

Q2 2023

Interim Report

Amended version as of 6th October 2023

Gaming Innovation Group Inc
16 Aug 2023

GiG

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Q2 2023 Interim Report

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Q2

Highlights

↑€31.1m

Revenues (norm.)
+40% growth

↑€14.0m

EBITDA adj.
+68% growth

45.0%

EBITDA adj. margin
37.5% in Q2 2022

Financial highlights

- Gaming Innovation Group achieved all-time high revenues* in Q2 2023 amounting to €31.1m (22.1), an increase of 40% YoY, whereof 22% organic
- Adjusted EBITDA was €14.0m (8.3), up 68%, adjusted EBITDA margin* increased to 45.0% (37.5%) an all-time high and strong progress towards financial target goal of 50%
- EBIT was €6.6m (2.4), an increase of 173% YoY, with an EBIT margin* of 21.1% (10.8%)
- Revenues in GiG Media at all-time high of €21.7m (14.8), an increase of 47% (20% organic), with an adjusted EBITDA of €10.3 (7.0)
- Revenues* for Platform & Sportsbook were €9.3m (7.3), an increase of 27%, all organic, with adjusted EBITDA of €3.7m (1.3), adjusted EBITDA margin* increased to 39.7% (17.2%)
- Profit before tax was €6.6m (2.2), an increase of 197% YoY
- EPS was €0.05 (0.01)
- Positive cash flow from operations of €9.1m (9.5)

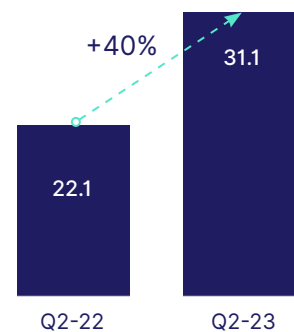
Operational highlights

- FTDs for GiG Media ended at 109,400 (79,400), up 38% YoY
- Ask Gamblers continued positive momentum with revenues in July up 45% from run rate at take over
- Signed final agreement with Palasino, powering the online entry of Trans World Hotels & Entertainment retail business through Palasino.com
- Platform & Sportsbook awarded licences in Pennsylvania and Maryland, US and the new gambling software provider license in Sweden
- Successful launch and completion of migration of all GiG legacy Sportsbook clients to Sportnco solution
- Launched two new brands and signed three new agreements for Platform & Sportsbook in the quarter
- Awarded Full-service Platform Provider and Multi-channel Supplier of the year at the 2023 EGR B2B awards

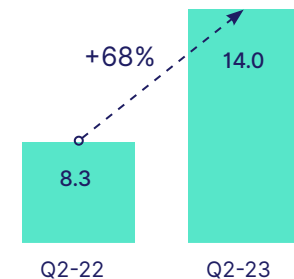
Events after Q2 2023

- Signed one new agreement and three HOTs for Platform & Sportsbook
- Five additional brands have gone live so far in Q3 2023, including new market entries in Serbia and further expansion into Latin America, number of live brands is 65 as of today
- GiG's platform and sportsbook live in the U.S. state of Maryland
- Appointed Richard Carter as new Platform & Sportsbook CEO and Jonas Warrer as CEO for GiG Media
- July has developed positively, and revenues are up 30% compared to the same period last year, whereof 10% organic growth

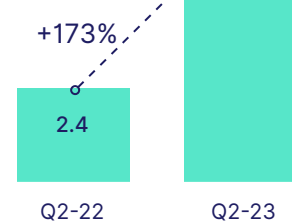
Revenues* (MEUR)



EBITDA adj. (MEUR)



EBIT (MEUR)



*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



Message from the CEO

Dear shareholders,

The second quarter of 2023 has proven another step forward for Gaming Innovation Group, with the business reaching another all-time high in revenues, increasing 40% year-over-year to over €31 million. Not only am I pleased with the growth of the revenues but our focus on scalability and efficiency continues to move forward with an adjusted EBITDA of €14 million with a margin of 45%, progressing well towards our long-term financial target of a +50% margin, and significant EBIT growth of 173% year-over-year. While we are proud of these results, we can also see a great opportunity across the business units going forward as we continue to focus and optimize the operational performance while concurrently pursuing many areas of growth. The teams across the Company's business units have worked tirelessly to deliver some marked operational performances.

In the Media business, the positive effects of integrating and improving AskGamblers' product performance are evident, with revenues up 45% compared to the takeover point. Our legacy publishing department is also showing favourable progress in the number of FTDs referred, following a series of positive Google updates. The News UK media partnership also progressed positively with further potential moving forward.

In addition, the Paid media segment was able to make meaningful steps forward in several newer digital advertising channels and in particular the ever evolving social media channel which presents the unit with further potential for revenue growth. With organic growth at 20% contributing to a total increase of revenue by 47% for Media, during a period of lower activity in the sporting calendar continues to point towards the strength this business unit has in its diversification across customer concentration and global geographic distribution.

Within the Platform & Sportsbook segment, the second quarter was epitomized by a busy client delivery period, with completion of the migration of GiGs' sportsbook customers to the Sportnco solution but also work was completed leading to 7 brands going live in June and July continuing to put in place the basis for future growth and scale. The revenue growth of 27% and expanding scalability have enabled the business unit to reach an EBITDA margin of nearly 40% this quarter, while continuing to pursue market expansion and further client onboarding. This points positively towards the business unit's long-term prospects of growth and scalability with a healthy and expanding delivery and sales pipeline. The team and I are also proud to be recognised by the industry winning two awards during the period for Full-service Platform Provider and Multi-channel Supplier of the year at the 2023 EGR B2B awards, a reflection of the industry's approval of the quality of our products and the service we continually deliver.

Progress towards the strategic review has moved well and we believe operationally the group will be ready to execute the planned spin off by year end, targeting execution, dependant on market conditions, in the first half of 2024.

We now look into the second half of the year with total focus on ensuring strong growth mechanics, continued operational improvement and long-term scalability for GiG. I truly believe there is a strong and clear path to continued success for the business units both operationally and strategically and we are fixated on achieving it.

Richard Brown,
CEO at GiG

Summary and outlook

GiG Media

Revenues in GiG Media were €21.7 (14.8) million in the second quarter 2023, a 47% increase YoY, whereof 20% organic, continuing the positive development seen over the past quarters. Publishing reached all-time high in revenues, up 58% YoY. Paid revenue increased 26%. Overall, GiG Media improved through the quarter in all markets. Adjusted EBITDA for GiG Media ended at €10.3 (7.0) million for the quarter, a 46% increase YoY, with a margin of 47% (48%).

First Time Depositors (FTD) were 109.400 (79.400) in the second quarter, a 38% increase YoY, whereof 20% organic. The increase reflects positive technological and product initiatives implemented in the previous quarters, leading to a positive increase in search engine exposure resulting in higher traffic volumes to Publishing websites.

Publishing launched four new websites and entered two new markets during the quarter. Paid onboarded five new key partners, continuing diversifying the customer mix and further reducing client concentration. GiG Media also continued the rapid international expansion of social media channels, now operating in more than 16 regulated jurisdictions, up from a handful last year.

AskGamblers.com and related casino affiliate websites were acquired in January 2023, and the initiatives implemented continue to show positive results. The first



six months of operating AskGamblers has seen revenues increase by 45%, player intake in excess of 40% and EBITDA double when comparing July to January 2023. GiG Media expects this positive development to continue going forward.

Platform & Sportsbook

Platform & Sportsbook delivered revenues* of €9.3 (7.3) million in the second quarter 2023, a 27% increase YoY, all organic. Adjusted EBITDA ended at €3.7 (1.3) million, with a margin of 39.7% (17.2%). The positive development in operating expenses continued, with a 9% decline QoQ. The increase in revenues and expanding margin continuing to point towards the scalability of the Platform & Sportsbook segment.

GiG secured new licenses in Pennsylvania and Maryland, US and the new gambling software provider license in Sweden. Betsson's Rizk brand went live in Germany in June. Subsequent to the second quarter, additional five brands went live, adding up to eight so far in 2023, and adding four new markets. As of today, the number of live brands is 65 with an additional 14 brands in the integration pipeline. The geographical diversification covers a total of 38 markets including the current pipeline.

The second quarter also saw the successful launch and completion of migration of all GiG legacy Sportsbook clients to the Sportnco solution, a milestone for the acquisition which has led not only to material costs savings for the Company, but also an enhanced product and strong position for future growth across both the online Sportsbook and casino segments.

Outlook and guidance

GiG Media continues its strong performance seen over the past two years, securing strong cash-flow and increased diversity in earnings. The AskGamblers acquisition has proven successful, with strong growth in revenues and FTDs since taken over by GiG in February, diversifying the business further in line with the strategy to create sustainable long-term growth. Underlying KPIs continues to show good progress and GiG expects continued sustainable future revenue growth for GiG Media going forward.

For Platform & Sportsbook, GiG offers innovative and proprietary products with an unparalleled geographical footprint with existing and planned certification in 38 markets worldwide, giving the possibility to sign new clients but also to offer growth and diversification to

existing clients in new markets. New clients are added each quarter, building a sustainable and recurring Software-as-a-Service (SaaS) revenue stream. In addition, the new Enterprise Solution adds to the product portfolio and enables GiG with a new commercial model. The number of live brands increases and combined with the effects of the cost initiatives taken in 2022, the margin in Platform & Sportsbook contributes to the strong progress towards GiG's financial target goal of 50% EBITDA margin.

The Board of Directors initiated a strategic review in February 2023, with the intention to split the Company into two separate companies, by distributing one of the business segments, GiG Media or Platform & Sportsbook, to GiG's shareholders. 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 is ongoing, focusing on the strategic and operational tasks needed in order to execute the split. A final execution is expected in the first half of 2024, and will be subject to all necessary corporate actions, including shareholder approval.

