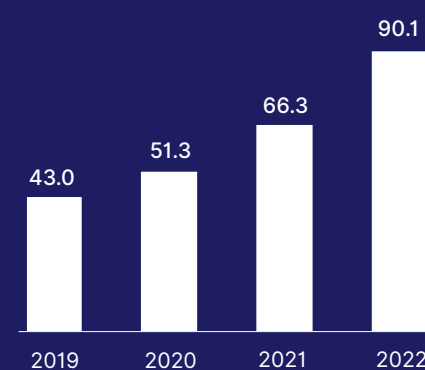
EBIT ended at €11.8 (8.4) million for the full year 2022, an increase of 40%. The EBIT margin* was 13.1% (12.7%).

Net other expense was €-4.0 (-7.1) million in 2022 and includes €5.3 (4.3) million in interest on the Company's bond and an unrealized gain of €3.9 (1.1) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter.

Results from continued operations were €5.7 (1.8) million for the full year 2022. Loss from discontinued operations were €-2.6 (-1.9) million and the net result for the full year 2022 thus ended at €3.1 (-0.1) million.

Cash flow from operations were €31.8 (12.9) million for the full year 2022.

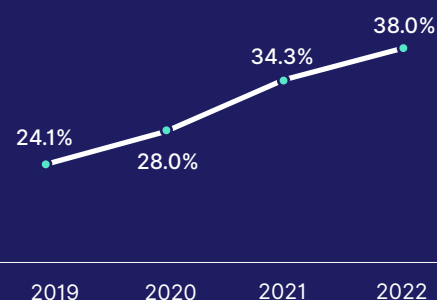
Revenues
(MEUR)



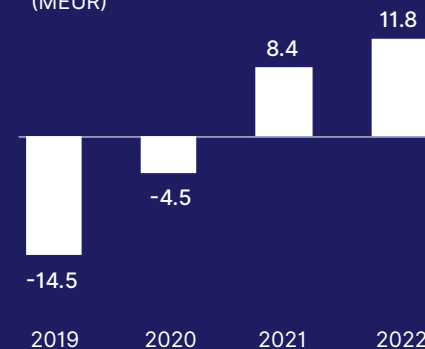
EBITDA adj.
(MEUR)



EBITDA margin
(adj. revenues)



EBIT
(MEUR)



Operational review

GiG Media

GiG Media continued its growth and reached another successive all-time high in revenues in the fourth quarter 2022. Revenues were up 40% year-on-year and 18% quarter-over-quarter, all organic growth. The FIFA World Cup had a positive impact in the quarter in addition to normal seasonality effects.

Player intake reached its fifth successive all-time quarterly high with 115.900 First Time Depositors (FTDs) referred to partners in the fourth quarter, up 91% year-on-year and 33% quarter-over-quarter. Both within Paid and Publishing, GiG Media continues to scale up marketing spend in line with the ambition to grow revenue and business further. The growth in player intake provides a strong foundation for future revenue with most of the players generated having a revenue share component, with players referred on either pure revenue share or hybrid.

In December 2022, GiG Media entered a strategic partnership with News UK to drive betting-related traffic in the UK through The Sun and talkSPORT. The partnership yielded positive results already in its first month, with strong organic rankings in the English market. GiG Media believes that this partnership will generate significant revenue in the future. Additionally, plans to explore new partnerships is a key area of focus in the coming years.

Publishing continued with operational pace, launching five new websites and entered two new markets in the fourth quarter. Websites launched earlier this year grew successfully in the quarter, further adding to the diversification strategy in GiG Media.

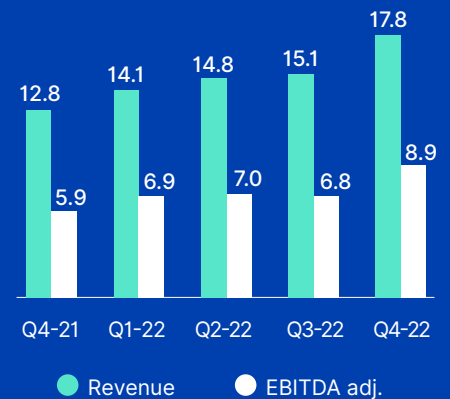
Publishing reached another all-time high in revenues in the fourth quarter 2022, up 25% year-on-year and 15% quarter-over-quarter. Player intake was stable, up 2% year-on-year and up 14% quarter-over-quarter. The business remains focused on generating players with higher player value. Expansion into new geographies also remains a key focus point.

Paid revenues increased 77% year-on-year and 25% quarter-over-quarter, reaching another successive all-time high in the fourth quarter 2022. Player intake in Paid saw another quarter with significant growth, up 173% year-on-year and 41% quarter-over-quarter. The increase in players is partially explained by activities leading up to and during the FIFA World Cup. Latin America is still a key growth market.

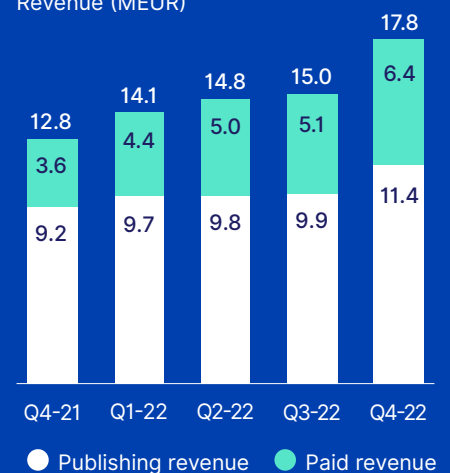
The Social Media channel for Paid has increased revenue by 240% in the fourth quarter compared to the first quarter 2022, and increased player intake by more than 300% in the same period. In the fourth quarter, GiG Media obtained four new licenses, adding Greece, Italy and the United Kingdom to the list of markets in which to operate with paid campaigns. GiG Media currently holds a total of 15 licenses from Meta.

GiG Media continued to see strong ROI indicators and therefore increased marketing spend in the quarter (9% quarter-over-quarter and 69% year-on-year) in both Paid and Publishing in line with the ambition to diversify and invest in a broader composition of markets and channels to drive sustainable long-term growth and continued improvement in earnings quality. Opportunities for new player acquisition presented itself during the FIFA World Cup enabling the team to push aggressively on marketing spend to

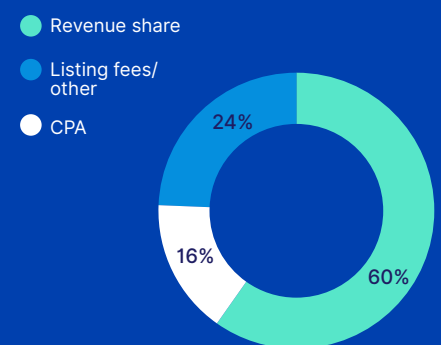
GiG Media Revenue and EBITDA (MEUR)



GiG Media Revenue (MEUR)



GiG Media Revenue split Q4-22



continue to build the basis for future growth in recurring revenue streams earnings.

GiG Media's overall strategy to grow revenue while diversifying regional dependence continued in the fourth quarter with revenue from all regions seeing year-over-year growth. Revenues from the Americas increased 136% year-over-year and 33% quarter-over-quarter, and their share of Media revenues accounted for 23% of revenue in the quarter, up from 13% in the fourth quarter 2021. GiG Media's traditional markets in the Nordics and Europe increased 23% year-over-year, however their share of overall revenue continued to decline, confirming the diversification of revenues.

