

Q3 2023

Interim Report

Gaming Innovation Group Inc
8 Nov 2023

GiG

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Q3 2023 Interim Report

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Q3

Highlights

↑€31.8m

Revenues (norm.)
+39% growth

↑€13.6m

EBITDA adj.
+61% growth

42.8%

EBITDA adj. margin
37.0% in Q3 2022

Financial highlights

- Gaming Innovation Group achieved all-time high revenues* in Q3 2023 amounting to €31.8m (22.9), an increase of 39% YoY, whereof 23% organic
- Adjusted EBITDA was €23.4m (8.5), and excluding a €9.8m reversal of earn-out provision, EBITDA was €13.6m (8.5), an increase of 61% YoY, with an adjusted EBITDA margin* of 42.8% (37.0%)
- EBIT ex. earn-out reversal was €6.8m (2.5), an increase of 173% YoY, with an EBIT margin* of 21.2% (10.8%)
- Revenues in GiG Media at all-time high of €22.5m (15.1), an increase of 49% (23% organic), with an adjusted EBITDA of €10.4 (6.8)
- Revenues* for Platform & Sportsbook were €9.3m (7.8), an increase of 20%, all organic, with adjusted EBITDA of €3.2m (1.7)
- EPS was €0.07 (0.01)
- Positive cash flow from operations of €8.3m (10.0)

Operational highlights

- Jonas Warrer appointed acting group CEO, replacing Richard Brown
- Appointed Richard Carter as new Platform & Sportsbook CEO
- FTDs for GiG Media were 113,800 (86,900), up 31% YoY
- Ask Gamblers continued positive momentum with revenues up 45% from run rate at take over
- Signed two new agreements for Platform & Sportsbook
- Five additional brands went live on the Platform in Q3 2023, including new market entries in Serbia and Portugal
- GiG's platform and sportsbook live in the U.S. state of Maryland

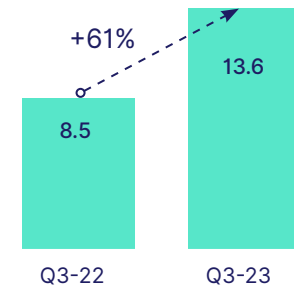
Events after Q3 2023

- Acquires KaFe Rocks, cementing position as the dominant lead generator within the lucrative online casino market
- One additional brand has gone live so far in Q4 2023, number of live brands is 63 as of today
- Appointing former SBTech and DraftKings executive Andrew Cochrane as new Chief Business Officer (CBO) for Platform & Sportsbook

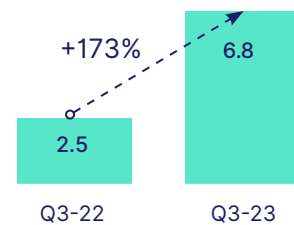
Revenues* (MEUR)



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 27



Letter from the Chairman

Dear shareholders,

I am delighted to share with you the strong Q3-2023 results for Gaming Innovation Group, as we continue our journey towards becoming world leaders in the iGaming industry, focusing on our two core business areas, Media and Platform & Sportsbook. The third quarter of 2023 has proven to be another period of growth and achievement.

GiG has demonstrated its resilience and commitment to excellence by achieving all-time high revenues in Q3 2023, totaling €31.8 million, which marks a solid 39% year-on-year increase. Of this growth, an impressive 23% was organic, showcasing the intrinsic strength of our operations.

Our Media segment, GiG Media, has reached an all-time high in the third quarter, with revenues totaling €22.5 million. This represents a substantial increase of 49%, of which 23% was organic growth. Accompanied by an adjusted EBITDA of €10.4 million, we are well on our way to establishing ourselves as a prominent force in the media segment.

Equally impressive are our results in the Platform & Sportsbook business area, where revenues reached €9.3 million in Q3, a 20% increase year-on-year, all achieved organically, with an adjusted EBITDA of €3.2 million (ex. earn-out reversal). We have also been able to attract and recruit some of the best names in the industry as senior leaders for the Platform business further solidifying our position and journey to become one of the leaders in the iGaming Platform industry.

Furthermore, our earnings per share (EPS) now stand at €0.07, reinforcing our commitment to delivering value to our shareholders.

In addition to these financial achievements, we have also maintained a positive cash flow from operations, with €8.3 million generated in the third quarter, emphasizing our financial stability and sound operational management.

As we reflect on the strong results of Q3 2023, we are enthusiastic about the future. Our ambition to become and create world leaders in both Media and Platform & Sportsbook segments we believe is well within reach. The dedication and hard work of our team, combined with the strength of our strategy, have positioned GiG for an exciting journey ahead.

We thank you for your continued trust and support. Together, we are shaping the future of the iGaming industry, and we look forward to sharing even more exciting milestones in the quarters to come.

_ Petter Nylander,
Chairman of the Board

Summary and outlook

GiG Media

Revenues in GiG Media were all time high at €22.5 (15.1) million in the third quarter 2023, a 49% increase YoY, whereof 23% organic, despite no large sport events and seasonality effects in the quarter. Publishing revenues were up 70% YoY and Paid revenue increased 23%. Adjusted EBITDA for GiG Media ended at €10.4 (6.8) million for the quarter, a 53% increase YoY, with a margin of 46% (48%).

First Time Depositors (FTD) were 113.800 (86.900) in the third quarter, a 31% increase YoY, whereof 18% organic. The growth was driven by positive increase in search engine exposure resulting in higher traffic volumes due to technological and product initiatives implemented for Publishing websites.

Publishing launched two new websites and entered one new market during the quarter. Paid continued diversifying the customer mix and further reducing client concentration. GiG Media also secured several new licenses during the quarter, extending its reach in Europe, Latin America and the US.

Askgamblers.com and related casino affiliate websites were acquired in January 2023, and thrives post GiG Media takeover. Comparing the third quarter 2023 to the run rate in February 2023, both player intake and revenues were up by around 45% with a strong increase in EBITDA. The migration of the Askgamblers.com website to GiG Media's



marketing and media proprietary technology is scheduled end of year, and we anticipate additional favourable advancements for the business.

In November 2023, GiG signed an agreement to acquire affiliate competitor KaFe Rocks. KaFe Rocks is a prominent iGaming affiliate, boasting multiple Power Affiliate top 10 rankings. The company has a thriving global portfolio diversified across 15+ markets, featuring US-facing flagship brands Time2play.com and USCasinos.com.

With this strategic acquisition, GiG Media is poised to solidify its role as the primary lead generator in the thriving online casino market. Additionally, GiG Media will expedite its expansion in the lucrative North American market, further establishing its presence.

Just as GiG Media achieved success with the acquisition of AskGamblers, the Company intends to propel significant growth for the recently acquired KaFe Rocks assets. This will be accomplished by harnessing GiG Media's proprietary media and marketing technology, with a keen emphasis on data and business intelligence. Additionally, the transaction will benefit from significant cost synergies, which will ultimately enhance the profitability of the acquired business.

Platform & Sportsbook

Platform & Sportsbook delivered revenues* of €9.3 (7.8) million in the third quarter 2023, a 20% increase YoY, all organic. Adjusted EBITDA, excluding the earn-out reversal, was €3.2 (1.7) million, a 90% increase with a corresponding margin of 34.7% (22.0%). The positive development in operating expenses continued, with a 29% decline YoY. The increase in revenues and expanding margin continuing to point towards the scalability of the Platform & Sportsbook segment.

Five new brands went live on the Platform in the third quarter, with one additional in October, adding up to nine so far in 2023. As of today, the number of live brands is 63 with an additional 14 brands in the integration pipeline. The geographical diversification covers a total of 38 markets including the current pipeline.

In August, Richard Carter was appointed CEO for Platform & Sportsbook, securing a strong and experienced leadership ahead of the planned split of the Company and the transformation of Platform & Sportsbook into a stand-alone, publicly listed SaaS company. The management team for the segment were further strengthened in November with the appointment of former SBTech and DraftKings executive Andrew Cochrane as new Chief Business Officer.

Outlook and guidance

GiG Media continued its strong performance in the third quarter, further diversifying earnings both geographical and customer wise. AskGamblers continued to improve in the quarter with strong growth in revenues and FTDs, to be further substantiated when their main website will be migrated by year end. The acquisition of KaFe Rocks will further strengthen GiG Media's position as the leading Casino affiliate and will increase diversification further and contribute to sustainable long-term growth. KaFe Rocks will accelerate GiG Media revenues, expected to reach between MEUR 125-135 for 2024.

Platform & Sportsbook 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. The segment has been strengthened with a new top management in the third quarter, having extensive industry experience to secure a strong foundation for future growth as a Software-as-a-Service (SaaS) provider with strong recurring revenues over the coming years.

