Q3 2020

Gaming Innovation Group Inc.
Interim Report

GiG

CONTENTS

Q3 2020 Interim Report

Highlights

Financial Highlights*

- Continued quarterly growth with revenues in Q3 2020 of €17.9m (10.1), 78% growth Y/Y and 8% Q/Q. Adjusted revenues were €14.2m (10.0), 42% growth Y/Y and 8% Q/Q
- EBITDA in Q3 2020 was €3.2m (-0.4), up 850% Y/Y and 12% Q/Q. Adjusted EBITDA margin of 22.5% (-4.3%)
- Adjusted revenues for Platform Services were €5.4m (3.6), 51% growth Y/Y and 14% Q/Q.
- Platform Services had positive EBITDA in September, EBITDA for the quarter ended at €-0.1m (-2.1), a 96% improvement Y/Y and 91% Q/Q.
- Revenues in Media Services were €8.6m (8.0) in Q3 2020, EBITDA was €4.0m (4.2)
- EBITDA for Sports Betting Services improved to €-0.7m (-1.8), and includes €0.3m in non-recurring redundancy expenses.

€14.2m
Revenue adj.

42%
Growth Y/Y

8%
Growth Q/Q

Operational Highlights

- The sales pipeline developed positively, and 6 new agreements were signed for Platform Services in the third quarter, adding to a total of 10 so far in 2020
- Entered into a strategic partnership with Betgenius, creating a fully integrated sportsbook and platform solution for operators in regulated markets
- Sports Betting Services restructuring continued, with a further reduction in operating expenses quarter over quarter, placing Sports Betting Services in a sustainable position for growth and strategic partnerships
- WSN.com continued to grow in the US market with ATH in September, now present in nine US states
- GiG's platform went live with Betsson's Rizk.com brand in two new regulated markets, Croatia and Spain
- The number of employees decreased from 695 to 467 year-on-year, whereof around 40 supports the transition agreement with Betsson.

€3.2m
EBITDA

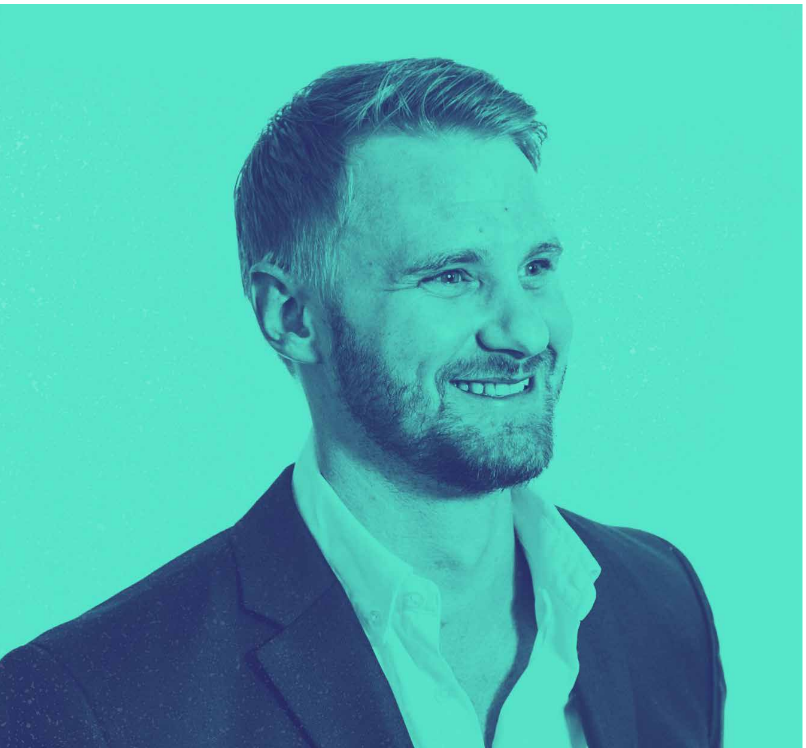
850%
Growth Y/Y

12%
Growth Q/Q

Events after Q3 2020

- Signed a long term agreement with Slotbox Limited, a creation of Ireland's leading casino group for the provision of GiG's iGaming platform, omnichannel solution and frontend development to launch their new online casino
- Signed a long-term agreement with Bet Seven Online Ltd for the provision of GiG's platform, frontend development and managed services to launch its first brand, SuperSeven
- As part of the strategy to end white label agreements, GiG has rescinded its Swedish and UK licenses
- October have remained stable and reported revenues are 48% better than the same period last year

*Continued operations



Letter from the CEO

“Well positioned to continue to deliver growth and results”

Dear Shareholders,

The third quarter of 2020 has delivered a significant step forward for GiG as a B2B focused organisation. Year over year adjusted revenues grew by 42%, while EBITDA improved by €3.6M (850%). This growth in financial performance is complemented with strong success in the platform sales funnel which resulted in six additional long term contracts signed in the quarter, securing future recurring revenue growth. The majority of the new contracts comes from newly regulated markets. I am confident in the continued development in our sales pipeline which continues to develop stronger than ever and shows strength of long term value driving contracts.

During the third quarter we continued to execute along our overall cost saving programs with opex down 14% year over year, while still absorbing around €500K of one-off costs related to the restructuring of the business.

Our platform went live in two new and exciting regulated markets of Spain and Croatia supporting Betssons expansion of the Rizk brand and is a testament to the flexible and robust nature of the platform. We continue to make entry into new regulated markets a key priority for GiG which is where we see a growing demand and market position, as well as more diversified, sustainable and profitable revenues.

We delivered stable revenues in our Media division despite the impact of consumer demand subsiding as global lockdown eased over the summer months, but still outperforming a more normalised rate delivered in the first quarter by 5%. Our Media activities in the US continued to gather pace during the quarter and was the first quarter where we saw a breakthrough in customer acquisition in the market via both publishing and paid channels.

The cost optimisation program within the sportsbetting vertical continued with quarterly opex reduction of €250K plus approximately €300K in one off costs that will not be present from October onward. These actions taken over the last 5 months are placing the unit in a sustainable position while signing a partnership with leading global sports betting data and management company Betgenius will enable further sportsbook contract wins (as demonstrated with the signing of major LATAM operator) that will drive the revenue and the unit into profitability.

The regulation of the gambling industry is driving long term opportunity and success for GiG. There might be a short term impact as markets such as Germany transition into the regulations, however GiG is confident that mid to long term the growth of new partners who move from retail into online, such as our recent signing Tipwin, because the local regulation of iGaming and sportsbetting, will lead to growth that outstrips the current markets opportunity for GiG.