GiG has made good progress towards its operational and financial targets over the past quarters and for the full year 2023, GiG anticipates revenues to end between €125-130 million with an adjusted EBITDA margin between 47-50%. The Company remains confident and committed to its long-term financial targets which are as follows:

Growth

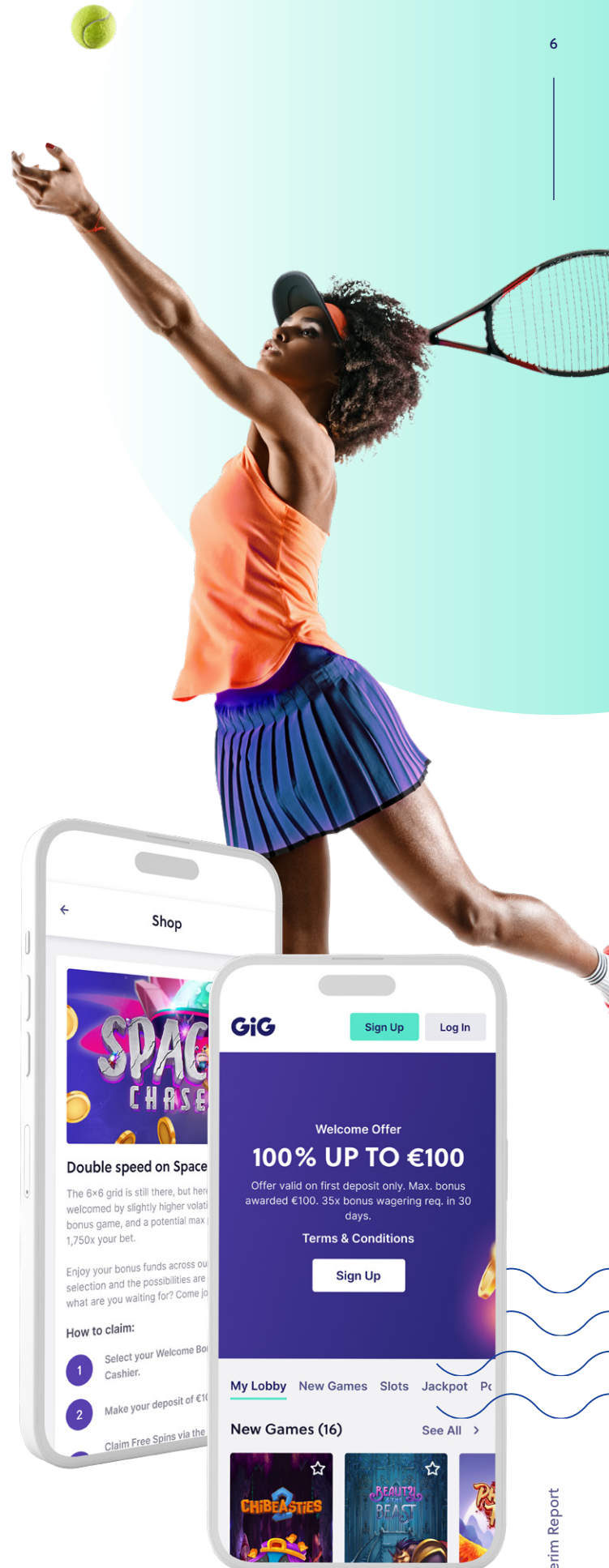
To achieve annual organic revenue growth in the region of 20%.

Profitability

To achieve an EBITDA margin in excess of 50% during 2024.

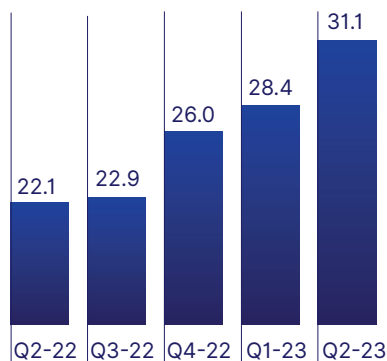
Leverage

Cash generated from the business over the next years will be used to lower leverage ratio while continually pursuing growth opportunities in the rapidly growing iGaming sector.



Q2-23 Financial highlights

REVENUES adj.
(MEUR)

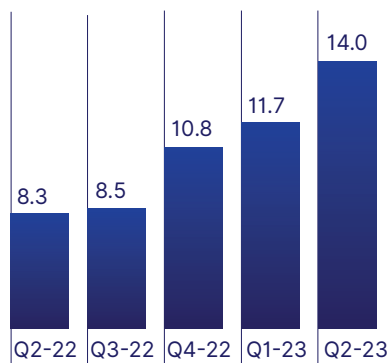


Gaming Innovation Group Inc. (GiG) had all-time-high revenues* of €31.1m (22.1) million in the second quarter 2023, a 40% increase year-over-year, whereof 22% organic.

Marketing expenses* were €6.2 (4.3) million in the quarter, mainly related to GiG's media operations, an 42% increase year-over-year, and corresponding to 20% (20%) of revenues. For GiG Media, marketing spend were 28% (28%) of revenues in the second quarter 2023.

Other operating expenses amounted to €10.7 (9.3) million in the second quarter 2023, an increase of 15% year-over-year. Adjusted for AskGamblers, that was acquired 1 February 2023, and one-off expenses related to the strategic review of €0.3 million, other operating expenses decreased 2% year-over-year.

EBITDA adj. (MEUR)

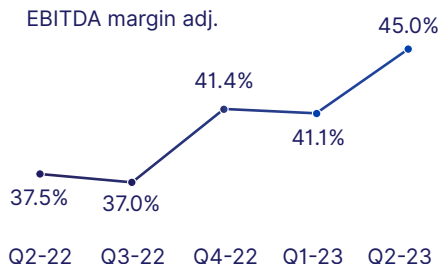


Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €3.8 (3.6) million, whereof 21% came from GiG Media. Platform and Sportsbook decreased its capex by 4% year-over-year, while GiG Media increased by 74%, partly explained by investments in technological migrations and product improvement for AskGamblers' websites to align the full product portfolio in GiG Media.

Adjusted EBITDA ended at €14.0 (8.3) million, a 68% increase year-over-year, corresponding to an adjusted EBITDA margin* of 45.0% (37.5%). Including non-cash option expenses, EBITDA was €13.6 (7.7) million, a 76% increase year-over-year.

Depreciation and amortisation amounted to €7.1 (5.3) million in the second quarter 2023, whereof €2.3 (1.3) million related to the acquisitions of Sportnco and AskGamblers. Amortisation of acquired affiliate assets were €1.1 (1.1) million.

EBITDA margin adj.

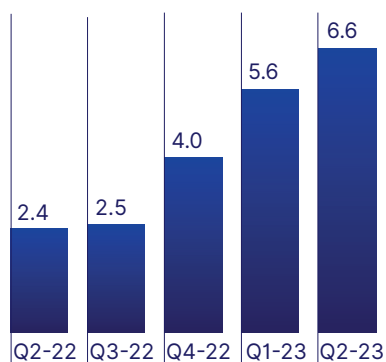


EBIT ended at €6.6 (2.4) million in the second quarter 2023, an increase of 173%. The EBIT margin* was 21.1% (10.8%).

Net other income was €0.1 (-0.2) million in the second quarter 2023 and includes €-1.6 (-1.2) million in interest on the Company's bond and an unrealized gain of €2.1 (1.9) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter.

Results from continued operations were €6.7 (2.0) million. Loss from discontinued operations were €-0.1 (-0.7) million and the net result in the second quarter 2023 thus ended at €6.5 (1.3) million.

EBIT (MEUR)



Cash flow from operations were €9.1 (9.5) million. Working capital is affected by change of banking solutions in the quarter, whereby the payment of around €3.5 million in receivables were delayed into the third quarter, as well as the payment structure for Enterprise Solution where payments will be received in the second half of 2023. The cash balance as of 30 June 2023 was €7.6 (11.6) million, after the €4.2 million cash element of the earn-out payment for Sportnco in May.

Total assets were €222.8 (185.9) million with an equity ratio of 40.4% (34.2%).

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

Operational review

GiG Media

The second quarter 2023 was another positive quarter for GiG Media, with growth across the business. Publishing boosted player intake and revenues year-over-year and compared to the previous quarter. The AskGamblers business - which GiG Media took over on 1 February 2023 - continued to grow revenue and player intake. Paid experienced a solid increase in revenue and EBITDA year-over-year.

Revenue reached another all-time high at €21.7 million, continuing the successive quarterly growth seen over the past three years. Revenue grew by 18% quarter-on-quarter and 47% year-over-year. Excluding AskGamblers, the Publishing business grew revenue by 9% quarter-on-quarter and 14% year-over-year. In Paid, revenue grew by 11% quarter-on-quarter and 26% year-over-year. The AskGamblers business also saw a 19% increase in revenue quarter-on-quarter.

Player intake grew by 38% year-over-year, whereof 77% for Publishing and a 4% decrease for Paid. To maximise return-on-advertising-spend during the summer period with fewer sports events, player intake was seasonally low in the Paid business. As sporting events start up again after the summer GiG Media expects player intake in Paid to grow again. AskGamblers continued its positive developments growing player intake 20% quarter-on-quarter.

Publishing launched four new websites and entered two new markets during the quarter. The positive initiatives implemented in the previous quarter, leading to a favourable Google update in March 2023, subsequently resulted in higher traffic to Publishing's websites. It is expected that player intake will continue to grow in the coming quarters.

Paid successfully onboarded five new key partners diversifying the customer mix further and reducing risk. The social media channel generated a 37% increase in revenue quarter-on-quarter and a remarkable 666% year-over-year. GiG Media extended its reach to include Colombia, Spain and Peru, and can now do paid social media campaigns in 16 markets. SEM and CRM campaigns were launched for AskGamblers, an area expected to grow in the remaining part of 2023.

The partnership with News UK continues to produce solid results, showing revenue and player intake growth. The partners have continuously expanded the partnership throughout 2023, with further growth opportunities to be pursued in the latter part of 2023. GiG Media believes this partnership will generate significant income in the future.

The Company is also actively exploring new partnerships in other markets, which is a focus area going forward.

The initiatives implemented in AskGamblers - after taking over the business in early February 2023 - continue to show positive results. AskGamblers has seen revenues increase by 45%, player intake in excess of 40% and EBITDA double when comparing July to January 2023. GiG Media is positive about growing AskGamblers further over the next periods.

GiG Media's diversification strategy continues to yield positive results, demonstrating a decrease in performance variance during a quarter characterised by fewer sports events. Growth in Latin America has been instrumental in offsetting the impact of a summer where most European football leagues were inactive while no FIFA World Cup or UEFA Euro Cup took place.

During the second quarter, GiG Media renewed its registration as an iGaming and Sports Wagering Registrant in West Virginia, consolidating its position as a leading affiliate in the US market. GiG Media now holds 13 licenses and/or vendor registrations in the US and is qualified to do business in 23 states and Washington D.C.

US organic traffic grew 26% year-over-year but decreased quarter-on-quarter. The quarterly decline was anticipated from sports seasonality, especially with Q2 having no NFL sports events. Revenues from the Americas increased 24% year-over-year and 16% quarter-over-quarter, and their share of Media revenues accounted for 22% of revenue in the quarter, up from 21% in the second quarter 2022.

Revenues from GiG Media's traditional higher value markets in the Nordics and Europe increased 21% year-over-year, with player intake up 44% year-over-year.

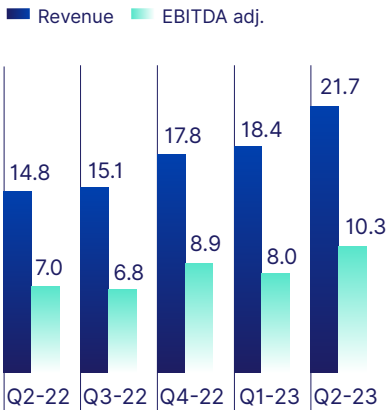
GiG's proprietary compliance tool, GiG Comply, signed one new client and re-signed two existing clients.