The Board of Directors initiated a strategic review in February with the intention to split the Company into two separate companies, forming two industry leading businesses with the potential to grow faster than in the current corporate structure. 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. Work is proceeding according to plan and a final execution is expected in the first half of 2024, 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 for the group which are as follows:

Growth

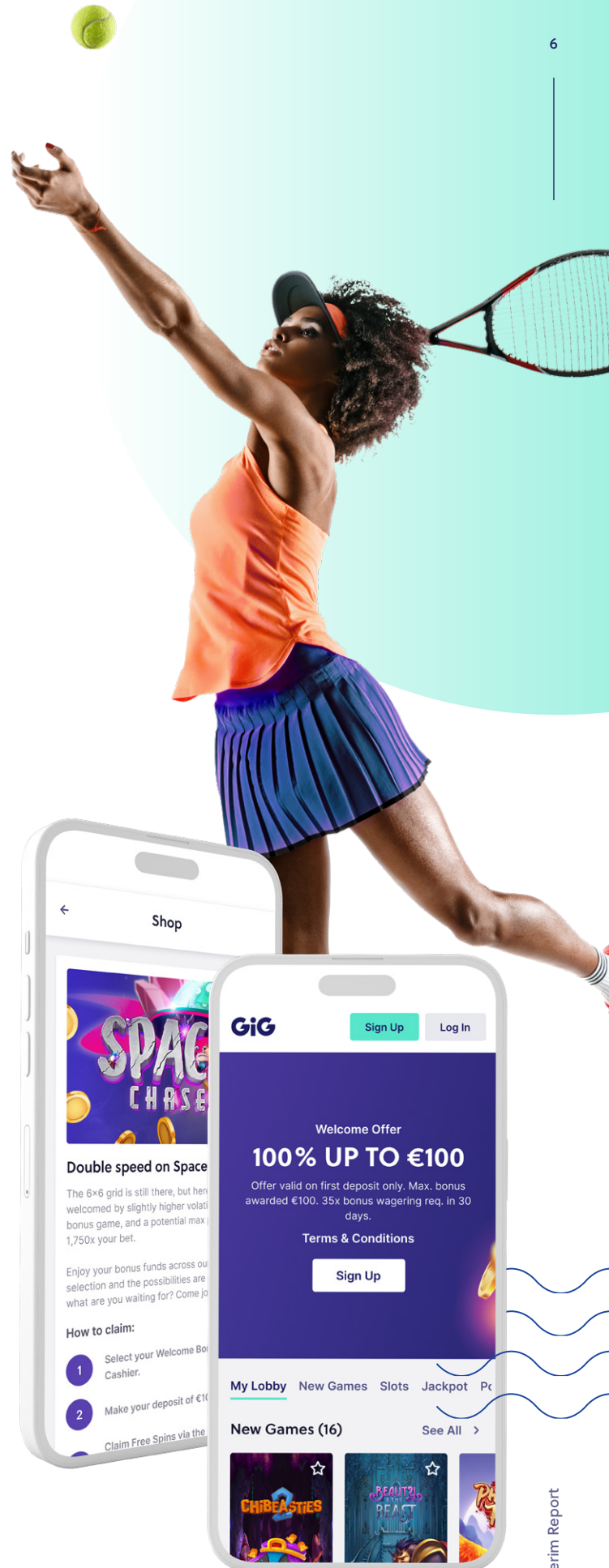
To achieve annual organic revenue growth in the region of 20%.

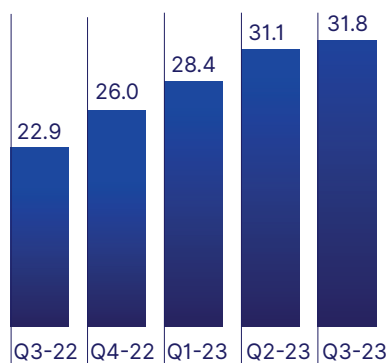
Profitability

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

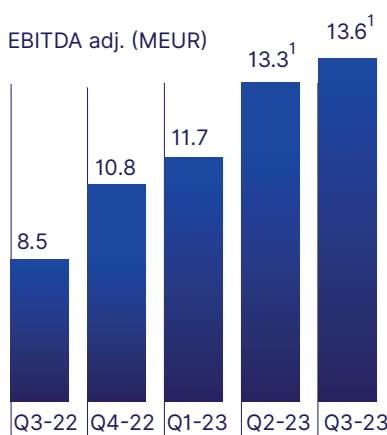
Leverage

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.



REVENUES adj.
(MEUR)

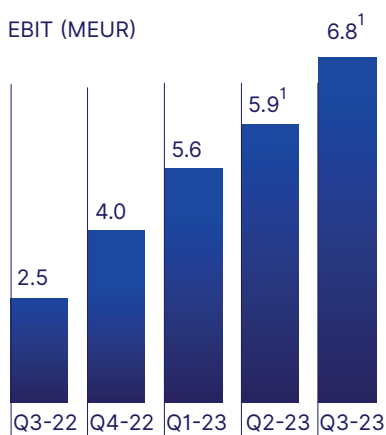
EBITDA adj. (MEUR)



EBITDA margin adj.



EBIT (MEUR)



¹ Excluding reversal of earn-out related to the acquisition of Sportnco

Q3-23 Financial highlights

Gaming Innovation Group Inc. (GiG) had all-time-high revenues* of €31.8m (22.9) million in the third quarter 2023, a 39% increase year-over-year, whereof 23% organic. Revenues were impacted by normal seasonality effects due to summer vacation and lack of larger sport events in the quarter. In addition, unfavourable sports results caused an estimated €0.9 million hit in revenues in September.

Marketing expenses* were €6.9 (4.6) million in the quarter, mainly related to GiG Media, a 48% increase year-over-year, and corresponding to 22% (20%) of revenues. For GiG Media, marketing spend were 30% (30%) of revenues in the third quarter 2023.

Operating expenses included a €9.8m reversal of earn-out related to the acquisition of Sportnco, and excluding this, other operating expenses were €11.1 (9.5) million, a 16% increase of year-over-year. With an additional adjustment for AskGamblers, that was acquired 1 February 2023, other operating expenses increased 5% year-over-year. Expenses related to the strategic review were €0.5 million in the quarter.

Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €4.2 (3.5) million, whereof 34% came from GiG Media due to investments in further product improvement in Publishing and technological migrations of AskGamblers' websites. Platform and Sportsbook decreased its capex by 13% year-over-year.

Adjusted EBITDA was €23.4m (8.5), and excluding the earn-out reversal, EBITDA was €13.6m (8.5), an increase of 61% YoY, with an adjusted EBITDA margin* of 42.8% (37.0%)

Depreciation and amortisation amounted to €6.4 (5.5) million in the third quarter 2023, whereof €3.4 (1.1) million related to the acquisitions of Sportnco, AskGamblers and acquired affiliate assets.

EBIT ex. earn-out reversal ended at €6.8 (2.5) million in the third quarter 2023, an increase of 173%. The EBIT margin* was 21.2% (10.8%).

Net other expenses were €-5.9 (-1.2) million in the third quarter 2023 and includes €-1.6 (-1.3) million in interest on the Company's bond and an unrealized loss of €-1.3 (0.5) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter. Non-cash interest expense related to the discontinuing effect of the deferred considerations included with €1.5 million.

Results from continued operations were €9.1 (0.7) million. Loss from discontinued operations were €-0.2 (-0.1) million and the net result in the third quarter 2023 thus ended at €9.0 (0.6) million.

Cash flow from operations were €8.3 (10.1) million with a cash balance as of 30 September 2023 of €8.0 (14.1) million.

Total assets were €222.8 (182.8) million with an equity ratio of 44.8% (35.2%).

*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 27 for more details.

Operational review

GiG Media

GiG Media continued to grow and perform well in the third quarter of 2023. Revenues reached an impressive €22.5 million, showing a remarkable 49% increase compared to the previous year, making this the twelfth consecutive quarter with record-high revenue figures. Player intake grew by 32% year-over-year.

Publishing played a significant role in increasing player acquisition and revenue. GiG Media's acquisition of AskGamblers on February 1, 2023, also contributed to the overall growth, with sustained increases in revenue and player acquisition. The partnership with News UK showed consistent growth, and Paid continued its market expansion in the quarter.

Publishing continued the strategic expansion by launching two new websites and entering a new market, resulting in an 11% increase in player intake quarter-on-quarter and a substantial 98% rise year-over-year. The Latin American market, in particular, showed strong player engagement.

AskGamblers.com continued to flourish, with site enhancements leading to a 14% increase in revenues and an 8% growth in player intake quarter-on-quarter. AskGamblers.com is in the process of being migrated and this strategic move will bolster product excellence and is projected to play a pivotal role in sustaining the upward trajectory of the website. Following the completion of the migration by year-end, GiG Media plans to add sports betting content to the website, thereby broadening the website's audience and enhancing its market presence.