I am very proud of the efforts and dedication of the entire organisation over the last 12 months who have contributed so valuably towards such year over year growth in both revenues and EBITDA and we now look to set out the road to grow towards the next phases of the Company’s growth. We continue to focus on the optimisation of the Company towards a pure B2B organisation that is well positioned to continue to deliver results and growth. As demonstrated in the third quarter, we will grow our existing business while continuing to enter new markets, add new contracts and further recurring revenue streams to the business, driving the Company onward towards its long term ambition of becoming a top 3 company within the B2B iGaming space.

Richard Brown
CEO

Summary & Outlook

Gaming Innovation Group Inc. (GiG) continued its quarterly growth in the third quarter 2020, with reported revenues of €17.9 (10.1) million and an EBITDA of €3.2 (-0.4) million.

Platform Services

Platform Services continued to grow in the third quarter, and adjusted revenues were €5.4 (3.6) million, a 51% increase Y/Y and 14% Q/Q. EBITDA for the third quarter 2020 was €-0.1 (-2.1) million, a €2.0 million improvement Y/Y and €0.8 million Q/Q.

The sales pipeline developed positively, and six new contracts were signed in the third quarter. In addition two contracts have been signed so far in the fourth quarter, adding up to an integration pipeline consisting of 15 new brands, whereof six are land based operators going online and eight in new regulated markets.

COVID-19 has caused delays in the signing of new clients, resulting in later onboarding than previously anticipated. GiG has kept its operational capacity to handle the integrations, and with the new clients going live in 2021 combined with reduced infrastructure cost, Platform Services will contribute positively in 2021.

Media Services

Media Services had stable revenues in the third quarter 2020, up 7% Y/Y and in line with the second quarter 2020, despite changing markets as COVID-19 restrictions were eased in most market during the quarter and seasonality. Paid media continues to see quarter on quarter improvements with revenue up 50% Y7Y and 10% Q/Q.

GiG's proprietary US affiliate site, World Sports Network (WSN.com) continued to grow in the US in the quarter and is now present in nine US states after having received affiliate licenses in West Virginia and Tennessee.

GiG Media will continue to expand its global footprint in order to diversify its revenue base on a market level and capture new growth opportunity in both Publishing and Paid media. New regulated markets provides the paid media segment significant opportunity, and as more markets open up, GiG is confident that this segment will continue to develop positively. Media Services is expected to continue to improve and show robust performance in 2021.

	Q3-20	Q3-19	9M-20	9M-19	2019
Revenue	17.9	10.1	45.8	33.6	44.1
Gross profit	17.0	9.8	43.6	32.9	43.1
Marketing expenses	4.5	1.3	10.7	4.2	5.3
Operating expenses	9.3	9.0	26.3	25.3	34.4
EBITDA	3.2	-0.4	6.6	3.4	3.4
EBIT	-1.6	-9.2	-8.5	-17.3	-24.1
Income/(loss) from discontinued operations	-2.3	2.5	-1.3	4.1	-31.7
Net results	-4.9	-8.4	-13.6	-17.4	-64.7
EPS (EUR)	-0.06	-0.09	-0.15	-0.19	-0.72

Sports Betting Services

GiG signed a strategic partnership with Betgenius, creating a fully integrated sportsbook and platform solution for operators in regulated markets by bringing together GiG's platform technology with Betgenius' end-to-end live data, trading and risk management services. The partnership signed its first client in September, a long-term contract with a major LatAm operator.

Betgenius took over all day-to-day sportsbook management operations in September, reducing GiG's operating expenses. In addition, the restructuring of Sports Betting Services continued in the quarter, resulting in a 21% reduction in operating expenses compared to the second quarter, and 47% if excluding non-recurring redundancy costs.

With its partnership with Betgenuis and new cost base, Sports Betting Services should reach breakeven in a reasonable time-frame, while still presenting significant growth opportunity and upside in online gambling's largest vertical.

Outlook and Guidance

Several new agreements have been entered into for Platform Services over the last six months, securing recurring revenues from 2021 from new regulated markets. The current pipeline is strong, and further agreements are expected to be signed before year-end.

GiG will continue its focus on cost control, execution and global expansion and the multitude of actions taken in the past quarters will positively impact operations and results going forward.

The recent restrictions in Germany is anticipated to have a short term negative impact on earnings, however GiG is confident that the new regulation will drive demand for its products longer term and secure growth for both Platform Services and Paid media. The signing of Tipwin and other such contracts will provide long-term benefits in the regulated German market.

GiG is pleased with the overall development in 2020, and the contracts signed over the last months and cost initiatives implemented secures further sustainable growth in 2021. Events outside GiG's control, including slower than anticipated onboarding of new clients as COVID-19 delayed contractual processes and uncertainty of the effects of the regulatory restrictions recently implemented in the German market, may have a short term impact. Thus, revenues for 2020 are expected to be in the lower range of the previous guiding €52 – 57 million, with a corresponding reduction in EBITDA, expected around €11.0 million, compared to the previous range of €12.0 – 15.0 million.

Financial Highlights

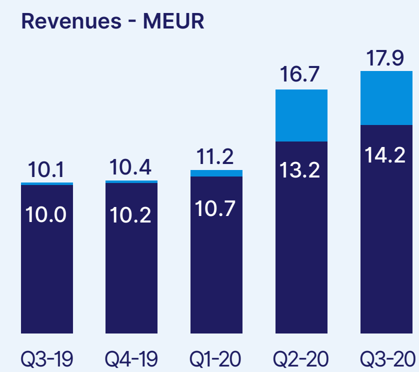
GiG divested its B2C operations effective on 16 April 2020. In accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements for the full year 2019 and for the periods ending 30 September 2019 and 2020. From Q2-2020 and onwards, GiG will show the financial results without B2C as a continued operation, and information on the effect of B2C are included in note 5 on page 28.

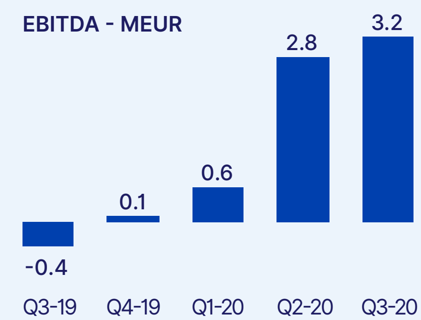
Consolidated revenues in Gaming Innovation Group Inc. (GiG) were €17.9 (10.1) million in the third quarter 2020. Reported revenues includes revenues from Sky City, a platform client where GiG recognize the full operations in its profit and loss statement, and these revenues are partly offset by related cost of sales and site overheads. Adjusted for these revenues, normalized revenues were €14.2m (10.0), a 42% increase year-over-year and 8% quarter-on-quarter.

