Q2 2022

Gaming Innovation Group Inc.
Interim Report

GiG

16 Aug 2022

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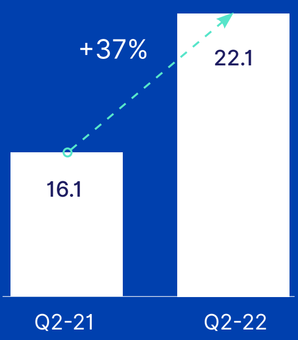
Q2 2022
Interim Report

€22.1m
Revenues*
+37% growth

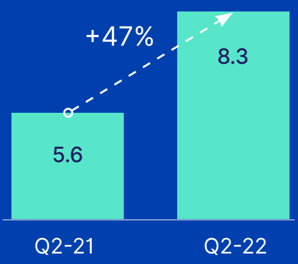
€8.3m
EBITDA adj.
+47% growth

37.5%
EBITDA margin*
(35.0% in Q2 2021)

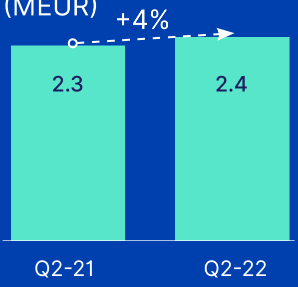
Revenues*
(MEUR)



EBITDA
(MEUR)



EBIT
(MEUR)



Highlights

Financial highlights

- The Group achieved all time high revenues* in Q2 2022 amounting to €22.1m (16.1), an increase of 37% YoY, whereof 24% organic
- Adjusted EBITDA was €8.3m (5.6), up 47%, adjusted EBITDA margin* increased to 37.5% (35.0)
- EBIT was €2.4m (2.3), with an EBIT margin* of 10.8% (14.3%)
- Revenues in GiG Media at all-time high of €14.8m (11.0), an increase of 35%, with an all-time high adjusted EBITDA of €7.0m (5.3)
- Revenues* for Platform & Sportsbook were €7.3m (5.1), an increase of 43% whereof 2% organic (12% organic growth excl. premium fees), with an adjusted EBITDA of €1.3m (0.3)
- Positive net profit of €1.3m (-0.5) with an EPS of €0.01
- Positive cash flow from operations of €9.5m (3.5)

Operational highlights

- Acquisition of Sportnco completed on 1 April
- GiG Media reached a sixth successive all-time high in quarterly revenue and player intake, FTDs ended at 79,400 (46,800), up 70%
- Signed a head of terms agreement with Tier 1 retail operator Aspers in the UK for the provision of its turnkey managed service solutions, final agreement signed in July
- First agreement combining the offering from both GiG and Sportnco was signed with Full Games in Angola for both Sportsbook, PAM and managed services. Also the first into regulated African markets, positioning GiG in the exciting emerging African markets
- Signed head of terms agreement with US based sports betting brand, Crab Sports, to provide Platform and Sportsbook solution in Maryland, the first deal for the combined offering in the US
- Four additional agreements signed in the quarter, including extension with Betway for the provision of Sportsbook and PAM for Portugal, and new market entries in Spain and Colombia
- Number of live brands were 58 at quarter end
- GiG Media was awarded “best casino affiliate” award at the IGB Affiliate Awards in London

Events after Q2 2022

- Signed an agreement with Betsson Group for platform in Colombia
- Signed extension with Grupo Boldt in Latam for two additional regulated markets for their Bplay brand
- Granted a supplier licence for Ontario, allowing GiG to partner with operators based in the newly regulated Canadian province
- Three brands have gone live so far in Q3 2022, and the remaining integration pipeline projects are progressing towards their project plans
- July has developed positively, and revenues are up 37% compared to the same period last year, whereof 24% organic growth

*Revenues are adjusted for revenues from a platform client where GiG recognises the full operations in its profit and loss statement, see Note 2 on page 27

Letter from the CEO

Dear shareholders,

The strong momentum that we carry forward in Q2 and the exciting milestone of completing the acquisition of Sportnco on April 1st, position our business for continued growth and escalating profitability levels. While we believe there is still so much more to come from this business over the coming years, the second quarter indicates that we continue to track towards our short and longer term financial and strategic objectives.

The group delivered revenues of €22.1M up 37% vs the same period last year with increased operational performance that resulted in an adjusted EBITDA of €8.3M, up 47% YoY. Results we are happy with, but we know much more can come as we continue to secure future growth across both business verticals in new markets with new clients and constantly improved product portfolio and efficiency.

GiG Media delivered again a record-breaking quarter with continued all-time highs across both financial and operational KPI's with revenues growing organically at 35% to €14.8M in the quarter. Expansion across a number of markets in conjunction with accelerating pace into new Paid verticals and market share gains coming from continually more impressive product and marketing technology on existing markets continue to push forward earnings at pace. The combination of player acquisition volumes with revenue share from a diverse set of geographies and clients, continue to strengthen the earnings quality of the segment and something we make a key part of GiG Media's long-term strategy. The team continues to innovate, and we are ever proud of their continuing performance and success.

The integration with Sportnco has got off to a flying start with multiple cross product contract wins, as we have been able to rapidly combine both the product and technology offerings from both GiG and Sportnco. We will continue to refine and deliver on the post-merger integration (PMI) plan, which will also deliver material cost efficiencies, in particular to GiG's existing capex run rates as the increased market coverage through Sportnco reduces the need to continually invest in new market entries.

The platform and sportsbook operations have now been combined into the business segment Platform & Sportsbook. We are excited about the growth prospects and the cash generation potential in this segment, as we focus on cost reductions and deliver against the PMI and into the coming years.

The quarter has also been a productive one in securing future revenues for Platform & Sportsbook with 7 new agreements signed in the quarter, including our first combined GiG platform & Sportnco Sportsbook deal for the upcoming sportsbook only market in Maryland, USA. Two new clients went live, and we received supplier license for Ontario, allowing us to partner with operators based in the newly regulated Canadian province, with an anticipated client launch expected in the third quarter.

The position of the combined GiG and Sportnco entity is truly exciting, and we are very pleased with the combination so far, and eagerly anticipate continuing to drive forward the integration and business towards their full value potential with great product and a truly global reach.

We have an exciting and delivery packed second half across the group ahead of us that we are attacking with force and vigour. We remain confident in our long-term ambitions and to take GiG on a continued path of growth and increasing profitability as we begin to realise synergies and further operational efficiency which are reflected in our uplift of long term financial targets.

_ Richard Brown,
CEO at GiG

Summary and outlook

Acquisition of Sportnco

GiG signed an agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco") in December 2021, and the transaction was completed on 1 April 2022 with Sportnco being consolidated for the full second quarter of 2022. Combined with GiG's platform, Sportnco's platform and sportsbook are included in the new segment Platform & Sportsbook.

Sportnco is a leading platform provider of turnkey betting and gaming solutions for operators in regulated markets through its inhouse developed sportsbook and player account management platform (PAM). Sportnco has international presence in Europe, South America and the US through a combination of tier 1 clients and strong local players. The company has been successful in entering into new geographical markets and has around 40 partners working in 12 countries across Europe and Latin America and [currently being launched in new regions in] North America.

The acquisition of Sportnco has strengthened GiG's position as one of the industry-leading platforms and media providers with innovative and proprietary products and an unparalleled geographical footprint with the products licensed in [25] markets worldwide. Sportnco's tier 1 sportsbook product is industry-leading, supporting profitable operators in some of the most regulated markets in the world, such as France, Spain and across LATAM, and the acquisition is expected to create attractive commercial, operational, and technological synergies, as well as enable cost savings and accelerated growth.

GiG Media

GiG Media delivered all-time-high revenues of €14.8 (11.0) million in the second quarter 2022, a 35% increase YoY, all organic, continuing the positive development seen over the past quarters. Both Paid Media and Publishing reached all-time-high in revenues, up 55% and 26% YoY respectively, despite the second quarter normally being affected by seasonality. Adjusted EBITDA for GiG Media ended at €7.0 (5.3) million for the quarter, a 32% increase YoY, with a margin of 48% (49%).

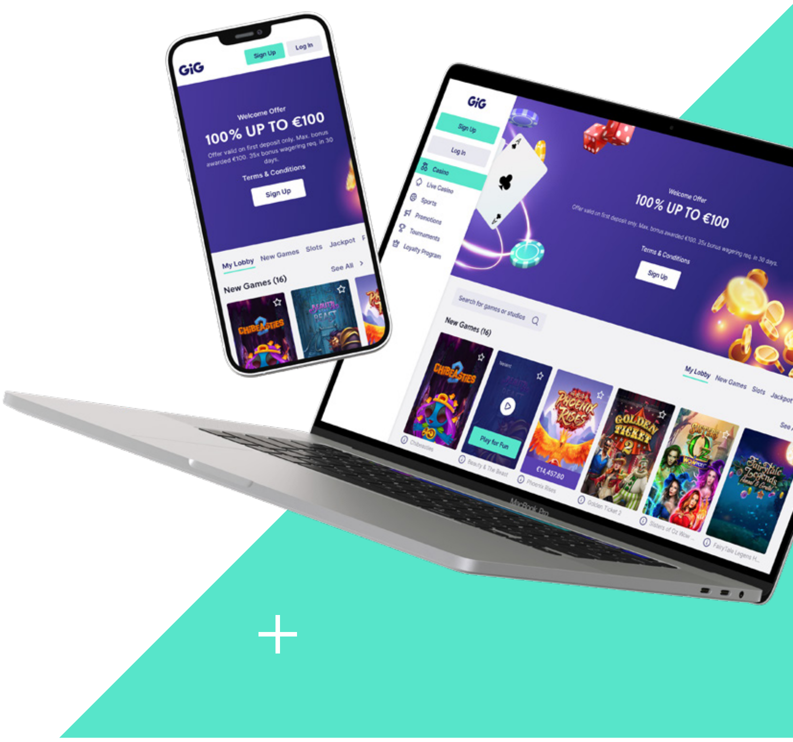
First Time Depositors (FTD) ended at 79,400 (46,800) in the second quarter, a 70% increase YoY. GiG Media's websites continued their positive development in the quarter with increasing geographical diversification, and several new acquisition channels and campaign types were launched for Paid in the quarter. The strong increase in player intake over the last 12 months suggests further growth in revenue share earnings in future quarters, and positive search rankings and global expansion should help GiG Media continue its positive development going forward.

Platform & Sportsbook

Platform & Sportsbook delivered revenues* of €7.3 (5.1) million in the second quarter 2022, a 43% increase YoY, whereof 2% organic. Adjusted EBITDA ended at €1.3 (0.3) million, with a margin of 17.2% (5.9%).

A total of seven new clients were signed in second quarter 2022, including an agreement with UK based Tier 1 retail operator Aspers Group for the provision of platform and a full turnkey managed service solution. The first agreement combining the offering from both GiG and Sportnco was signed with Full Games SA in Angola for the provision of full Sportsbook and Platform & Sportsbook. Also, the first combined deal for GiG and Sportnco in the US were signed with Crab Sports in Maryland, supporting the key strategic rationale to approach the important US Sportsbook market and other Sportsbook only markets and potential clients. In addition, further agreements were signed with existing partners for new market entries in Spain, Portugal and Colombia.

Two clients went live in the quarter with three additional brands being development complete, pending the clients' decision to launch. The total number of live brands was [57] as of 31 June 2022 with an additional [10] brands in the integration pipeline.



Outlook and guidance

GiG Media has seen a strong performance over the past two years, delivering double digit quarterly growth in both revenues and FTDs, securing strong cash-flow and increased diversity in earnings. GiG Media will continue to invest in expanding both geographically and through new assets and marketing channels to secure a diversified sustainable long-term revenue growth for both Publishing and Paid. With new market entries and a large portion of player intake on revenue share agreements, GiG expects continued sustainable future revenue growth for GiG Media going forward.