Revenues and EBITDA

Revenues for GiG Media were €21.7 (14.8) million in the second quarter 2023, a 47% increase year-on-year, whereof 20% organic. Paid Media represented 29% (34%) of GiG Media revenues in the quarter. 64% (58%) of revenues in the second quarter 2023 derived from revenue share agreements, 10% (16%) from CPA (Cost per Acquisition) and 26% (26%) from listing fees and other services. GiG will continue to prioritise maintaining a high percentage of revenue share earnings in the future.

Marketing expenses were €6.0 (4.2) million in the second quarter 2023, a 45% increase year-over-year. Other operating expenses in GiG Media accounted for 25% of revenue in the second quarter 2023, compared to 25% in the second quarter 2022. Other operating expenses excluding AskGamblers increased 14% year-over-year.

MEDIA SERVICES Revenue & EBITDA (MEUR)



Adjusted EBITDA was €10.3 (7.0) million, an increase of 46% year-over-year, with a margin of 47% (48%). Non-cash option expenses were €0.0 (0.1) million in the quarter, resulting in an EBITDA of €10.3 (6.9) million.

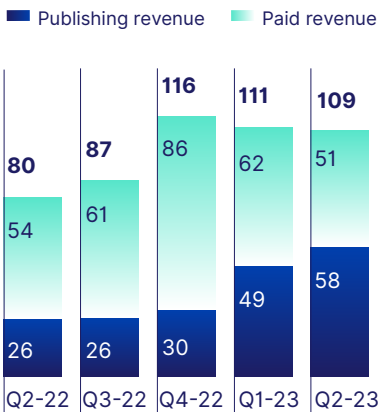
For the first six months of 2023, revenues for GiG Media were €40.2 (28.9) million, a 39% increase from the first six months of 2022. Adjusted EBITDA was €18.3 (13.9) million, an increase of 31%, with a margin of 46% (48%).

FTDs

GiG Media referred 109,400 (79,400) new FTDs (First Time Depositors) to operators in the first quarter 2023, an 38% increase year-on-year, and a 1% decline from the previous quarter. Paid Media decreased 17% quarter-over-quarter, while Publishing was up 9% quarter-over-quarter. With around 95% of the FTDs referred on revenue share agreements, the investment is expected to yield future revenues.

For the first six months of 2023, 220,200 (149,200) new FTDs were referred to operators, a 48% increase year-on-year.

MEDIA SERVICES - FTDs (1000) Split between publishing and paid



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 Latin American and North America being key growth markets. AskGamblers has further strengthened GiG's position and will contribute positively to GiG Media's growth ambitions. 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.

The third quarter 2023 started positively with player intake in July up 26% compared to the same period in 2022.

Platform & Sportsbook

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

In the second quarter 2023, three new agreements were signed for GiG's platform and sportsbook solutions. In April, the full agreement was signed with Palasino Malta Ltd, part of Trans World Hotels & Entertainment, following a Head of Terms signed in January. The partnership will see GiG provide its PAM, front-end delivery and content management system, powering the online entry of their traditional retail business through Palasino.com, providing opportunities within multiple international established and emerging online markets. Two additional agreements were signed in the second quarter with two different operators to power their online entry into international and emerging markets.

The Swedish Gaming Authority (Spelinspektionen) changed its regulatory framework with effect from 1 July 2023, requiring all B2B software providers operating in the Swedish market to licence their technology in accordance with the updated legislation. In the second quarter, GiG was awarded a full licence as a gambling software provider in Sweden, and will continue its strong connection with the region, having been present in the Swedish regulated market ever since the market launched as a leading platform provider powering Suprnation, Lucky Days and Betsson's Zecure brands, amongst its partners in Sweden.

GiG's expansive global footprint currently covers 33 regulated markets, with a further 5 in the pipeline, providing GiG's partners an unparalleled number of regulated markets accessible through its platform and sportsbook solutions.

In April, GiG completed the migration of all its legacy "GiG Sports" clients onto the Sportnco sportsbook platform. This result in further cost savings as the legacy product is decommissioned and further revenue potential as clients now will have a far more competitive product.

In August, Richard Carter was appointed as Platform & Sportsbook CEO, securing a strong and experienced leader for Platform & Sportsbook ahead of the planned split of the Company. During the second quarter, GiG increased its sales organisation in Platform & Sportsbook through the appointments of new senior positions. It is expected that this will strengthen the market reach and result in increased volume of new contracts going forward.

Integration pipeline

The Rizk casino brand went live in Germany on GiG's platform in the second quarter, following confirmation of its suitability to the regulations now consolidated under Germany's new nationalised online gaming authority.

So far in the third quarter, five new brands are live as well, including the launch of Crab Sports with both platform and sportsbook in Maryland, US. Boldt Group's popular Bplay site were launched in the Mendoza province of Argentina, adding to the growing presence of GiG powered sites throughout the LATAM region. GiG also entered the Serbian market with a client launching one of their brands there in July, and land-based operator GoldenParks successfully entry into the high growth Portuguese market.

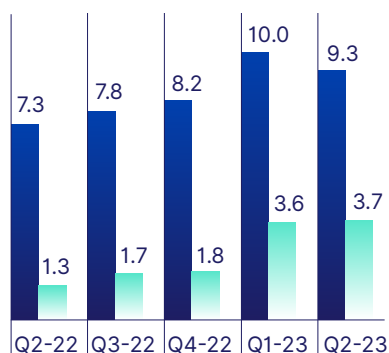
Two smaller brands ceased operations in the second quarter, and existing customers on the platform as of today add up to a total of 65 brands. The integration pipeline stands at 14 brands as of today.

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.



PLATFORM & SPORTSBOOK Revenue & EBITDA (MEUR)

■ Revenue ■ EBITDA adj.



41 Clients



36% of clients take Sportsbook

Revenues and EBITDA

Revenues* for Platform & Sportsbook were €9.3 (7.3) million in the second quarter 2023, a 27% increase year-over-year, all organic. The variations and timing nature of set up fees, especially for the Enterprise Solution, affect quarter-on-quarter comparisons, and explains the decline from the first quarter 2023.

92% of operator GGR through the platforms came from locally regulated or soon to be regulated markets (where there is a clear timeline/progress towards local regulation). 57% of operator GGR came from Europe, 13% from North America, 23% from Latin America and 7% from Rest of World.

Adjusted EBITDA for the second quarter 2023 was €3.7 (1.3) million, a 194% increase compared to the second quarter 2022, with a margin of 39.7% (17.2%). Non-cash option expenses, mainly relating to the Sportnco acquisition, were €0.4 (0.5) million in the quarter, resulting in an EBITDA of €3.3 (0.6) 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 effects will continue to be realised throughout 2023 due to completion of planned new market entries. Operating expenses for Platform & Sportsbook was €4.5 million in the second quarter, a 26% reduction year-over-year and 9% quarter-on-quarter.

For the first six months of 2023, revenues for Platform & Sportsbook were €19.3 (12.3) million, a 57% increase from the first six months of 2022. Adjusted EBITDA was €7.3 (1.1) million, an increase of 594%, with a margin of 38.0% (8.6%).

Strategy

GiG offers innovative and proprietary products with an unparalleled geographical footprint with certifications in 33 markets worldwide and 5 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. The launch of the new Enterprise Solution further strengthens GiG product portfolio and revenue diversification.

With 14 new brands in the pipeline to go live over the next 15 months, and additional anticipated growth for existing clients, revenue is expected to increase for Platform & Sportsbook. Combined with the implemented cost savings, continued improvement in operational margins is expected in 2023 and onward.

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

Financial review

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

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

Second Quarter 2023

Revenues

Consolidated revenues amounted to €31.1 (22.1) million in the second quarter 2023, a 40% increase year-over-year, whereof 22% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.3 (0.2) million in the second quarter 2023. This resulted in a gross profit of €30.8 (21.9) million, an increase of 41% and a gross profit margin of 99% (99%). In the second quarter 2023, the cost of sales mainly relates to the sportsbook operations.

Marketing expenses

Marketing expenses were €6.2 (4.3) million in the second quarter, an increase of 42%. Marketing expenses' share of revenues were 20% (20%). Marketing expenses are mainly related to GiG Media, whereof pay-per-click costs for Paid Media were €2.8 (2.7) million, a 3% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €10.7 (9.3) million in the second quarter 2023, a 15% increase from the second quarter 2022. The increase results from the acquisitions of AskGamblers that were acquired in February 2023. Expenses related to the strategic review were €0.3 million in the quarter. Excluding AskGamblers, other operating expenses were in line with the second quarter 2022. Other operating expenses' share of revenues were 34% (42%).

Personnel expenses were €7.6 (7.0) million, an increase of 9%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €3.8 (3.6) million in the second 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 21% relates to GiG Media due to investments in technological migrations and product improvement for AskGamblers' websites.

Non-cash option expenses were €0.3 (0.6) million in the second quarter 2023. Option expenses includes costs due to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco (Note 12).

EBITDA

EBITDA for the second quarter 2023 was €13.6 (7.7) million, a 76% increase year-over-year, with an EBITDA margin of 43.9% (35.0%).

Adjusted for non-cash option expenses, adjusted EBITDA was €14.0 (8.3) million, a 68% increase year-over-year, with an adjusted EBITDA margin of 45.0% (37.5%).

D&A

Depreciation and amortisation amounted to €7.1 (5.3) million in the second quarter 2023, an increase of 32%, whereof €0.2 (0.4) million in depreciation. The increase is mainly related to the acquisition of AskGamblers.

Assets acquired in Sportnco and AskGamblers were amortised with €2.3 (1.3) million in the second quarter. Amortisation of acquired affiliate assets 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 and other operational items. Depreciation expense related to IFRS16 was €0.6 (0.7) million.

GiG is subleasing part of its office space, with rent income of €0.3 (0.2) million in the second quarter 2023.

EBIT

EBIT came in at €6.6 (2.4) million in the second quarter 2023, an increase of 173% from the second quarter 2022. The EBIT margin was 21.1% (10.8%).

Financial and other expenses

Interest on the Company's bonds were €-1.6 (-1.2) million in the second quarter 2023, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €2.1 (1.9) million. Other financial expenses were €-0.4 (-0.8) million in the second quarter 2023, including interest related to IFRS16 of €-0.2 (-0.2) million.

Tax

Net tax expense was €0.0 (-0.2) million in the second quarter 2023, and included a tax credit related to Sportnco in France.

Net result from continuing operations

The profit from continuing operations was €6.7 (2.0) million in the second quarter 2023.

Discontinued operations

The loss from discontinued operations were €-0.1 (-0.7) million in the second quarter 2023 (see Note 7 for more information). The net result after discontinued operations was €6.5 (1.3) million in the second quarter 2023.

Cash flow

The consolidated net cash flow from operating activities amounted to €9.1 (9.5) million for the second quarter 2023. Working capital is affected by change of banking solutions in the quarter, whereby the payment of around €3.5 million in receivables were delayed into the third quarter, as well as the payment structure for Enterprise Solution where payments will be received in the second half of 2023.