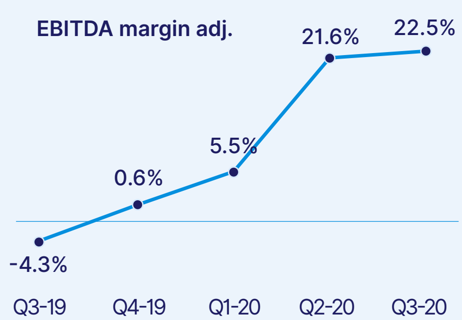
Gross profit for was €17.0 (9.8) million in the third quarter 2020, an increase of 73%. Gross profit margin for the third quarter 2020 came in at 95% (98%). Included in cost of sales are €0.8 (0.0) million related to Sky City operations, and adjusted gross profit margin was 99%.

Marketing expenses were €4.5 (1.3) million in the third quarter 2020. Marketing expenses included €2.9 (0.1) million as site overhead expenses related to Sky City. The €1.6 million balance is mainly related to GiG's paid media operation, a 6% reduction from €1.7 million in the second quarter 2020.

Other operating expenses amounted to €9.3 (9.0) million in the third quarter 2020, an increase of 4%. Adjusted for the effects of dividing previous periods into continued and discontinued operations as per IFRS 5, comparable other operating expenses amounted to €10.9 million in the third quarter 2019 and €8.7 million in the second quarter 2020. The 14% decrease in comparable operating expenses year-over-year is a result of restructuring initiatives on both cost control and operational efficiency together with a reduction in the average number of employees from 656 in the third quarter 2019 to 467 in the third quarter 2020. Continued investments into the development of new technology resulted in capitalized salaries of €1.0 (1.4) million, down 25% year-on-year.







EBITDA was €3.2 (-0.4) million, corresponding to an EBITDA margin of 17.8% (-4.2%). Adjusted for Sky City revenues, the EBITDA margin was 22.5% (-4.3%). The improvement in EBITDA from the second quarter 2020 is a result of both increased revenues and operational efficiency and continued improvement is expected going forward.

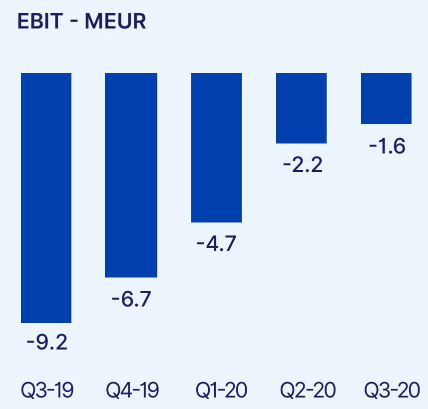
Depreciation and amortisation amounted to €4.8 (5.9) million in the third quarter 2020, an 18% reduction from the third quarter 2019. €1.7 (2.4) million relates to amortisation of intangible assets from affiliate acquisitions completed in 2015 - 2017. GiG is amortising acquired affiliate assets conservatively over three years for customer contracts and eight years for domains/SEO, which is at a faster pace than industry peers. The amortisation of the customer contracts were completed in the third quarter 2020. €1.7 (2.0) million relates to capitalized investments in software development. Depreciation was €1.3 (0.8) million, whereof €0.7 (0.5) million relate to right-of-use assets.

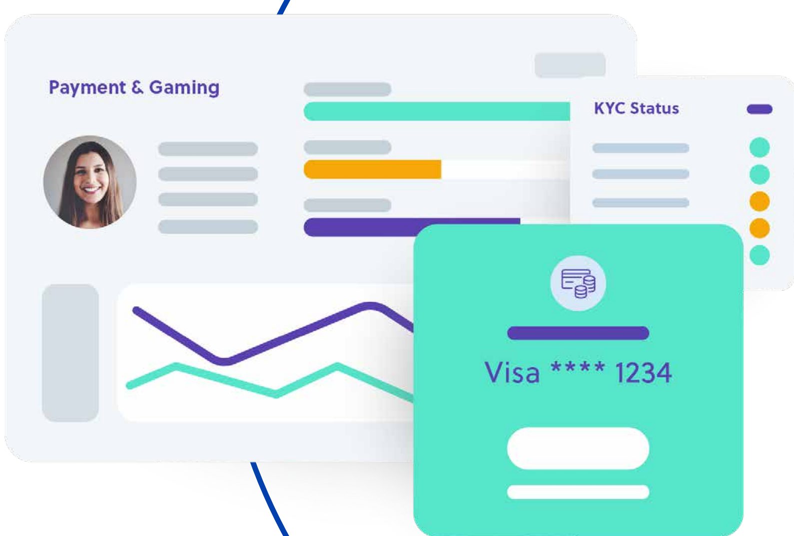
EBIT was €-1.6 (-9.2) million in the third quarter 2020, an 82% improvement from the third quarter 2019.

Net other income was €-1.0 (-1.5) million in the third quarter 2020 and included €-0.9 (-1.6) million in interest expense on the bond, and an unrealized gain of €0.3 (0.5) million related to the bond due to the change in the SEK/€ exchange rate in the quarter.

Loss from continued operations were €-2.7 (-10.8) million, an improvement of €8.1 million compared to the third quarter 2019 and a 48% decrease from €-5.2 million in the second quarter 2020.

Loss from discontinued operations were €-2.3 (2.5) million and the net result in the third quarter 2020 ended at €-4.9 (-8.4) million.





Operational Review

Platform Services

Platform Services comprise the technical platform and the front end, and other managed services such as player safety, customer support and CRM.

The sales pipeline has developed positively in 2020, and after some delays due to COVID-19, GiG has signed ten new agreements so far in 2020, with six in the third quarter:

- In July, GiG signed with K.A.K. DOO Skopje, one of North Macedonia's leading leisure groups, for the provision of GiG's platform, front-end development and managed media services to launch their digital operation in the regulated North Macedonian market.

- Also in July, an agreement was signed with a subsidiary of Casumo, Mill of Magic Ltd, for the provision of GiG's platform, data platform and GiG Logic. Mill of Magic uses GiG's products to power its new Pay N Play casino offering under its own license from the Maltese Gaming Authority, and was launched in September.