GiG has strengthened its position in the platform and sports segments of the iGaming industry through the acquisition of Sportnco. More agreements that combine the offering from both GiG and Sportnco Gaming SAS have been signed so far, confirming the synergies of combining the product offerings. With presence in 26 regulated markets, the overall addressable market is large, and GiG will continue to target these markets, and with new clients going live for both GiG and Sportnco as well as growth for existing clients, it is expected that revenues for Platform & Sportsbook will grow going forward.

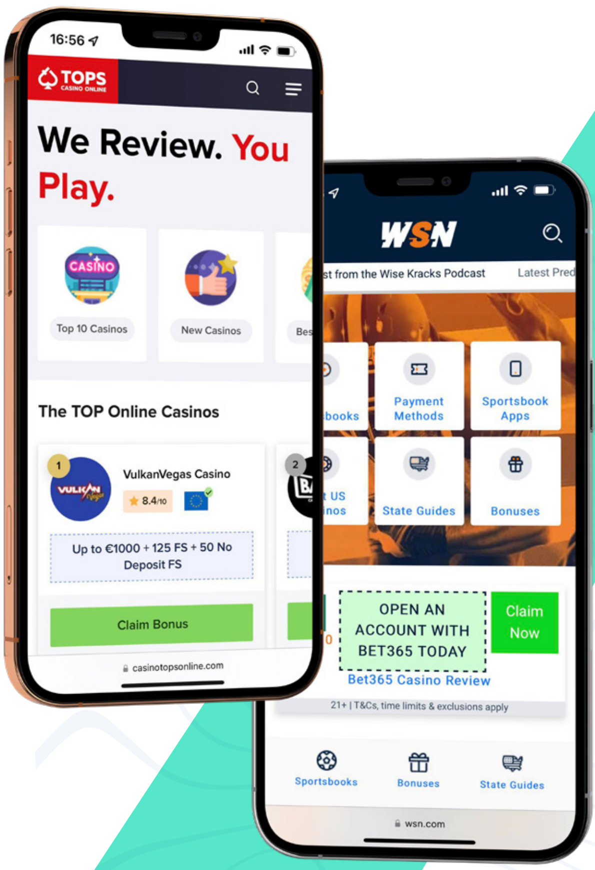
Initiatives has been taken to reduce operating expenses for GiG's platform operations, and the cost reductions are progressing according to plan. The main effects will be realised by the end of the year and into 2023 due to completion of ongoing work related to existing clients and planned new market entries that are expected to be finalised by year end. It is expected that the anticipated annualised savings will be in the region of EUR 8 million when completed, including synergies from the Sportnco integration.

For the full year 2022, the combined operations should generate revenues of €87-93 million with an EBITDA of €30-35 million.

The Board of Directors will have a strong focus on overall operations, including the post-merger integration of Sportnco, and will continue to look at possible strategic options to increase shareholder value going forward.

Following the acquisition of Sportnco and the ongoing cost reduction initiatives in Platform & Sportsbook, the Company's long-term financial targets have been revised as follows:

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



Financial highlights

Gaming Innovation Group Inc. (GiG) had all-time-high revenues* of €22.1m (16.1) in the second quarter 2022, a 37% increase year-over-year, whereof 24% organic.

Marketing expenses* were €4.3 (2.5) million in the quarter, mainly related to GiG's paid media operation, a 72% increase year-over-year. Other operating expenses amounted to €9.3 (7.8) million in the second quarter 2022, an increase of 18% year-over-year that was driven by the consolidation of Sportnco in the second quarter.

Adjusted EBITDA ended at €8.3 (5.6) million, a 47% increase year-over-year, corresponding to an adjusted EBITDA margin* of 37.5% (35.0%). Including non-cash option expenses, EBITDA was €7.7 (5.5) million, a 40% increase year-over-year.

Depreciation and amortisation amounted to €5.3 (3.2) million in the second quarter 2022, whereof €1.6 million related to Sportnco and €1.1 (1.0) million relates to amortisation of assets from previous affiliate acquisitions. Continued investments into the development of new technology and entering into new regulations resulted in capitalised salaries of €3.6 (2.1) million.

EBIT was positive at €2.4 (2.3) million in the second quarter 2022, an increase of 4%. The EBIT margin* was 10.8% (14.3%).

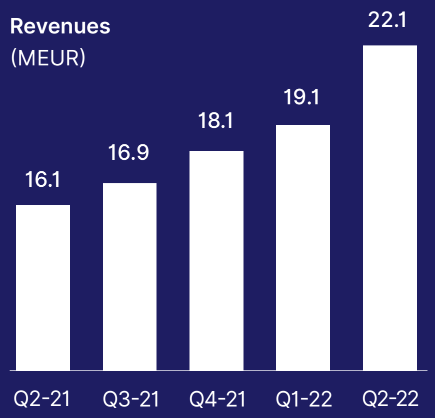
Net other expense was €-0.2 (-2.3) million in the second quarter 2022 and includes €1.2 (1.2) million in interest on the Company's bond and an unrealized gain of €1.9 (-0.4) million related to the bond due to the change in the SEK/EUR exchange rate in the quarter.

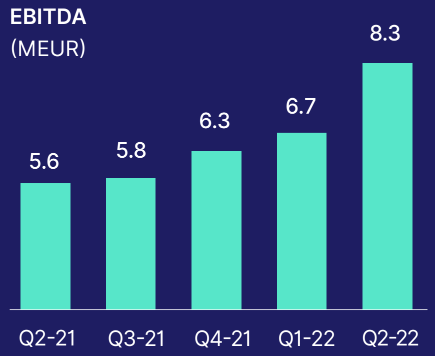
Results from continued operations were €2.0 (-0.2) million.

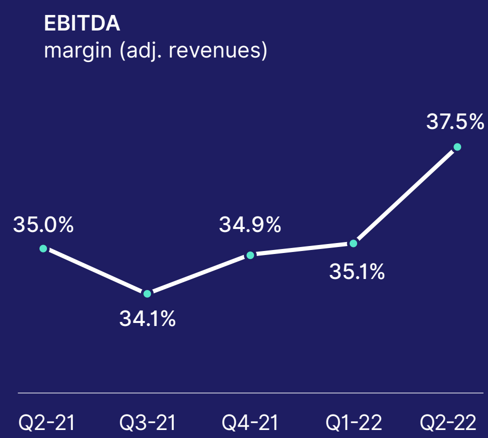
Loss from discontinued operations were €0.7 (-0.3) million and the net result in the second quarter 2022 thus ended at €1.3 (-0.5) million.

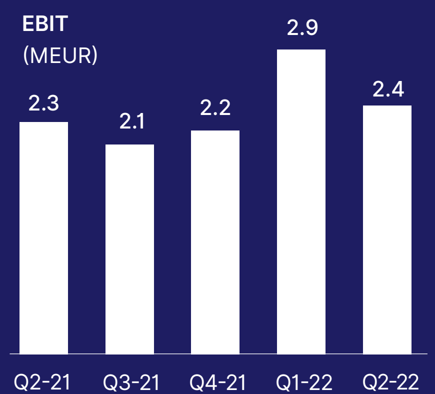
Cash flow from operations were €7.8 (3.4) million with a cash balance as of 30 June of €11.7 (7.6) million.

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









Operational review

GiG Media

GiG Media continued its growth and reached another all-time high in revenues in the second quarter 2022 despite the normal weaker seasonality effects in the quarter as the sporting calendar slows down. Revenues were up 35% year-on-year and 5% quarter-over-quarter, all organic growth. Player intake also reached an all-time quarterly high at 79.400 in the second quarter, up 70% year-on-year and 14% quarter-over-quarter. The continued strong growth in player intake gives a strong foundation for future revenue since most of the players are generated on a revenue share contract, either pure revenue share or hybrid.

Publishing launched six new websites in the second quarter, also taking GiG Media into three new geographical markets and one new vertical. A new website targeting the recently regulated Canadian province of Ontario were built in the quarter, and was launched at the start of Q3, further solidifying GiG Media's presence in North America. Further new market entries are planned for the latter part of 2022, adding to the strategy of ensuring a diverse market presence.

Publishing reached another all-time high in revenues in the second quarter 2022, up 26% year-on-year and 1% quarter-over-quarter. Player intake was in line with previous quarters, up 6% year-on-year and down 6% quarter-over-quarter, mainly due to normal seasonality effects in the quarter.

Paid launched several new acquisition channels and campaign types in the quarter, such as Spotify ads and app campaigns. Some of these already show high potential with significant player intake in the second quarter. Moreover, the Permission Marketing channel had consecutive all-time highs of leads collected from GiG Media's own websites in both May and June. Social Media did an all-time high in FTDs. It is a continued focus in Paid to broaden channel mix to ensure diverse channel earnings to build a sound basis for sustainable long-term growth.

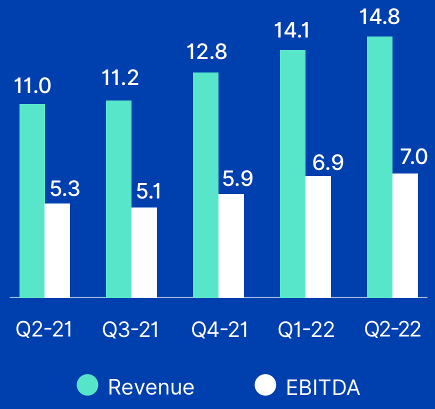
The continued focus on diversification of the player acquisition channels and launch into new geographies continues to drive up the overall earnings quality of the segment and remains a key focus point for the business unit.

Paid revenues increased 55% year-on-year and 15% quarter-over-quarter, reaching a new all-time high in the second quarter 2022. Player intake in Paid saw a significant growth, up 138% year-on-year and 26% quarter-over-quarter, also reaching an all-time high. The growth continues to be driven by a mix of expanding current campaigns while also expanding into new markets.

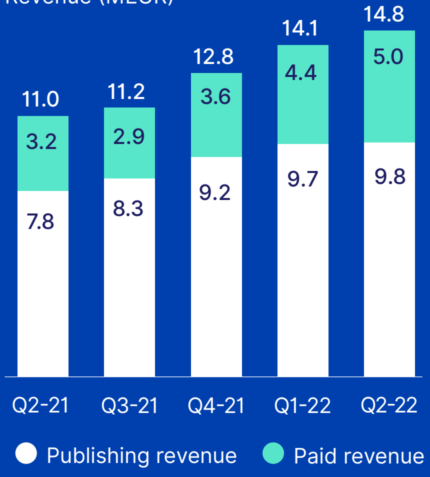
GiG Media continued to increase marketing spend in the quarter (11% quarter-over-quarter and 63% year-on-year) in both Paid and Publishing in-line with the ambition to diversify and invest in a broader composition of markets and channels to drive sustainable long-term growth and continued improvement in earnings quality.