The partnership with News UK continues to yield impressive results, achieving all-time highs in both revenue and player acquisition. This partnership commenced in December 2022, and in the third quarter, revenues were up by 88% compared to the first quarter of 2023. Explorations into entering new markets persist, and further expansion within the USA is underway. GiG Media is confident that this partnership will continue to flourish and generate substantial revenue in the years to come.

A new exclusive media partnership was entered into with Cricket Times in September, strategically timed to meet demand ahead of the Cricket World Cup in October. Cricket Times serves millions of online readers through its premium website, which is regarded as one of the leading cricket information portals in the world. Cricket Times is set to establish complete exclusivity with GiG Media across the entire spectrum of iGaming, extending its proven betting content and technology to Cricket Times and provide a best-in-class BI solutions with a data-driven approach.

Paid continued its market expansion during the quarter, securing five additional European licenses for marketing activities for the AskGamblers website. Paid also expanded its presence in the US by obtaining licenses for operations and advertising platforms in growth states such as Michigan, West Virginia, New Jersey and Pennsylvania. Activities within the Display channel also expanded, strengthening Paid's global marketing presence. Paid revenue grew 9% year-over-year despite headwinds with lower sports margin at end of quarter as well as overall seasonality with fewer sports events.

To secure sustainable long-term growth, GiG Media considers business diversification a crucial strategic element. In the third quarter, diversification efforts saw notable improvement. An increasing number of websites, clients, and markets helped drive revenue growth, and business diversification will continue to be a focus area going forward.

During the quarter, GiG Media obtained the qualifications to commence operations in Kentucky, marking a significant step in our North American expansion strategy. This addition brings our total US licenses and vendor registrations to 13, allowing us to operate in 25 states and Washington D.C., aligning with our strategy to expand our business in the United States.

Several single market websites were migrated to the media platform to ensure strong product quality across the portfolio. Additionally, significant enhancements to our Business Intelligence product were completed during the quarter, enhancing the scalability and overall performance of the BI platform. In the quarter, GiG Media also released a new lead generation tool, aimed at leveraging current site traffic more effectively, to drive more traffic and leads to our partners.

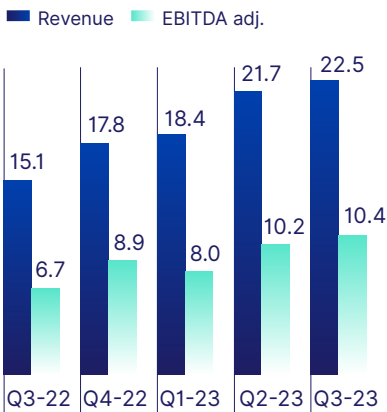
Revenues from the Americas increased 33% year-over-year, representing 18% of Media revenues in the quarter. Revenues from GiG Media's traditional higher value markets in the Nordics and Europe increased 27% year-over-year.

Additionally, GiG Comply, our proprietary compliance tool, welcomed one new client and renewed contracts with five existing ones, strengthening our client base.

Revenues and EBITDA

Revenues for GiG Media were €22.5 (15.1) million in the third quarter 2023, a 49% increase year-on-year, whereof 23% organic. Paid Media represented 25% (34%) of GiG Media revenues in the quarter. 63% (61%) of revenues in the third quarter 2023 derived from revenue share agreements, 9% (15%) from CPA (Cost per Acquisition) and 28% (24%) from listing fees and other services. GiG continues its focus on referring players on revenue share agreements to secure further recurring revenue streams.

MEDIA SERVICES Revenue & EBITDA (MEUR)



In the third quarter of 2023, marketing expenses amounted to €6.8 million, marking a 49% year-over-year increase from the previous period's €4.6 million. Of the €2.2 million increase, €0.9 million is attributed to the cost of sales for partnership deals, implying that core marketing expenses increased by €1.3 million (28% year-over-year growth). Notably, while revenue increased by 49% during the same period, GiG Media achieved an enhanced return on investment for its marketing expenses, demonstrating increased cost-efficiency in its marketing strategies.

Adjusted EBITDA was €10.4 (6.8) million, an increase of 53% year-over-year, with a margin of 46% (45%). Non-cash option expenses were €0.0 (0.1) million in the quarter, resulting in an EBITDA of €10.3 (6.7) million.

For the first nine months of 2023, revenues for GiG Media were €62.6 (43.9) million, a 43% increase from the first nine months of 2022, whereof 17% organic. Adjusted EBITDA was €28.7 (20.7) million, an increase of 39%, with a margin of 46% (47%).

FTDs

GiG Media referred 113,800 (86,900) new FTDs (First Time Depositors) to operators in the third quarter 2023, a 32% increase year-on-year, whereof 27% organic. Publishing, including AskGamblers was up 150% year-on-year while Paid Media decreased 18% year-on-year. With around 95% of the FTDs referred on revenue share agreements, the investment is expected to yield future revenues.

For the first nine months of 2023, 333,800 (236,000) new FTDs were referred to operators, a 41% increase year-on-year. Publishing, including AskGamblers, was up 117% and Paid up 4% year-on-year.

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



Strategy

GiG Media's growth strategy for the future is anchored in six pillars:

Diversification: Diversifying the business remains a core element for achieving sustainable, long-term growth.

Technology and Data: Leveraging technology and data is vital for gaining a competitive edge in the marketplace. The continued development and utilization of technology and data will be a priority.

Organic Growth: Over the past few years, GiG Media has demonstrated its ability to achieve organic growth. In many markets, there is still ample room for increasing market share, providing opportunities for organic expansion.

Media Partnerships: Media partnerships have proven to be a potent driver of revenue growth and diversification within the first nine months of operations. Expanding media partnerships will be a key focus moving forward.

Acquisitions: The successful acquisition of AskGamblers highlights the potential for GiG Media to expedite further growth through strategic acquisitions. Proprietary technology and data will be harnessed to accelerate the development of acquired assets.

SaaS Products: GiG Media envisions a promising long-term opportunity in offering standalone SaaS (Software as a Service) solutions. This prospect will be further explored in the future.

The fourth quarter 2023 started positively with player intake in October up 39% 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 third quarter 2023, a new agreement was signed with Moir eGaming Limited, for the provision of GiG's award-winning casino platform solution, helping to power their new brand operating under an Isle of Man operator license. One additional agreement was signed in the quarter to power the online entry for an operator into international and emerging markets. GiG's expansive global footprint currently covers 32 regulated markets, with a further 6 in the pipeline, providing GiG's partners an unparalleled number of regulated markets accessible through its platform and sportsbook solutions.

In August, Richard Carter was appointed CEO for Platform & Sportsbook, securing a strong and experienced leader for this segment ahead of the planned split of the Company and the transformation of Platform & Sportsbook into a stand-alone, publicly listed SaaS company. Mr Carter has strong experience from the iGaming industry, bringing extensive industry knowledge coupled with a strong and proven track record of operational execution and driving profitable growth in regulated online gaming markets. The management team for Platform & Sportsbook were further strengthened in November with the appointment of former SBTech and DraftKings executive Andrew Cochrane as new Chief Business Officer. It is expected that this will strengthen the market reach and result in increased volume of new contracts going forward.

Integration pipeline

In the third quarter 2023, five new brands went live on the platform, including the launch of Crab Sports with both platform and sportsbook in Maryland, US and land-based operator GoldenPark successfully entered the high growth Portuguese market. GiG also entered the promising Serbian market with Betsson's Rizk brand as well as the first brand operating under an Alderney license. So far in the fourth quarter, one additional brand went live on the platform.

Two smaller brands ceased operations in the third quarter, and one additional so far in the fourth quarter. Existing customers on the platform add up to a total of 63 brands, with an additional integration pipeline of 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.

Revenues and EBITDA

Revenues* for Platform & Sportsbook were €9.3 (7.8) million in the third quarter 2023, a 20% 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.

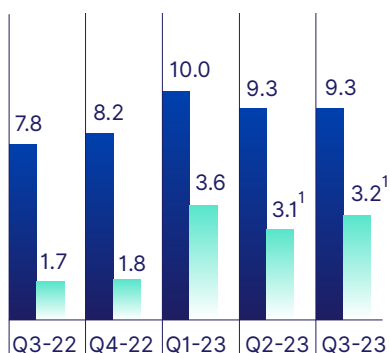
82% of operator GGR through the platforms came from locally regulated or soon to be regulated markets (where there is a clear timeline/progress towards local regulation). 58% of Operator GGR came from Europe, 12% from North America, 23% from Latin America and 7% from Rest of World.

Adjusted EBITDA for the third quarter 2023 was €13.1 (1.7)



PLATFORM & SPORTSBOOK Revenue & EBITDA (MEUR)

■ Revenue* ■ EBITDA adj.