- In August, a heads of terms was signed with Grupo Slots, Argentina's premier gaming and entertainment group, to enter the regulated City of Buenos Aires online gaming market. Grupo Slots is headquartered in San Luis, Argentina, and provides top-of-the-line entertainment and leisure services in more than 20 locations across Argentina, and the online gaming website Jugadon.com. GiG will provide Grupo Slots with a full online turnkey solution, which includes the technical iGaming platform, sportsbook, front end development, GiG's data platform & GiG Logic with a minimum contract period of four years.

- In September, a long term contract was signed with Casino Win, one of Hungary's leading land-based casino operators, for the provision of GiG's platform, frontend development and managed services to launch their digital operation in the regulated Hungarian market. Casino Win owns three casinos in leading locations across Hungary Online licenses in Hungary are only available to land-based operators having physical locations within the country.

- Through the strategic partnership with Betgenius, a heads of terms to supply platform and sportsbook software to a major LatAM operator was signed in September.

- In September, GiG signed a long-term agreement with Tipwin Ltd. for the provision of GiG's platform, data platform and GiG Logic. Tipwin will use GiG to power its new casino offering under its own licences from the Maltese and Swedish Gaming Authorities. The agreement is based on a revenue share model with a minimum contract term of 3 years. Tipwin offers multi-channel sports betting both offline and online under one brand and operates more than 1,500 retail betting shops throughout Europe, with a strong presence in the German retail betting market. Tipwin will be integrating GiG's casino platform technology into their new next generation sportsbook platform to capitalise on further digital transformation from retail to online gambling.

- Subsequent to the third quarter, a long term agreement was signed with Slotbox Limited (Slotbox), for the provision of GiG's iGaming platform, omnichannel solution and frontend development to launch their new online casino. Slotbox is founded by the leading Gaming & Casino operator in Ireland, which are based in Dublin with eight locations across the country. The group has chosen GiG to drive its digital transformation and deliver its online offering under the name Slotbox.

- Also in October, GiG signed a long-term agreement with Bet Seven Online Ltd for the provision of GiG's platform, frontend development and managed services to launch its first brand, SuperSeven. The agreement is based on a fixed fee model and has a duration of minimum three years with automatic extension for an additional two plus one years. SuperSeven will be operating under its own license.

GiG also signed a new agreement with Dunder, replacing the existing white label agreement with a new software-as-a-service agreement (SaaS). The new agreement is on a fixed fee basis and has a minimum term of two years, and will commence in November 2020. The new Dunder agreement is part of GiG strategy to move successful clients away from the white label model and over to SaaS agreements. The shift to SaaS reduces operational complexity and overheads for GiG, and the reduced risks strengthens overall sustainability.

In September, GiG & Hard Rock International agreed to a mutual termination agreement of platform and sportsbook services in the US. Both parties acknowledge that despite a fruitful relationship and upswing in results through 2020, a commercial agreement to move forward could not be agreed and the strategic aims of both companies lay in separate paths. Hard Rock represented less than 2% of GiG's revenues in the last 12 months, with a marginal negative contribution on EBITDA.

Hard Rock will immediately release GiG from the contractual exclusivity clause allowing for GiG to pursue further nationwide US business which we believe can lead to future success as more states regulate online. GiG is in a strong position to pursue further business opportunities in a fast-evolving US landscape, having a fully compliant and quality solution operational in two US states, easily configurable to additional states.

Revenues and EBITDA

Revenues for Platform Services were €9.1 (3.6) million in the third quarter 2020. Included are revenues from Sky City, a client where GiG recognizes the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. By assuming standard white label agreement accounting principles, adjusted revenues for Platform Services were €5.4 (3.6) million, a 51% increase year-over-year and 14% quarter-on-quarter.

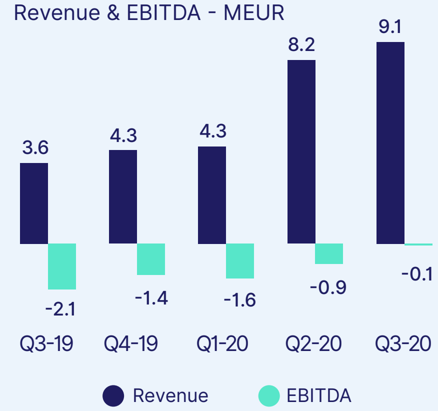
EBITDA for the third quarter 2020 was €-0.1 (-2.1) million, an improvement of 96% year-over-year and 91% quarter-on-quarter. The positive development has progressed through 2020 and September was the first month with positive EBITDA for Platform Services. After the sale of B2C, the allocation of corporate overhead expenses has been revised, affecting Platform Services positively with around €0.4 million in the third quarter.

Tech costs for Platform Services were further reduced in the third quarter, 6% quarter-on-quarter, and further savings will be seen going forward. The move of infrastructure from a cloud-based model to a hybrid model is progressing according to plan, and the migration will be completed in Q1 2021.

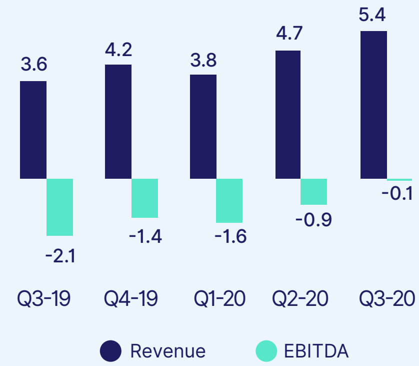
Database transactions

Total database transactions in the third quarter 2020 were 6.1 (4.8) billion, a 26% increase year-on-year. Aggregated gross gaming revenue (GGR) through the platform in the third quarter was €87 (70) million, a 24% increase year-on-year. Both total database transactions and GGR declined with around 4-5% quarter on quarter, due to slightly lower activity within casino as general COVID-19 restrictions were eased during the third quarter.

Platform Services
Revenue & EBITDA - MEUR



Platform adj.
Revenue & EBITDA - MEUR



Brands on the platform

GiG's five brands were divested to Betsson in April, but are continuing on the platform for a minimum period of 30 months. Betsson became a new long term partner of GiG and will pay a premium platform fee based on NGR generated for the first 24 months. Rizk.com went live in Croatia and Spain during the third quarter 2020.

Six new customers signed in the third quarter 2020, two brand went live, and three brands discontinued their operations on the platform in the quarter, all being on white label agreements. Two brands have signed so far in the fourth quarter, resulting in 15 brands in the integration pipeline to be launched. Existing live customers and the signed pipeline adds up to a total of 38 brands operating on the platform, whereof 30 on SaaS and 8 on white label agreements.