In the second quarter 2022, the regulator in Arizona, US, started finalising the process with GiG Media to issue its permanent Event Wagering and Fantasy Sports Licences replacing its previous temporary licence. GiG Media holds 13 vendor registrations and licences in the US and is qualified to do business in a

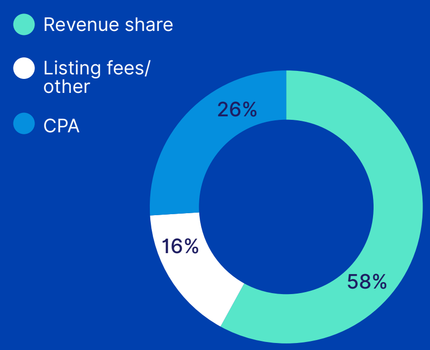
GiG Media
Revenue and EBITDA (MEUR)



GiG Media
Revenue (MEUR)



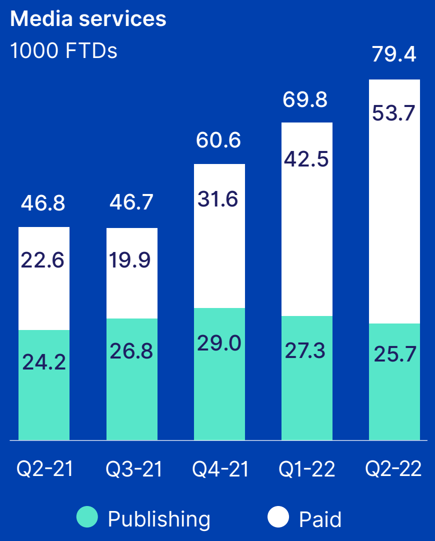
GiG Media
Revenue split Q2-22



total of 20 US states. GiG will continue to invest in the US market through the premium assets, Wsn.com and Casinotopsonline.com. US organic traffic to these assets increased respectively 108% and 473% year-over-year.

GiG Media's overall strategy to grow revenue while diversifying regional dependence continued in the second quarter with revenue from all regions seeing year-over-year growth. Revenues from the Americas increased 170% year-over-year and 25% quarter-over-quarter, and their share of Media revenues accounted for 20% of revenue in the quarter, up from 10% in the second quarter 2021. GiG Media's traditional markets in the Nordics and Europe increased 29% year-over-year, however their share of overall revenue declined in the quarter, like previous quarters.

GiG's proprietary compliance tool, GiG Comply, signed one new client in the quarter and re-signed three existing clients. Comply continued to enhance the product application suite with the addition of state-based VPNs for Ontario, Buenos Aires, Colorado and New Jersey being made available to its users in the second quarter 2022.



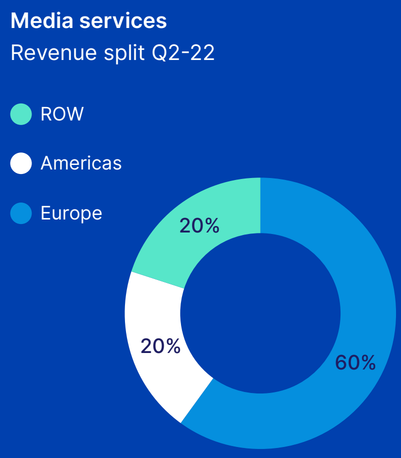
Revenues and EBITDA

Revenues for GiG Media were €14.8 (11.0) million in the second quarter 2022, a 35% increase year-on-year and all organic growth. Paid Media represented 34% (29%) of GiG Media revenues in the quarter. Adjusted EBITDA was €7.0 (5.3) million, an increase of 32% year-over-year, with a margin of 48% (49%). Non-cash option expenses were €0.1 (0.1) million in the quarter, resulting in an EBITDA of €6.9 (5.3) million.

Marketing expenses were €4.2 (2.6) million in the second quarter 2022, a 63% increase year-over-year, driven by higher marketing investments in both Paid and Publishing.

58% (66%) of revenues in the second quarter 2022 derived from revenue share agreements, 16% (13%) from CPA (Cost per Acquisition) and 26% (21%) from listing fees and other services.

For the first six months of 2022, revenues for GiG Media were €28.9 (21.0) million, a 37% increase year-on-year. Adjusted EBITDA was €13.9 (10.0) million, an increase of 39%, with a margin of 48% (48%). Non-cash option expenses were €0.2 (0.1) million in the first six months of 2022, resulting in an EBITDA of €13.8 (9.9) million in the first six months of 2022.



FTDs

GiG Media referred 79,400 (46,800) new FTDs (First Time Depositors) to operators in the second quarter 2022, a 70% increase year-on-year, and 14% up from the previous quarter. Paid Media increased 26% quarter-over-quarter, while Publishing was down 6% quarter-over-quarter due to seasonality effects. GiG has increased its focus on player quality and higher value jurisdictions within publishing in 2022, which has led to a decrease in player intakein Publishing. However, this strategy has resulted in revenue growth as the revenue per player has increased during the period. With around 95% of the FTDs referred on revenue share agreements, the investment is expected to yield future revenues.

For the first six months of 2022, 149,200 (90,500) new FTDs were referred to operators, a 65% increase year-on-year.

Strategy

GiG Media will continue to invest in expanding both geographically and through new assets and marketing channels to secure a diversified sustainable long-term revenue growth for both Publishing and Paid. Given the recent initiatives, continued growth outside traditional core markets is expected with the Latin American and North American markets being key growth markets. Website assets are continuously updated through optimised SEO, content management and tech development.

GiG Media has launched centralised systems to quickly implement successful changes to all assets in order to increase player intake, conversion of traffic and the monetisation of generated players. GiG Media will continue to develop its marketing technology moving forward, to ensure that the business remains competitive in the industry.

The second quarter 2022 started positively with player intake in July up 85% compared to the same period in 2021.

Platform & Sportsbook

Platform & Sportsbook are comprised of the technical iGaming platforms, front end development and other managed services such as player safety, customer operations and CRM/marketing. Sportnco is consolidated from 1 April 2022, and both the platform and sportsbook are included in the Platform & Sportsbook segment from this date.

Sportnco Gaming

GiG completed the acquisition of Sportnco Gaming SAS ("Sportnco") on 1 April 2022, and Sportnco has been consolidated for the full second quarter 2022.

Starting 1 April, multiple teams across both companies have worked through a detailed post-merger integration plan to ensure that the integration becomes successful both short and long term and achieves its targets of accelerating revenue growth and improving profitability across the business combination. So far, the integration of the two companies including products and technology has developed according to plan, and there are not expected to be any significant issues going forward.

The combined product offering has already materialised in two new agreements showing the power and synergies of combining both product and managed services offerings. The integrations of Sportnco's Sportsbook into GiG's platform will be completed in the third quarter, and short term, focus will be on new client onboardings prior to migrations of GiG's existing Sports clients post the football world cup in the fourth quarter.

New contracts

The increased business offering after the acquisition of Sportnco has led to an uplift in interest for combined solutions from both new and existing customers. A large part of the current sales pipeline are looking at the combined product offering, a strong start after one quarter of full collaboration. The sales pipeline developed positively in the second quarter 2022, with seven new agreements signed in the quarter:

- In April, an agreement was signed with existing partner Betway for the provision of Sportsbook and PAM for Betway.pt. This is the second agreement between Sportnco and Betway after the first in France, and Betway will migrate from its current sportsbook and platform provider.
- Also in April, a head of terms agreement was signed with UK based Tier 1 retail operator, Aspers Group. The agreement was formalised in July by signing a 3-year platform and managed services partnership for the provision of its turnkey managed service solutions.
- In May, the first agreement combining the offering from both GiG and Sportnco was signed with Full Games SA in Angola for both Sportsbook, PAM and managed services. This was the first agreement combining the offering from both GiG and Sportnco. The agreement is also the first into regulated African markets, which should position the Company to build a presence on a broader scale in the exciting emerging African markets which are expected to grow significantly in the coming years as the market matures.
- In June, a head of terms agreement was signed with US based sports betting brand, Crab Sports, to provide Platform and Sportsbook solutions in Maryland, the first deal for the combined offering in the US.
- In June, an additional agreement was signed with an existing partner for the provision of sportsbook and PAM in Colombia, making it the third regulated market where it provides both software and services to the client. Sportnco is already active in Colombia with its PAM for another client, and the deal marks the first launch of the sportsbook in Colombia, allowing the tier 1 operator to launch with the full end-to-end software offering.
- In June, an agreement was signed for sportsbook and platform with Caravel Entertainment Limited in Portugal. Caravel shift from its existing technology for the moosh.pt site, scheduled to take place during Q4 2022.
- Finally, an agreement was signed with a partner in Spain to provide the platform to power their move online. The new partner already has an established retail business, and the partnership will allow the new licensed brand to expand its operations online. The initial period is three years, with the option for an additional year.

So far in the third quarter, an agreement has been signed with tier 1 operator Betsson Group, to provide PAM and sportsbook for their brand colbet.co in Colombia. This will further strengthen the relationship between Betsson and GiG, adding Colombia to a long list of regulated markets where GiG supports Betsson, ensuring the potential for a deepening alliance in the future. In August, an extension was signed with Grupo Boldt in Latam, covering two additional regulated markets for their Bplay brand.

Integration pipeline

Two new clients went live on the platform in the second quarter, and three additional brands are development complete pending the client's decision to launch, expected in the third quarter 2022.

The integration pipeline stands at ten brands as of today and consists of various clients ranging from existing online clients adding additional brands to larger land-based casinos going online in new regulatory environments. Focus in the quarter has been on Playstar in New Jersey, that is now development complete, and development work for the new license in Ontario, Canada to be able to launch clients from September.

In addition to the planned development work for the client pipeline and the integration of Sportnco, the integration of Betsson's sportsbook has now been completed, and both the brands Rizk and Guts have successfully been migrated in July and August.

Existing customers on the platform as of today add up to a total of 58 brands. GiG's SaaS offerings are currently live in 26 certified jurisdictions and has 9 new jurisdictions in the current integration pipeline.

GiG offers managed services to its customers, and around 75 employees 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.

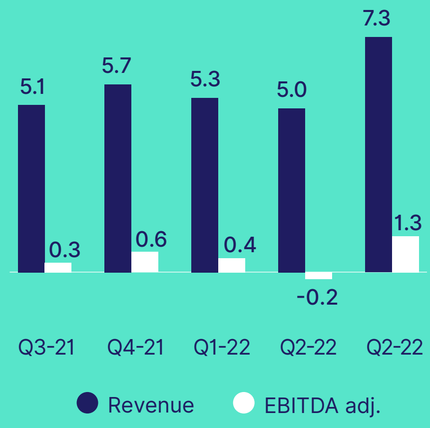
Revenues and EBITDA

Revenues* for Platform & Sportsbook were €7.3 (5.1) million, a 43% increase year-over-year, whereof 2% organic. Revenues were impacted €0.4 million year-over-year by the expiration of premium fees from Betsson from 15 April 2022, and excluding these premium fees, organic growth was 12%.

Adjusted EBITDA for the second quarter 2022 was €1.3 (0.3) million, a 322% increase compared to the second quarter 2021, and a margin of 17.2% (5.9%). Non-cash option expenses, mainly relating to the Sportnco acquisition, were €0.5 (0.1) million in the quarter, resulting in an EBITDA of €0.8 (0.2) million.

In the second quarter 2022, initiatives were taken to reduce operating expenses for GiG's platform operations, including annual savings from the discontinuation of GiG's own sportsbook. The cost reductions are progressing according to plan, with the main effects realised by the end of the year and into 2023 due to completion of ongoing work related to existing clients and planned new market entries that are expected to be finalised by year end.