GiG Media sees increased growth in the Americas and Europe and expects continued growth in these markets. GiG holds 13 licences and vendor registrations in the US and is qualified to do business in 22 states as well as Washington D.C. US organic traffic increased respectively 41% quarter-on-quarter and 76% year-over-year.

GiG's proprietary compliance tool, GiG Comply, signed two new clients in the fourth quarter and re-signed three existing clients. Also, GiG Comply signed a referral agreement with Raventrack, which is an affiliate software.

Acquisition of Askgamblers

In December, GiG Media signed an agreement to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The total consideration is €45 million, of which €20 million was paid in cash on closing in January 2023, €10 million will be paid in January 2024 and the €15 million balance in January 2025.

Askgamblers.com is an award-winning website recognised as a well-trusted website source in the iGaming industry with strong brand recognition by users. With this acquisition, GiG Media cements its position in the industry as the leading casino affiliate.

The management team at GiG Media has identified multiple strategies to improve the performance of the acquired business. By utilising GiG's technical SEO optimisation techniques and proprietary marketing technology in conjunction with the expertise of Askgamblers, GiG Media anticipates an increase in revenue and optimisation of costs of the acquired business

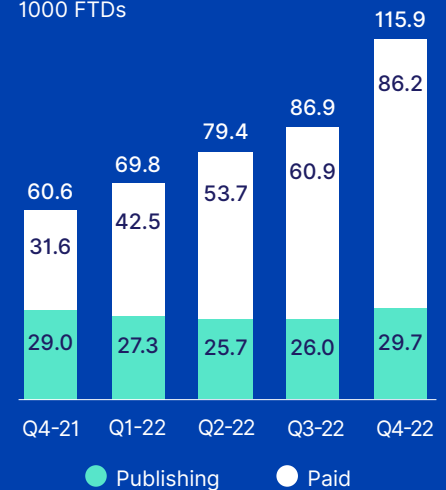
The acquisition will diversify GiG Media's business further in line with the strategy to create sustainable long-term growth through diversification. The acquired websites are strong in markets that currently are non-core markets for GiG Media, notably with the strong global reach of Askgamblers.com, therefore expanding the current geographical reach. In addition to revenue growth potential, operational synergies are expected to be realised after the acquisition via the shared use of marketing technologies, business intelligence systems and key functions.

Revenues and EBITDA

Revenues for GiG Media were €17.8 (12.8) million in the fourth quarter 2022, a 40% increase year-on-year and all organic growth. Paid Media represented 36% (28%) of GiG Media revenues in the quarter. 60% (59%) of revenues in the fourth quarter 2022 derived from revenue share agreements, 16% (13%)

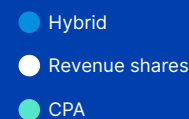
Media services

1000 FTDs



Media services

FTDs Q4-22



from CPA (Cost per Acquisition) and 24% (28%) from listing fees and other services.

Marketing expenses were €5.7 (3.3) million in the fourth quarter 2022, a 73% increase year-over-year. Other operating expenses in GiG Media accounted for 18% of revenue in the fourth quarter 2022, down from 29% in the fourth quarter 2021. People cost remained stable in the quarter.

Adjusted EBITDA was €8.9 (5.9) million, an increase of 52% year-over-year, with a margin of 50% (46%), and the EBITDA margin improved year-over-year and quarter-over-quarter. Non-cash option expenses were €0.1 (0.1) million in the quarter, resulting in an EBITDA of €8.8 (5.7) million.

For the full year 2022, revenues for GiG Media were €61.7 (45.0) million, a 37% increase year-on-year. Adjusted EBITDA was €29.6 (21.0) million, an increase of 41%, with a margin of 48% (47%). Non-cash option expenses were €0.3 (0.3) million for the full year 2022, resulting in an EBITDA of €29.4 (20.7) million for the full year 2022.

FTDs

GiG Media referred 115,900 (60,600) new FTDs (First Time Depositors) to operators in the fourth quarter 2022, a 91% increase year-on-year, and 33% up from the previous quarter. Paid Media increased 41% quarter-over-quarter, while Publishing was up 14% quarter-over-quarter. With around 95% of the FTDs referred on revenue share agreements, the investment is expected to yield future revenues.

For the full year 2022, 352,000 (197,800) new FTDs were referred to operators, a 78% increase year-on-year.

Strategy

GiG Media will continue to invest in expanding both geographically and through new assets and marketing channels to secure a diversified sustainable long-term revenue growth for both Publishing and Paid. Continued growth outside traditional core markets is expected with the Latin American and North American markets being key growth markets. Website assets are continuously updated through optimised SEO, content management and tech development and GiG Media will continue to develop its marketing technology moving forward, to ensure that the business remains competitive in the industry. The inclusion of AskGamblers from 1 February 2023 will further strengthen GiG position in the worldwide market and contributed positively to GiG Media's growth ambitions.

2023 started positively with player intake in January up 39% compared to the same period in 2022, although operators' marketing spend are back to normal levels after being positively affected by the FIFA World Cup and seasonality in the fourth quarter.



Platform & Sportsbook

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

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

New contracts

The sales pipeline continued its positive development in the fourth quarter 2022, with six new agreements signed in the quarter:

- In October, an agreement was signed to power a leading land-based operator's online expansion, strengthening GiG's position within the large and growing Latin American (LATAM) market.
- In November, a platform agreement was signed with a new casino partner, Strike Games. The initial period is five years and includes GiG's player account management (PAM), front-end and content management system (CMS).
- In November a Head of Terms agreement was signed with an established Ontario land-based operator for platform, sportsbook and OMNI channel solution in the newly regulated Ontario province in Canada.
- In December, an agreement was signed with Starcasino Group for platform and sportsbook in the regulated Spanish market. The agreement has been signed for an initial period of 3 years.
- Also in December, an agreement was signed for an initial period of 5 years with a new casino partner, LuckyBet, for operations in a number of international and emerging markets with high growth potential.
- In addition, an agreement for both Sports betting and Casino was signed with an undisclosed client.

So far in 2023, an established land-based and digital casino operator in Switzerland has been signed on a 5 year contract, and an established European land-based casino signed a Head of Terms agreement for GiG's platform, front-end delivery and content management system (CMS), powering the transformation of the retail brand online. Also, a platform agreement was signed with a new casino partner, JOY Enterprise B.V., for the Playr.bet brand in Latin America.

These latest announcements adds to GiG's growing reputation as one of the leading solutions providers for operators with

digital aspirations worldwide. GiG's expansive global footprint currently covers 29 regulated markets, with a further eight in the pipeline. This provides GiG's partners an unparalleled number of regulated markets accessible through its platform and sportsbook solutions.

Integration pipeline

Four new clients went live on the platform in the fourth quarter, including two in the newly regulated Canadian province of Ontario. GiG expects a promising market for its services in Ontario going forward with additional clients going live in 2023. In addition, five brands were development complete at year end pending the clients' decision to launch. Although no overall player value decrease has been seen over the past period, the macro environment for fund raising led a client to wind down their operations of two brands in the fourth quarter.

Existing customers on the platform as of today add up to a total of 62 brands. The integration pipeline stands at 17 brands as of today and consists of various clients ranging from existing online clients adding additional brands to larger land-based casinos going online in new regulatory environments.