GiG's platform is now licensed/certified in 8 regulated markets, with another 8 being added through the pipeline.

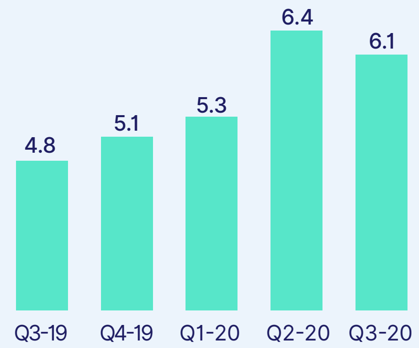
Strategy

GiG is well positioned as a turnkey and fully managed service provider across the main verticals in iGaming, including managed services. All products and services can also be sold separately as modular sales. Customer targets are strong brands with whom GiG can partner for the long term to support growth in the digital space and/or a digital transformation from a land-based operation to an online presence with a Software-as-a-Service (SaaS). Target markets are regulated or soon-to-be regulated markets and high potential markets which will be considered on an opportunistic level.

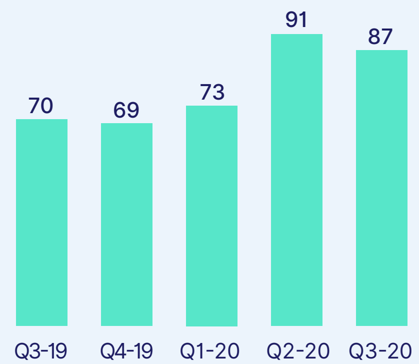
The revenue share model on white label agreements is gradually being phased out as GiG targets long term sustainable partnerships. The majority of the existing white label agreements are expected to be terminated or shifted into a fixed fee SaaS model by year end. The operating expenses related to the white label model are higher than for the SaaS model, and the shift will result in better margins as well as reducing potential risks.

As part of the strategy to end white label agreements, GiG has rescinded its Swedish and UK licenses in October.

Platform Services
Database Transactions - bn



Platform Services
Aggregated GGR - MEUR



Media Services

GiG Media Services' core markets returned towards normality in the third quarter as general COVID-19 restrictions were eased and sports events started again. Seasonality also had an impact in some markets, and revenues were up 7% year-on-year and flat quarter-on-quarter.

Paid media continued its quarter-on-quarter improvement, with revenues up 50% year-on-year and 10% quarter-on-quarter, and continued to diversify business by increasing performance in current non-core markets.

GiG's proprietary affiliate site World Sports Network (WSN.com) continued to grow in the US market, and was granted an affiliate license for West Virginia. After the closure of Q3, GiG also received license to operate in Tennessee and is now present in nine US states (New Jersey, Indiana, Pennsylvania, West Virginia, Iowa, Colorado, Illinois, Nevada and Tennessee). This enables expansion in the US, reflecting the ambition to be an influential player within the US market. GiG's online casino guide Casino Tops Online (casinotopsonline.com) also boasts licenses in New Jersey and Pennsylvania, following the intent of having a diverse market approach and leveraging on Media Services capabilities.

Historically, revenues from sports has made up approximately 20% of Media Services revenues, and this was negatively impacted by COVID-19 in the second quarter. FTDs from sports betting have seen a steady increase in the third quarter, up 150% quarter-over-quarter, and further improvements are expected going forward.

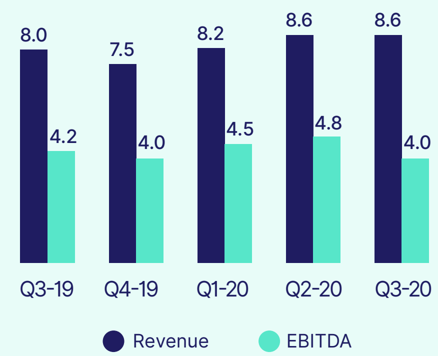
Publishing sees positive developments after slightly negative effects from the Google algorithm update in May, and player intake is going back to performance on level with intake in start of 2020.

Revenues and EBITDA

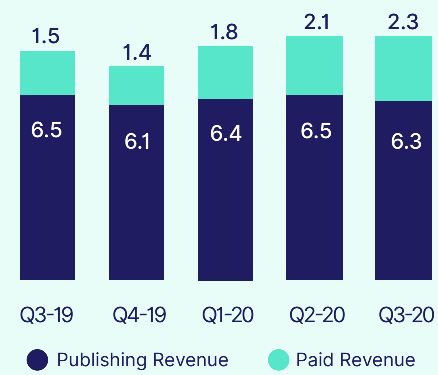
Revenues for Media Services was €8.6 (8.0) million in the third quarter 2020, an 7% increase year-on-year and in line with the second quarter 2020. The quarter saw some seasonality, especially in August with revenues down 10% compared to the previous months, but revenues picked up again in September.

EBITDA was €4.0 (4.2) million, a decrease of 6% year-over-year and 17% quarter-on quarter. The EBITDA margin was 46% (52%). After the sale of B2C, the allocation of corporate overhead expenses has been revised, affecting Media Services negatively with around €0.4 million in the second quarter. Marketing expenses and people costs were 30% ahead year-on-year as Media Services continue to invest into long term growth projects and diversification of revenue streams. Marketing expenses includes Paid Media's "pay per click" of €0.9 (0.5) million in the third quarter 2020.

Media Services
Revenue & EBITDA - MEUR



Media Services
Revenue - MEUR



Paid Media further improved its performance with a positive trend for the fourth consecutive quarter with an all-time-high in EBITDA for the segment in the quarter. The paid model represented 27% (19%) of Media Services revenues in the third quarter.

65% (61%) of revenues in the third quarter 2020 derived from revenue share agreements, 9% (15%) from CPA (Cost per Acquisition), 25% (21%) from listing fees and 1% (3%) from other services.

FTDs

Media Services referred 30,315 (26,896) new FTDs (First Time Depositors) to operators in the third quarter 2020, a 13% increase year-on-year, and a 11% decline from the previous quarter. Paid had an increase in FTDs, mainly due to the opening of sports events during the quarter, while Publishing had a decline quarter-on-quarter due to consumer demand surge during covid-19 lockdowns during the second quarter and the slight negative ranking update in May which effected the third quarter.

Trends

COVID-19 resulted in lock-down in sports events that continued into the third quarter, which resulted in lower sports revenue compared to previous quarters. Initiatives taken in March resulted in growth in the casino vertical which offset the decline in sports. As sports now opens up again, further growth is expected within the sports vertical.