Platform services
Revenue and EBITDA adj. (MEUR)



41 Clients
(5% YoY)

58 Brands
(16% YoY)

39 of clients take Sportsbook
(36% Q1-21)

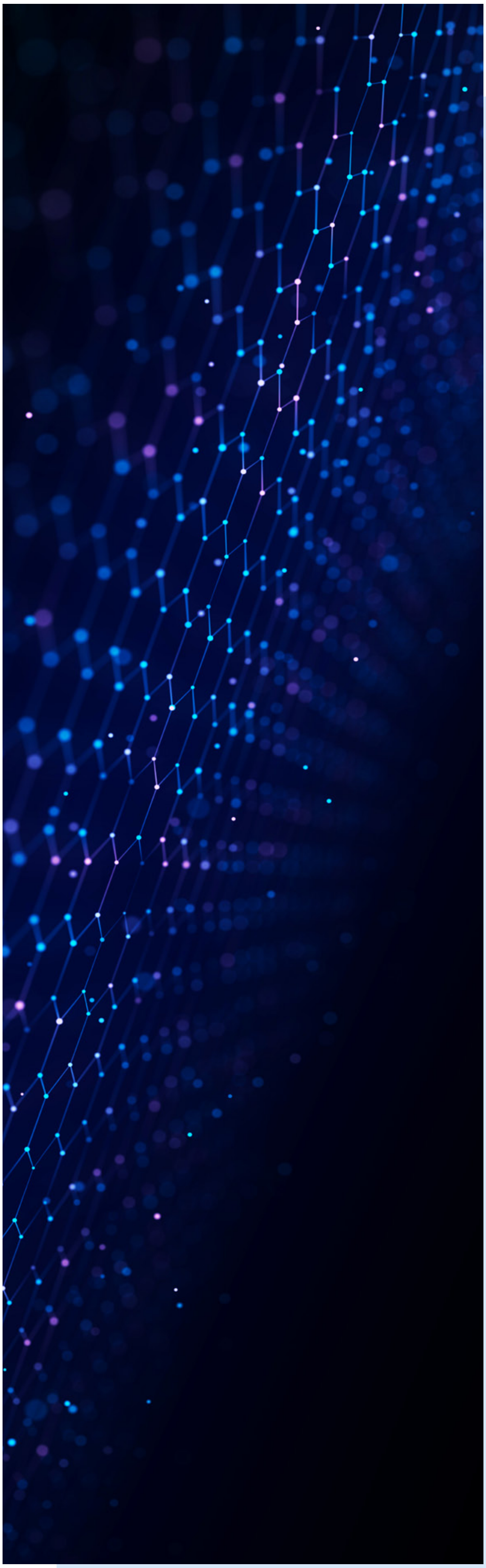
It is expected that the anticipated annualised savings will be in the region of EUR 8 million when completed, including synergies from the Sportnco integration.

For the first six months of 2022, revenues for Platform & Sportsbook were €12.3 (10.3) million, a 19% increase year-on-year, whereof -1 % organic. Adjusted EBITDA was €1.1 (0.7) million, with a margin of 8.6% (6.5%). Non-cash option expenses were €0.6 (0.1) million in the first six months of 2022, resulting in an EBITDA of €0.5 (0.6) million in the first six months of 2022.

Strategy

GiG is well positioned as a turnkey B2B provider across the main verticals in iGaming, including fully managed services. The acquisition of Sportnco has extended the product portfolio including a tier 1 sportsbook offering, and GiG's managed services will benefit Sportnco in their main markets. With presence in 26 regulated markets, the overall addressable market is large, and GiG will continue to target regulated or soon-to-be regulated markets including digital transformation from a land-based operation to an online presence, however more focus will be given to existing regulations.

The transition from white labels to a pure SaaS offering is considered complete, and the negative impact on revenues from regulatory changes as seen in Germany and the Netherlands should be limited going forward. When adjusting for this impact as well as premium fees and other one-offs, the underlying SaaS revenue has seen a stable growth over the past two years. With new clients going live for both GiG and Sportnco as well as expected growth for existing clients, it is expected that revenues for Platform & Sportsbook will grow going forward. Combined with the anticipated €8 million annualised cost savings, it is expected a significant improvement in operational performance for Platform in 2023 and onwards.



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.

GiG divested its B2C operations in April 2020 and in accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements. In addition, GiG's sportsbook will be phased out as a standalone product due to the acquisition of Sportnco and Sports Betting Services are reported as a discontinued operation. Previous periods have been restated accordingly, see Note 7 on page 29.

Second Quarter 2022

Revenues

Consolidated revenues amounted to €22.1 (16.1) million, a 37% increase year-over-year, whereof 24% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.2 (0.2) million in the second quarter 2022. This resulted in a gross profit of €21.9 (16.0) million, an increase of 37% and a gross profit margin of 99% (99%). In the second quarter 2022, the cost of sales mainly relates to the sportsbook operations in Sportnco.

Marketing expenses

Marketing expenses were €4.3 (2.5) million in the second quarter, an increase of 72%. Marketing expenses' share of revenues were 20% (16%). Marketing expenses are mainly related to GiG Media, consisting of pay-per-click and related expenses for Paid Media of €2.7 (1.8) million, with a 50% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €9.3 (7.8) million in the second quarter 2022, an 18% increase from the second quarter 2021, the increase resulting from the acquisition of Sportnco on 1 April 2022. Other operating expenses' share of revenues were 42% (48%). Other operating expenses includes €0.2 in non-recurring transaction expenses related to the Sportnco acquisition.

Personnel expenses were €6.4 (5.6) million, an increase of 14%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €3.6 (2.1) million in the second quarter and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook and the development of the product towards new market entries related to new platform client signings and future growth of the business global reach.

Non-cash option expenses were €0.6 (0.1) million in the second quarter 2022. Option expenses includes costs due to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco. The option holders will, pending continued employment, receive shares in GiG at future VWAP valuation up to a total aggregate value of €4 million, see note x.

EBITDA

EBITDA for the second quarter 2022 was €7.7 (5.5) million, a 40% increase year-over-year, with an EBITDA margin of 35.0% (34.3%).

Adjusted for non-cash option expenses, adjusted EBITDA was €8.3 (5.6) million, a 47% increase year-over-year, with an adjusted EBITDA margin of 37.5% (34.9%).

D&A

Depreciation and amortisation amounted to €5.3 (3.2) million in the second quarter 2022, an increase of 66%, whereof €0.4 (0.5) million is depreciation.

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

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €1.1 (1.0) million. Acquired affiliate assets have been conservatively amortised over 3 years for customer contracts and 8 years for domains/SEO, which is at a considerably faster pace than industry peers. The balance is mainly related to capitalised development expenses. Depreciation expense related to IFRS16 was €0.7 (0.7) million.

GiG is subleasing part of its office space, with rent of €0.2 (0.4) million in the second quarter 2022.

EBIT

EBIT came in at €2.4 (2.3) million in the second quarter 2022, an increase of 4% from the second quarter 2021.

Financial and other expenses

Interest on the Company's bonds were €-1.2 (-1.2) million in the second quarter 2022, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €1.9 (-0.4) million. Other financial expenses were €-0.8 (-0.7) million in the second quarter 2022, including interest related to IFRS16 of €-0.2 (-0.2) million.

Tax

Net tax expense was €-0.2 (-0.2) million in the second quarter 2022.

Net result from continuing operations

The profit from continuing operations was € 2.0 (-0.2) million in the second quarter 2022.

Discontinued operations

The loss from discontinued operations were €-0.7 (-0.3) million in the second quarter 2022 (see Note 7 for more information). The net profit after discontinued operations was €1.3 (-0.5) million in the second quarter 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €9.5 (3.5) million for the second quarter 2022.

The net cash flow used on investing activities was €-35.8 (-2.8) million, whereof €-3.8 (-2.5) million were capitalised development expenses. Included are also the €31.9 million cash element related to the acquisition of Sportnco Gaming SAS on 1 April 2022.

The net cash flow from financing activities was €21.3 (1.3) million in the second quarter 2022, which includes €25.0 million in net proceeds from the share issue related to the Sportnco acquisition, see Note 12.

Cash and cash equivalents decreased by €4.9 (2.0) million in the second quarter 2022, and was affected by the €6.9 million net cash payment related to the acquisition of Sportnco on 1 April 2022.

Financial position

As at 30 June 2022, holdings of cash and cash equivalents amounted to €11.6 (7.6) million. In addition, cash in transit from payment providers amounted to €0.4 (0.7) million. Customer monies, that are held in fiduciary capacity, amounted to €1.3 (1.6) million.

GiG held total assets of €185.9 (85.4) million as at 30 June 2022. The increase is related to the acquisition of Sportnco, see Note 12. Shareholders' equity was €63.6 (13.1) million with an equity ratio of 34% (15%). The Company's lease liability is included with €1.7 (2.4) million under current liabilities and €9.8 (11.7) million under long-term liabilities as per IFRS 16.

Loans in Sportnco are included with €x million under current liabilities and €x million under long-term liabilities. In addition, the contingent consideration are included as a long-term liability with €21.9 million, see also Note 12.

January to June 2022

Revenues

Consolidated revenues amounted to €41.2 (31.3) million in the first six months of 2022, an increase of 32% increase year-over-year, whereof 25% organic.

Cost of sales and gross profit

Cost of sales amounted to €0.3 (0.1) million in the first six months of 2022. This resulted in a gross profit of €40.9 (31.2) million, an increase of 31% and a gross profit margin of 99% (100%).

Marketing expenses

Marketing expenses were €8.1 (5.0) million in the first six months of 2022, an increase of 62%. Marketing expenses' share of revenues were 20% (16%). Marketing expenses are mainly related to GiG Media, whereof pay-per-click and related costs for Paid Media were €5.3 (3.6) million, a 45% increase year-over-year.

Operating expenses

Other operating expenses are mainly related to salaries and general corporate expenses and amounted to €17.8 (15.5) million in the first six months of 2022, a 15% increase year-over-year, mainly due to the acquisition of Sportnco effective from 1 April 2022. Other operating expenses' share of normalised revenues were 43% (50%). Other operating expenses includes €0.7 million in non-recurring transaction expenses related to the Sportnco acquisition.

Personnel expenses were €12.7 (11.3) million, an increase of 12%. Capitalised salaries related to the Company's development of technology, future products and new regulations amounted to €6.0 (3.9) million in the first six months of 2022 and are capitalised over 3 years. These costs are mainly related to Platform & Sportsbook.

Non-cash option expenses were included with €0.8 (0.2) million in the first six months of 2022. Option expenses includes costs due to the option program for key employees in Sportnco, entered into as part of the acquisition of Sportnco, see Note 12.

EBITDA

EBITDA for the first six months of 2022 was €14.2 (10.5) million, a 36% increase, with an EBITDA margin of 34.6% (33.4%).

Adjusted for non-cash option expenses, adjusted EBITDA was €15.0 (10.7) million, a 41% increase year-over-year, with an adjusted EBITDA margin of 36.4% (34.2%).

D&A

Depreciation and amortisation amounted to €9.0 (6.4) million in the first six months of 2022, an increase of 40%. The increase is related to the acquisition of Sportnco, were €1.6 million are amortisation of acquired assets, see Note 12.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €2.3 (2.1) million. Acquired affiliate assets have been conservatively amortised over 3 years for customer contracts and 8 years for domains/SEO, which is at a considerably faster pace than industry peers. Depreciation expense related to IFRS16 was €1.3 (1.3) million. The balance is mainly related to capitalised development expenses.

GiG is subleasing part of its office space, with rent of €0.5 (0.4) million in the first six months of 2022.

EBIT

EBIT came in at €5.3 (4.1) million in the first six months of 2022, a 30% improvement from the same period in 2021.

Financial and other expenses

Interest on the Company's bonds were €-2.4 (-2.2) million in the first six months of 2022, and unrealized gain related to the bond due to the strengthening of the SEK towards the EUR during the period was €2.4 (0.4) million. Other financial expenses were €-1.3 (-1.1) million in the first six months of 2022, including interest related to IFRS16 of €-0.4 (-0.4) million.