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

Revenues and EBITDA

Revenues* for Platform & Sportsbook were €8.2 (5.3) million in the fourth quarter 2022, a 54% increase year-over-year (24% organic). Revenues were impacted €0.5 million year-over-year by the expiration of premium fees in April 2022, and excluding these premium fees, organic growth was 37%.

Adjusted EBITDA for the fourth quarter 2022 was €1.8 (0.4) million, a 309% increase compared to the fourth quarter 2021, and a margin of 22.0% (8.3%). Non-cash option expenses, mainly relating to the Sportnco acquisition, were €0.4 (0.1) million in the quarter, resulting in an EBITDA of €1.4 (0.2) million.

In 2022, initiatives were taken to reduce operating expenses for GiG's platform operations. The cost reductions have progressed according to plan, and the main effects will be realised in the first half of 2023 due to completion of planned new market entries. The anticipated annualised savings will

be in the region of EUR 8 million when completed, including synergies from the Sportnco integration.

For the full year 2022, revenues for Platform & Sportsbook were €28.3 (21.4) million, a 33% increase year-on-year, whereof 8% organic. Excluding premium fees, organic growth was 18%. Adjusted EBITDA was €4.6 (1.8) million, with a margin of 16.2% (8.1%). Non-cash option expenses were €1.4 (0.4) million for the full year 2022, resulting in an EBITDA of €3.2 (1.4) million for the full year 2022.

ISO 20000

In November 2022, GiG was awarded the ISO 20000 certification for its platform, following an extensive review of its internal service management system, framework and practices. As an internationally recognised mark of quality, the certification awarded by the International Organisation for Standardization (ISO) and International Electrotechnical Commission (IEC), demonstrates an organisation's ability to efficiently and effectively align its management processes in accordance with international best practices. This certification guarantees that GiG meets global standards for business, and establishes credibility and trust within consumers, stakeholders and other business partners.

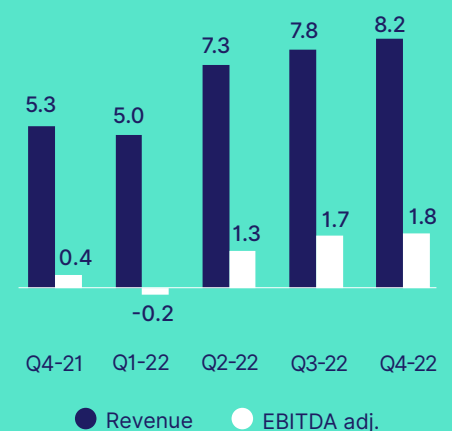
As part of a concerted program of service accreditation, GiG has proven that its service offering is in line with all requirements for the ISO 20000 standard in ensuring the optimal delivery and support of services, having the ability to respond to increasing service demands and demonstrating the reliability, high quality and level of service.

Strategy

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

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

Platform and Sportsbook
Revenue* and EBITDA adj. (MEUR)



41 Clients
(8% YoY)

62 Brands
(22% YoY)

37% of clients
take Sportsbook
(34% Q4-21)

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

Financial review

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

GiG divested its B2C operations in April 2020 and in accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements. In addition, GiG's sportsbook will be phased out as a standalone product due to the acquisition of Sportnco and Sports Betting Services are reported as a discontinued operation. Previous periods have been restated accordingly, see Note 7 on page 27.

Fourth Quarter 2022

Revenues

Consolidated revenues amounted to €26.0 (18.1) million in the fourth quarter 2022, a 44% increase year-over-year, whereof 35% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.4 (0.1) million in the fourth quarter 2022. This resulted in a gross profit of €25.6 (18.0) million, an increase of 42% and a gross profit margin of 98% (99%). In the fourth quarter 2022, cost of sales mainly relates to the sportsbook operations.

Marketing expenses

Marketing expenses were €6.0 (3.3) million in the fourth quarter, an increase of 80%. Marketing expenses' share of revenues were 23% (18%). Marketing expenses are mainly related to GiG Media, consisting of pay-per-click for Paid Media of €3.9 (2.3) million, with a 67% increase year-over-year due to increased investment in marketing and player acquisition in 2023.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €8.8 (8.3) million in the fourth quarter 2022, a 6% increase from the fourth quarter 2021, the increase resulting from the acquisition of Sportnco on 1 April 2022. Excluding Sportnco, other operating expenses decreased by 4% from the fourth quarter 2021. Other operating expenses' share of revenues were 34% (46%).

Personnel expenses were €6.3 (7.0) million, a decrease of 11%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €4.6 (2.1) million in the fourth quarter and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook and the development of the product towards new market entries related to new platform client signings, however around 22% relates to GiG Media due to increased investments in proprietary SEO and marketing technology.

Non-cash option expenses were €0.5 (0.3) million in the fourth quarter 2022. Option expenses includes costs due to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco. The option holders will, pending continued employment, receive shares in GiG at future VWAP valuation up to a total aggregate value of €4 million, see Note 12.

EBITDA

EBITDA for the fourth quarter 2022 was €10.3 (6.0) million, a 72% increase year-over-year, with an EBITDA margin of 39.5% (33.1%).

Adjusted for non-cash option expenses, adjusted EBITDA was €10.8 (6.3) million, a 71% increase year-over-year, with an adjusted EBITDA margin of 41.4% (34.9%).

D&A

Depreciation and amortisation amounted to €6.2 (3.7) million in the fourth quarter 2022, an increase of 67%, whereof €0.3 (0.4) million in depreciation.

The increase is mainly related to the acquisition of Sportnco, where €1.6 million are amortisation of acquired assets, see Note 12.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €1.1 (1.1) million. Acquired affiliate domains/SEO assets have been conservatively amortised over 8 years, which is at a considerably faster pace than industry peers. The balance is mainly related to capitalised development expenses. Depreciation expense related to IFRS16 was €0.5 (0.7) million.

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

EBIT

EBIT came in at €4.0 (2.2) million in the fourth quarter 2022, an increase of 80% from the fourth quarter 2021.

Financial and other expenses

Interest on the Company's bonds were €-1.5 (-1.0) million in the fourth quarter 2022, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €1.0 (0.3) million. Other financial expenses were €-0.8 (-1.8) million in the fourth quarter 2022, including interest related to IFRS16 of €-0.2 (-0.2) million.

Tax

Net tax expense was €-1.0 (-0.6) million in the fourth quarter 2022.

Net result from continuing operations

The profit from continuing operations was € 1.5 (-1.1) million in the fourth quarter 2022.

Discontinued operations

The loss from discontinued operations were €-1.3 (-0.6) million in the fourth quarter 2022 (see Note 7 for more information). The net result after discontinued operations was €0.1 (-1.7) million in the fourth quarter 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €8.5 (4.9) million for the fourth quarter 2022.

The net cash flow used on investing activities was €-5.2 (-2.3) million, whereof €-4.6 (-2.1) million were capitalised development expenses.

The net cash flow from financing activities was €-2.2 (-1.5) million in the fourth quarter 2022, which includes €-0.8 million in repayment of loans held by Sportnco, see also Note 12.

Cash and cash equivalents increased by €1.1 (1.0) million in the fourth quarter 2022.