The net cash flow used on investing activities was €-8.5 (-35.8) million, whereof €-3.8 (-3.6) million were capitalised development expenses. The cash part of the earn-out payment to Sportnco amounted to €4.2 million. The second quarter 2022 includes the €31.9 million cash payment related to the Sportnco acquisition.

The net cash flow from financing activities was €-3.6 (21.3) million in the second quarter 2023. The second quarter 2022 includes €25.0 million in net proceeds from the share issue related to the Sportnco acquisition.

Cash and cash equivalents decreased by €-3.1 (-4.9) million in the second quarter 2023, impacted by the cash part of the Sportnco earn-out payment in May.

Financial position

As at 30 June 2023, holdings of cash and cash equivalents amounted to €7.6 (11.6) million. In addition, cash in transit from payment providers amounted to €0.3 (0.4) million. Customer monies, that are held in fiduciary capacity, amounted to €0.9 (1.3) million.

GiG held total assets of €222.8 (185.9) million as at 30 June 2023. The increase is mainly related to the acquisition of AskGamblers in January 2023. Shareholders' equity was €90.0 (63.6) million with an equity ratio of 40.4% (34.2%).

Cash flow:

€9.1

million

Cash equivalents

€7.6

million

The Company's SEK 550 million (€45.8 million) bond has maturity in June 2024 and are thus included under current liabilities. In August, ABG Sundal Collier and Pareto Securities have been appointed as advisors to facilitate the refinancing of the bond, expected in the third quarter 2023.

Loans in Sportnco are included with €3.7 million under current liabilities and €10.9 million under long-term liabilities. In addition, the contingent consideration (earn-out) related to the Sportnco acquisition are included with €9.3 million under current liabilities and the deferred payments for the AskGamblers acquisition are included with €10.0 million under current liabilities and €15.0 million under long-term liabilities, see also Note 12. Lease liability is included with €2.1 (1.7) million under current liabilities and €6.8 (9.8) million under long-term liabilities.

January to June 2023

Revenues

Consolidated revenues amounted to €59.5 (41.2) million in the first six months of 2023, an increase of 44% increase year-over-year, whereof 21% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.6 (0.3) million in the first six months of 2023. This resulted in a gross profit of €58.9 (40.9) million, an increase of 44% and a gross profit margin of 99% (99%).

Marketing expenses

Marketing expenses were €11.8 (8.1) million in the first six months of 2023, an increase of 46%. Marketing expenses' share of revenues were 20% (20%). Marketing expenses are mainly related to GiG Media, whereof pay-per-click and related costs for Paid Media were €5.6 (5.3) million, a 6% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €21.4 (17.8) million in the first six months of 2023, a 20% increase year-over-year, mainly due to the acquisitions of Sportnco from 1 April 2022 and AskGamblers from 1 February 2023. Other operating expenses' share of normalised revenues were 36% (43%).

Personnel expenses were €14.7 (13.4) million, an increase of 9%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €7.7 (6.0) million in the first six months of 2023 and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook.

Non-cash option expenses were included with €0.8 (0.8) million in the first six months of 2023. 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 first six months of 2023 was €24.9 (14.2) million, a 75% increase, with an EBITDA margin of 41.8% (34.6%).

Adjusted for non-cash option expenses, adjusted EBITDA was €25.7 (15.0) million, a 71% increase year-over-year, with an adjusted EBITDA margin of 43.1% (36.4%).

D&A

Depreciation and amortisation amounted to €12.7 (9.0) million in the first six months of 2023, an increase of 42%. The increase is related to the acquisitions of Sportnco and AskGamblers.

Assets acquired in Sportnco and AskGamblers were amortised with €3.7 (1.3) million in the first six months of 2023. Amortisation of acquired affiliate assets completed in 2015-2017 were €2.1 (2.2) million.

The balance is mainly related to capitalised development expenses and other operational items. Depreciation expense related to IFRS16 was €1.2 (1.3) million.

GiG is subleasing part of its office space, with rent of €0.6 (0.5) million in the first six months of 2023.

EBIT

EBIT came in at €12.1 (5.3) million in the first six months of 2023, a 130% improvement from the same period in 2022. The EBIT margin was 20.4% (12.8%).

Financial and other expenses

Interest on the Company's bonds were €-3.2 (-2.4) million in the first six months of 2023, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR during the period was €2.7 (2.4) million. Other financial expenses were €-0.8 (-0.9) million in the first six months of 2023, including interest related to IFRS16 of €-0.3 (-0.4) million.

Tax

Net tax expense was €-0.1 (-0.4) million in the first six months of 2023.

Net result

The profit from continuing operations was €10.7 (3.5) million in the first six months of 2023. The loss from discontinued operations were €-0.5 (-1.2) million in the first six months of 2023 (see Note 7 for more information). The profit after discontinued operations was €10.2 (2.4) million in the first six months of 2023.

Cash flow

The consolidated net cash flow from operating activities amounted to €22.3 (13.4) million for the first six months of 2023. Included in the net cash flow from operating activities are changes in operating assets and liabilities.

The net cash flow from investing activities was €-33.1 (-38.8) million, whereof €-7.7 (-6.4) million were capitalised development expenses. Included are also the initial €20 million cash payment for the acquisition of AskGamblers in January 2023 and the €4.2 million cash part of the Sportnco earn-out payment in May 2023. The first six months of 2022 includes the €31.9 million cash payment related to the Sportnco acquisition.

The net cash flow from financing activities was €3.3 (28.4) million in the first six months of 2023. The first six months of 2022 includes a €9.0 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.

Cash and cash equivalents decreased by €-7.6 (3.0) million in the first six months of 2023. The decrease is due to the €20 million cash payment for the AskGamblers acquisition and the €4.2m cash part of the Sportnco earn-out payment.

Personnel

At the end of the second quarter 2023, 631 (607) employees were spread throughout Malta, Spain, France, Denmark and Serbia. Approximately 365 people contributed towards Platform & Sportsbook, 240 were focusing into GiG Media with the balance in corporate functions. The above numbers include approximately 90 full time consultants and remote workers with which at present GiG collaborates across Europe, Asia and USA. Additionally, GiG is contracting approximately 100 outsourced tech resources to be dedicated to the delivery of key projects.

The personnel are 50% employed in Malta, 24% in Spain, 10% in Denmark, 10% Serbia, 6% in France.

The Company is supporting and believing in its people strategy that is focused on making the different lines of business agile while also supporting revenue growth and talent development as its core competitive advantage. By prioritizing agility and scalability, GiG has always been able to quickly adapt to changes in the marketplace and stay ahead of the competition. Notable milestones and cost efficiencies have been achieved through people initiatives such as cross-functional work streams and the merge of operational teams, always fostered by a culture of continuous learning and improvement.

Please see the sustainability update and Annual Sustainability Report 2022 for the full details on our people goals and how that support ESG targets. For further description on risk factors, see GiG's 2022 Annual Report that is available on www.gig.com/ir.

631
employees

365
Platform &
Sportsbook

240
Media

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 128,949,561 shares were outstanding as at 30 June 2023. In addition, 2,586,000 options were outstanding as at 30 June 2023.

In May 2023, 1,777,873 new shares were issued at a share price of NOK 27.60 for the earn-out consideration in connection with the acquisition of Sportnco Gaming SAS ("Sportnco"). In addition, 39,650 new shares were issued in connection with exercise of options, whereof 25,000 shares at a share price of NOK 15.00 and 14,650 at a share price of NOK 22.00 per share.

Statement from the Board of Directors

We confirm that to the best of our knowledge that the condensed set of consolidated financial statements for the first six months of 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and give a true and fair view of the Company and the group's assets, liabilities, financial position and results for the period viewed in their entirety.

We also confirm that to the best of our knowledge that the half-year interim report includes a true and fair review of any important events that arose during the first six months of 2023 and their effect on the Company, of any significant related parties' transactions and of the principal risks and uncertainties for the remaining six months of the year.

16 August 2023

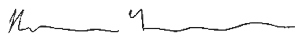
The Board of Director of Gaming Innovation Group Inc.



Petter Nylander
Chairman



Nicolas Adlercreutz
Director



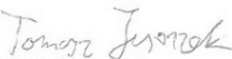
Hesam Yazdi
Director



Karolina Pelc
Director



Mikael Riese Harstad
Director



Tomasz Juroszek
Director



Steve Salmon
Director

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

| | |
|------------------------|-------------|
| Q3 2023 Interim Report | 8 Nov 2023 |
| Q4 2023 Interim Report | 14 Feb 2024 |
| Q1 2024 Interim Report | 7 May 2024 |

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This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 16 August 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.

This Q2 report describes in brief, the sustainability activities we are currently undertaking and have planned - for full details and more information read our recently published [2022 Annual Sustainability](#) report.



Innovation



Trust



Diversity and inclusion



Education and ESG



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.

- **Commercial updates.** Q2 has been packed with new deals being signed, launches and go lives, and prestigious awards being bestowed on GIG, rewarding the team for years of hard work and innovation, and industry conferences attended.
 - » **Platform and Sportsbook signed four deals.** Palasino, part of the Trans World Hotels & Entertainment group for our player account management platform (PAM), front-end delivery and content management system (CMS), with an established existing partner, in a new market and one with a brand new partner for platform and sportsbook, and with Bplay in the Jujuy province of Argentina, extending our relationship with one of Latin America's most established operators, moving the partnership into a fifth regulated market in Argentina.
 - » **Two brands were launched.** Rizk Casino, part of the Betsson group was launched into the newly re-regulated German market, further extending our relationship, and with William Hill Latvia which was migrated from our legacy sports offering to Sportnco sportsbook.