Tax

Net tax expense was €-0.4 (1.3) million in the first six months of 2022. The tax income for the same period in 2021 includes recognition of a deferred tax asset because of a reassessment of prior year taxable losses that is expected to be utilised in the coming years.

Net result

The profit from continuing operations was €3.5 (2.4) million in the first six months of 2022. The loss from discontinued operations were €-1.2 (-0.8) million in the first six months of 2022 (see Note 7 for more information). The profit after discontinued operations was €2.4 (1.7) million in the first six months of 2022.

Cash flow

The consolidated net cash flow from operating activities amounted to €13.4 (3.4) million for the first six months of 2022. Included in the net cash flow from operating activities are changes in operating assets and liabilities.

The net cash flow from investing activities was €38.8 (-4.8) million, whereof €6.6 (-4.5) million were capitalised development expenses. Included are the €31.9 million cash element related to the acquisition of Sportnco Gaming SAS on 1 April 2022.

The net cash flow from financing activities was €28.41 (-2.6) million in the first six months of 2022, which includes a €8.4 million net cash infusion from the SEK 100 million bond tap in January 2022 and €25.0 million in net proceeds from the share issue related to the Sportnco acquisition, see also Note 12.

Cash and cash equivalents increased by €3.0 (-3.9) million in the first six months of 2022.

Personnel

At the end of quarter 2022, 608 (440) employees were spread throughout Malta, Spain, France, Denmark and Latvia. Approximately 400 people contributed towards Platform & Sportsbook , 155 were focusing into GiG Media with the balance in corporate functions. The above numbers includes approximately 70 full time consultants and remote workers with which at present GiG collaborates across Europe and USA.

As from Q2 2022 the reported HC includes the personnel incorporated by GiG subsequently the acquisition of Sportnco Gaming Group for a total of 145 employees based in France (Toulouse) and Spain (Madrid and Barcelona).

Additionally, GiG is contracting approximately 100 outsourced tech resources to be dedicated to the delivery of key projects.

The personnel is 52% employed in Malta, 29% in Spain, 10% in Denmark, 7% in France and 2% in Latvia.

GiG is a people first organisation, and the health and well-being of its workforce are of high importance. After a year of restrictions, the company implemented a new flexi-working approach in 2021, giving much needed stability to employees and the ability to improve their work-life balance, whilst ensuring that productivity remains high.

Whilst always monitoring local and world-wide health issues, the company aims to hold more and more activities and events within its office walls and on digital platforms, breaking down social and geographical barriers experienced by GiGsters. Bringing people together at every opportunity.

The Company's operations have not been materially negatively affected by COVID-19 and GiG has applied a work from home policy, operating in a work from home and hybrid office set up allowing, when possible and safe, to employees to work from the company's facilities which are constantly sanitised and respectful of all local and WHO's protocols and regulations. Given the uncertainties, it is difficult to ascertain the longer-term impact of COVID-19 on the Company's operations, or to provide a quantitative estimate of this impact.

GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy, and may lead to a global recession. GIG does not have business in the impacted conflict regions of Ukraine and Russia, and while difficult to protect the wider impact on consuming spending has so far not had an impact on GiG's operations. Historically, the online gambling industry has proved robust and normally not been materially affected by uncertain periods for the global economy.

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

Shareholder matters

The GiG share is dual listed on Oslo Stock Exchange and Nasdaq Stockholm with the same ISIN code: US36467X2062.

On 1 April 2022, the acquisition of Sportnco Gaming SAS was completed. 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).

122,786,526 shares (par value USD 1.00) and 3,420,000 options were outstanding as at 30 June 2022.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders was held on 19 May 2022 in Stockholm, Sweden.

The Annual Meeting approved the Company's Annual Report for 2021, and further resolved that the Board of Directors should consist of seven members and resolved to re-elect Petter Nylander as Chairman of the Board and to re-elect Nicolas Adlercreutz, Kjetil Garstad, Kathryn Moore Baker and Michael Ahearne, and to elect Hesam Yazdi and Mikael Riese Harstad as Directors of the Board. It was further resolved that the remuneration to the Chairman of the Board of Directors shall be EUR 76,500 per annum and that the remuneration to the other members of the Board of Directors shall be EUR 36,000 per annum each. The remuneration to the audit committee shall be EUR 10,000 to the committee chair and EUR 5,000 to the audit committee members, and for the remuneration committee, EUR 5,000 to the committee chair and EUR 2,500 to the remuneration committee members.

The Annual Meeting further resolved that the Nomination Committee shall consist of not less than three and not more than four members, to represent all shareholders, and be appointed by the three largest shareholders as at 31 August 2022.

The Annual Meeting further resolved to reappoint REID CPAs LLP as auditors of the Company.

For further information, see www.gig.com/corporate-governance/shareholder-meetings

Statement from the board of Directors

We confirm that to the best of our knowledge that the condensed set of consolidated financial statements for the first six months of 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting and give a fair view of the Company's assets, liabilities, financial position and results for the period viewed in their entirety.

We also confirm that to the best of our knowledge that the half-year interim report includes a fair review of any important events that arose during the first six months of 2022 and their effect on the Company, any significant related parties' transactions and a description of the principal risks and uncertainties for the remaining six months of the year.

16 August 2022

The Board of Director of Gaming Innovation Group Inc.

Petter Nylander
Chairman

Nicolas Adlercreutz
Director

Kjetil Garstad
Director

Kathryn Moore Baker
Director

Hesam Yazdi
Director

Michael Ahearne
Director

Mikael Riese Harstad
Director

Richard Brown
CEO

Legal disclaimer

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

Financial calendar

Q3 2022 Interim Report	**9 Nov 2022**
Q4 2022 Interim Report	**15 Feb 2023**
Q1 2023 Interim Report	**5 May 2023**
Annual Meeting of Shareholders	**23 May 2023**

Contacts

CEO
Richard Brown
richard.brown@gig.com

Group CFO
Tore Formo
tore@gig.com

Gaming Innovation Group,
GiG Beach Office,
Triq id-Dragunara c/w Triq San Gorg,
St. Julians, STJ 3148
Malta

This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 16 August 2022.

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. By refocusing our efforts we believe we can deliver real impact together. Building on our already solid strategic approach, we have aligned our four key pillars and development areas, with the United Nations 2030 Agenda for Sustainable Development and the 17 Goals for People, for the Planet.

Innovation

Trust

Diversity and Inclusion

Education and ESG

SUSTAINABLE DEVELOPMENT GOALS

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals

Our Q2 progress update under our four sustainability pillars are as follows:

Innovation - It's in our name.

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

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

- **Critical industry acclaim.** Proud for our Media business unit to win iGB Casino Affiliate of the year 2022
- **Signed two new customers.** Q2 was a massively successful quarter commercially for GiG. With the addition of two new customers during this period, we have managed to identify and engage with customers directly within our 'wheelhouse'. We signed:
    - Aspers, who are a Tier one, UK focused, retail brand with venues in four locations in the UK. We will deliver a full end to end technology and services offering, including the delivery of an Omnichannel integration with their current retail technology.
    - Crab Sports in Maryland, US. This was of particular importance as it was the first commercial deal where we coupled the technologies of GiG and Sportnco to bring value to this 'challenger' localised brand. Maryland will open Mobile Sportsbetting later in 2022 and this will be the first 'real money' offering Sportnco have offered in the market, underlying our confidence in the solution and how it can help us expand in growing, more complex regulated markets.
- **Continuous improvement strategy.** We continued to enhance our product offering from a games perspective by integrating Pragmatic play, Quickspin, Pragmatic Play direct and Pari play. In addition to the new integrations we are also improving our current integration by adding additional features such as Evolution Free Spins, Tipping Jackpots and EGT Free spins.
- **Regulating our platform.** Work has also started to regulate our platform in the third legalised US state which is Pennsylvania. We will have a total of three states available, New Jersey, Iowa and Pennsylvania on GiG Core.
- **Aligning user interface for all products**. A key function we are working on is to align our User Interface between all products so in Q2 the continuation of new design and screens across multiple products such as Backoffice, Logic and CMS continued at a steady pace.
- **Betsson Sportsbook integration.** The integration was completed in Q2 and is undergoing User Acceptance Testing and will be live on both Rizk and Guts in Q3.
- **Increasing integrated payment gateways.** As a platform, one of the core values is to enhance our third party offering, and our focus was to enhance our payments offering by integrating PXP.

Trust - It's what we're building.

Through compliance and resilient technology we are developing best in class compliance products. Our expert in-house compliance, legal, information security and training teams focus on compliance analysis, emerging markets, responsible marketing and advertising, protecting our data and managing our vulnerabilities and embedding responsible gaming and AML - and everything in between.

Our highlights from the second quarter are:

- **Optimum detection and alerting functionality on our systems.** We are in constant review and iteration to fine tune and expand our alerting landscape. A large percentage of the false positives have been removed allowing our SOC to have clearer visibility of GiG's systems, ensuring optimum detection and alerting functionality.
- **Increasing automation and detectability.** Our InfoSec engineers are working on automating tests in order to increase the frequency of their testing on GiG's products, this will increase detectability and together with GiG teams we'll ensure that mitigation is actioned immediately. By Q2, 11 products have been tested by our engineers, this is part of our yearly testing program in order to ensure our clients a secure tight product.
- **Secure by design, reducing vulnerabilities.** We have revamped our 'security by design' project, this is done via a static scanner (SAST) which will scan our code prior to going live, this will assist the developers to mitigate any vulnerable code in reaching our products. In return this will reduce the number of vulnerabilities found when testing in post launch.
- **Security gap analysis of Sportnco systems.** As part of the 100 day plan, we are working with Sportnco employees in order to familiarise themselves with their live and office systems. We will start merging our engineering processes, this will include security 24/7 monitoring via our SOC and pen-testing both public and internal endpoints.

- **Increasing supplier relationship management and security due diligence**. We have rolled out internal risk assessments in line with industry and security standards, to ensure that risks are discovered, prioritised and mitigated in accordance with GiG's risk appetite, and have performed risk assessments on 50% of internal functions and teams.

- **Security framework developed and integrated.** The frameworks have been developed and integrated into GiG's operations, and can be extended to Sportnco. The team will continue to collaborate with multiple stakeholders across the business to ensure that the level of security maturity is maintained, the continuous compliance with ISO 27001 standards and the extension of the same level of compliance across multiple business units.

- **Safer Gambling.** We have partnered with Betknowmore and YGAM for our annual Responsible Gambling training and awareness. Betknowmore UK has launched BKM Evolve to create a new enterprise that aims to address the prevention and reduction of gambling harm through bespoke and accredited training and consultancy programs. It has been identified that areas such as the workplace, health services and key front-line workers, require enhanced knowledge skills and resources to enable the safe and effective management of gambling health, risk and compliance issues. The top six highlights of safer gambling training include:

    - Understanding customer vulnerability
    - Understanding gambling harm
    - Understanding safeguarding and managing welfare
    - Enhanced skills for customers interactions
    - Awareness of gambling support services
    - Health and well-being

- **Watchtower AI and leading RG tools.** For those business partners who take advantage of our managed services package, our Operations teams provide comprehensive RG monitoring, assessment and action on their customer database, utilising our plethora of advanced tools and processes, supported by experienced and highly trained people. We are constantly upgrading our RG repertoire, with the latest addition being the Watchtower AI language tool from Edgetier, designed to automatically alert and escalate concerning behaviour in customer contacts. In Q3, we will also be applying for the Gamcare Advanced RG Accreditation, to highlight our industry leading customer protection program.

Diversity, Equity and Inclusion - It's what we practice.