Financial position

As at 31 December 2022, holdings of cash and cash equivalents amounted to €15.2 (8.6) million. In addition, cash in transit from payment providers amounted to €0.4 (0.7) million. Customer monies, that are held in fiduciary capacity, amounted to €1.3 (1.4) million.

GiG held total assets of €185.0 (87.7) million as at 31 December 2022. The increase is mainly related to the

acquisition of Sportnco, see Note 12. Shareholders' equity was €65.0 (11.9) million with an equity ratio of 35% (14%). The Company's lease liability is included with €3.2 (3.2) million under current liabilities and €6.8 (9.4) million under long-term liabilities.

Loans in Sportnco are included with €3.8 million under current liabilities and €12.7 million under long-term liabilities. In addition, the contingent consideration (earn-out) related to the Sportnco acquisition is included with €8.9 million under current liabilities and €9.6 million under long-term liabilities, see also Note 12.

Full year 2022

Revenues

Consolidated revenues amounted to €90.1 (66.3) million for the full year 2022, an increase of 36% year-over-year, whereof 28% organic. Excluding premium fees, organic growth was 32%.

Cost of sales and gross profit

Cost of sales amounted to €0.9 (0.9) million for the full year 2022. This resulted in a gross profit of €89.2 (65.5) million, an increase of 36% and a gross profit margin of 99% (99%).

Marketing expenses

Marketing expenses were €18.8 (11.2) million for the full year 2022, an increase of 68%. Marketing expenses' share of revenues were 21% (17%). Marketing expenses are mainly related to GiG Media, whereof pay-per-click and related costs for Paid Media were €12.1 (7.7) million, a 57% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €36.2 (31.5) million for the full year 2022, a 15% increase year-over-year, mainly due to the acquisition of Sportnco effective from 1 April 2022. Other operating expenses' share of normalised revenues were 40% (48%). Other operating expenses includes €0.7 million in non-recurring transaction expenses related to the Sportnco acquisition.

Personnel expenses were €26.7 (25.6) million, an increase of 4%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €14.1 (7.9) million in the full year 2022 and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook with €11.8 (6.5) million.

Non-cash option expenses were included with €1.7 (0.6) million in the full year 2022. Option expenses includes costs due to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco, see Note 12.

EBITDA

EBITDA for the full year 2022 was €32.5 (22.1) million, a 47% increase, with an EBITDA margin of 36.1% (33.3%).

Adjusted for non-cash option expenses, adjusted EBITDA was €34.2 (22.7) million, a 51% increase year-over-year, with an adjusted EBITDA margin of 38.0% (34.3%).

D&A

Depreciation and amortisation amounted to €20.7 (13.6) million for the full year 2022, an increase of 52%. The increase is mainly related to the acquisition of Sportnco with €6.1 million.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €4.4 (4.3) million. Acquired affiliate domains/SEO assets have been conservatively amortised 8 years, which is at a considerably faster pace than industry peers. Depreciation expense related to IFRS16 was €2.5 (2.6) million. The balance is mainly related to capitalised development expenses.

GiG is subleasing part of its office space, with rent of €1.0 (0.9) million for the full year 2022.

EBIT

EBIT came in at €11.8 (8.4) million for the full year 2022, a 40% improvement from 2021.

Financial and other expenses

Interest on the Company's bonds were €-5.3 (-4.3) million for the full year 2022, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR during the period was €3.9 (1.1) million. Other financial expenses were €-1.8 (-2.9) million for the full year 2022, including interest related to IFRS16 of €-0.8 (-0.9) million.

Tax

Net tax expense was €-2.1 (0.5) million for the full year 2022. The tax income in 2021 includes recognition of a deferred tax asset because 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 €5.7 (1.8) million for the full year 2022. The loss from discontinued operations were €-2.6 (-1.9) million for the full year 2022 (see Note 7 for more information). The profit after discontinued operations was €3.1 (-0.1) million for the full year 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €31.8 (12.9) million for the full year 2022. Included in the net cash flow from operating activities are changes in operating assets and liabilities.

The net cash flow from investing activities was €-48.1 (-9.2) million, whereof €-14.1 (-8.0) million were capitalised development expenses. Included are the €31.9 million cash element related to the acquisition of Sportnco Gaming SAS on 1 April 2022.

The net cash flow from financing activities was €23.0 (-6.3) million for the full year 2022, which includes a €8.4 million net cash infusion from the SEK 100 million bond tap in January 2022 and €25.0 million in net proceeds from the share issue related to the Sportnco acquisition, see also Note 12.

Cash and cash equivalents increased by €6.6 (-2.9) million in the full year 2022.

Personnel

At the end of the fourth quarter 2022, 583 (468) employees were spread throughout Malta, Spain, France and Denmark. Approximately 375 people contributed towards Platform & Sportsbook, 155 were focusing into GiG Media with the balance in corporate functions. The above numbers include approximately 80 full time consultants and remote workers with which at present GiG collaborates across Europe and USA. Additionally, GiG is contracting approximately 100 outsourced tech resources to be dedicated to the delivery of key projects.

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

The acquisition of AskGamblers will add around 90 employees in GiG Media from the first quarter 2023.

GiG is a people first organization, and the health and wellbeing of its workforce are of high importance. The Company implemented a flexi-working approach from 2021, giving much needed stability to employees and the ability to improve their work-life balance, whilst ensuring that productivity remains high. This work model is allowing GiG to optimize investments on office space across all locations and is proving the commitment towards a long

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

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

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

Shareholder matters

The GiG share is dual listed on Oslo Stock Exchange and Nasdaq Stockholm with the same ISIN code: US36467X2062. The authorised number of shares are 150,000,000 shares (par value USD 1.00), whereof 122,786,526 shares were outstanding as at 31 December 2022.

During the fourth quarter 2022, 54,000 options were exercised, and GiG borrowed shares for the immediate transfer of the option shares. In addition, 177,400 options were cancelled in the quarter, and 2,804,600 options were outstanding as at 31 December 2022.

In January 2023, 4,267,112 new shares were issued at a share price of NOK 25.61 to a group of investors to finance the equity part of the AskGamblers acquisition. In addition, 78,400 new shares were issued for exercises of options, whereof 66,400 to employees exercising options in 2022 where GiG borrowed shares for the transfer of the option shares to the employees. The number of outstanding shares increased from 122,786,526 to 127,132,038. In addition, a total of 2,772,600 options are outstanding as of today.