- » **GiG crowned twice at EGR B2B Awards.** We were awarded with Full Service Platform and Multi-Channel supplier of the year at the prestigious EGR B2B awards 2023, at the ceremony in London. The EGR awards carries with it some extra significance and prestige within the industry, as a peer to peer awards the decisions are made by a panel of industry experts. They can be seen as a good indicator for the future of our business, as there is a strong correlation between winning these awards and future growth and success. The awards represent the investment in our products and services and the value in our transformation from a B2C and White label to a pure, leading edge B2B platform, services and sportsbook provider.
- » **Commercial team exhibited at and attended global events.** GiG Platform and Sportsbook exhibited at the Peru Gaming Show (PGS) in June, for the first time in Latin America. The three day exhibition in Lima provided an opportunity for the team to meet potential partners and strengthen existing relationships. The team also sent representation to the SBC Summit LatAm in June, the Canadian Gaming Summit in Toronto and Gaming in Spain conference in Madrid
- » **GiG Media's growing worldwide presence.** The team is continually committed to growing the organisation's knowledge and Media's presence within the global gaming industry and markets. In Q2 Media representatives attended:
 - » **SBC conference, New Jersey.** The team gained invaluable connections and insights into the US market, which underscored their commitment to staying at the forefront of industry advancements, and shaped how the team will interact with current and prospective clients in the US.
 - » **Sigma Americas conference, São Paulo.** This event proved to be an invaluable experience. During the two day conference the team gathered significant amounts of intel about the LatAm market, focusing on Brazil as a leader, which meant the team managed to improve GiG Media's position in the Brazilian market and built mutually beneficial relationships with clients.
 - » **iGB Amsterdam and SiGMA Asia.** In Q3 (July) GiG Media will attend these two conferences and more, both of these events are hotly anticipated and the team cannot wait to attend and learn more about expectations, market movement and player behaviours.
- **Product/Core updates.** Compliance is a crucial part of the business which we continuously invest in, including;
 - » **Further enhancements to Source of Wealth configurations.** These have been added to allow self service configurations by the brands whilst supporting the multiple jurisdictions offered by GiG. In addition to this, improvements to the Data Anonymisation flows have been implemented to ensure we fulfil privacy requests by our customers in accordance with the GDPR requirements.
- » **Built an inhouse AML Risk scoring Dashboard.** On registration, the player is checked against 3rd party databases for KYC, PEP and sanction checks which sends real-time information to GiG logic, based on this information and a number of criteria such as financial history and monthly activity the player is classified as an extreme risk or low risk. All this information is visualised in real-time dashboards that allow the operator to take certain actions based on the player's risk level. The dashboard provides the risk distribution together with time to action and unactioned vs actioned players. The value this brings to the player safety agent is that they are alerted in real-time with a list of classified players that require immediate attention. Utilising the no-code solution provided by GiG logic this has resulted in a 90% efficiency when compared to doing the actual development work required to achieve the same result.
- **Continuous improvements and enhancements.** From the Game content side we are live with Reevo and soft launched with ThrillTech. Payments is another domain which the team are constantly keeping up to date by adding multiple providers via Devcode to allow operators to enter new markets and have fall back options for current markets. And a number of enhancements on GiG logic to support multi PAM have also continued, this is part of a larger initiative that will be delivered throughout 2023.
- **UX improvements to CMS.** Focusing on the user experience and self service has been delivered such as bulk game upload, bulk game delete, synching data between the PAM and the CMS and copy languages functionality across the CMS to improve the operational efficiency.
- **Front-end performance enhancements.** The focus was to prepare a number of skins that will be going live between Q3 and Q4 in different markets. A number of performance improvements have also been undertaken as part of a larger initiative to ensure that the site and components load exceptionally providing the best user experience.
- **Media Product improvements.** The team are continuously optimising and improving Product performance including:
 - » **The AskGamblers.com migration,** which is well underway and on track. Once this project has been completed it will give a significant boost to the AskGamblers product quality, and ultimately will increase traffic by Q4.

- » **29 Wordpress based websites**, which are being migrated to the central solution called Olympus, with the same goal of AskGamblers.com migration, to boost quality. 16 sites have been migrated to date, the latest of which are; JohnSlots.com, NewCasinos.com, casinoonline.dk.
- » **Building new Business Intelligence architecture** to enhance the depth and quality of data available, which is in progress, and expected to launch in Q3.



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

- **GRC updates.**
 - » **GiG maintains robust security framework.** Directing our attention towards awareness and training, we have maintained our robust framework which includes the execution of multiple phishing simulation campaigns which included a global campaign, as well as targeted one's in Q2 2023 including Sportnco and Tecnalis for the first time.
 - » **Continued risk monitoring and mitigation.** The team continued to assess newly onboarded suppliers who were believed to require interaction in some shape or form with GiG's information. The team continued its supplier reassessment commitment whereby suppliers assessed within the same period 12 months prior were reassessed.
 - » **Security processes monitored and improved.** The Information Security team has remained dedicated in Q2 2023 to continuously improve and monitor GiG's security processes. The team continues to audit several systems within GiG's landscape to ensure that access control measures are maintained.
 - » **Sportnco Sportsbook awarded ISO27001 certification.** Following weeks of intensive preparatory work and planning, the team led the ISO27001 audit concerning the Sportnco Sportsbook, which we are pleased to announce was awarded the certification.
- **Infosec Engineering updates.**
 - » **Application and Infrastructure security assessments complete.** Two products (1 Platform and Sportsbook, 1 SNC) have been fully assessed, with others currently being worked on – with these two products tested the information security engineers have managed to reach 100% of GiG products tested for Q2. Automated security testing, from different aspects of testing, is also being introduced on new projects within GiG, ensuring that all GiG products are following the same vulnerability management processes.
 - » **Automations for Infosec tasks workflow.** Further automations were introduced as part of the day-to-day task management workflow used by the Infosec team within Jira. This ensures that resources and effort are fully focused on the projects at hand, minimising the day-to-day task management overhead.
 - » **Transition to GiG's new SIEM and SOC services near completion.** Through this project, the Infosec team will be reducing costs for GiG drastically whilst ensuring a stellar approach to security monitoring and alerting.
- **GiG Comply intensifies efforts to protect clients.** With the Netherlands and Belgium implementing stricter regulatory requirements as of 01 July 2023, the team have intensified their efforts to educate and support GiG Comply clients in enhancing their compliance checks. Our goal is to help them maintain a compliant market presence.

- **Reducing Gambling Related Harm through Automated RG Risk profile Programme.** The development of the RG Case Manager tool is underway and we are excited to share that testing has commenced and is progressing at a steady speed. We remain focused on our mission and look forward to deploying the finalised RG tool sometime around Q3.
- **Growing Compliance team.** We are pleased to announce that a candidate has been selected for the position of Process Adherence in the Compliance Team. The candidate will start in mid-August and will work closely with the managed services team to design efficient and effective processes, while ensuring processes are being adhered to by conducting continuous quality assurance sampling exercises and similar initiatives aimed at maintaining standards.
- **Player Safety leader completed Safetalk / ASSIST training course.** GiG continues to upgrade and develop our responsible gambling product, with one of our Player Safety team leaders undergoing the Safetalk/ ASSIST trainers accreditation course. This will enable us to conduct internal training for our managed services staff, ensuring they are proficient and confident in handling contacts from players who are displaying serious markers of harm.
- **Watchtower AI and leading RG tools.** For those business partners who take advantage of our managed services package, our Operations teams provide comprehensive RG monitoring, assessment and action on their customer database, utilising our plethora of advanced tools and processes, supported by experienced and highly trained people. We are constantly upgrading our RG repertoire, with the latest addition being the Watchtower AI language tool from Edgetier, designed to automatically alert and escalate concerning behaviour in customer contacts.
- **Increased focus on Player Safety.** In April, YGAM in partnership with Betknowmore UK delivered a full day training workshop to GiG's player safety, customer support and compliance teams. The online Safer Gambling training, which includes a City and Guilds certification, provided greater insight into understanding customer vulnerability and gambling related harms with the main workshop focus on enhanced skills for customer interaction.
- **Anti-Bribery and Corruption.** GiG prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form. The Organisation's Policy held within the Code of Conduct which is read and signed by all employees, outlines what is acceptable and what is not, and what it could look like in reality. It gives comprehensive instructions on appropriate due diligence and when to register a gift, or seek further advice, and that the prevention, detection and reporting of bribery or corruption is the responsibility of all GiG employees. Reporting matters in this area are covered by the Protection of the Whistleblower Act (2013).



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

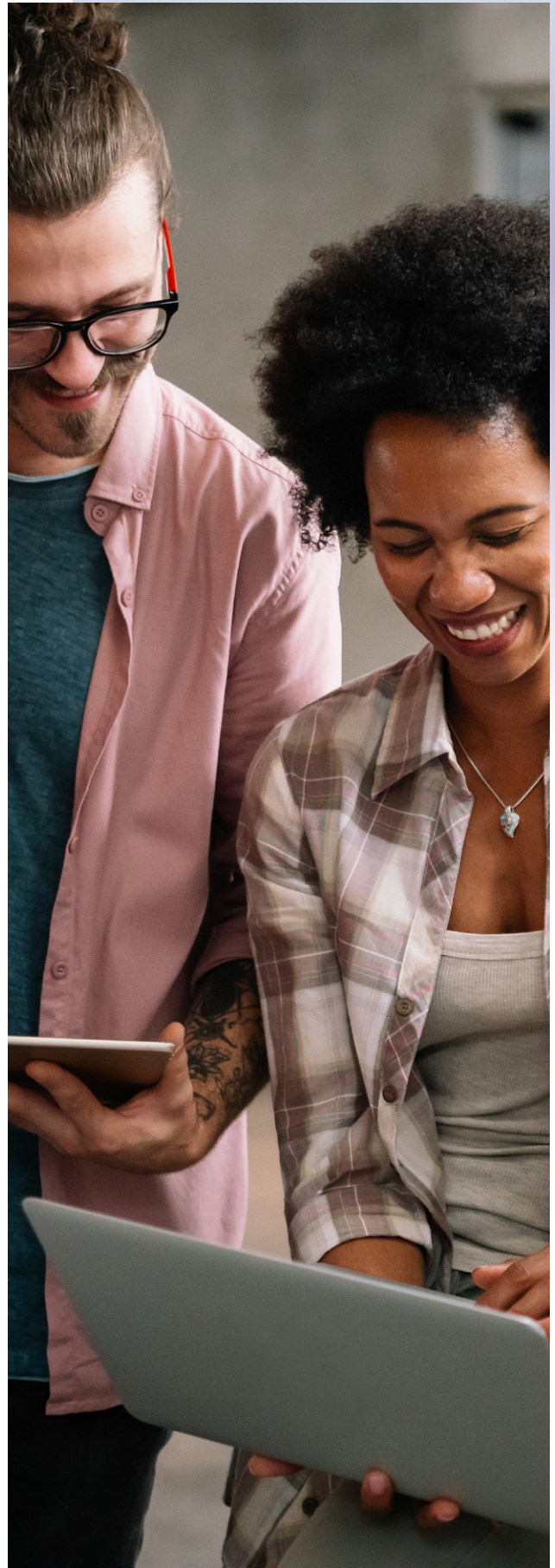
We respect and celebrate the uniqueness of every GiGster. Through updating our practices and implementing new policies and initiatives we recognise, raise awareness of and address every bias including gender, nationality, ethnicity, religion, age, sexual orientation or disability.

- **Our numbers.** The gender split Q on Q changed with a 2% increase in females to 36% leaving males at 64%. The age bracket of 31-35 continues to be where the largest percentage of our people fall under at 31.95% of the workforce, closely followed by 26-30 at 21.42%, and 36-40 at 17.77% . We are proud to welcome 56 nationalities which is a decrease QoQ from 61 in Q1.
- **Improve employee experience.** We continue to focus on well-being, maintaining flexibility, increasing recognition schemes, more dedicated training and development resources and time, personal development planning and support etc.
- **Developments in Talent Acquisition.** The team is working on new training for hiring managers to educate them on how to avoid unconscious bias and effectively communicate with employees from different backgrounds and cultures. The team have:
 - » **Implemented a reference check platform** (Xref) to ensure we follow the best recruitment practice, and have provided 10 Early Talent (apprentice and intern) opportunities to young talent across Malta and France.
 - » **Improved the candidate experience and hiring manager resources** and have reviewed all our email templates and contracts to ensure they are inclusive, and our internal recruitment policy and

training for hiring managers on best interview practices.