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 two DEI goals are to:

- Increase diversity of thinking and perspective by recruiting from an increasingly diverse talent pool and retaining the best talent

- Break down more barriers and bias by increasing development and education opportunities in our workforce and in our communities, utilising current programmes and creating progression initiatives

Our highlights from the second quarter are:

- **Our numbers.** From Q1 2022 to Q2 2022, the gender split remained the same with 67.25% in Male and 32.25% Female and 0.5% Non-Binary. The number of female team leads increased by 8% and female managers by 12%, and overall our number of nationalities have increased from 60 to 62 q on q.

- **Improving employee experience.** Our people deserve a company without bias, who cares and provides them with the very best service and experience.

    - **Optimising our office environments.** The foundation of a great employee experience is in the hands of the workplace services team, who with leadership, have been working hard to optimise the office environments focussing on Marbella and Malta in H1, with the focus in H2 being on the Madrid finalising the last stages of the Malta renovations. The team have completed internal building moves, created collaboration spaces and will be adding a variety of additional meeting rooms. On top of this, the team has been working on improving many other services.

    - **Increased meetups and events.** Every month there are a number of business meetups and gatherings, and social events, encouraging people to attend and feel part of the GiG family.

        - 18 different face to face and online team events in Media and Platform between April and June 2022

        - Around 230 GiGsters joined a team event in Q2 and over 70% of our people attended the GiG Summer party themed as Midsummer Night's Dream.

        - 5 Lightning sessions and 5 dept/BU all-hands

    - Well-being workshop: Personal resilience and stress management

    - International Pride Month event: Fighting for equality #Together

  - **Talent acquisition and marketing recruitment.** We aim to increase diversity of thinking and perspective by recruiting from an increasingly diverse talent pool. We are building a multi-cultural global workforce independent from any preferences other than skill sets and talent by:

    - Hiring Manager Toolkit training which includes Ethical Hiring Practices and biases.

    - We use various sourcing methods to increase diversity and we engage with national minorities in Malta and Spain.

    - Building a stronger employer brand and engaging more with talent via social media channels

    - Increasing learning opportunities to students from local universities with seven interns onboarded so far

    - Improving the candidate experience ensuring our process is fair and transparent

- **Sportnco Integration Committees.** All 12 steering committees met up in Madrid to share updates from the halfway point of the 100 days plan. Our people committee is focussing on integrating systems and performance, talent acquisition, learning and development, culture, well-being and engagement approaches and practices, rolling out a staged integration based on low, medium and high priorities and aligned with budget expectations.

- **Well-being #Together.** At GiG we are committed to achieving a healthy and happy workforce by placing value on all five pillars of well-being - physical, mental, emotional, social and spiritual. Overall we want to create high performing teams of positive and solution oriented people through balanced well-being.. Everyone's journey to achieving balanced well-being is different and personal. Our approach to well-being is holistic and company-wide with such things as the right to disconnect, with focus on personal resilience and stress management hosted by the world renowned stress management society, and localised activities. We support this with the Health and Well-being allowance.

- **GiG Allies:** We've now started our GiG Ally committee internally, formed by people partners, C-levels, and other leaders and partnered up with Global Mindset Development based in Malta. They will be training our committee to understand the issues faced in all the phases of people's career and human resources lifestyle, discriminatory practices and how to counteract, and to develop our DEI vision and mission and commitment.

- **Your Voice:** Since we've launched 'Your Voice', a tool available on Hibob designed to create opportunities to continuously improve. We have received a few submissions and have listened and acted where needed. This is an ongoing process and we will monitor trends and improve the platform.

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.

Our highlights from the second quarter are:

- **Training and education.** Over 1000 courses have been completed with over 600 active unique learners on our GiGster Academy. Anti-money Laundering, Introduction to iGaming, Player Account Management, Responsible Gaming and Bonusing were the most popular courses. We also onboarded a new training provider for Information Security courses and have invested greatly in curating and designing a comprehensive Leadership training programme, which commenced this quarter.

  - 16 external courses and conferences were completed and attended by GiGsters from Media, Platform, and Group achieving certifications in ISACA, Cybersecurity, Agile Leadership, Strategic Leadership, Mindfulness Coaching, Plural Sight and more.

  - GiG Leadership Programme highlights: This programme emphasises the importance of authentic, compassionate and inclusive leadership. Over 50 leaders across all locations and business units have started this programme, focussing on coaching sessions four training sessions on Engaging People with KPI's, Empowering others to grow, Emotional Intelligence and Embracing the challenge of change.

- **Redeveloped Information Security intranet.** Redefining a one-stop-shop for all things InfoSec. Our efforts to provide a secure and safe environment continue, and this is why the team has also relaunched a fresh and engaging security education, training and awareness program over the next 3 years. This framework ranges from virtual short training modules, to live classroom-setting workshops, disseminated over the quarters for every team member at GiG. In line with new training, we continue to share our own take on incidents happening around the world and how we continue to protect GiG's ecosystem.

- **GiG Gives - Bridging the gap:**

  Education Incubator: We've been working hard as always to overcome internal pressure on resources, and have hit a roadblock which has pushed us to regretfully postpone this initiative until H1 2023. This still remains as one of our top priorities and we are fully committed to its commencement. Not only is this a personal passion project for our sustainability team, but also a brilliant addition to our communities. Meanwhile, we will continue to focus on fundraising activities throughout the year, and all funds raised will go towards the foundations we've already engaged with in this process.

  Community Outreach:
  We've donated
  - Almost 98kgs of food in Malta to a women and children's shelter
  - 23 PC Desktops and 18 monitors were donated to an African school based in Malta worth a total of 3,200 euros and 5 PC desktops were donated to a Ukrainian family worth 500 euros.
  - **Ukraine Crisis Appeal.** Our support is continuous and is still active in all efforts mentioned in our Q1 report.

- **ESG**

  In 2021 we embarked on the journey every company should be taking to record and report on the 4 categories and 12 subcategories of ESG reporting. We are fully committed to reducing our impact on the global environment, and we are excited to begin our journey in earnest to achieve Net Zero through analysis, reduction and neutralisation. Based on initial indications we believe we can achieve this by 2030. We will publish our strategic roadmap in 2023, with comprehensive measurements and KPIs.

Our areas of focus in Q1 - Q4 2022

Environmental sustainability assessment, including full Environmental, Social Governance reporting:

a. Scope 1, 2 and 3 carbon emissions assessment, with the aim of becoming Net Zero by 2030 - we will publish the full strategy on how we will achieve this in 2023.

   i. Reducing consumption and waste. We are recycling paper, plastic, glass, organic material, printer toner and batteries in all of our locations, including electronic waste, and we have started to record all of our energy consumption. **We aim to reduce our energy and water consumption by 5% in 2022**, even though we have more people coming back into offices.

   ii. Improving merchandise practices. With feedback from the 'Have your say' survey our people fed back saying they are happy to reduce the impact on our global environment by reducing our merchandise. Our goal is to reduce our consumption of physical merchandise and related CO^2 emission by 25% in 2022 and we have made great headway and are on track to do so.

b. Focussing on improving our supplier chain ethics including full assessment

   i. We embarked upon an initial ESG supply chain rating analysis giving Net Positive observations from the top c.€28m spend;

   ii. GiG's Legacy measured c.€10.5m against substantially weighted ESG analyst data.

   iii. With 66% of spend within the software and Internet sector, meaning the measured ESG investment combined with Microsoft excellent ESG rating performance, gives GiG.com a **good 58.96 ESG score**.

Consolidated Financial Statments

Gaming Innovation Group Inc.

Condensed Statements of Operations

EUR 1000 - Unaudited	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Revenues	26 512	19 260	49 565	37 405	82 155
Cost of sales	1 401	891	2 466	1 614	4 167
Gross profit	**25 111**	**18 369**	**47 099**	**35 791**	**77 988**
Marketing expenses	7 545	4 914	14 287	9 604	23 005
Other operating expenses	9 261	7 816	17 817	15 517	32 244
Total operating expenses	**16 806**	**12 730**	**32 104**	**25 121**	**55 249**
EBITDA adjusted	**8 305**	**5 639**	**14 996**	**10 670**	**22 739**
Share option expense (non-cash)	568	110	751	216	644
EBITDA	**7 737**	**5 529**	**14 245**	**10 454**	**22 095**
Depreciation & amortisation	4 193	2 171	6 713	4 256	9 336
Amortisation of acquired affiliate assets	1 146	1 044	2 253	2 134	4 313
EBIT	**2 398**	**2 313**	**5 278**	**4 064**	**8 446**
Financial income (expense)	-2 032	-1 855	-3 688	-3 289	-8 201
Unrealized exchange gain(loss) on the bond	1 864	-438	2 371	354	1 064
Result before income taxes	**2 230**	**20**	**3 961**	**1 129**	**1 309**
Tax income/(expense)	-247	-188	-426	-1 304	519
Profit/(loss) from continuing operations	**1 983**	**-168**	**3 535**	**2 433**	**1 828**
Profit/(loss) from discontinuing operations	-678	-289	-1 157	-775	-1 890
Profit/(loss) for the period	**1 305**	**-457**	**2 377**	**1 658**	**-62**
Exchange differences on translation of foreign operations	106	129	73	86	-323
Total comprehensive income/(loss)	**1 411**	**-328**	**2 450**	**1 744**	**-385**
Total comprehensive income/(loss) attributable to:					
Owners of the Company	1 410	-326	2 449	1 748	-385
Non-controlling interests	1	-2	1	-4	-
Total comprehensive income/(loss)	**1 411**	**-328**	**2 450**	**1 744**	**-385**
Weighted average shares outstanding (1000)	122 787	92 542	109 803	91 315	94 018
Diluted weighted average shares outstanding (1000)	122 787	92 542	109 803	91 315	94 018
Basic and diluted earnings (losses) per share:					
- from continuing operations:	0.02	0.00	0.02	0.00	0.02
- from discontinuing operations	-0.01	0.00	-0.01	0.00	-0.02
- attributable to GiG Inc.	0.01	0.00	0.01	0.00	0.00

Gaming Innovation Group Inc.