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 2023 Interim Report	4 May 2023
Annual Meeting of Shareholders	23 May 2023
Q2 2023 Interim Report	16 Aug 2023
Q3 2023 Interim Report	8 Nov 2023
Q4 2023 Interim Report	14 Feb 2024

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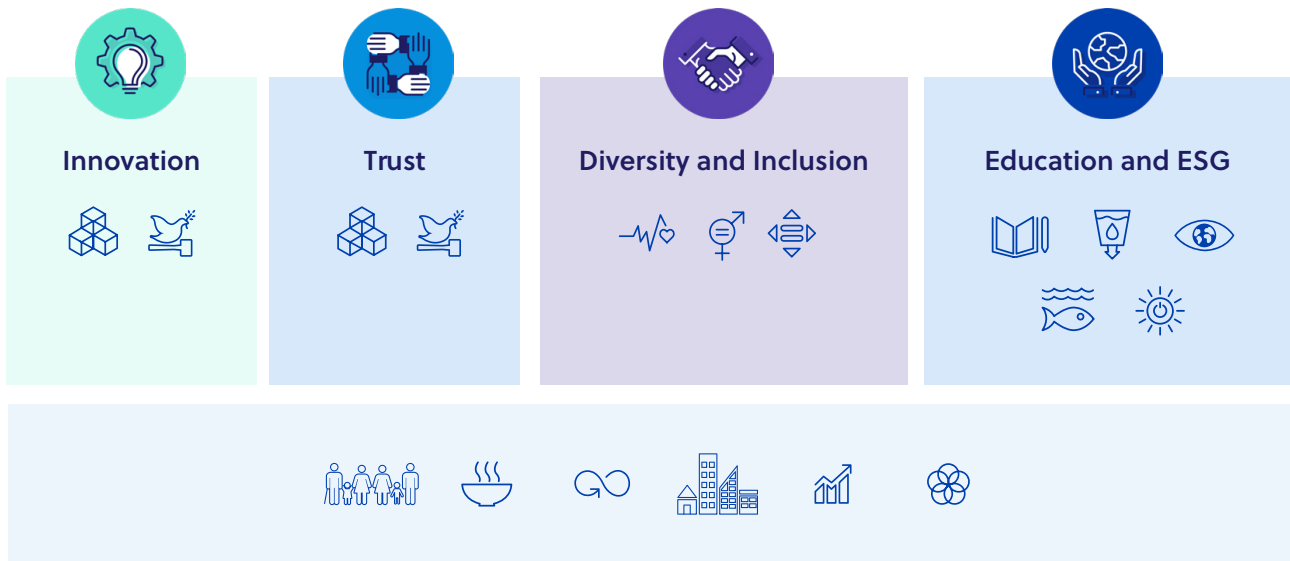
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Malta**

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 2023.

Our strategic approach to Sustainability

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

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



Innovation - *It's in our name*

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

- **Impressive number of go-live dates and new deals signed in US, Canada, LATAM, and Europe.** GiG signed the leading retail operator in LATAM to power its online expansion, as well as a platform deal with Strike Games and Luckybet, a deal with StarCasino to power their online offering in Spain, and a Head of Terms with an established retail operator in Ontario. Also in Ontario, Luckydays has gone live and Spinaway has launched.
- **Onboarded Industry veteran and marketing marvel Marcel Elfersy,** as the new Chief Commercial Officer of Platform and Sportsbook.
- **GiG and Sportnco Gaming Group achieves highest global Service Management standard.** The teams secured the ISO 20000 certification highlighting the continued commitment to a solid process around Service Management, ensuring world class processes and management.
- **GiG delivers industry leading end to end solution meeting every operator need.** New CMS aligns with the look and feel of the Core back office to deliver streamlined operational tools for operators. With the delivery of the new CMS, teams will be looking to reduce client contacts by simplifying the UX and introducing self-service tooltips and documentation. In addition, the CMS is now being developed as an integral part of the Frontend framework building the GiG IP stack. With enhanced operator and player experiences that have been built to optimise every journey.

- **Continuous improvements and Integrations.** Improvement works to; Logic UX and UI, existing products, including being able to approve PXP withdrawals from BO and other jurisdiction work, Croatia Kuna to Euro migration for Betsson Croatia

complete. We've finalised Playtech Direct and EGT Digital integration to improve our games offering, Sports have integrated Sportnco with final UAT testing being carried out, and 15 new Vendors Added in PIQ Integration.



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

- **100% of GiG Products Pass Application and Infrastructure security testing.** Five products (two Media, one Platform, one Tecnalis, one SNC) - have been tested, and the information security engineers have reached their target.
 - **First-class off-boarding process achieved.** Leavers Audit tool revamp - Our security engineers have redesigned GiG's leavers audit tool in order to better manage server resources and make sure the tool runs more efficiently.
 - **Security Intelligent and Event Management system.** Expanding further our security monitoring on our 'Security Intelligent & Event Management system' will ensure that our Security Operations Center team will have a wider and in-depth vision of systems.
 - **Protecting our business and partners.** Focusing even more attention towards awareness and training, in preparation for initiatives in 2023, we note an increase in the importance of guiding and equipping all GiG users with the necessary tools and knowledge to protect the business.
 - **Increased our scope and dedication throughout Q4 2022,** and have set up multiple phishing simulation campaigns including a generic global campaign and targeted campaigns.
 - **Increased Governance. Extended our reach of awareness and training this quarter,** focusing on Sportnco colleagues, ensuring they are also equipped with the necessary skills and training to safeguard GiG and its clients' data. We have delivered more than 10 unique training modules to 700 users.
 - **Mitigating Supply Chain Risk.** Our involvement in the procurement process at GiG has been a key factor in mitigating and monitoring risk from GiG's supply chain. During 2022, the team assessed a total of 63 new supplier requests. During Q4:
 - The team has 6 new suppliers
 - The team reassessed 7 pre-onboarded suppliers
- Safer Gambling:**
- **Increased focus on Player Safety.** We've continued collaboration efforts with external RG agencies, to further develop our responsible gambling process and procedure, both in terms of monitoring and communication. Going into 2023, we are looking into ways of adding extra skill sets to our Player Safety team, with professional qualifications and training.
 - **Reducing Gambling Related Harm through Improved RG Risk profile programme** - The creation of the policy for the calculation of the RG risk methodology is complete and has been shared with the development team assigned to carry out the work. This tool will allow for an automated approach when determining the risk classification of a player and will remove any subjectivity when performing manual reviews on a players account and lead to real-time automated interactions and spend limits to protect the player from any gambling related harm. The new programme will be ready for testing towards the end of Q1.
 - **Growing Compliance team.** Within our GRC Department a role has opened up for a Process Adherence Analyst. The chosen candidate will work closely with the managed services team to design efficient and effective processes, to ensure that processes are being adhered to by conducting continuous quality assurance sampling exercises, and by participating in internal audit exercises and similar initiatives aimed at maintaining standards.



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

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

- **Our numbers.** The gender split Q on Q remained the same with 67.25% male and 32.25% female and 0.5% non-binary. The age bracket of 31-35 continues to be where most of our people fall under and as we employ people from all over the world we are proud to welcome 62 nationalities across all of our people, which has remained steady from Q3 to Q4.
- **Improving employee experience.** We continued reviewing our communication templates, emails and contracts to ensure we provide an inclusive candidate experience and preparing a DEI plan and strategy for 2023. We continue to improve and optimise our employee experience. Please refer to our [Annual Sustainability Report](#) for an in-depth description of all ongoing activities regarding: Talent Acquisition and Marketing Recruitment, Well-being #Together programme, GiG Allies, Your Voice and our new Rewarding loyalty, focus on work-life balance and our people's wellbeing benefits package.
- **Optimising our office environments.** Our workplace services team have been working hard to finalise the office revamp and sublease in Malta, including internal building moves, creation of collaboration and meeting spaces, and are supporting Sportnco with the Madrid office move expected to finalise in H1 2023. New plans and projects for our Malta office are currently underway with completion at the end of 2023.
- **Increased meetups and events.** We re-introduced our monthly social events every Friday and organised our Christmas events including a family day and Christmas GiG Giving charity activities, throughout December 2022.
 - **GiG Gives charity quiz:** Donated a total of 2K euros from our GiG Gives charity quiz hosted during our Christmas event in Dec 2022 via Kahoot, where our winners won 200 euros each, which were donated to one of our local charities of their choice.
 - We had almost 400 people attending this year's Winter Wonderland Christmas event in Barcelona, Ceuta, Copenhagen, Marbella, Malta, Madrid and Toulouse.
 - We had over 120 GiGsters and their families joining our Christmas family day in Copenhagen, Malta, Marbella and Toulouse