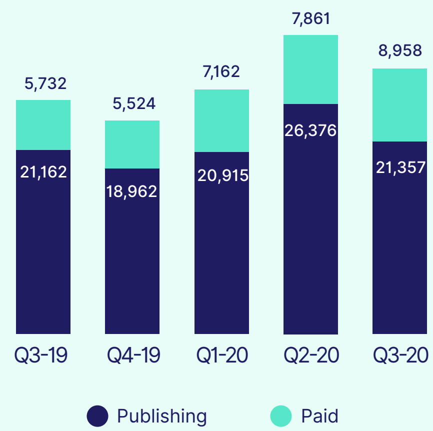
Media Services continues to expand into new geographic regions and see increased player intake and revenue from current non-core markets. New affiliate licenses has been granted in the US, and the expansion in the US continues and revenue from the US market is expected to see strong growth going forward, albeit from low numbers.

Strategy

GIG Media will continue to expand its global footprint in order to diversify its revenue base on a market level and capture new growth opportunity in both Publishing and Paid media. Cost optimization will continue within SEO, content management and tech development as well as maintaining focus on developing business further outside current core markets.

Paid Media represents an important longer term growth opportunity due to regulation, as regulated markets allows using the paid channel to attract new players. This adds to the future potential for Media Services and reduces the potential for volatility since the paid channel in regulated markets are considered more stable.

Media Services - FTDs
Split between publishing & paid



Sports Betting Services

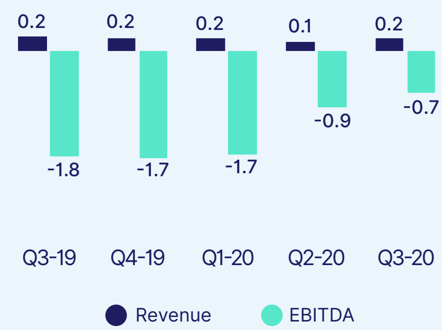
In September, GiG signed a strategic partnership with Betgenius, creating a fully-integrated sportsbook and platform solution for operators in regulated markets around the world by bringing together GiG's platform technology with Betgenius' end-to-end live data, trading and risk management services. Betgenius will take on all day-to-day sportsbook management operations, including fully customisable pricing for pre-match and in-play sports, while GiG will provide its platform, technical architecture and front-end development. The partnership has signed a heads of terms to supply platform and sportsbook software to a major LatAm operator.

The partnership will also further improve operational efficiency within Sports Betting Services. With Betgenius taking over all day-to-day sportsbook management operations in addition to initiatives taken earlier in 2020, the monthly operating expenses in Sports are now sustainable given the clients already live, two new confirmed signings in third quarter which are now in the integration phase and the demand in the current sales pipeline.

GiG's sportsbook is live in two states in the US market and will be used by new clients in Latin America. Large emerging markets in regions such as Latin America and Africa, which are beginning to regulate and start transition online, will drive demand for an end to end solution including Sportsbetting which GiG is well positioned to capitalize on. Thus, the vertical can play an important part to secure new clients in GiG future growth prospects.

Progress is also being made with regards to integrations of third party solutions into the platform to maintain our vision to have a sportsbook agnostic platform.

Sports Betting Services
Revenue & EBITDA - MEUR



Revenues and EBITDA

Revenues from Sports Betting Services were €0.2 (0.2) million in the third quarter 2020. Revenues were impacted by the closure of sport events due to COVID-19.

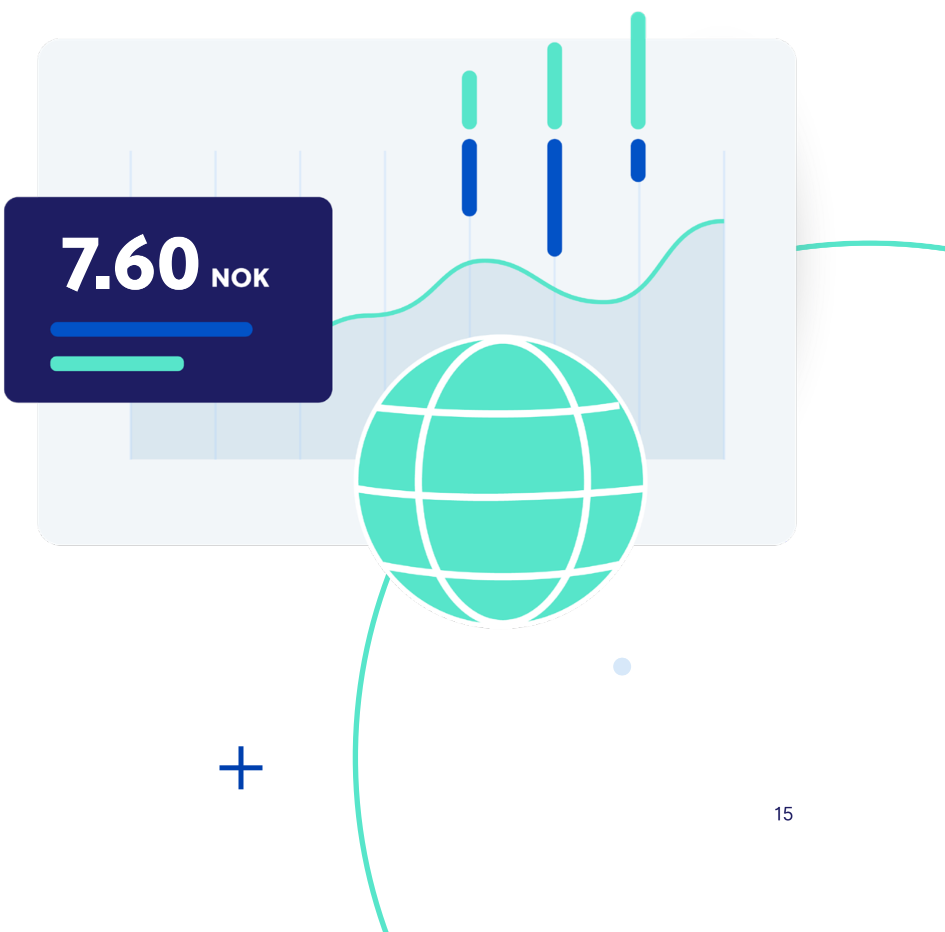
Operating expenses in Sports Betting Services reduced significantly in the quarter, down 21% from the second quarter 2020. Included are non-recurring expenses of €0.3 million. The reduction is a result of initiatives taken in 2020 to reduce costs. Several of the actions taken carryied a restructuring cost through Q2, and further improvement is expected in the third quarter. This resulted in an improved EBITDA of €-0.7 (-1.8) million. The headcount for Sports has been reduced from 75 to 17 during 2020.