Condensed Statements of Financial Position

EUR 1000 - Unaudited	30 June 2022	30 June 2021	31 Dec 2021
Assets			
Non-current assets:			
Goodwill	78 654	16 284	16 325
Intangible assets	61 128	34 663	31 732
Deposits and other non-current assets	12 744	14 725	13 481
Total non-current assets	**152 526**	**65 672**	**61 539**
Current assets:			
Trade and other receivables	21 775	12 162	17 569
Cash and cash equivalents	11 604	7 572	8 561
Total current assets	**33 378**	**19 734**	**26 131**
Total Assets	**185 904**	**85 406**	**87 669**
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	84 322	86 992	84 323
Share premium/reserves	84 743	32 432	35 491
Retained earnings (deficit)	-105 462	-106 303	-107 912
Total equity attributable to GiG Inc.	63 603	13 121	11 902
Non-controlling interests	24	15	23
Total shareholders' equity	**63 626**	**13 136**	**11 925**
Liabilities:			
Trade payables and accrued expenses	36 605	15 219	20 485
Lease liabilities	1 717	2 363	3 156
Short term bond	4 258	3 874	3 853
Total current liabilities	**42 580**	**21 456**	**27 494**
Bond payable	44 958	38 574	38 850
Other long term liabilities	33 239	11 736	9 400
Deferred tax liability	1 501	504	0
Total long term liabilities	**79 698**	**50 814**	**48 250**
Total liabilities	**122 278**	**72 270**	**75 744**
Total liabilities and shareholders' equity	**185 904**	**85 406**	**87 669**

Condensed statements of changes in equity:

Equity at beginning of period	**11 925**	**3 606**	**3 606**
Adjustment in prior period	-	-	8
Loan converted to shares	-	8 051	8 051
Shares issued for acquisition	48 500	-	-
Share compensation expense	751	216	645
Exchange differences on translation of foreign operations	73	86	-323
Net results from continuing operations	3 535	2 433	1 828
Net results from discontinuing operations	-1 157	-775	-1 890
Equity at end of period	**63 626**	**13 617**	**11 925**

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows

EUR 1000 - Unaudited

	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Cash flows from operating activities:					
Results from continuing operations before income taxes	2 230	20	3 961	1 129	1 309
Income/(loss) from discontinued operations	-678	-289	-1 157	-775	-1 890
Adjustments to reconcile profit before tax to net cash flow:					
Tax expense	-247	-188	-426	1 305	520
Depreciation and amortization	5 816	3 589	9 442	6 813	14 602
Share based compensation	568	-	751	-	645
Transaction costs	-435	-	-1 600	-	-67
Other adjustments for non-cash items and changes in operating assets and liabilities	2 285	402	2 382	-5 053	-2 188
Net cash provided by operating activities	**9 539**	**3 534**	**13 352**	**3 419**	**12 931**
Cash flows from investing activities:					
Purchases of intangible assets	-3 786	-2 490	-6 658	-4 473	-8 625
Purchases of property, plant and equipment	-139	-252	-139	-348	-577
Acquisition of associates	-31 922	-26	-31 922	-26	-26
Net cash from investing activities	**-35 847**	**-2 768**	**-38 762**	**-4 847**	**-9 228**
Cash flows from financing activities:					
Lease liability principal payments	-1 153	-717	-1 984	-1 353	-2 993
Interest paid on bonds	-1 231	-810	-2 331	-1 708	-3 801
Repayment of loans	-751	-	-	-2 328	-2 328
Proceeds from bond issue	-600	42 431	8 446	42 431	42 431
Repayment of bonds	-	-39 632	-	-39 632	-39 632
Proceeds from share issue	25 000	-	25 000	-	-
Net cash from financing activities	**21 265**	**1 272**	**28 380**	**-2 590**	**-6 323**
Translation loss	106	-43	73	86	-323
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	**-4 938**	**1 995**	**3 043**	**-3 932**	**-2 943**
Cash and cash equivalents - beginning	16 542	5 577	8 561	11 504	11 504
Cash and cash equivalents attributable to discontinued operations	-	-	-	-	-
Cash and cash equivalents - end	**11 604**	**7 572**	**11 604**	**7 572**	**8 561**

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 June 2022 and 2021

1. General information

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

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

2. Revenue recognition

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

Reported numbers - EUR 1000 - Unaudited	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Revenues	26 512	19 260	49 565	37 405	82 155
Cost of sales	1 401	891	2 466	1 614	4 167
Gross profit	**25 111**	**18 369**	**47 099**	**35 791**	**77 988**
Marketing expenses	7 545	4 914	14 287	9 604	23 005
Other operating expenses	9 261	7 816	17 817	15 517	32 244 528
Total operating expenses	**16 806**	**12 730**	**32 104**	**25 121**	**55 249**
Adjusted EBITDA	**8 305**	**5 639**	**14 996**	**10 670**	**22 739**
Non-cash option expenses	568	110	751	216	644
EBITDA	**7 737**	**5 529**	**14 245**	**10 454**	**22 095**

Normalised numbers - EUR 1000 - Unaudited	Q1 2022	Q1 2021	6M 2022	6M 2021	2021
Revenues	22 125	16 134	41 179	31 264	66 343
Cost of sales	227	89	256	79	868
Gross profit	**21 898**	**16 045**	**40 923**	**31 185**	**66 475**
Marketing expenses	4 332	2 590	8 111	4 998	11 208
Other operating expenses	9 261	7 816	17 817	15 517	31 528
Total operating expenses	**13 593**	**10 406**	**25 928**	**20 515**	**42 736**
Adjusted EBITDA	**8 305**	**5 639**	**14 996**	**10 670**	**22 739**
Non-cash option expenses	568	110	751	216	644
EBITDA	**7 737**	**5 529**	**14 245**	**10 454**	**22 095**

3. Basis of preparation

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the periods ended 30 June 2022 and 2021 of Gaming Innovation Group Inc. and subsidiaries and have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated financial statements for the periods ended 30 June 2022 and 2021 have not been audited by the Company's auditors.

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

The condensed consolidated financial statements of the Company as at and for the periods ended 30 June 2022 and 2021 are comprised of its subsidiary Plc and Plc's related accounting basis subsidiaries.

4. Summary of significant accounting policies

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended 30 June 2022 and 2021 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2021. See the 2021 Annual Report for more details, hereunder the Company's Revenue Recognition Policy.

Discontinued Operations

In accordance with IFRS 5, the B2C and Sports financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 30 June 2022 and 2021 and full year ended 31 December 2021 and 2022 respectively.

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

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

5. Impairment of intangible assets

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

6. Segment information

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

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

Q2 2022 (EUR 1000)	Media	Platform	Total
Revenue	14 801	11 710	26 511
Cost of sales	-	-1 401	-1 401
Marketing costs	-4 169	-3 376	-7 545
Other operating costs	-3 591	-5 671	-9 261
EBITDA adjusted	7 041	1 262	8 304
Share option expense (non-cash)	-102	-466	-568
Depreciation & amortisation	-1 973	-3 366	-5 339
Operating profit/(losses)	**4 966**	**-2 570**	**2 397**

Q2 2021 (EUR 1000)	Media	Platform	Total
Revenue	10 988	8 272	19 260
Cost of sales	-	-891	-891
Marketing costs	-2 563	-2 351	-4 914
Other operating costs	-3 085	-4 731	-7 816
EBITDA adjusted	5 340	299	5 639
Share option expense (non-cash)	-56	-54	-110
Depreciation & amortisation	-1 905	-1 313	-3 218
Operating profit/(losses)	**3 379**	**-1 068**	**2 311**

6M 2022 (EUR 1000)	Media	Platform	Total
Revenue	28 857	20 708	49 565
Cost of sales	0	-2 465	-2 465
Marketing costs	-7 930	-6 357	-14 287
Other operating costs	-6 987	-10 831	-17 817
EBITDA adjusted	13 940	1 055	14 996
Share option expense (non-cash)	-152	-599	-751
Depreciation & amortisation	-3 906	-5 061	-8 967
Operating profit/(losses)	**9 882**	**-4 605**	**5 278**

6M 2021 (EUR 1000)	Media	Platform	Total
Revenue	21 023	16 382	37 405
Cost of sales	0	-1 614	-1 614
Marketing costs	-4 995	-4 609	-9 604
Other operating costs	-6 030	-9 488	-15 517
EBITDA adjusted	9 998	671	10 670
Share option expense (non-cash)	-112	-104	-216
Depreciation & amortisation	-3 891	-2 499	-6 390
Operating profit/(losses)	**5 995**	**-1 932**	**4 064**

2021 (EUR 1000)	Media	Platform	Total
Revenue	44 970	37 185	82 155
Cost of sales	-	-4 167	-4 167
Marketing costs	-10 959	-12 046	-23 005
Other operating costs	-13 031	-19 214	-32 244
EBITDA adjusted	20 980	1 758	22 739
Share option expense (non-cash)	-275	-369	-644
Depreciation & amortisation	-7 259	-6 389	-13 648
Operating profit/(losses)	**13 446**	**-5 000**	**8 446**

7. Discontinued operations

B2C Operations

In April 2021, the Company completed the sale of its B2C assets to Betsson Group (Betsson). In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company's financial statements as of and for the periods ended 30 June 2022 and 2021.

Sports

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

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 30 June 2022 and 2021 and the full year 2021:

(EUR 1000)	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Net revenue	100	97	217	257	419
Other income	-	-	-	-	-
Expenses	-778	-386	-1 374	-1 032	-2 309
Impairment losses	-	-	-	-	-
Loss on disposal of B2C segment	-	-	-	-	-
Operating profit/(losses)	**-678**	**-289**	**-1 157**	**-775**	**-1 890**
Loss from discontinued operations attributable to:					
Owners of the Company	-678	-289	-1 157	-775	-1 890
Non-controlling interest	-	-	-	-	-
	-678	**-289**	**-1 157**	**-775**	**-1 890**
Net cash flow from operating activities	-678	-289	-1 157	-775	-1 890
Net cash flow from investing activities	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	-	-	-	-	-
Net increase in cash generated by discontinued operations	**-678**	**-289**	**-1 157**	**-775**	**-1 890**

8. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in profitable periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 30 June 2022, the Company had 3,420,000 options outstanding.

9. Changes in equity

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

In February 2022, the Board of Directors granted 1,700,000 options to key employees with an exercise price of NOK 22.00 per share, exercisable with 20% after 1 January 2023, 30% after 1 January 2024 and 50% after 1 January 2025. All options expire on 31

December 2027 and are conditional upon employment at time of exercise. The options were granted under the option plan approved by the Annual Meeting of Shareholders in May 2019. After the grant, a total of 3,420,000 options are outstanding.

As at 30 June 2022, the number of authorised shares was 150,000,000 where of 122,786,526 shares and 3,420,000 options were outstanding.

10. Loans payable

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

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

Through the business combination transaction with Sportnco (see Note 12), the Company has acquired a number of loans with credit institutions, whereof the largest being in the amount of EUR 11.7 million with maturity in 2027 and interest of 1.8%. The remaining loans aggregates EUR 6.2 million with maturities varying from 2024 to 2028 and interest rates from 0.00-2.48%.

The outstanding short-term part of the loans at 30 June 2022 was EUR 1.6 million (2021: EUR 0), and the long-term part of the loans on 30 June 2022 was EUR 3,5 million (2021: EUR 0).

11. Senior secured bonds

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

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

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

The outstanding balance of the short-term part of the bond at 30 June 2022 was EUR 4,257,894 (2021: EUR 3,487,463). The outstanding balance of the long-term part of the bond on 30 June 2022 was EUR 44,957,816 (2021: EUR 38,573,680). Accrued interest amounted to EUR 265,665 (2021: EUR 221,703).

12. Business combinations

Acquisition of Sportnco Gaming SAS

Subsequent to a Share Purchase Agreement to acquire the iGaming company Sportnco Gaming SAS ("Sportnco") on 22 December 2021, Gaming Innovation Group has received the necessary approvals from relevant authorities, and GiG's Board of Directors resolved to complete the acquisition with effect on 1 April 2022. GiG acquired 100% of the issued shares of Sportnco, an unlisted group based in France, a leading sports betting and gaming solutions provider in the online gambling industry. As a result of the acquisition, GiG strengthens its position in the platform and sports segments of the iGaming industry and will have multiple possibilities going forward by increasing its product portfolio driving toward a profitable and cash generating business segment.

The goodwill of EUR 63.5 million arising from the acquisition consists largely of the synergies, increased value proposition with ever increasing growth prospect and further diversification of revenue and geographical reach expected from combining the operations of GiG and Sportnco.

None of the goodwill recognised is expected to be deductible for income tax purposes.

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

Consideration (EUR 1000)	
Equity instruments (12,623,400 ordinary shares in GIG) (i)	23 500
Cash transfer	31 922
Initial Consideration	55 422
Contingent consideration (ii)	21 857
Total Purchase Price (Equity Value)	77 279

Acquisition related costs amounting to EUR0.9m and EUR0.7m are included in Finance costs in GiG's statement of comprehensive income for the year ended 31 December 2021 and 30 June 2022 respectively.