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

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

- **Training and education.** Over 449 courses have been completed with over 1500 active unique learners and log-ins from 373 users on our GiGster Academy. Anti-Money Laundering, Introduction to iGaming, Player Account Management, Responsible Gaming Recertification, Hercules Training (GiG Media) were the most active courses (in hours of learning time). We also have published 9 new courses on the Academy.
- **Sportnco ISO certification:** We're continuously investing in keeping ours and our clients' information secure, and an important part of the integration was to bring Sportnco Group into the fold of our processes to protect our united organisation and maintain our ISO certification by taking 2 mandatory courses and be in line without Infosec practices and policies.
- **Community Outreach:**
 - We donated food to our Malta charity, which is a women and children's family shelter, who we have

partnered with. Raised and sold over 3,500 worth of equipment and money. 15 laptops, 2 tablets and 1 mobile phone were sold by our people and all the funds raised (3.5 euros) were donated to our GiG Gives charity organisation.

- Christmas GiG Giving - Donated almost over 70 presents for the infants and children who are currently living at the family DV shelter, Dar Merhba Bik foundation, AFESOL in Marbella and some hygienic packs to the women's shelter Reden in Copenhagen
- Ukraine Crisis Appeal. Our support is continuous and is still active in all efforts mentioned in our Q3 2022 report.

ESG

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





Consolidated Financial Statements



Gaming Innovation Group Inc.

Condensed Statements of Operations

EUR 1000 - Unaudited				
	Q4 2022	Q4 2021	2022	2021
Revenues	30 060	22 915	107 022	82 155
Cost of sales	1 469	1 284	5 362	4 167
Gross profit	28 591	21 631	101 660	77 988
Marketing expenses	8 991	6 985	31 237	23 005
Other operating expenses	8 827	8 336	36 183	32 244
Total operating expenses	17 818	15 321	67 420	55 249
EBITDA adjusted	10 773	6 310	34 241	22 739
Share option expense (non-cash)	496	326	1 699	644
EBITDA	10 277	5 984	32 542	22 095
Depreciation & amortisation	5 153	2 658	16 403	9 336
Amortisation of acquired affiliate assets	1 086	1 081	4 344	4 313
EBIT	4 038	2 245	11 795	8 446
Financial income (expense)	-2 507	-3 055	-7 881	-8 201
Unrealized exchange gain(loss) on the bond	961	288	3 856	1 064
Result before income taxes	2 492	-522	7 770	1 309
Tax income/(expense)	-1 042	-551	-2 057	519
Profit/(loss) from continuing operations	1 450	-1 073	5 713	1 828
Profit/(loss) from discontinuing operations	-1 302	-620	-2 608	-1 890
Profit/(loss) for the period	148	-1 693	3 104	-62
Exchange differences on translation of foreign operations	12	113	-104	-323
Total comprehensive income/(loss)	160	-1 580	3 000	-385
Total comprehensive income/(loss) attributable to:				
Owners of the Company	-57	-1 578	2 783	-385
Non-controlling interests	217	-2	217	-
Total comprehensive income/(loss)	160	-1 580	3 000	-385
Weighted average shares outstanding (1000)	122 787	97 905	116 348	94 018
Diluted weighted average shares outstanding (1000)	125 385	97 904	118 947	95 247
Basic and diluted earnings (losses) per share:				
- from continuing operations:	0.01	-0.01	0.05	0.02
- from discontinuing operations	-0.01	-0.01	-0.02	-0.02
- attributable to GiG Inc.	0.00	-0.02	0.03	0.00

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited

	31 Dec 2022	31 Dec 2021
Assets		
Non-current assets:		
Goodwill	75 340	16 325
Intangible assets	61 020	31 732
Deposits and other non-current assets	10 190	13 482
Total non-current assets	146 550	61 539
Current assets:		
Trade and other receivables	23 221	17 569
Cash and cash equivalents	15 209	8 561
Total current assets	38 430	26 130
Total Assets	184 979	87 669
Liabilities and shareholders' equity		
Shareholders' equity:		
Share capital	108 018	84 323
Share premium/reserves	61 663	35 491
Retained earnings (deficit)	-104 955	-107 912
Total equity attributable to GiG Inc.	64 726	11 902
Non-controlling interests	240	23
Total shareholders' equity	64 966	11 925
Liabilities:		
Trade payables and accrued expenses	22 550	20 485
Lease liabilities	3 163	3 156
Contingent liability	8 942	-
Short term loan	3 764	-
Total current liabilities	38 419	23 641
Bond payable	48 191	42 703
Other long term liabilities	9 009	9 400
Contingent liability	9 591	-
Long term loans	12 687	-
Deferred tax liability	2 118	-
Total long term liabilities	81 595	52 103
Total liabilities	120 014	75 744
Total liabilities and shareholders' equity	184 980	87 669

Condensed statements of changes in equity:

	2022	2021
Equity at beginning of period	11 925	3 606
Adjustment in prior period	-	8
Loan converted to shares	-	8 051
Shares issued for acquisition	48 500	-
Transaction costs	-176	-
Share compensation expense	1 717	645
Exchange differences on translation of foreign operations	-104	-323
Net results from continuing operations	5 713	1 828
Net results from discontinuing operations	-2 608	-1 890
Equity at end of period	64 966	11 925

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited	Q4 2022	Q4 2021	2022	2021
Cash flows from operating activities:				
Results from continuing operations before income taxes	2 492	-522	7 770	1 309
Income/(loss) from discontinued operations	-1 302	-620	-2 608	-1 890
Adjustments to reconcile profit before tax to net cash flow:				
Tax expense	-1 042	-551	-2 057	520
Depreciation and amortization	6 436	4 014	21 739	14 602
Share based compensation	496	326	1 699	645
Other adjustments for non-cash items and changes in operating assets and liabilities	1 421	2 282	5 296	-2 255
Net cash provided by operating activities	8 501	4 929	31 839	12 931
Cash flows from investing activities:				
Purchases of intangible assets	-5 153	-2 200	-15 877	-8 625
Purchases of property, plant and equipment	-71	-127	-292	-577
Acquisition of associates	-	-	-31 922	-26
Net cash from investing activities	-5 224	-2 327	-48 091	-9 228
Cash flows from financing activities:				
Lease liability principal payments	-59	-560	-3 196	-2 993
Interest paid on bonds	-1 373	-940	-4 953	-3 801
Repayment of loans	-791	-	-2 293	-2 328
Proceeds from bond issue	-	-	8 446	42 431
Repayment of bonds	-	-	-	-39 632
Proceeds from share issue	-	-	25 000	-
Net cash from financing activities	-2 223	-1 500	23 004	-6 323
Translation loss	12	-113	-104	-323
Fair value movements	-	-	-	-
Net increase (decrease) in cash	1 065	989	6 648	-2 943
Cash and cash equivalents - beginning	14 144	7 572	8 561	11 504
Cash and cash equivalents - end	15 208	8 561	15 208	8 561