¹ Excluding reversal of earn-out

million. Excluding the €9.8m reversal of earn-out related to the acquisition of Sportnco, EBITDA for the third quarter 2023 was €3.2 (1.7) million, a 90% increase compared to the third quarter 2022, with a margin of 34.7% (22.0%). Non-cash option expenses were €0.4 (0.4) million in the quarter, resulting in an EBITDA of €2.9 (1.3) 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 have realised throughout 2023 due to completion of planned new market entries. Excluding the earn-out reversal, operating expenses for Platform & Sportsbook was €4.1 million in the third quarter, a 29% reduction year-over-year.

For the first nine months of 2023, revenues for Platform & Sportsbook were €28.6 (20.1) million, a 42% increase from the first nine months of 2022. Adjusted EBITDA was €20.4 (2.8) million. Excluding the earn-out reversal, EBITDA for the first nine months of 2023 was €9.9 (2.8) million, a 257% increase compared to the first nine months of 2022, with a margin of 34.6% (22.0%).

Strategy

GiG offers innovative and proprietary products with an unparalleled geographical footprint with certifications in 32 markets worldwide and 6 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, 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.

38 Clients



34% of clients take Sportsbook

*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 27.

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 27 for more details.

Third Quarter 2023

Revenues

Consolidated revenues amounted to €31.8 (22.9) million in the third quarter 2023, a 39% increase year-over-year, whereof 23% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.3 (0.2) million in the third quarter 2023. This resulted in a gross profit of €31.5 (22.6) million, an increase of 39% and a gross profit margin of 99% (99%). In the third quarter 2023, the cost of sales mainly relates to the sportsbook operations.

Marketing expenses

Marketing expenses were €6.9 (4.6) million in the third quarter, an increase of 48%. Marketing expenses' share of revenues were 22% (20%). Marketing expenses are mainly related to GiG Media, consisting of pay-per-click for Paid Media of €3.0 (3.0) million, with a 2% increase year-over-year. Expenses related to media partnerships were included with €1.0 (0.0) million.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €11.2 (9.5) million in the third quarter 2023, a 16% increase from the third quarter 2022. Adjusted for AskGamblers, that were acquired as of 1st February 2023, other operating expenses decreased 5% year-over-year. Operating expenses also include a €9.8 million reversal of the provision for the 2023 earn-out related to the acquisition of Sportnco (see Note 12). Expenses related to the strategic review were €0.5 million in the quarter. Other operating expenses' share of revenues were 35% (42%).

Personnel expenses were €7.7 (7.0) million, an increase of 11%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €4.2 (3.5) million in the third quarter and are capitalised over 3 years. These costs

are mainly related to Platform & Sportsbook and the development of the product towards new market entries related to new platform client signings, however around 34% relates to GiG Media due to increased investments in proprietary SEO, marketing technology and migration of AskGamblers websites to GiG's proprietary technology.

Non-cash option expenses were €0.4 (0.5) million in the third quarter 2023.

EBITDA

EBITDA for the third quarter 2023 was €23.0 (8.0) million, a 187% increase year-over-year, with an EBITDA margin of 72.4% (35.1%). Excluding the earn-out reversal, EBITDA was €13.2 million in the quarter, a 65% increase year-over-year with an EBITDA margin of 41.5%.

Adjusted for non-cash option expenses and the earn-out reversal, adjusted EBITDA was €13.6 (8.5) million, a 61% increase year-over-year, with an adjusted EBITDA margin of 42.8% (37.0%).

D&A

Depreciation and amortisation amounted to €6.4 (5.5) million in the third quarter 2023, an increase of 16%, whereof €0.2 (0.4) million in depreciation. The increase is mainly related to the acquisition of AskGamblers.

Assets acquired in Sportnco and AskGamblers, and affiliate assets acquired in 2015-2017 were amortised with €3.4 (1.1) million in the third quarter. 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 €0.5 (0.6) million.

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

EBIT

EBIT came in at €16.6 (2.5) million in the third quarter 2023, an increase of 569% from the third quarter 2022. Excluding the earn-out reversal, EBIT was €6.8 million in the quarter, a 173% increase year-over-year with an EBIT margin of 21.2%.

Financial and other expenses

Interest on the Company's bonds were €-1.6 (-1.3) million in the third quarter 2023, and unrealized loss related to the bond due to the weakening of the SEK towards the EUR during the quarter was €-1.3 (0.5) million. Other financial

expenses were €-2.9 (-0.4) million in the third quarter 2023, including Interest related to IFRS16 were €-0.2 (-0.2) million. Non-cash interest expense related to the discontinuing effect of the deferred consideration for AskGamblers was included with €1.5 million, see Note 12.

Tax

Net tax expense was €-1.6 (-0.6) million in the third quarter 2023.

Net result

The profit from continuing operations was € 9.1 (0.7) million in the third quarter 2023. The loss from discontinued operations were €-0.2 (-0.1) million in the third quarter 2023 (see note 7 for more information).

The net result after discontinued operations was €9.0 (0.6) million in the third quarter 2023.

Cash flow

The consolidated net cash flow from operating activities amounted to €8.3 (10.1) million for the third quarter 2023.

The net cash flow used on investing activities was €-4.2 (-4.1) million, consisting mainly of capitalised development expenses.

The net cash flow from financing activities was €-3.7 (-3.2) million in the third quarter 2023, consisting mainly of lease payments, interest on the bond and instalments on the Sportnco loans.

Cash and cash equivalents increased by €0.3 (2.6) million in the third quarter 2023.

Financial position

As at 30 September 2023, holdings of cash and cash equivalents amounted to €8.0 (14.1) million. In addition, cash in transit from payment providers amounted to €0.4 (0.3) million. Customer monies, that are held in fiduciary capacity, amounted to €0.7 (1.2) million.

GiG held total assets of €222.8 (182.8) million as at 30 September 2023. The increase is mainly related to the acquisition of AskGamblers in January 2023. Shareholders' equity was €99.7 (64.3) million with an equity ratio of 44.8% (35.2%).

The Company's SEK 550 million (€47.0 million) bond has maturity in June 2024 and are included under current liabilities. Loans in Sportnco are included with €3.7 million under current liabilities and €10.0 million under long-term liabilities. In addition, the deferred payments for the AskGamblers acquisition are included with €9.7 million under current liabilities and €14.3 million under long-term liabilities, see also Note 12. Lease liability is included with €1.8 (3.2) million under current liabilities and €6.9 (9.6) million under long-term liabilities.

Cash flow:

€8.3

million

Cash equivalents

€8.0

million

January to September 2023

Revenues

Consolidated revenues amounted to €91.3 (64.1) million in the first nine months of 2023, an increase of 43% increase year-over-year, whereof 21% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.9 (0.5) million in the first nine months of 2023. This resulted in a gross profit of €90.4 (63.6) million, an increase of 42% and a gross profit margin of 99% (99%).

Marketing expenses

Marketing expenses were €18.7 (12.7) million in the first nine months of 2023, an increase of 47%. Marketing expenses' share of revenues were 20% (20%). Marketing expenses are mainly related to GiG Media. Expenses related to media partnerships were included with €1.7 (0.0) million.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €33.2 (7.4) million in the first nine months of 2023, a 21% increase year-over-year, mainly due to the acquisition of AskGamblers from 1 February 2023. Excluding AskGamblers, other operating expenses increased 13% year-over-year. Other operating expenses' share of normalised revenues were 36% (43%).

Operating expenses also include a €10.5 million reversal of the provision for the 2023 earn-out related to the acquisition of Sportnco (see Note 12). Expenses related to the strategic review were €1.2 million in the first nine months of 2023.

Personnel expenses were €22.4 (20.4) million, an increase of 10%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €11.8 (9.5) million in the first nine months of 2023 and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook, with around 25% related to GiG Media.

Non-cash option expenses were included with €1.2 (1.2) million in the first nine months of 2023.

EBITDA

EBITDA for the first nine months of 2023 was €47.9 (22.3) million, a 115% increase, with an EBITDA margin of 52.5% (34.8%). Excluding the earn-out reversal, EBITDA was €37.4 million, a 68% increase year-over-year with an EBITDA margin of 40.9% (34.8%).

Adjusted for non-cash option expenses and the earn-out reversal, adjusted EBITDA was €38.6 (23.5) million, a 64% increase year-over-year, with an adjusted EBITDA margin of 42.3% (36.6%).

D&A

Depreciation and amortisation amounted to €19.2 (14.5) million in the first nine months of 2023, an increase of 32%. The increase is mainly related to the acquisitions of Sportnco and AskGamblers.

Assets acquired in Sportnco and AskGamblers, and affiliate assets acquired in 2015-2017 were amortised with €8.7 (3.3) million in the first nine months of 2023. The balance is mainly related to capitalised development expenses and other operational items. Depreciation expense related to IFRS16 was €1.7 (2.0) million.