» **Attended several industry leading events and webinars** regarding Diversity and Inclusion topics including; Unlocking the Power of High-Performing Teams Through Diversity by Verified First, “HR wake up” by Deloitte, D&I Networking Event at Betsson and HR Connect and iGaming Next Conferences.

- **Streamlined office environments and improved workplace services.** Our teams continue to work on office environments and use of space, including further subleasing and review of office space. The aim is to have renovated two floors, one each for the Media and Platform & Sportsbook businesses to move into in Q4.
- **Protecting Human Rights through policy.** The people and operational teams consistently review and update all policies, ensuring GiG protects and respects the human rights of its employees and partners. From Equality and Diversity, Health and Well-being, Right to disconnect, Flexi-working, Harassment and Bullying, Grievance, and Code of Conduct, to Whistleblowing, AML, Insider Trading and Infosec plus many more - we review and update constantly.





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.** 866 courses have been completed with over 2614 active unique learners and log-ins from 564 users on our GiGsters Academy. Personal data protection training, Corp-IT Onboarding, Acceptable Use Policy Training, Information Security, GiG Academy Tutorial, were the most active courses (in hours of learning time). We have published 12 new courses on the Academy.
- **Leadership Programme 2023.** This programme emphasises the importance of authentic, compassionate and inclusive leadership. Over 50 leaders across all locations and business units attended an initial assessment called Strengthsfinder in 2022 with a follow-up coaching session, and have since completed 5 training sessions (Engaging People with KPI's, Empowering others to grow, Emotional Intelligence and Embracing the challenge of change), with the most recent held in May on focussing on how to make the most of the strengths within the wider team.

Community Outreach:

We continue working on how we can support our partnered local charities including AFESOL in Spain, and family DV shelter, Dar merhba bik foundation in Malta, and we're looking to partner with new sustainable foundations in Madrid soon, through our GiG Gives foundation.

We also managed to raise and sell **€1900** worth of IT equipment including 6 laptops, 3 ipads, 1 mobile phone, to GiGsters. All funds raised were donated to our GiG Gives charity organisation.

ESG

We are fully committed to reducing our impact on the planet and supporting our people, and we are excited to begin our journey in earnest to achieve Net Zero through analysis, reduction and neutralisation. We have partnered with leading carbon management accounting platform, [Greenly](#), to accurately measure and report on GiG's GHG emissions, and put in place an informed roadmap for decarbonisation, once this has been completed we will share the roadmap with all stakeholders and our target date for reaching NetZero. Also, we commissioned a full ESG analysis for 2022, with consultancy [Legacy](#) so we can better monitor our global standing, highlighting the areas which need greater focus moving forward. Both of these companies are B Corp Certified, the highest sustainability standards achievable. The results of our first ESG analysis not only provides consistent ratings of ESG performance, but it helps guide us moving forward. With individual subcategory ratings varying from **41 to 56**, GiG's overall **ESG rating has risen to a fair 47 (50 is good)**, giving the team clear guidance on the areas for improvement.

Please see our [Annual Sustainability Report 2022](#) for our full areas of focus and ESG report.

CONSOLIDATED FINANCIAL STATEMENTS



Gaming Innovation Group Inc.

Condensed Statements of Operations

EUR 1000 - Unaudited

| | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|---|---------------|---------------|---------------|---------------|----------------|
| Revenues | 34 901 | 26 512 | 67 474 | 49 565 | 107 022 |
| Cost of sales | 1 290 | 1 401 | 2 666 | 2 466 | 5 362 |
| Gross profit | 33 611 | 25 111 | 64 808 | 47 099 | 101 660 |
| Marketing expenses | 8 955 | 7 545 | 17 724 | 14 287 | 31 237 |
| Other operating expenses | 10 685 | 9 261 | 21 419 | 17 817 | 36 183 |
| Total operating expenses | 19 640 | 16 806 | 39 143 | 32 104 | 67 420 |
| EBITDA adjusted | 13 971 | 8 305 | 25 665 | 14 995 | 34 241 |
| Share option expense (non-cash) | 349 | 568 | 798 | 751 | 1 699 |
| EBITDA | 13 622 | 7 737 | 24 867 | 14 245 | 32 542 |
| Depreciation & amortisation | 3 678 | 2 938 | 6 951 | 5 481 | 12 465 |
| Amortisation of acquired assets | 3 391 | 2 401 | 5 774 | 3 486 | 8 282 |
| EBIT | 6 553 | 2 398 | 12 142 | 5 278 | 11 795 |
| Financial income (expense) | -1 973 | -2 032 | -3 999 | -3 688 | -7 881 |
| Unrealized exchange gain(loss) on the bond | 2 053 | 1 864 | 2 697 | 2 371 | 3 856 |
| Result before income taxes | 6 633 | 2 230 | 10 840 | 3 961 | 7 770 |
| Tax income/(expense) | 24 | -247 | -143 | -426 | -2 057 |
| Profit from continuing operations | 6 657 | 1 983 | 10 697 | 3 535 | 5 713 |
| Profit/(loss) from discontinuing operations | -149 | -678 | -520 | -1 157 | -2 608 |
| Profit for the period | 6 508 | 1 305 | 10 177 | 2 377 | 3 104 |
| Exchange differences on translation of foreign operations | 20 | 106 | -14 | 73 | -104 |
| Total comprehensive income | 6 528 | 1 411 | 10 163 | 2 450 | 3 000 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Owners of the Company | 6 506 | 1 410 | 10 063 | 2 449 | 2 784 |
| Non-controlling interests | 22 | 1 | 100 | 1 | 216 |
| Total comprehensive income/(loss) | 6 528 | 1 411 | 10 163 | 2 450 | 3 000 |
| Weighted average shares outstanding (1000) | 127 851 | 122 787 | 126 797 | 109 803 | 116 348 |
| Diluted weighted average shares outstanding (1000) | 130 267 | 124 016 | 129 213 | 111 032 | 118 947 |
| Basic and diluted earnings (losses) per share: | | | | | |
| - from continuing operations: | 0,05 | 0,02 | 0,08 | 0,03 | 0,05 |
| - from discontinuing operations | 0,00 | -0,01 | 0,00 | -0,01 | -0,02 |
| - attributable to GiG Inc. | 0,05 | 0,01 | 0,08 | 0,02 | 0,03 |

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited

| | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 |
|---|----------------|----------------|----------------|
| Assets | | | |
| Non-current assets: | | | |
| Goodwill | 91 811 | 78 654 | 75 340 |
| Intangible assets | 85 855 | 61 128 | 61 020 |
| Deposits and other non-current assets | 9 383 | 12 744 | 10 190 |
| Total non-current assets | 187 049 | 152 526 | 146 550 |
| Current assets: | | | |
| Trade and other receivables | 28 116 | 21 775 | 23 221 |
| Cash and cash equivalents | 7 644 | 11 604 | 15 209 |
| Total current assets | 35 760 | 33 379 | 38 430 |
| Total Assets | 222 809 | 185 905 | 184 980 |
| Liabilities and shareholders' equity | | | |
| Shareholders' equity: | | | |
| Share capital | 117 602 | 84 323 | 107 967 |
| Share premium/reserves | 67 126 | 84 743 | 61 889 |
| Retained earnings (deficit) | -95 065 | -105 462 | -105 130 |
| Total equity attributable to GiG Inc. | 89 663 | 63 604 | 64 726 |
| Non-controlling interests | 339 | 24 | 240 |
| Total shareholders' equity | 90 002 | 63 628 | 64 966 |
| Liabilities: | | | |
| Trade payables and accrued expenses | 21 931 | 24 780 | 22 550 |
| Lease liabilities | 2 134 | 1 717 | 3 163 |
| Contingent liability | 9 334 | 8 942 | 8 942 |
| Short term loan | 5 426 | 4 089 | 3 764 |
| Bond payable | 45 796 | - | - |
| Other payables | 10 000 | - | - |
| Total current liabilities | 94 621 | 39 528 | 38 419 |
| Bond payable | - | 49 216 | 48 191 |
| Other long term liabilities | 23 940 | 9 755 | 9 009 |
| Contingent liability | - | 9 591 | 9 591 |
| Long term loans | 10 860 | 12 687 | 12 687 |
| Deferred tax liability | 3 386 | 1 501 | 2 118 |
| Total long term liabilities | 38 186 | 82 749 | 81 595 |
| Total liabilities | 132 807 | 122 277 | 120 014 |
| Total liabilities and shareholders' equity | 222 809 | 185 905 | 184 980 |

Condensed statements of changes in equity:

| | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 |
|---|---------------|---------------|---------------|
| Equity at beginning of period | 64 966 | 11 926 | 11 926 |
| Shares issued for acquisitions | 14 075 | 48 500 | 48 500 |
| Transaction costs | - | - | -178 |
| Share compensation expense | 798 | 751 | 1 717 |
| Exchange differences on translation of foreign operations | -14 | 73 | -104 |
| Net results from continuing operations | 10 697 | 3 535 | 5 713 |
| Net results from discontinuing operations | -520 | -1 157 | -2 608 |
| Equity at end of period | 90 002 | 63 628 | 64 966 |

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited

| | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|--|---------------|----------------|----------------|----------------|----------------|
| Cash flows from operating activities: | | | | | |
| Results from continuing operations before income taxes | 6 657 | 2 230 | 10 697 | 3 961 | 7 769 |
| Income/(loss) from discontinued operations | -149 | -678 | -520 | -1 157 | -2 608 |
| Adjustments to reconcile profit before tax to net cash flow: | | | | | |
| Tax expense | 24 | -247 | -143 | -426 | -2 057 |
| Depreciation and amortization | 7 327 | 5 816 | 13 319 | 9 442 | 21 739 |
| Share based compensation | 349 | 568 | 797 | 751 | 1 717 |
| Other adjustments for non-cash items and changes in operating assets and liabilities | -5 126 | 1 849 | -1 825 | 781 | 5 279 |
| Net cash provided by operating activities | 9 082 | 9 538 | 22 325 | 13 352 | 31 839 |
| Cash flows from investing activities: | | | | | |
| Purchases of intangible assets | -4 207 | -3 786 | -8 908 | -6 658 | -15 335 |
| Purchases of property, plant and equipment | -78 | -139 | -341 | -182 | -834 |
| Acquisition of subsidiary | -4 247 | -31 922 | -23 898 | -31 922 | -31 922 |
| Net cash from investing activities | -8 532 | -35 847 | -33 147 | -38 762 | -48 091 |
| Cash flows from financing activities: | | | | | |
| Lease liability principal payments | -1 221 | -1 153 | -2 265 | -1 984 | -3 196 |
| Interest paid on bonds | -1 470 | -1 231 | -2 868 | -2 331 | -4 953 |
| Repayment of loans | -944 | -751 | -1 874 | -751 | -2 293 |
| Proceeds from bond issue | - | -600 | - | 8 446 | 8 446 |
| Proceeds from share issue | - | 25 000 | 10 278 | 25 000 | 25 000 |
| Net cash from financing activities | -3 635 | 21 265 | 3 271 | 28 380 | 23 004 |
| Translation loss | 20 | 106 | -14 | 73 | -104 |
| Fair value movements | - | - | - | - | - |
| Net increase (decrease) in cash | -3 065 | -4 938 | -7 565 | 3 043 | 6 648 |
| Cash and cash equivalents - beginning | 10 709 | 16 542 | 15 209 | 8 561 | 8 561 |
| Cash and cash equivalents - end | 7 644 | 11 604 | 7 644 | 11 604 | 15 209 |