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 31 December 2022 and 2021

1. General information

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

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

2. Revenue recognition

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

Reported numbers - EUR 1000 - Unaudited	Q4 2022	Q4 2021	2022	2021
Revenues	30 060	22 915	107 022	82 155
Cost of sales	1 469	1 284	5 362	4 167
Gross profit	28 591	21 631	101 660	77 988
Marketing expenses	8 991	6 985	31 237	23 005
Other operating expenses	8 827	8 336	36 183	32 244
Total operating expenses	17 818	15 321	67 420	55 249
Adjusted EBITDA	10 773	6 310	34 241	22 739
Non-cash option expenses	496	326	1 699	644
EBITDA	10 277	5 984	32 542	22 095

Normalised numbers - EUR 1000 - Unaudited	Q4 2022	Q4 2021	2022	2021
Revenues	26 013	18 081	90 066	66 343
Cost of sales	397	97	858	868
Gross profit	25 616	17 984	89 208	65 475
Marketing expenses	6 016	3 337	18 784	11 208
Other operating expenses	8 827	8 337	36 183	31 528
Total operating expenses	14 843	11 674	54 967	42 736
Adjusted EBITDA	10 773	6 310	34 241	22 739
Non-cash option expenses	496	326	1 699	644
EBITDA	10 277	5 984	32 542	22 095

3. Basis of preparation

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the periods ended 31 December 2022 and 2021 of Gaming Innovation Group Inc. and subsidiaries and have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated financial statements for the periods ended 31 December 2022 and 2021 have not been audited by the Company's auditors.

The Company's condensed consolidated financial statements are presented in Euro (EUR), which is the presentation and functional

currency of the Company. The functional currencies of its subsidiaries are the United States dollar, the Euro and Norwegian and Danish Kroners which are translated into EUR at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the condensed consolidated statement of comprehensive income (loss).

The condensed consolidated financial statements of the Company as at and for the periods ended 31 December 2022 and 2021 are comprised of its subsidiary Plc and Plc's related accounting basis subsidiaries.

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

Discontinued Operations

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

Standards, Interpretations and Amendments to Published Standards that are not yet Effective in 2022

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

5. Impairment of intangible assets

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

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

6. Segment information

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

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

Q4 2022 (EUR 1000)	Media	Platform	Total
Revenue	17 814	12 246	30 060
Cost of sales	-	-1 469	-1 469
Marketing costs	-5 662	-3 329	-8 991
Other operating costs	-3 223	-5 605	-8 827
EBITDA adjusted	8 929	1 843	10 773
Share option expense (non-cash)	-68	-428	-496
Depreciation & amortisation	-1 839	-4 400	-6 239
Operating profit/(losses)	7 022	-2 985	4 038

Q4 2021 (EUR 1000)	Media	Platform	Total
Revenue	12 769	10 146	22 915
Cost of sales	-	-1 284	-1 284
Marketing costs	-3 276	-3 709	-6 985
Other operating costs	-3 482	-4 854	-8 336
EBITDA adjusted	6 011	299	6 310
Share option expense (non-cash)	-121	-205	-326
Depreciation & amortisation	-1 926	-1 814	-3 740
Operating profit/(losses)	3 964	-1 720	2 245

2022 (EUR 1000)	Media	Platform	Total
Revenue	61 738	45 284	107 022
Cost of sales	-	-5 362	-5 362
Marketing costs	-18 150	-13 087	-31 237
Other operating costs	-13 962	-22 221	-36 183
EBITDA adjusted	29 626	4 615	34 241
Share option expense (non-cash)	-275	-1 424	-1 699
Depreciation & amortisation	-7 804	-12 943	-20 747
Operating profit/(losses)	21 547	-9 752	11 795

2021 (EUR 1000)	Media	Platform	Total
Revenue	44 970	37 185	82 155
Cost of sales	-	-4 167	-4 167
Marketing costs	-10 959	-12 046	-23 005
Other operating costs	-13 024	-19 220	-32 244
EBITDA adjusted	20 987	1 752	22 739
Share option expense (non-cash)	-274	-370	-644
Depreciation & amortisation	-7 267	-6 383	-13 649
Operating profit/(losses)	13 446	-5 000	8 446

7. Discontinued operations

B2C Operations

In April 2020, the Company completed the sale of its B2C assets to Betsson Group (Betsson). In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company's financial statements as of and for the periods ended 31 December 2022 and 2021.

Sports

In December 2021, the Company signed a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco"). On 1 April 2022 the transaction was closed following all the necessary approvals from relevant gaming authorities, shareholders and bondholders. As a result of the acquisition of Sportnco, the Company took the decision to divest its Sportsbook.

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 31 December 2022 and 2021:

(EUR 1000)	Q4 2022	Q4 2021	2022	2021
Net revenue	-348	75	534	419
Other income	-	-	-	-
Expenses	-954	-695	-3 142	-2 309
Impairment losses	-	-	-	-
Loss on disposal of B2C segment	-	-	-	-
Operating profit/(losses)	-1 302	-620	-2 608	-1 890
Loss from discontinued operations attributable to:				
Owners of the Company	-1 302	-620	-2 608	-1 890
Non-controlling interest	-	-	-	-
Total	-1 302	-620	-2 608	-1 890
Net cash flow from operating activities	-1 302	-620	-2 608	-1 890
Net cash flow from investing activities	-	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-	-
Net increase in cash generated by discontinued operations	-1 302	-620	-2 608	-1 890

8. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in profitable periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 31 December 2022, the Company had 2,804,600 options outstanding.

9. Changes in equity

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

As at 31 December 2022, the number of authorised shares was 150,000,000 where of 122,786,526 shares and 2,804,600 options were outstanding.

In January 2023, 4,267,112 new shares were issued at a share price of NOK 25.61 to a group of investors to finance the equity part of the AskGamblers acquisition. In addition, 78,400 new shares were issued for exercises of options, whereof 66,400 to employees exercising options in 2022 where GiG borrowed shares for the transfer of the option shares to the employees. The number of outstanding shares increased from 122,786,526 to 127,132,038.

10. Loans payable

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

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

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

The outstanding short-term part of the loans at 31 December 2022 was EUR 3.7 million (2021: EUR 0), and the long-term part of the loans at 31 December 2022 was EUR 12.7 million (2021: EUR 0).

11. Senior secured bonds

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

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

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

The outstanding balance of the bond on 31 December 2022 was EUR 48.2 million. (2021: EUR 42.7 million). As of this report, the principal amount of the loan is fully classified as long-term debt, adjusting the preceding year comparatives. This was pro accrued interest amounted to EUR 535,083 (2021: EUR 404,413).

12. Business combinations

Acquisition of Sportnco Gaming SAS

Subsequent to a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco") on 22 December 2021, Gaming Innovation Group received the necessary approvals from relevant authorities, and GiG's Board of Directors resolved to complete the acquisition with effect on 1 April 2022. GiG acquired 100% of the issued shares of Sportnco, an unlisted group based in France, a leading sports betting and gaming solutions provider in the online gambling industry.

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

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

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

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

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

Recognised amounts of identifiable assets acquired and liabilities assumed

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

(i) Equity instruments

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

(ii) Contingent consideration

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

The potential undiscounted amount of all future payments that GiG could be required to make under the contingent consideration arrangement is between nil and EUR 23 million.