GiG is subleasing part of its office space, with rent of €0.9 (0.8) million in the first nine months of 2023.

EBIT

EBIT came in at €28.7 (7.8) million in the first nine months of 2023, a 270% improvement from the same period in 2022.

Excluding the earn-out reversal, EBIT was €18.2 million in the first nine months of 2023, a 135% increase year-over-year with an EBIT margin of 19.9%.

Financial and other expenses

Interest on the Company's bonds were €-4.8 (-3.8) million in the first nine months of 2023, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR during the period was €1.4 (2.9) million. Other financial expenses were €-3.7 (-1.6) million in the first nine months of 2022, including interest related to IFRS16 of €-0.6 (-0.6) million.

Tax

Net tax expense was €-1.7 (-1.0) million in the first nine months of 2023.

Net result

The profit from continuing operations was €19.8 (4.3) million in the first nine months of 2023. The loss from discontinued operations were €-0.7 (-1.3) million in the first nine months of 2023 (see Note 7 for more information). The profit after discontinued operations was €19.2 (3.0) million in the first nine months of 2023.

Cash flow

The consolidated net cash flow from operating activities amounted to €30.6 (23.3) million for the first nine 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 €-37.3 (-42.9) million. Included are 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 nine months of 2022 includes the €31.9 million cash payment related to the Sportnco acquisition. The balance are mainly capitalised development expenses.

The net cash flow from financing activities was €-0.4 (25.2) million in the first nine months of 2023. The first nine 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, see also Note 12.

Cash and cash equivalents decreased by €-7.3 (5.6) million in the first nine months of 2023.

Personnel

At the end of the third quarter 2023, 606 (577) employees were spread throughout Malta, Spain, France, Denmark and Serbia. Approximately 350 people contributed towards Platform & Sportsbook, 243 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.

606

employees

350

Platform &
Sportsbook

243

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 September 2023.

30,300 employee options have been exercised, and GiG borrowed shares for the immediate transfer of the option shares. 2,384,750 options were outstanding as at 30 September 2023.

Nomination committee

The Annual Meeting of Shareholders in May 2023 resolved that the Nomination Committee shall represent all shareholders, and consist of not less than three and not more than four members. Each of the three largest shareholders of the Company as per 31 August 2023 shall have the right to appoint one member each to the Nomination Committee. Should any of the three largest shareholders waive their right to appoint a representative, or their representative resign from the Nomination Committee, or when members of the Nomination Committee representing shareholders who are no longer among the three largest shareholders resign, the opportunity to appoint a member of the Nomination Committee shall thereafter be passed on in order of the largest shareholding. The three members appointed by the largest shareholders may decide, by simple majority, to appoint a fourth member to the Nomination Committee. If such fourth member is a member of the Board of Directors, such member cannot run for re-election as member of the Board of Directors upon expiry of his/her current term as a Board member.

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

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

Legal disclaimer

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

Financial calendar

Q4 2023 Interim Report	14 Feb 2024
Q1 2024 Interim Report	7 May 2024
Annual Shareholder Meeting	22 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 08:05 CET on 8 November 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 Q3 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.** Q3 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 new deals.** Including GoldenPark Ontario for its multiple award winning platform, Moir eGaming Limited, for the provision of its casino platform solution, Powerplay Ontario, and 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.
 - » **Delivered 7 new platform launches.** These brands cover regulated markets in Europe, the US and LatAm, with 3 for Luckiest using Core in BE SR, DE, Crab Sports using Endeavour and 3 using Alira for GoldenPark Portugal, Bplay Mendoza, Royal decree of Spain.
 - » **Platform and Sportsbook exhibited at and attended high profile global events.** Exhibiting at the Peru Gaming show in June, our first stand in Latin America, and sent a large team to SBC Summit in Barcelona at the end of September where the team met with a number of both prospective and existing partners. The Commercial

team also invested a vast amount of time in preparations for G2E in Las Vegas, held in Q4, and were present at SIGMA Brazil. All events provided an opportunity for the team to meet potential partners and strengthen existing relationships.

- » **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 Q3 Media representatives attended:
 - » **IGB Amsterdam and SIGMA Asia.** In July GiG Media attended these two conferences, both were hotly anticipated and did not disappoint. The team met with almost all existing partners and with new operators, and managed to make new connections and gain insights about many local markets which are being targeted for Media's expansion.
 - » **SBC conference, Barcelona.** A growing conference which was very well attended both by existing partners and new growing brands. The team continued to gain invaluable connections and insights into the LatAm market
 - » **SBC Summit LatAm, Miami.** In Q4 Media will attend this interesting three day event, which offers double the potential and opportunity as the team can expand their LatAm Network whilst connecting with the many US operators in attendance.
- **Platform and Sportsbook Product updates.** Compliance is a crucial part of the business which we continuously invest in, including;
 - » **Core are finalising and UAT testing the Sports Bonus wagering improvements.** From a regulatory perspective work has started to deliver a compliant PAM in Estonia. From an integration side Core integrated Endorpina; Bingo Free tickets API and integration with IGC Bonuses, and Started Evolution promo-payouts. Over 10 payments methods have been added via PaymentIQ
 - » **Increased Data integration offering.** The Data team has used the data broker to increase our third party integration offering, including FastTrack CRM, Jooba Jackpots, IwinBack and Thrilltech.
 - » **Endeavour: Vast integration progress and improvements.** The team has improved the Game provider integrations and also added promotional tools for already integrated game providers. In addition to the Game provider, the team also worked on Automated Data Verifications Screen, improved Wallets Screen and Performance Tests, for: Games Global, GreenTube, Markor, Caleta, Booming, Hub88, Elk Studios, Evolution Promo Tools, Alea Promo Tools, iSoftBet Promo Tools and Oryx Promo Tools.
- » **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.
- » **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 updates.**
 - » **Successful migration to Olympus.** Having migrated 27 WordPress sites to our centralised platform Olympus, the teams aim to migrate a further 9 sites by end of year. The product consolidation also means all sites will benefit from a feature rich library and stronger performance, with an extremely fast time to market aiding the growth of Media's portfolio for global diversification.
 - » **Boosting conversion for partners with enhanced Sports and Casino widgets.** The team have built and enhanced Media's Sports and Casino widgets offering for third party partnerships, including customers Pre-Match Odds, with team form and other statistics to aid the users decision making, and boosting conversion for our partners. A curated list of casino operators that can all be handled in-house. These are now branded per partnership to match the partners style and aesthetics and provide their customers with a native experience. The strength of our offering now enables us to grow in other geos which our partners are also targeting, providing value for both parties.
 - » **Long-term UI and UX improvements to AskGamblers on track.** Our flagship AskGamblers remains on track for migration to our own platform, during the process we have been optimising core pages, improving the commercial aspect of the site and looking into long term UI/UX improvements that will set the site up for further growth and performance improvements.
 - » **CasinoTopsOnline.com rebrand and optimisation.** Media's flagship site CasinoTopsOnline is going through a rebranding process to bring a more modern look and feel, improving the user

experience, re-writing and optimising the code base, and in the long run offering a more localised product per market. We hope to roll out our initial tests before the end of the year. During this process we are analysing current user behaviour on various pages to execute data-driven solutions to users problems, and help drive conversion across the site.

- » **Exciting in-house lead generation tool released.** Media's belief around building our own products in-house means we keep our costs on third parties extremely low. This quarter we released internally our own lead generation tool which handles exit popups, gamification, surveys and social proofing notifications to attract more users to player reviews, latest bonuses and more, meaning more impressions and driving more traffic to our partners.



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.** We have maintained our robust framework which includes the execution of multiple phishing simulation efforts which included targeted campaigns in Q3.
- » **Key involvement in mitigating and monitoring risk from GiG's supply chain.** Assessment of newly onboarded suppliers who required interaction with GiG's information, and supplier 12 month reassessments were completed. In addition to supplier risk management, the InfoSec team has reviewed and assessed several exception requests, minimising further risk.
- » **Security processes monitored and improved.** The Information Security team has remained dedicated in Q3 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 and continual improvement of documentation to ensure latest trends are reflected in our policies and procedures.
- » **Management system recertified ISO:27001.** Following weeks of intensive preparatory work and planning, the team led the ISO:27001 surveillance audit which covered Core and Endeavour among other entities.