Strategy

GiG believes that the initiatives taken to reduce cost will place Sports Betting Services in a sustainable position for growth and strategic partnerships. The ambition is to gradually grow with existing and new long term partners, including the growing emerging markets. GiG is one of the few B2B providers present with omni-channel online gambling services across both casino and sportsbook. With a new cost base, the segment should reach breakeven in a reasonable time frame, while still presenting significant growth opportunity and upside.

B2C Gaming Operators

GiG's in-house gaming operators; Rizk.com, Guts.com (and gutsXpress.com), Kaboo.com and Thrills.com were divested effective from 16 April 2020. EBITDA for the B2C segment in the third quarter was €-0.6 million. The B2C segment is reported as a discontinued operation, see note 5 on page 28 for more details.



Financial Review

GiG divested its B2C operations effective on 16 April 2020. In accordance with IFRS 5, the B2C financial results are reported as a discontinued operation in the Company's financial statements for the full year 2019 and for the periods ending 30 September 2019 and 2020. From Q2-2020 and onwards, GiG will show the financial results without B2C as a continued operation, and information on the effect of B2C are included in note 5 on page 28.

Third Quarter 2020

Revenues

Consolidated revenues amounted to €17.9 (10.1) million in the third quarter 2020, an increase of 78% from the third quarter 2019, and an 8% increase from EUR 16.7 million in the second quarter 2020. Reported revenues includes revenues from Sky City, a platform client were GiG recognize the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. Adjusted for these, normalised revenues were €14.2 (10.0) million, a 42% increase year-over-year and 8% quarter-on-quarter.

Cost of sales and gross profit

Cost of sales amounted to €0.9 (0.2) million in the third quarter 2020. This resulted in a gross profit of €17.0 (9.8) million in the third quarter 2020, an increase of 73% and a gross profit margin of 95% (98%). Adjusted for Sky City, cost of sales were €0.1 (0.2) million, resulting in a gross profit of €14.1 (9.8) million and a gross profit margin of 99% (98%).

Marketing expenses

Marketing expenses were €4.5 (1.3) million in the third quarter 2020. Adjusted for Sky City related site overhead expenses, marketing expenses were €1.6 (1.3) million in the quarter, an increase of 27%. Adjusted marketing expenses' share of total revenues were 11% (13%) and are mainly related to Media Services.

Operating expenses

Other operating expenses amounted to €9.3 (9.0) million in the third quarter 2020, an increase of 4% from the third quarter 2019. Operating expenses are mainly related to salaries and general corporate expenses.

Adjusted for the effects of dividing internally generated operational expenses into continued and discontinued operations, as well as the reversal of corporate costs previously allocated to B2C, comparable other operating expenses amounted to €10.9 million in the third quarter 2019, i.e. a 14% reduction year over year and a 6% increase from the second quarter 2020.

Personnel expenses were €6.6 (6.7) million, a decrease of 1%, and includes €0.4 million in restructuring costs. Compared with the second quarter 2020, personnel expenses increased by 8% from €6.1 million, due to governmental COVID-19 related refunds and reversal of option expenses in the second quarter. Capitalised salaries related to the Company's development of technology and future products amounted to €1.0 (1.4) million in the third quarter and are capitalised over 3 years. These costs are mainly related to the development of GiG's platform.

EBITDA

EBITDA for the third quarter 2020 was €3.2 (-0.4) million, with an EBITDA margin of 17.8% (-4.2%). Adjusted for Sky City revenues, the EBITDA margin was 22.5% (-4.3%).

D&A

Depreciation and amortisation amounted to €4.8 (5.9) million in the third quarter 2020, whereof depreciation was €1.3 (0.8) million.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €1.7 (2.4) million, split with €0.2 (0.9) million related to customer contracts and €1.5 (1.5) million to domains/SEO. Acquired affiliate assets are conservatively amortised over 3 years for customer contracts and 8 years for domains/SEO. The amortisation of customer contracts were completed in the third quarter 2020. The balance is mainly related to capitalised development expenses with €1.7 (2.0) million and software and licenses with €0.2 (0.4) million. Depreciation expense related to IFRS16 was €0.7 (0.5) million.

The third quarter 2019 included impairments of €2.9 million related to the discontinuation of the Company's game studio and an investment in a start-up company.

EBIT

EBIT came in at €-1.6 (-9.2) million in the third quarter 2020, a €7.6 million improvement from the third quarter 2019 and 26% from €-2.2 million in the second quarter 2020.

Financial and other expenses

Interest on the Company's bonds were €-0.9 (-1.1) million in the third quarter 2020, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the quarter was €0.3 (0.5) million. Other financial and other expenses were €-0.3 (-0.4) million in the third quarter 2020, whereof interest related to IFRS 16 of €-0.3 (-0.2) million.

Net result from continuing operations

The net result from continuing operations was €-2.7 (-10.8) million in the third quarter 2020, a 75% improvement from the third quarter 2019 and 48% from €-5.2 million in the second quarter 2020.

Discontinued operations

The loss from discontinued operations were €-2.3 (2.5) million in the third quarter 2020, see note 5 for more information. The net result after discontinued operations was €-4.9 (-8.4) million in the third quarter 2020, a 49% improvement from the third quarter 2019.

Cash flow

The consolidated net cash flow from operating activities amounted to €-0.2 (2.4) million for the third quarter 2020. Included in the net cash flow from operating activities are changes in operating assets and liabilities. The negative cash flow from operations is mainly a result of the prepayment of platform fees from Betsson in connection with the sale of the B2C segment in April 2020.

The net cash flow from investing activities was €1.7 (-2.0) million, whereof €1.6 (1.4) million were capitalised development expenses and €0.1 (3.0) million in computer equipment, mainly investments in the new infrastructure.

The net cash flow from financing activities was €-0.4 (-4.4) million in the third quarter 2020 and included proceeds of €1.3 million from a credit facility.

Cash and cash equivalents decreased by €1.6 (4.3) million in the quarter.

Financial position

As at 30 September 2020, holdings of cash and cash equivalents amounted to €5.9 (10.9) million. In addition, cash in transit from payment providers amounted to €2.4 (10.6) million. Customer monies, that are held in fiduciary capacity for the white label clients in Platform Services, amounted to €3.6 (8.7) million, which are partly secured by balances with payment providers and partly by cash balances.