The potential estimated earn-out payment expected in April 2023 based on the performance in 2022 is of EUR 8.8 million payable 50% in shares and 50% in cash. The actual amount payable will be finalized once the statutory audit for Sportnco is complete during Q1 2023. Due to the earn-out catch up structure mechanism where over performance in 2023 could benefit the earn-out payment in 2022, a higher prudent provision than the estimated earn-out amount was provided for in the balance sheet.

The fair value of the contingent consideration arrangement of EUR 18.5 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs. The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco.

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

(iii) Other information

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

The revenue included in the consolidated statement of comprehensive income until 31 December 2022 contributed by Sportnco was EUR 8.1 million. Sportnco also contributed an operating profit of EUR 0.48 million over the same period. Had Sportnco been consolidated from 1 January 2022, the consolidated statement of comprehensive income would have included revenue of EUR 10.9 million and an operating profit of EUR 0.51 million.

(iv) Transactions recognised separately from the acquisition

Further, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, pending continued employment, will receive shares in GiG at future VWAP valuation up to a total aggregate value of EUR 4.0 million. GiG recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in its share option reserves as a component of equity.

Acquisition of casino affiliate websites

In January 2023, GiG completed a Share Purchase Agreement ("SPA"), as previously announced in December 2022, to acquire the casino affiliate websites Askgamblers.com, Johnslots.com, Newcasinos.com and several smaller domains from Catena Media Plc. The consideration (on a cash free and debt free basis) is €45 million, of which €20 million was paid on the acquisition date with the remaining balance to be paid in two instalments on 31 January 2024 (€10 million) and 31 January 2025 (€15 million). As at reporting date, the status of the closing statements are work in progress. Therefore, other disclosures relating to this business combination are deemed impracticable by management as it is not yet in a position to accurately quantify goodwill, fair value of each major class of assets and liabilities.

13. Litigations

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

14. Related party transactions

There were no material related party transactions in the fourth quarter 2022.

15. Subsequent events

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

16. Alternative performance measures

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

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBIT margin: EBIT in percent of Normalised revenues

EBITDA: Operating profit less depreciation, amortization and impairments

Adjusted EBITDA: EBITDA less option expenses

EBITDA margin: EBITDA in percent of Normalised revenues

Adjusted EBITDA margin: Adjusted EBITDA in percent of Normalised revenues

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

Gaming tax: Taxes paid on revenues in regulated markets

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

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

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

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

Normalised revenues: See description in Note 2

Organic growth: Growth excluding acquisitions

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

Gaming Innovation Group plc.

Condensed statement of operations

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

As per the bond terms, the interim condensed consolidated accounts for the issuer for the periods ending 31 December 2022 and 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 2022	Q4 2021	2022	2021
Revenues	30 060	22 915	107 022	82 155
Cost of sales	1 469	1 284	5 362	4 167
Gross profit	28 591	21 631	101 660	77 988
Operating expenses				
Marketing expenses	8 991	6 985	31 237	23 005
Other operating expenses	8 427	7 937	34 863	31 079
Total operating expenses	17 418	14 922	66 100	54 084
EBITDA adjusted	11 173	6 709	35 561	23 904
Share option expense (non-cash)	496	326	1 699	644
EBITDA	10 677	6 383	33 862	23 260
Depreciation & amortisation	5 153	2 658	16 403	9 337
Amortisation on acquired affiliate assets	1 086	1 081	4 344	4 313
EBIT	4 438	2 644	13 115	9 610
Financial income (expense)	-1 546	-2 731	-4 061	-6 573
Result before income taxes	2 892	-87	9 054	3 037
Tax income/(expense)	-1 042	-551	-2 057	-631
Profit/(loss) from continuing operations	1 850	-638	6 997	2 406
Profit/(loss) from discontinuing operations	-1 302	-620	-2 608	-1 890
Profit/(loss) for the period	548	-1 258	4 388	515
Exchange differences on translation of foreign operations	12	113	-71	24
Fair value movement in available for sale investment	-	-	-	-
Total comprehensive income (loss)	560	-1 145	4 317	542
Total Comprehensive income (loss) attributable to:				
Owners of the Company	343	-1 143	4 100	542
Non-controlling interests	217	-2	217	-
Total comprehensive income (loss)	560	-1 145	4 317	542

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited	31 Dec 2022	31 Dec 2021
Assets		
Non-current assets:		
Goodwill	64 892	5 877
Intangible assets	61 020	31 732
Deposits and other non-current assets	9 884	13 170
Total non-current assets	135 796	50 779
Current assets:		
Trade and other receivables	23 365	17 565
Cash and cash equivalents	15 117	8 484
Total current assets	38 482	26 049
Total assets	174 278	76 829
Liabilities and shareholders' equity		
Shareholders' equity:		
Share capital	50	51
Share premium/reserves	138 364	88 208
Retained earnings (deficit)	-88 000	-92 241
Total equity attributable to GiG Inc.	50 413	-3 982
Non-controlling interests	240	23
Total shareholders' equity	50 653	-3 959
Liabilities:		
Trade payables and accrued expenses	22 503	20 485
Lease liabilities	3 163	3 156
Short term loans	3 764	-
Contingent liability	8 942	-
Total current liabilities	38 372	23 641
Bond payable	48 191	42 703
Deferred tax liability	2 181	-
Contingent liability	9 591	-
Long term loans	16 406	5 131
Other long term liabilities	8 948	9 313
Total long term liabilities	85 253	57 147
Total liabilities	123 625	80 788
Total liabilities and shareholders' equity	174 278	76 829

Gaming Innovation Group plc.

Condensed statement of cash flows

EUR 1000 - Unaudited				
	Q4 2022	Q4 2021	2022	2021
Cash flows from operating activities:				
Results from continuing operation before income taxes	2 892	-87	9 054	3 037
Results from discontinued operations	-1 302	-620	-2 608	-1 890
Adjustments. to reconcile profit before tax to net cash flow:				
Tax expense	-1 042	-551	-2 057	-234
Depreciation and amortization	6 436	4 014	21 739	14 689
Share based compensation	496	326	1 699	642
Other adjustments for non-cash items and changes in operating assets and liabilities	2 950	-1 339	3 965	-3 764
Net cash provided by operating activities	10 430	1 743	31 792	12 581
Cash flows from investing activities:				
Purchases of intangible assets	-4 949	-2 200	-15 335	-8 596
Purchases of property, plant and equipment	-71	-127	-292	-577
Disposal/acquisition of associates	-204	-	-32 464	-26
Net cash from investing activities	-5 224	-2 327	-48 091	-9 199
Cash flows from financing activities:				
Repayment of loans	-791	-	-2 293	-
Lease payments	-1 153	-560	-3 196	-3 237
Interest paid on bonds	-1 373	-940	-4 953	-2 991
Proceeds from/repayment of bonds	-	-	8 446	3 899
Proceeds from issuance of shares	-	-	-25 000	-
Net cash from financing activities	-3 317	-1 500	23 004	-2 965
Translation loss	12	-	-71	24
Fair value movements	-	-	-	-
Net increase (decrease) in cash	1 901	-2 084	6 633	441
Cash and cash equivalents - beginning	13 215	10 568	8 484	8 043
Cash and cash equivalents - end	15 117	8 484	15 117	8 484

We are Gaming Innovation Group

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

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



Media Digital Marketing

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



Platform Platform Services

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



Sportnco Sports Services

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



Managed Services

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

Business Model

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

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

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

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



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