- **Infosec Engineering updates.**

- » **Application and Infrastructure security assessments complete.** 4 products (3 Platform, 1 SNC) were completed. Some of these products have also been tested by outsourced penetration testers as part of GiG's regulatory requirements, along with the testing performed by GiG's security engineers. 100% of GiG products were therefore tested in Q3.
- » **Transitions to new SIEM and SOC are live.** Through this project, the Infosec team will be reducing costs drastically, whilst ensuring a stellar approach to security monitoring and alerting. Log events are being actively monitored and alerts being actively raised, investigated, and actioned by our SOC analysts and security engineers. Further refinements are in progress to continuously improve these services, along with ongoing stakeholder discussions to continue protecting all assets within the company and automating certain flows to reduce friction and increase efficiency.
- » **Constant work on SAST and DAST.** Static Application Security Testing solution has been continuously worked on to add and cover more GiG projects, such as Endeavour and GiG Data, ensuring projects are tested from a white-box code review perspective. This provides a more direct and regular perspective for security vulnerabilities. Constant work is being carried out with GiG's Dynamic Application Security Testing solution, running regularly on select projects complementing the SAST testing by analysing projects in their running state.

- **InfoSec guidelines have been revamped.** Also widened in scope, and made available to all tech teams in order to serve as a main reference for security standards that should be applied across all GiG projects, increasing security expectations and awareness in the process.
- **Reducing Gambling Related Harm through Automated RG Risk profile Programme.** We are pleased to report that the RG Case Manager tool is now in its final stages of User Acceptance Testing (UAT). The testing process has been moving forward at a consistent pace, and we are on track for the anticipated launch. We are excited to share that we aim to introduce the finalised RG tool to production in December.
- **GiG Comply intensifies efforts to protect clients.** Bolstering its offering to protect clients against the ever changing regulatory landscape, by updating multiple features in its product suite. Additionally GiG Comply has strengthened its client portfolio with one new signing and several major re-signings with Betway, Merkur and three other clients.
- **Another Player Safety leader has completed Safetalk / ASIST training course.** GiG continues to upgrade and develop our responsible gambling product, with two of our Player Safety team leaders undergoing the Safetalk/ASIST trainers accreditation two day course. The course has been approved by World Health Organisation, LivingWorks Applied Suicide Intervention Skills training (ASIST) is the only workshop of its kind.

This will enable us to conduct internal training for our managed services team, ensuring they are proficient and confident in handling contacts from players who are displaying serious markers of harm.

- **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 held steady with 36% females and males at 64%, with the largest increase noted as female Directors up by 5%. The age bracket of 31-35 continues to be where the largest percentage of our people fall under at 40.7% of the workforce, and 36-40 at 25.5%, closely followed by 26-30 at 24.7%. We are proud to welcome 62 nationalities which is an increase QoQ from 56.
- **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 have successfully engaged with and hired 45 remote and office-based people in Q3, from 11 countries from

around the globe, and support internal movement for our people promoting open positions regularly. Our focus on attracting diverse talent includes:

- » **Improving the candidate experience and hiring manager resources.** We continuously 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. The team is also 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.

- » **Streamlined office environments and improved workplace services.** Our Workplace Services and Corp IT teams have completed the renovations to GiG Beach in Malta throughout Q3, meaning as GiG approaches the operational spin off date 01 November, the GiG Platform and Sportsbook business has now moved into its new dedicated level 4, as did Media to its dedicated level 5. Each business now has a separate floor, which was designed specifically for them, their needs and requirements, giving each business its own unique identity and remarkable working environment. The subleasing of the remaining levels continues.
- » **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.** 594 courses have been completed with over 1900 active unique learners and log-ins from 443 users on our GiGsters Academy. Anti-Money Laundering, Hercules Training (GiG Media), Player Account Management, Personal data protection training and Introduction to iGaming were the most active courses (in hours of learning time). We have published 21 new courses on the Academy.
- **Leadership Programme 2023.** This programme emphasises the importance of authentic, compassionate and inclusive leadership. Having completed the senior leadership training across 2022 - 2023, we progress onto rolling this out to mid level management and people leaders starting off with the initial assessment called Strengthsfinder and a follow-up coaching session. More details to follow.

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 have sold 10 laptops, 3 mobile phones, 1 monitor and 2 ipads and donated the proceeds of €3,377 to AFESOL this quarter.

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

	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Revenues	35 058	27 397	102 531	76 962	107 022
Cost of sales	1 183	1 427	3 848	3 893	5 362
Gross profit	33 875	25 970	98 683	73 069	101 660
Marketing expenses	9 202	7 959	26 926	22 246	31 237
Other operating expenses	11 055	9 539	33 172	27 356	36 183
Reversal of earn-out provision	-9 828	-	-10 526	-	-
Total operating expenses	10 429	17 498	49 571	49 602	67 420
EBITDA adjusted	23 446	8 472	49 112	23 468	34 241
Share option expense (non-cash)	412	452	1 209	1 203	1 699
EBITDA	23 035	8 020	47 902	22 265	32 542
Depreciation & amortisation	3 058	4 395	10 513	11 250	12 485
Amortisation of acquired assets	3 391	1 146	8 661	3 258	8 262
EBIT	16 586	2 479	28 728	7 757	11 795
Financial income (expense)	-4 533	-1 686	-8 532	-5 374	-7 881
Unrealized exchange gain(loss) on the bond	-1 318	524	1 379	2 895	3 856
Result before income taxes	10 734	1 317	21 575	5 278	7 770
Tax income/(expense)	-1 591	-589	-1 734	-1 015	-2 057
Profit from continuing operations	9 143	728	19 840	4 263	5 713
Profit/(loss) from discontinuing operations	-155	-149	-675	-1 306	-2 608
Profit for the period	8 988	579	19 166	2 956	3 104
Exchange differences on translation of foreign operations	-142	-189	-142	-116	-104
Total comprehensive income	8 846	390	19 024	2 840	3 000
Total comprehensive income/(loss) attributable to:					
Owners of the Company	8 846	389	18 924	2 839	2 784
Non-controlling interests	-	1	100	1	216
Total comprehensive income/(loss)	8 846	390	19 024	2 840	3 000
Weighted average shares outstanding (1000)	128 950	122 787	127 523	114 179	116 348
Diluted weighted average shares outstanding (1000)	131 231	125 362	129 804	116 754	118 947
Basic and diluted earnings (losses) per share:					
- from continuing operations:	0,07	0,01	0,15	0,04	0,05
- from discontinuing operations	0,00	0,00	-0,01	-0,01	-0,02
- attributable to GiG Inc.	0,07	0,00	0,15	0,03	0,03

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets			
Non-current assets:			
Goodwill	88 035	75 330	75 340
Intangible assets	84 299	61 341	61 020
Deposits and other non-current assets	9 975	10 074	10 190
Total non-current assets	182 309	146 745	146 550
Current assets:			
Trade and other receivables	32 552	21 905	23 221
Cash and cash equivalents	7 987	14 144	15 209
Total current assets	40 539	36 049	38 430
Total Assets	222 849	182 794	184 980
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	118 052	108 018	107 967
Share premium/reserves	67 503	61 114	61 889
Retained earnings (deficit)	-86 162	-104 864	-105 130
Total equity attributable to GiG Inc.	99 393	64 268	64 726
Non-controlling interests	351	24	240
Total shareholders' equity	99 744	64 292	64 966
Liabilities:			
Trade payables and accrued expenses	14 952	19 619	22 551
Lease liabilities	1 762	3 175	3 163
Contingent liability	-	8 942	8 942
Short term loan	5 494	3 719	3 764
Bond payable	47 040	4 358	-
Other payables	9 654	-	-
Total current liabilities	78 902	39 813	38 420
Bond payable	-	44 437	48 191
Other long term liabilities	30 838	9 573	9 009
Contingent liability	-	9 591	9 591
Long term loans	9 979	14 025	12 687
Deferred tax liability	3 386	1 063	2 118
Total long term liabilities	44 203	78 689	81 595
Total liabilities	123 105	118 502	120 015
Total liabilities and shareholders' equity	222 849	182 794	184 981

Condensed statements of changes in equity:

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Equity at beginning of period	64 966	11 926	11 926
Shares issued for acquisitions	14 544	48 500	48 500
Transaction costs	-	-178	-178
Share compensation expense	1 209	1 203	1 717
Exchange differences on translation of foreign operations	-142	-116	-104
Net results from continuing operations	19 840	4 262	5 713
Net results from discontinuing operations	-675	-1 306	-2 608
Equity at end of period	99 744	64 292	64 966