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 June 2023 and 2022

1. General information

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

The Company's principal activities during 2022 and 2023 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 | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|---|---------------|---------------|---------------|---------------|----------------|
| Revenues | 34 901 | 26 512 | 67 474 | 49 565 | 107 022 |
| Cost of sales | 1 290 | 1 401 | 2 666 | 2 466 | 5 362 |
| Gross profit | 33 611 | 25 111 | 64 808 | 47 099 | 101 660 |
| Marketing expenses | 8 955 | 7 545 | 17 724 | 14 287 | 31 237 |
| Other operating expenses | 10 685 | 9 261 | 21 419 | 17 817 | 36 183 |
| Total operating expenses | 19 640 | 16 806 | 39 143 | 32 104 | 67 420 |
| Adjusted EBITDA | 13 971 | 8 305 | 25 665 | 14 996 | 34 241 |
| Non-cash option expenses | 349 | 568 | 798 | 751 | 1 699 |
| EBITDA | 13 622 | 7 737 | 24 867 | 14 245 | 32 542 |

| Normalised numbers - EUR 1000 - Unaudited | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|---|---------------|---------------|---------------|---------------|---------------|
| Revenues | 31 062 | 22 125 | 59 482 | 41 180 | 90 066 |
| Cost of sales | 254 | 227 | 557 | 256 | 858 |
| Gross profit | 30 808 | 21 898 | 58 925 | 40 924 | 89 208 |
| Marketing expenses | 6 152 | 4 332 | 11 841 | 8 111 | 18 784 |
| Other operating expenses | 10 684 | 9 261 | 21 419 | 17 817 | 36 183 |
| Total operating expenses | 16 836 | 13 593 | 33 260 | 25 928 | 54 967 |
| Adjusted EBITDA | 13 971 | 8 305 | 25 665 | 14 996 | 34 241 |
| Non-cash option expenses | 349 | 568 | 798 | 751 | 1 699 |
| EBITDA | 13 622 | 7 737 | 24 867 | 14 245 | 32 542 |

3. Basis of preparation

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the periods ended 30 June 2023 and 2022 of Gaming Innovation Group Inc. and subsidiaries and have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated financial statements for the periods ended 30 June 2023 and 2022 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, Norwegian and Danish Kroners and Serbian dinar which are translated into EUR at monthly average rates for revenues and expenses and at month end rates for assets and liabilities. Equity accounts are translated at historical rates. Exchange differences on translation of foreign operations are shown as a separate component of stockholders' equity (deficit) and reflected as other comprehensive income (loss) on the condensed consolidated statement of comprehensive income (loss).

The condensed consolidated financial statements of the Company as at and for the periods ended 30 June 2023 and 2022, and full year ended 31 December 2022 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 30 June 2023 and 2022 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2022. See the 2022 Annual Report for more details, hereunder the Company's Revenue Recognition Policy.

Discontinued Operations

In accordance with IFRS 5, the B2C and Sports Betting Services' financial results are reported as discontinued operations in the Company's financial statements as of and for the periods ended 30 June 2023 and 2022 and full year ended 31 December 2022.

Standards, Interpretations and Amendments to Published Standards that are not yet Effective in 2023

In 2023, there are no new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2023. 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 recognize an impairment. When calculating the recoverable amount, future cash flows are discounted to present value using a discount rate before tax. If the recoverable amount is determined to be lower than the carrying amount an impairment is recorded through a charge to the statement of operations. There were no impairments in periods covered by this interim report.

The Company 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 Company operates two segments: affiliate marketing ('Media') and platform and sportsbook services ('Platform'). Sportnco is included in Platform from 1 April 2022, and AskGamblers in Media from 1 February 2023. The Company'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.

| Q2 2023 (EUR 1000) | Media | Platform | Total |
|---------------------------------|--------|----------|---------|
| Revenue | 21 741 | 13 160 | 34 901 |
| Cost of sales | - | -1 290 | -1 290 |
| Marketing costs | -6 039 | -2 916 | -8 955 |
| Other operating costs | -5 430 | -5 255 | -10 685 |
| EBITDA adjusted | 10 272 | 3 699 | 13 971 |
| Share option expense (non-cash) | 1 | -350 | -349 |
| Depreciation & amortisation | -3 405 | -3 664 | -7 069 |
| Operating profit/(losses) | 6 868 | -315 | 6 553 |

| Q2 2022 (EUR 1000) | Media | Platform | Total |
|---------------------------------|--------|----------|--------|
| Revenue | 14 801 | 11 711 | 26 512 |
| Cost of sales | - | -1 401 | -1 401 |
| Marketing costs | -4 169 | -3 376 | -7 545 |
| Other operating costs | -3 591 | -5 670 | -9 261 |
| EBITDA adjusted | 7 041 | 1 264 | 8 305 |
| Share option expense (non-cash) | -102 | -466 | -568 |
| Depreciation & amortisation | -1 973 | -3 366 | -5 339 |
| Operating profit/(losses) | 4 966 | -2 568 | 2 398 |

| 6M 2023 (EUR 1000) | Media | Platform | Total |
|---------------------------------|---------|----------|---------|
| Revenue | 40 157 | 27 317 | 67 474 |
| Cost of sales | - | -2 666 | -2 666 |
| Marketing costs | -11 426 | -6 298 | -17 724 |
| Other operating costs | -10 412 | -11 008 | -21 419 |
| EBITDA adjusted | 18 319 | 7 347 | 25 665 |
| Share option expense (non-cash) | -26 | -771 | -798 |
| Depreciation & amortisation | -5 130 | -7 596 | -12 726 |
| Operating profit/(losses) | 13 163 | -1 020 | 12 141 |

| 6M 2022 (EUR 1000) | Media | Platform | Total |
|---------------------------------|--------|----------|---------|
| Revenue | 28 856 | 20 709 | 49 565 |
| Cost of sales | - | -2 466 | -2 466 |
| Marketing costs | -7 930 | -6 357 | -14 287 |
| Other operating costs | -6 988 | -10 829 | -17 817 |
| EBITDA adjusted | 13 938 | 1 057 | 14 995 |
| Share option expense (non-cash) | -152 | -599 | -751 |
| Depreciation & amortisation | -3 778 | -5 189 | -8 967 |
| Operating profit/(losses) | 10 008 | -4 730 | 5 278 |

| 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 |

7. Discontinued operations

B2C Operations

In April 2020, the Company completed the sale of its Business-to Consumer (B2C) assets to Betsson Group. In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company's financial statements as of and for the periods ended 30 June 2023 and 2022, and 31 December 2022.

Sports

Following the acquisition of Sportnco, the Company's own sportsbook has been phased out as a standalone product as Sportnco's sportsbook is the preferred product going forward. Thus, in accordance with IFRS 5, the results from Sports Betting Services are reported as a discontinued operations in the Company's consolidated financial statements.

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 30 June 2023 and 2022, and 31 December 2022:

| (EUR 1000) | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|---|---------|---------|---------|---------|--------|
| Net revenue | - | 100 | - | 217 | 534 |
| Other income | - | - | - | - | - |
| Expenses | -149 | -778 | -520 | -1 374 | -3 142 |
| Impairment losses | - | - | - | - | - |
| Loss on disposal of B2C segment | - | - | - | - | - |
| Operating profit/(losses) | -149 | -678 | -520 | -1 157 | -2 608 |
| Loss from discontinued operations attributable to: | | | | | |
| Owners of the Company | -149 | -678 | -520 | -1 157 | -2 608 |
| Non-controlling interest | - | - | - | - | - |
| Total | -149 | -678 | -520 | -1 157 | -2 608 |
| Net cash flow from operating activities | -149 | -678 | -520 | -1 157 | -2 608 |
| Net cash flow from investing activities | - | - | - | - | - |
| Net cash inflow/(outflow) from financing activities | - | - | - | - | - |
| Net increase in cash generated by discontinued operations | -149 | -678 | -520 | -1 157 | -2 608 |

8. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in profitable periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 30 June 2023, the Company had 2,586,000 options outstanding.

9. Changes in equity

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

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.

In May 2023, 1,777,873 new shares were issued for the earn-out consideration for Sportnco's performance in 2022, whereby 50% was paid in cash and 50% in shares. The shares were issued to the former shareholders of Sportnco at a share price of NOK 27.60 for a total consideration of EUR 4,247,640. In addition, 39,650 new shares were issued in connection with exercise of options, whereof 25,000 shares at a share price of NOK 15.00 and 14,650 at a share price of NOK 22.00 per share.

As at 30 June 2023, the number of authorised shares was 150,000,000 whereof 128,949,561 shares and 2,586,000 options were outstanding.

10. Loans payable

Through the business combination transaction with Sportnco, the Company acquired a number of loans with credit institutions, whereof the largest being in the amount of EUR 12.2 million with maturity in 2027 and interest of 1.8%. The remaining loans aggregated EUR 6.6 million with maturities varying from 2024 to 2028 and interest rates from 0.00-2.48%. The outstanding short-term part of the loans at 30 June 2023 was EUR 3.7 million (2022: EUR 3.8m), and the long-term part of the loans at 30 June 2023 was EUR 10.9 million (2022: EUR 12.7m).

In January 2023, the Company entered a NOK 20 million credit facility with a shareholder on market terms for part financing of the AskGamblers acquisition. The facility has a commitment fee of 3% per annum and an interest rate of 12% per annum, and maturity on 30 September 2023. NOK 11.0 million was drawn under the facility in January 2023 and a further NOK 9.0 million in April 2023.

11. Senior secured bonds

In June 2021, the Company 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 2019-2023 bond including transaction costs with the balance applied towards general corporate purposes. The 2022-2024 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.

Also in January 2022, GiG 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 30 June 2023 was EUR 45.8 million (2022: EUR 48.1 million). The bond has maturity in June 2024, and as a consequence, the full bond amount are shown under short term liabilities as of 30 June 2023. In August, ABG Sundal Collier and Pareto Securities have been appointed as advisors to facilitate the refinancing of the bond, expected in the third quarter 2023.

12. Business combinations

Acquisition of Sportnco Gaming SAS

On 1 April 2022, GiG acquired 100% of the issued shares of the iGaming company Sportnco Gaming SAS ("Sportnco"). As part of the transaction, GiG will 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. The 2022 earn-out was paid in May 2023, and the 2023 earn-out is expected in April 2024. Given the nature of the arrangements, this contingent consideration is classified as a liability in GiG's financial statements.