Recognised amounts of identifiable assets acquired and liabilities assumed

Asset valuation (EUR 1000)	
Cash and cash equivalents	4 419
Debt	-18 628
Trade and other receivables	1 718
Trade and other payables	-1 711
Deferred Tax	-377
Technology Platform	16 242
Other tangible assets	199
Contracts – Fair Value	14 037
Deferred tax liability on Contracts FV	-702
Asset Valuation	14 927
Goodwill	62 352

(i) Equity instruments

As part of the consideration paid for Sportnco, EUR23.5million was agreed to be paid in ordinary shares. 12,623,400 ordinary shares were issued and measured using The Volume-Weighted Average Price ("VWAP") (NOK 18.08) of GiG's ordinary shares for the ten days of trading preceding the acquisition date. GiG also entered into an agreement with SkyCity Entertainment Group Limited ("SkyCity") in December 2021, whereby SkyCity invested EUR25 million in GiG through a directed share issue at NOK 18.00 per share, equal to 13,487,500 new GiG shares, financing the main part of the cash consideration to the shareholders of Sportnco. GiG issued 26,110,900 new shares to the shareholders of Sportnco and SkyCity, increasing the number of outstanding shares from 96,675,626 to 122,786,526. The shares issued to the shareholders of Sportnco are subject to a 6-month lock-up period.

(ii) Contingent consideration

The contingent consideration arrangement requires GiG to pay the former shareholders of Sportnco a two year earn-out based on the performance in 2022 and 2023 with up to EUR11.5 million per year (undiscounted). The earn-out will be paid 50% in cash and 50% in new shares in GiG, where the number of shares to be issued shall be based on a 10-day VWAP of the GiG share at the time of payment, expected in April 2023 and April 2024. Given the nature of the arrangements, all the contingent consideration is classified as a liability in GiG's financial statements.

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

The fair value of the contingent consideration arrangement of EUR21.8 million was estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13: Fair Value Measurement refers to as Level 3 inputs. The key assumption revolves around the Sportnco estimated earnings before interest, tax, depreciation and amortisation ("EBITDA") since the contingent consideration is dependent on EBITDA achieved by Sportnco.

The estimated EBITDA is based on historical trends, observations and results achieved by Sportnco and subject to a 95% estimate factor. Should the expected results increase/decrease by 5%, the contingent consideration would be increase/decrease by EUR1.15 million. An increase/decrease in the contingent consideration would affect the payable amount recognised in the statement of financial position, with the corresponding adjustment impacting the profit or loss.

The contingent consideration arrangement expires within 18 months and the effect of discounting would not warrant any material adjustments to EBITDA estimates.

As at 30 June 2022, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.

(iii) Other information

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

The revenue included in the consolidated statement of comprehensive income until 30 June 2022 contributed by Sportnco was EUR 2.7 million. Sportnco also contributed a profit of EUR546,270 over the same period. Had Sportnco been consolidated from 1 January 2022, the consolidated statement of comprehensive income would have included revenue of EUR5.1 million and profit of EUR578,067.

(iv) Transactions recognised separately from the acquisition

Further, as an incentive to retain key talent in Sportnco, a 30-month option program has been entered into, whereby the option holders, pending continued employment, will receive shares in GiG at future VWAP valuation up to a total aggregate value of EUR4 million. GiG recognises an equity-settled share-based payment expense in its post-combination profit or loss over the vesting period, against an increase in its share option reserves as a component of equity.

13. Litigations

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

14. Related party transactions

There were no material related party transactions in the second quarter 2022 other than the loans mentioned in Note 10.

15. Subsequent events

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

16. Alternative performance measures

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

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBIT margin: EBIT in percent of Normalised revenues

EBITDA: Operating profit less depreciation, amortization and impairments

Adjusted EBITDA: EBITDA less option expenses

EBITDA margin: EBITDA in percent of Normalised revenues

Adjusted EBITDA margin: Adjusted EBITDA in percent of Normalised revenues

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

Gaming tax: Taxes paid on revenues in regulated markets

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

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

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

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

Normalised revenues: See description in Note 2

Organic growth: Growth excluding acquisitions

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

Gaming Innovation Group plc.

Condensed statement of operations

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

As per the bond terms, the interim condensed consolidated accounts for the issuer for the periods ending 30 June 2022 and 2021 and full year 2021 are stated below. Please refer to the selected notes to condensed consolidated financial statements for the parent Gaming Innovation Group Inc. for more information.

EUR 1000 - Unaudited	Q2 2022	Q2 2021	6M 2022	6M 2022	2021
Revenues	26 512	19 260	49 565	37 405	82 155
Cost of sales	1 401	891	2 466	1 614	4 167
Gross profit	**25 111**	**18 369**	**47 099**	**35 791**	**77 988**
Operating expenses					
Marketing expenses	7 545	4 914	14 287	9 604	23 005
Other operating expenses	8 906	7 602	17 219	14 981	31 079
Total operating expenses	**16 451**	**12 516**	**31 506**	**24 585**	**54 084**
EBITDA adjusted	**8 660**	**5 853**	**15 594**	**11 206**	**23 904**
Share option expense (non-cash)	568	110	751	216	644
EBITDA	**8 092**	**5 743**	**14 843**	**10 990**	**23 260**
Depreciation & amortisation	4 193	2 172	6 713	4 256	9 336
Amortisation on acquired affiliate assets	1 146	1 044	2 253	2 134	4 313
EBIT	**2 753**	**2 527**	**5 876**	**4 600**	**9 610**
Financial income (expense)	-185	-2 077	-1 350	-2 424	-6 573
Result before income taxes	**2 568**	**450**	**4 526**	**2 176**	**3 037**
Tax income/(expense)	-247	-188	-426	1 304	-631
Profit/(loss) from continuing operations	**2 321**	**262**	**4 100**	**3 480**	**2 406**
Profit/(loss) from discontinuing operations	-678	-289	-1 157	-775	-1 890
Profit/(loss) for the period	**1 643**	**-27**	**2 942**	**2 705**	**515**
Exchange differences on translation of foreign operations	106	129	106	86	24
Fair value movement in available for sale investment	-	-	-	-	-
Total comprehensive income (loss)	**1 749**	**102**	**3 048**	**2 791**	**542**
Total Comprehensive income (loss) attributable to:					
Owners of the Company	1 748	102	3 047	2 791	534
Non-controlling interests	1	-	1	-	8
Total comprehensive income (loss)	**1 749**	**102**	**3 048**	**2 791**	**542**

Gaming Innovation Group plc.

Condensed statements of financial position

EUR 1000 - Unaudited	30 June 2022	30 June 2021	31 December 2021
Assets			
Non-current assets:			
Goodwill	68 206	5 836	5 877
Intangible assets	61 128	34 663	31 732
Deposits and other non-current assets	12 433	14 400	13 170
Total non-current assets	**141 767**	**54 899**	**50 779**
Current assets:			
Trade and other receivables	21 789	12 098	17 565
Cash and cash equivalents	10 184	5 582	8 484
Total current assets	**31 973**	**17 680**	**26 049**
Total assets	**173 740**	**72 579**	**76 829**
Llabilities and shareholders' equity			
Shareholders' equity:			
Share capital	51	51	51
Share premium/reserves	136 978	87 172	88 208
Retained earnings (deficit)	-88 874	-90 662	-92 241
Total equity attributable to GiG Inc.	48 155	(3 439)	(3 982)
Non-controlling interests	24	14	23
Total shareholders' equity	**48 179**	**(3 425)**	**(3 959)**
Llabilities:			
Trade payables and accrued expenses	36 629	19 108	20 485
Lease liabilities	1 717	2 363	3 156
Bond payable	4 258	3 874	3 853
Total current liabilities	**42 604**	**25 345**	**27 494**
Bond payable	44 958	38 575	38 850
Deferred tax liability	9 510	11 769	9 313
Other long term liabilities	1 501	480	5 131
Total long term liabilities	**82 957**	**50 659**	**53 294**
Total liabilities	**125 561**	**76 004**	**80 788**
Total liabilities and shareholders' equity	**173 740**	**72 579**	**76 829**

Gaming Innovation Group plc.

Condensed statement of cash flows

EUR 1000 - Unaudited

	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Cash flows from operating activities:					
Results from continuing operation before income taxes	2 568	450	4 527	2 176	3 037
Results from discontinued operations	-678	-289	-1 157	-775	-1 890
Adjustments. to reconcile profit before tax to net cash flow:					
Tax expense	-247	-	-426	-	-234
Depreciation and amortization	5 816	3 589	9 442	7 202	14 689
Share based compensation	574	109	751	228	642
Loss on disposal of B2C division	-	-	-	-	36
Other adjustments for non-cash items and changes in operating assets and liabilities	1 403	796	-8 119	-3 837	-3 086
Net cash provided by operating activities	**9 436**	**3 672**	**5 017**	**4 766**	**12 516**
Cash flows from investing activities:					
Purchases of intangible assets	-3 786	-2 461	-6 658	-4 444	-8 596
Purchases of property, plant and equipment	-139	-252	-182	-348	-577
Disposal/acquisition of associates	-31 922	0	-31 922	-26	-26
Net cash from investing activities	**-35 847**	**-2 739**	**38 762**	**-4 818**	**-9 199**
Cash flows from financing activities:					
Proceeds from/repayment of loans	6 224	-	6 224	-	-
Lease payments	-1 153	-809	-1 984	-1 597	-3 237
Interest paid on bonds	-1 231	-	-2 331	-898	-2 991
Proceeds from/repayment of bonds	-600	-	8 446	-	3 263
Proceeds from issuance of shares	25 000	-	25 000	-	-
Net cash from financing activities	**28 260**	**-809**	**35 375**	**-2 495**	**-2 965**
Translation loss	136	-43	106	86	86
Fair value movements	-	-	-	-	-
Net increase (decrease) in cash	**1 985**	**81**	**1 702**	**-2 461**	**438**
Cash and cash equivalents - beginning	8 198	5 501	8 481	8 043	8 043
Cash and cash equivalents - end	**10 183**	**5 582**	**10 183**	**5 582**	**8 481**

We are
Gaming Innovation Group

Gaming Innovation Group Inc. ("GiG" or "the Company") is a technology company operating in the iGaming industry. Offering cutting edge cloud-based services and performance marketing through their B2B solutions. Founded in 2012, Gaming Innovation Group's vision is "to be the industry leading platform and media provider delivering world class solutions to our iGaming partners and their customers". GiG's agile iGaming platform is adaptable to change, providing partners with the choice and flexibility of selecting content and services tailored to their specific market requirements, delivering a seamless omnichannel experience. Furthermore GiG is a lead generation and marketing provider with a 360 degree digital offering, supplying high value leads with global reach. All driving sustainable growth and profitability through product innovation, scalable technology and quality of service. GiG's strategy is centered on three customer focused business areas, which is key to be a relevant supplier, supported by its group ambition for top performance and operational excellence

Media
Digital Marketing

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

Platform
Platform Services

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

Sportnco
Sports Services

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

Managed Services

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

Business Model

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

GiG realises that all partners do not have the same needs and offers all products and services agnostically so the partner can pick and choose what products and services fit their needs at different times through their igaming journey. The same agnostic approach is also extended to content suppliers and auxiliary providers, where partners can choose the best tools and content for their operation and target market.

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

Malta (Headquarters)

@GiG Beach
Golden Mile Business Centre
Triq Id-Dragunara

St Julian’s STJ 3148

Spain

Avenida Ricardo Soriano 21
Marbella

Malaga 29601

Denmark

Nannasgade 28

2200 Copenhagen N

United States

8359 Stringfellow Rd

St James City, FL 33956

Norway

Fridjtof Nansens Plass 6

0160 Oslo

Latvia

Audēju street 15, floor 5th

Riga, LV-1050