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited

	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Cash flows from operating activities:					
Results from continuing operations before income taxes	9 144	1 317	19 840	5 278	7 769
Income/(loss) from discontinued operations	-155	-149	-675	-1 306	-2 608
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	1 878	-589	-	-1 015	-2 057
Depreciation and amortization	6 947	5 861	20 267	15 303	21 739
Share based compensation	433	452	1 229	1 203	1 717
Other adjustments for non-cash items and changes in operating assets and liabilities	-9 901	3 096	-11 813	3 876	5 279
Net cash provided by operating activities	8 346	9 987	30 583	23 339	31 839
Cash flows from investing activities:					
Purchases of intangible assets	-4 169	-4 066	-13 077	-10 724	-15 335
Purchases of property, plant and equipment	-	-39	-341	-221	-834
Acquisition of subsidiary	-	-	-23 898	-31 922	-31 922
Net cash from investing activities	-4 169	-4 105	-37 316	-42 867	-48 091
Cash flows from financing activities:					
Lease liability principal payments	-1 313	-1 153	-3 577	-3 137	-3 196
Interest paid on bonds	-1 414	-1 249	-4 278	-3 580	-4 953
Repayment of loans	-978	-751	-2 852	-1 502	-2 293
Proceeds from bond issue	-	-	-	8 446	8 446
Proceeds from share issue	-	-	10 278	25 000	25 000
Net cash from financing activities	-3 705	-3 153	-430	25 227	23 004
Translation loss	-128	-189	-142	-116	-104
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	343	2 540	-7 222	5 583	6 648
Cash and cash equivalents - beginning	7 644	11 604	15 209	8 561	8 561
Cash and cash equivalents - end	7 987	14 144	7 987	14 144	15 209

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 September 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"), accounting parent, is incorporated and domiciled in Malta, having a registered office at @GiG Beach, The Golden Mile, Triq Id-Dragnara, 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	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Revenues	35 058	27 397	102 531	76 962	107 022
Cost of sales	1 183	1 427	3 848	3 893	5 362
Gross profit	33 875	25 970	98 683	73 069	101 660
Marketing expenses	9 202	7 959	26 926	22 246	31 237
Other operating expenses	11 055	9 539	33 172	27 356	36 183
Reversal of earn-out provision	-9 828	-	-10 526	-	-
Total operating expenses	10 429	17 498	49 571	49 602	67 420
Adjusted EBITDA	23 446	8 472	49 112	23 468	34 241
Non-cash option expenses	412	452	1 209	1 203	1 699
EBITDA	23 035	8 020	47 902	22 265	32 542

Normalised numbers - EUR 1000 - Unaudited	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Revenues	31 818	22 872	91 300	64 052	90 066
Cost of sales	292	232	853	489	858
Gross profit	31 526	22 640	90 447	63 563	89 208
Marketing expenses	6 853	4 629	18 689	12 740	18 784
Other operating expenses	11 055	9 539	33 172	27 356	36 183
Reversal of earn-out provision	-9 828	-	-10 526	-	-
Total operating expenses	8 080	14 168	41 335	40 096	54 967
Adjusted EBITDA	23 446	8 472	49 112	23 468	34 241
Non-cash option expenses	412	452	1 209	1 203	1 699
EBITDA	23 035	8 020	47 902	22 265	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 September 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 September 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.

As at 30 September 2023, current assets amounted to EUR 41.2 million (2022: EUR 36.0m), and current liabilities amounted to EUR 78.9 million (2022: EUR 39.8m). Current liabilities include the SEK 550 million bond (EUR 47.0 million) that matures in June 2024. The Company has engaged ABG Sundal Collier and Pareto Securities to refinance the bond, with the aim to conclude the refinancing before year-end 2023.

Based on the Company's recent development and favourable market conditions for debt financing, the directors are confident about the Company's ability to successfully conclude a refinancing process well in advance of the maturity. The directors acknowledge that the judgements made as part of the going concern assessment are subject to a degree of underlying uncertainty and recognises that successful re-financing is contingent on external market factors, which may be beyond the Company's control. On this basis, the directors consider the going concern assumption in the preparation of the financial statements to be appropriate as at the date of authorisation for issue of the Q3 2023 Interim Report.

4. Summary of significant accounting policies

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended 30 September 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 September 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.

Q3 2023 (EUR 1000)	Media	Platform	Total
Revenue	22 476	12 581	35 057
Cost of sales	-	-1 183	-1 183
Marketing costs	-6 814	-2 388	-9 202
Other operating costs	-5 302	-4 364	-9 655
Reversal of earn-out provision	-	8 428	8 428
EBITDA adjusted	10 360	13 074	23 434
Share option expense (non-cash)	-27	-384	-411
Depreciation & amortisation	-3 195	-3 253	-6 448
Operating profit/(losses)	7 138	9 437	16 575

Q3 2022 (EUR 1000)	Media	Platform	Total
Revenue	15 068	12 329	27 397
Cost of sales	-	-1 427	-1 427
Marketing costs	-4 557	-3 402	-7 959
Other operating costs	-3 752	-5 788	-9 540
EBITDA adjusted	6 759	1 712	8 471
Share option expense (non-cash)	-56	-396	-452
Depreciation & amortisation	-2 014	-3 527	-5 541
Operating profit/(losses)	4 689	-2 211	-2 478

9M 2023 (EUR 1000)	Media	Platform	Total
Revenue	62 633	39 898	102 531
Cost of sales	-	-3 847	-3 847
Marketing costs	-18 241	-8 684	-26 925
Other operating costs	-15 699	-15 375	-31 074
Reversal of earn-out provision	-	8 428	8 428
EBITDA adjusted	28 682	20 417	49 112
Share option expense (non-cash)	-69	-1 139	-1 209
Depreciation & amortisation	-8 381	-10 793	-19 174
Operating profit/(losses)	20 232	8 484	28 716

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

9M 2022 (EUR 1000)	Media	Platform	Total
Revenue	43 924	33 038	76 962
Cost of sales	-	-3 892	-3 892
Marketing costs	-12 487	-9 758	-22 245
Other operating costs	-10 740	-16 616	-27 356
EBITDA adjusted	20 697	2 769	23 466
Share option expense (non-cash)	-208	-994	-1 202
Depreciation & amortisation	-5 792	-8 714	-14 506
Operating profit/(losses)	14 697	-6 941	7 756

7. Discontinued operations

B2C Operations

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

Sports

Following the acquisition of Sportnco, the Company's own sportsbook will be phased out as a standalone product as Sportnco's sportsbook is expected to be 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 Group's consolidated financial statements.

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

(EUR 1000)	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Net revenue	-	665	-	882	534
Other income	-	-	-	-	-
Expenses	-155	-814	-675	-2 188	-3 142
Impairment losses	-	-	-	-	-
Loss on disposal of B2C segment	-	-	-	-	-
Operating profit/(losses)	-155	-149	-675	-1 306	-2 608
Loss from discontinued operations attributable to:					
Owners of the Company	-155	-149	-675	-1 306	-2 608
Non-controlling interest	-	-	-	-	-
Total	-155	-149	-675	-1 306	-2 608
Net cash flow from operating activities	-155	-149	-675	-1 306	-2 608
Net cash flow from investing activities	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-	-	-
Net increase in cash generated by discontinued operations	-155	-149	-675	-1 306	-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 September 2023, the Company had 2,384,750 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 2023 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 September 2023, the number of authorised shares was 150,000,000 whereof 128,949,561 shares and 2,384,750 options were outstanding.

10. Loans payable

Through the business combination transaction with Sportnco (see Note 12), the Company acquired a number of loans with credit institutions, maturities varying from 2024 to 2028 and interest rates from 0.00-2.48%. The outstanding short-term part of the loans at 30 September 2023 was EUR 5.5 million (2022: EUR 3.8m), and the long-term part of the loans at 30 September 2023 was EUR 10.0 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 had 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. In September 2023 the maturity was extended until 28 February 2024.

11. Senior secured bonds

In June 2021, the Group issued a 3-year SEK 450 million senior secured bond with a SEK 550 million borrowing limit. The net proceeds were used to refinance the then existing SEK 400 million 2019-2023 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, the Company 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 September 2023 was EUR 47.0 million (2022: EUR 48.1m). The bond has maturity in June 2024, and as a consequence, the full bond amount are shown under short term liabilities as of 30 September 2023. In August 2023, ABG Sundal Collier and Pareto Securities were appointed as advisors to facilitate the refinancing of the bond.

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 agreed to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR 11.5 million per year (undiscounted), payable 50% in cash and 50% in new shares in GiG. The potential amount of all future payments that the Group could be required to make under the contingent consideration arrangement was between nil and EUR 23 million. Given the nature of the arrangement, the contingent consideration has been classified as a liability in the Company'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. The earn-out target for 2023 was agreed based on a significant increase in performance in 2023 and although Sportnco has seen growth so far in 2023, management believes that it is highly unlikely that the 2023 earnout is triggered. The provision for the contingent consideration provided for in the Company's balance as of 30 June 2023 has therefore been reversed, with a EUR 9.8 million credit effect on other operating expenses in Q3 2023 in addition to the EUR 0.7 million reversal in Q2 2023.

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 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.

The total consideration is EUR 45 million, of which EUR 20 million was paid in cash on closing 31 January 2023. EUR 10 million will be paid twelve months after closing and the EUR 15 million balance 24 months after closing.