The earn-out based on the performance in 2022 was EUR 8.5 million whereby 50% in cash and 50% in shares were paid in May 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 has been provided for in the balance sheet.

Acquisition of casino affiliate websites

In December 2022, one of the Company's subsidiaries 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 EUR 45 million, of which EUR 20 million was paid in cash on closing, EUR 10 million will be paid twelve months after closing and the EUR 15 million balance 24 months after closing. Closing was completed on 31 January 2023.

The transaction is structured by way of a Share Purchase Agreement (SPA) with the Company's subsidiary Innovation Labs Limited and includes the acquisition of the two companies Catena Publishing Ltd (Malta) and Catena Media D.O.O. Beograd (Serbia). GiG financed the initial consideration through a combination of own cash, a revolving credit facility and a share issue. Existing shareholders participated in the share issue and the credit facility.

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 second quarter 2023.

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 30 June 2023 and 2022, and 31 December 2022 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

| | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
|---|---------------|---------------|---------------|---------------|----------------|
| Revenues | 34 901 | 26 512 | 67 474 | 49 565 | 107 022 |
| Cost of sales | 1 290 | 1 401 | 2 665 | 2 466 | 5 362 |
| Gross profit | 33 611 | 25 111 | 64 808 | 47 099 | 101 660 |
| Operating expenses | | | | | |
| Marketing expenses | 8 955 | 7 545 | 17 724 | 14 287 | 31 237 |
| Other operating expenses | 10 083 | 8 906 | 20 077 | 17 219 | 34 863 |
| Total operating expenses | 19 039 | 16 451 | 37 801 | 31 506 | 66 100 |
| EBITDA adjusted | 14 572 | 8 660 | 27 007 | 15 594 | 35 561 |
| Share option expense (non-cash) | 349 | 568 | 798 | 751 | 1 699 |
| EBITDA | 14 223 | 8 092 | 26 210 | 14 842 | 33 862 |
| Depreciation & amortisation | 3 678 | 2 941 | 6 951 | 5 482 | 12 477 |
| Amortisation on acquired affiliate assets | 3 390 | 2 402 | 5 775 | 3 488 | 8 292 |
| EBIT | 7 154 | 2 753 | 13 484 | 5 875 | 13 115 |
| Financial income (expense) | 70 | -185 | -1 324 | -1 350 | -4 061 |
| Result before income taxes | 7 224 | 2 568 | 12 160 | 4 525 | 9 054 |
| Tax income/(expense) | 24 | -247 | -143 | -426 | -2 057 |
| Profit from continuing operations | 7 248 | 2 321 | 12 017 | 4 099 | 6 997 |
| Profit/(loss) from discontinuing operations | -149 | -678 | -520 | -1 157 | -2 608 |
| Profit for the period | 7 099 | 1 643 | 11 497 | 2 942 | 4 388 |
| Exchange differences on translation of foreign operations | 20 | 106 | -14 | 106 | -71 |
| Fair value movement in available for sale investment | - | - | - | - | - |
| Total comprehensive income | 7 119 | 1 749 | 11 483 | 3 048 | 4 317 |
| Total Comprehensive income (loss) attributable to: | | | | | |
| Owners of the Company | 7 097 | 1 748 | 11 383 | 3 047 | 4 100 |
| Non-controlling interests | 22 | 1 | 100 | 1 | 217 |
| Total comprehensive income | 7 119 | 1 749 | 11 483 | 3 048 | 4 317 |

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited

| | 30 Jun 2023 | 30 Jun 2022 | 31 Dec 2022 |
|---|----------------|----------------|----------------|
| Assets | | | |
| Non-current assets: | | | |
| Goodwill | 81 364 | 68 206 | 64 892 |
| Intangible assets | 85 855 | 61 128 | 61 020 |
| Deposits and other non-current assets | 9 082 | 12 433 | 9 884 |
| Total non-current assets | 176 301 | 141 767 | 135 796 |
| Current assets: | | | |
| Trade and other receivables | 28 084 | 21 789 | 23 365 |
| Cash and cash equivalents | 7 608 | 10 184 | 15 117 |
| Total current assets | 35 692 | 31 973 | 38 482 |
| Total assets | 211 993 | 173 740 | 174 278 |
| Liabilities and shareholders' equity | | | |
| Shareholders' equity: | | | |
| Share capital | 51 | 51 | 51 |
| Share premium/reserves | 143 912 | 137 677 | 139 692 |
| Retained earnings (deficit) | -78 019 | -89 573 | -88 699 |
| Total equity attributable to GiG Inc. | 65 944 | 48 155 | 50 414 |
| Non-controlling interests | 340 | 24 | 240 |
| Total shareholders' equity | 66 284 | 48 179 | 50 654 |
| Liabilities: | | | |
| Trade payables and accrued expenses | 36 542 | 28 208 | 22 503 |
| Lease liabilities | 2 135 | 1 717 | 3 163 |
| Contingent liability | 9 334 | 8 942 | 8 942 |
| Short term loans | 3 717 | 4 089 | 3 764 |
| Bond payable | 45 796 | - | - |
| Other payables | 10 000 | - | - |
| Total current liabilities | 107 524 | 43 056 | 38 372 |
| Bond payable | - | 49 216 | 48 191 |
| Deferred tax liability | 3 386 | 1 501 | 3 386 |
| Contingent liability | 24 591 | - | 9 591 |
| Long term loans | 10 860 | 12 687 | 12 687 |
| Other long term liabilities | 23 940 | 9 510 | 11 398 |
| Total long term liabilities | 38 186 | 82 504 | 85 252 |
| Total liabilities | 145 710 | 125 560 | 123 624 |
| Total liabilities and shareholders' equity | 211 994 | 173 740 | 174 278 |

Gaming Innovation Group plc.

Condensed statement of cash flows

| EUR 1000 - Unaudited | | | | | |
|--|---------------|----------------|----------------|----------------|----------------|
| | Q2 2023 | Q2 2022 | 6M 2023 | 6M 2022 | 2022 |
| Cash flows from operating activities: | | | | | |
| Results from continuing operation before income taxes | 7 224 | 2 568 | 12 160 | 4 527 | 9 054 |
| Results from discontinued operations | -149 | -678 | -520 | -1 157 | -2 608 |
| Adjustments. to reconcile profit before tax to net cash flow: | | | | | |
| Tax expense | 24 | -247 | -143 | -426 | -2 057 |
| Depreciation and amortization | 7 327 | 5 816 | 13 319 | 9 442 | 21 739 |
| Share based compensation | 349 | 568 | 798 | 751 | 1 699 |
| Other adjustments for non-cash items and changes in operating assets and liabilities | -5 657 | 1 430 | -3 231 | -1 160 | 3 964 |
| Net cash provided by operating activities | 9 118 | 9 457 | 22 383 | 11 977 | 31 791 |
| Cash flows from investing activities: | | | | | |
| Purchases of intangible assets | -4 207 | -3 786 | -8 908 | -6 658 | -15 335 |
| Purchases of property, plant and equipment | -78 | -139 | -341 | -182 | -834 |
| Acquisition of subsidiary | -4 247 | -31 922 | -23 898 | -31 922 | -31 922 |
| Net cash from investing activities | -8 532 | -35 847 | -33 147 | -38 762 | -48 091 |
| Cash flows from financing activities: | | | | | |
| Repayment of loans | -944 | -600 | -1 874 | -751 | -2 293 |
| Lease payments | -1 221 | -1 153 | -2 265 | -1 984 | -3 196 |
| Interest paid on bonds | -1 470 | -1 231 | -2 868 | -2 331 | -4 953 |
| Proceeds from bond issue | - | 6 224 | - | 8 446 | 8 446 |
| Proceeds from issuance of shares | - | 25 000 | 10 277 | 25 000 | 25 000 |
| Net cash from financing activities | -3 635 | 28 240 | 3 270 | 28 380 | 23 004 |
| Translation loss | 20 | 136 | -14 | 106 | -71 |
| Fair value movements | - | - | - | - | - |
| Net increase (decrease) in cash | -3 029 | 1 986 | -7 508 | 1 700 | 6 633 |
| Cash and cash equivalents - beginning | 10 637 | 8 198 | 15 117 | 8 484 | 8 484 |
| Cash and cash equivalents - end | 7 609 | 10 184 | 7 609 | 10 184 | 15 117 |

We are Gaming Innovation Group

Gaming Innovation Group Inc. (GiG) is a technology company operating in the iGaming industry, offering cutting edge cloud-based services and performance marketing through leading B2B solutions. Founded in 2012, Gaming Innovation Group's vision is **'To be the industry-leading platform and media partner delivering world-class solutions to our iGaming partners' and their customers.'** GiG's mission is to drive partners' sustainable growth and profitability through product innovation, scalable technology and quality of service. GiG's strategy is founded on three customer focused business areas, anchored to innovative technology and supported by its group ambition for top performance and operational excellence.

GiG Media

GiG Media is a market-leading iGaming affiliate established in 2015 under GiG's subsidiary Innovation Labs Limited. After its founding, the company acquired several affiliate assets, including Rebel Penguin APS in 2017 and AskGamblers in 2023. It is now one of the biggest iGaming affiliates in the industry. GiG Media has offices in Copenhagen, Denmark, St. Julians, Malta and Belgrade, Serbia. GiG Media employs around 300 people with more than 45 different nationalities.

At GiG Media, our business generates customers for online casinos and sportsbooks. To achieve this, we leverage a combination of websites and paid campaigns to drive high-quality leads to our clients. Our commitment to providing valuable guidance and insights to users ensure that we empower potential players and connect them with iGaming operators that align with their interests and preferences.

Platform services

GiG delivers world-class iGaming platform solutions and services to operators and their customers, via innovative and scalable technology. Our next-generation iGaming platform, composed of Player Account Management ("PAM"), Front-end, Back office and managed services is purpose-built for complex regulated markets and allows for accessible and compliant market entry into more than 30 regulated markets around the world. We specialise in helping our partners expand their business on a global scale, as our agnostic platform allows for innovation and customisation adapted to individual needs, localised customer experiences and user journeys. To provide a flexible solution, our platform rapidly integrates with partners' existing technology, preferred third parties as well as leading payment and game content providers. This allows operators to choose freely which content and services are best suited for their players' needs, providing the support needed to match their growth aspirations and localise their brands.

Sportsbook

The GiG Sportnco sportsbook combines an innovative and proprietary product with an unparalleled geographical footprint, following the acquisition of Sportnco by GiG in April 2022. Our sportsbook offers a complete end-to-end solution with the sportsbook and platform combined, to allow for a seamless user experience for all operators. Our partners benefit from one single integration point, and facilitate their onboarding and launch. Now a truly global offering, the GiG Sportnco Sportsbook enjoys access to over 30 markets, focused on flexibility to deliver tailored odds, personalised margins and tailored strategies to specific regulated markets.



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