IFRS3 'Business Combinations' provides a measurement period (a period after the acquisition date) during which the acquirer may adjust the provisional amounts recognised for a business combination. In the quarter to 30 September 2023, the Group has adjusted downward goodwill by discounting the future considerations associated to this deal. The future cash payments relating to Ask Gamblers LTD of EUR 25 million have been discounted to present value using a discount rate at which the liability could be settled in an arm's length transaction with a third party. The timing of cash payments for the liabilities are fixed. The discounting practice has been prepared in accordance with a risk-free rate of monetary assets that have comparable maturities.

The table below summarizes the adjusted price paid and the fair value of the acquired assets and assumed liabilities:

EUR 1000	
Consideration	
Cash transfer	22 344
Initial consideration	22 344
Future consideration - cash transfer	25 000
Total Purchase Price (Equity value)	47 344
Asset Valuation	
Cash and cash equivalents	2 697
Trade and other receivables	2 426
Trade and other payables	-651
Deferred Tax	-1 268
Domains - fair value assets	22 239
Affiliate contracts - fair value	3 333
Discounting of future considerations	3 820
Other intangible assets	2 045
Net identifiable assets acquired	34 641
Goodwill	12 703
Net assets acquired	47 344

13. Litigations

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

14. Related party transactions

There were no material related party transactions in the third quarter 2023.

15. Subsequent events

On November 2023, GiG signed an agreement to acquire affiliate leader KaFe Rocks Ltd. Through this strategic purchase, GiG Media will cement its position as the dominant lead generator within the lucrative online casino market. The acquisition will further diversify GiG Media's business, improving customer, website, and market concentration and reducing overall risk.

The purchase price is EUR 35 million, consisting of a EUR 15 million upfront cash payment and EUR 20 million in four semi-annual payments over 24 months with an added earn-out given specific performance targets are met. In addition, GiG will pay EUR 2.5 million in shares subject to specific operational cost savings targets.

The transaction is structured by way of a Share Purchase Agreement (SPA) with GiG's subsidiary Innovation Labs Ltd. (part of GiG Media). It includes the acquisition of KaFe Rocks Limited (Malta). GiG intends to finance the initial consideration through a combination of existing cash, shareholder loans, and/or proceeds from a potential bond issue. Closing of the transaction is subject to completion of due diligence, financing, applicable regulatory approvals, and final board approval and is expected in December 2023.

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.

Adjusted EBITDA: EBITDA less option expenses

Adjusted EBITDA margin: Adjusted EBITDA in percent of Normalised revenues

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

EBITDA margin: 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

Organic growth: Growth excluding acquisitions

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

Review Report

To the Directors of Gaming Innovation Group Inc.

Introduction

We have reviewed the condensed interim financial information (the interim report) for Gaming Innovation Group Inc. as of September 30, 2023 and the nine-month period then ended and the explanatory notes. The Board of Directors and Chairman are responsible for the preparation and presentation of this interim report in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim reporting (International Accounting Standards 34 "Interim Financial Reporting", "IAS 34") and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements ISRE 2410 "Review of Interim Financial Information performed by the Independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial reporting and accounting matters and applying analytical and other review procedures. A review has a difference focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ("ISA") and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for Gaming Innovation Group Inc in all material respects prepared in accordance with IAS 34 and the Annual Accounts Act and for the Parent in accordance with the Annual Accounts Act.

Reid CPAs, LLP

8 November 2023

REID CPAs LLP
Woodbury, New York, USA

Gaming Innovation Group plc.

Condensed statement of operations

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

As per the bond terms, the interim condensed consolidated accounts for the issuer for the periods ending 30 September 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

	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Revenues	35 058	27 397	102 531	76 962	107 022
Cost of sales	1 183	1 427	3 848	3 893	5 362
Gross profit	33 875	25 970	98 683	73 069	101 660
Operating expenses					
Marketing expenses	9 202	7 959	26 926	22 246	31 237
Other operating expenses	9 181	9 217	29 258	26 436	34 863
Reversal of earn-out provision	-8428	-	-8 428	-	-
Total operating expenses	9 955	17 176	47 755	48 682	66 100
EBITDA adjusted	23 920	8 794	50 928	24 388	35 561
Share option expense (non-cash)	412	452	1 209	1 203	1 699
EBITDA	23 509	8 342	49 718	23 184	33 862
Depreciation & amortisation	3 058	4 395	10 513	11 250	12 485
Amortisation on acquired affiliate assets	3 391	1 146	8 661	3 258	8 262
EBIT	17 060	2 801	30 544	8 676	13 115
Financial income (expense)	-5 749	-1 162	-7 073	-2 479	-4 061
Result before income taxes	11 310	1 639	23 471	6 197	9 054
Tax income/(expense)	-1 591	-589	-1 734	-1 015	-2 057
Profit from continuing operations	9 719	1 050	21 736	5 182	6 997
Profit/(loss) from discontinuing operations	-155	-149	-675	-1 306	-2 608
Profit for the period	9 564	901	21 062	3 875	4 388
Exchange differences on translation of foreign operations	-142	-189	-142	-116	-71
Fair value movement in available for sale investment	-	-	-	-	-
Total comprehensive income	9 422	712	20 920	3 759	4 317
Total Comprehensive income (loss) attributable to:					
Owners of the Company	9 422	711	20 820	3 758	326
Non-controlling interests	-	1	100	1	216
Total comprehensive income	9 422	712	20 920	3 759	4 317

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets			
Non-current assets:			
Goodwill	77 587	64 882	64 892
Intangible assets	84 299	61 341	61 020
Deposits and other non-current assets	9 675	9 768	9 884
Total non-current assets	171 561	135 991	135 796
Current assets:			
Trade and other receivables	32 526	22 032	23 365
Cash and cash equivalents	7 910	13 215	15 117
Total current assets	40 436	35 247	38 482
Total assets	211 997	171 238	174 278
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	50	50	51
Share premium/reserves	142 943	137 850	139 692
Retained earnings (deficit)	-66 701	-88 328	-89 328
Total equity attributable to GiG Inc.	76 292	49 572	50 415
Non-controlling interests	340	24	240
Total shareholders' equity	76 632	49 596	50 655
Liabilities:			
Trade payables and accrued expenses	15 179	22 841	22 503
Lease liabilities	1 762	3 175	3 163
Contingent liability	-	8 942	8 942
Short term loans	5 494	3 719	3 764
Bond payable	47 040	-	-
Other payables	9 654	-	-
Total current liabilities	79 129	38 677	38 372
Bond payable	-	48 795	48 191
Deferred tax liability	3 386	1 063	3 386
Contingent liability	-	9 591	9 591
Long term loans	24 154	14 025	12 687
Other long term liabilities	21 760	-	4 570
Total long term liabilities	56 236	82 965	85 252
Total liabilities	135 365	121 642	123 624
Total liabilities and shareholders' equity	211 997	171 238	174 279

Gaming Innovation Group plc.

Condensed statement of cash flows

EUR 1000 - Unaudited

	Q3 2023	Q3 2022	9M 2023	9M 2022	2022
Cash flows from operating activities:					
Results from continuing operation before income taxes	11 310	1 639	23 471	6 197	9 054
Results from discontinued operations	-155	-149	-675	-1 306	-2 608
Adjustments. to reconcile profit before tax to net cash flow:					
Tax expense	-1 591	-589	-1 734	-1 015	-2 057
Depreciation and amortization	6 737	5 860	20 506	15 926	21 739
Share based compensation	412	452	1 230	1 203	1 699
Other adjustments for non-cash items and changes in operating assets and liabilities	-8 410	3 265	-11 666	2 081	3 964
Net cash provided by operating activities	8 303	10 478	30 682	22 455	31 791
Cash flows from investing activities:					
Purchases of intangible assets	-4 169	-4 066	-13 077	-10 724	-15 335
Purchases of property, plant and equipment	-	-39	-341	-221	-834
Acquisition of subsidiary	-	-	-23 898	-31 922	-31 922
Net cash from investing activities	-4 169	-4 105	-37 316	-42 867	-48 091
Cash flows from financing activities:					
Repayment of loans	-978	-751	-2 852	-1 502	-2 293
Lease payments	-1 313	-1 153	-3 577	-3 137	-3 196
Interest paid on bonds	-1 414	-1 249	-4 278	-3 580	-4 953
Proceeds from bond issue	-	-	-	8 446	8 446
Proceeds from issuance of shares	-	-	10 277	25 000	25 000
Net cash from financing activities	-3 705	-3 153	-430	25 227	23 004
Translation loss	-128	-189	-142	-83	-71
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	301	3 031	-7 207	4 731	6 633
Cash and cash equivalents - beginning	7 609	10 184	15 117	8 484	8 484
Cash and cash equivalents - end	7 910	13 215	7 910	13 215	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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