As at 30 September 2020, GiG held total assets of €92.8 (180.2) million. Shareholders' equity was €6.9 (69.5) with an equity ratio of 10% (39%). The interest-bearing debt as at 30 June 2020 was €37.4 (64.7) million. The Company's lease liability is included with €2.8 (2.1) million under current liabilities and €11.8 (12.1) million under long-term liabilities as per IFRS 16.

January to September 2020

Revenues

Consolidated revenues amounted to €45.8 (33.6) million in the first nine months of 2020, an increase of 36%. Reported revenues includes revenues from Sky City, a client were GiG recognize the full operations in the profit and loss statements and these revenues are partly offset by related cost of sales and site overhead expenses. Adjusted for these, adjusted revenues were €38.0 (33.4) million in the first nine months of 2020, a 14% increase year-over-year.

Cost of sales and gross profit

In the first nine months of 2020, cost of sales amounted to €2.1 (0.7) million, an increase of 188%, whereof €1.6 (0.0) million is related to Sky City. Gross profit amounted to €43.6 (32.9) million during the first nine months of 2020, a 33% increase. The gross profit margin for the first nine months of 2020 was 95% (98%). Adjusted for Sky City, cost of sales were €0.5 million, resulting in a gross profit of €37.5 (32.7) million and a gross profit margin of 99% (98%).

Marketing expenses

Consolidated marketing expenses were €10.7 (4.2) million in the first nine months of 2020. Adjusted for Sky City site overhead expenses, marketing expenses were €4.6 (4.0) million in the first nine months of 2020, an increase of 12%. Adjusted marketing expenses' share of total revenues were 12% (12%) and are mainly related to Media Services.

Operating expenses

Other operating expenses amounted to €26.3 (25.3) million in the first nine months of 2020, an increase of 4%. Operating expenses are mainly related to salaries and general corporate expenses. Personnel expenses were €18.6 (19.2) million in the first nine months of 2020, a reduction of 3% due to a lower number of employees.

Capitalised expenses related to the Company's development of technology and future products amounted to €3.1 (4.2) in the first nine months of and are capitalised over 3 years. These costs are mainly related to the development of GiG's platform.

EBITDA

EBITDA for the first nine months of 2020 was €6.6 (3.4) million, a 97% increase. The EBITDA margin was 14.5% (10.0%). Adjusted for Sky City revenues, the EBITDA margin was 17.4% (10.0%).

D&A

Depreciation and amortisation amounted to €15.1 (17.7) million in the first nine months of 2020, whereof depreciation was €3.9 (3.0) million.

Amortisation related to the affiliate acquisitions completed in 2015 - 2017 were €6.2 (7.3) million in the first nine months of 2020, split with €1.6 (2.8) million for customer contracts and €4.6 (4.6) million to domains/SEO. Acquired affiliate assets are amortised over 3 years for customer contracts and 8 years for domains/SEO. The customer contracts have been fully amortized in the first nine months of 2020. The balance is mainly related to capitalised development expenses with €4.3 (5.7) million.

The first nine months of 2019 included impairments of €2.9 million related to the discontinuation of the Company's game studio and an investment in a start-up company.

EBIT

EBIT came in at €-8.5 (-17.3) million in the first nine months of 2020.

Financial and other expenses

Interest on the Company's bonds were €-3.2 (-3.9) million in the first nine months of 2020, and unrealized gain related to the bond due to the weakening of the SEK towards the EUR during the first nine months of 2020 was €1.3 (2.7) million. Other financial and other expenses were €-1.6 (-2.6) million in the first nine months of 2020, including Interest related to IFRS 16 of €-0.5 (0.5) million.

Net result from continuing operations

The net result from continuing operations was €-12.3 (-21.5) million in the first nine months of 2020, a 43% improvement from the same period in 2019.

Discontinued operations

The result from discontinued operations were €-1.3 (4.1) million in the first nine months of 2020. See note 5 for more information. The net result after discontinued operations was €-13.6 (-17.4) million in the first nine months of 2020.

Cash flow

The consolidated net cash flow from operational activities amounted to €17.9 (10.3) million for the first nine months of 2020.

The net cash flow from investing activities was €16.0 (-9.7) million in the first nine months of 2020, whereof €3.9 (4.4) million were capitalised development expenses and €2.4 (5.3) million investments in new infrastructure.

The net cash flow from financing activities was €-32.5 (-4.1) million in the first nine months of 2020, whereof €27.8 were repayment of the Company's 2017-2020 bond.

Cash and cash equivalents increased by €1.3 (-3.7) million in the first nine months of 2020.

Personnel

By the end of the third quarter 2020, 467 (656) employees were spread throughout Malta, Spain and Denmark. Approximately 280 people works in Platform Services, 127 were working in Media Services and 17 in Sports Betting Services with the balance in corporate functions. Around 40 supports Betsson under the transition agreement.

GiG is anticipating that Betsson will extend the contract of provision of managed services and in order to facilitate the speed in which onboarding of the clients signed and those in the pipeline, the current headcount figures are in the approximate range required to deliver long term growth.

GiG moved quickly at the outbreak of the pandemic to introduce a remote work from home policy. The safety of our staff is paramount, and the organization responded extremely well with no disruption to our business. As a multi-location company, GiG continues to follow the local guidelines for a return to office, and will continue to approach this is a dynamic way as the situation remains fluid.

Bonds

Gaming Innovation Group Plc. issued a SEK 400 million senior secured bond with a SEK 1,000 million borrowing limit on 28 June 2019. The bond has a floating coupon of 3 months STIBOR + 9% per annum and maturity on 28 June 2022.

The outstanding amount on the 2019-2022 bond as at 30 September 2020 was SEK 400 million (€37.8 million).

Shareholder matters

GiG was listed on the main list at Nasdaq Stockholm on Tuesday 26 March 2019. From this date the share is dual-listed on Nasdaq Stockholm and Oslo Børs with the same ISIN code: US36467X2062.

As at 30 September 2020, the total number of shares outstanding in GiG was 90,005,626 (par value USD 1.00). In addition, 70,000 options were exercised in 2019 and GiG borrowed shares for the immediate transfer of the option shares. Upon issuing of these shares, the number of outstanding shares will the increase to 90,075,626. The number of authorised shares is 100,000,000.

During the third quarter 2020, 120,000 options were cancelled, and 551,000 options were outstanding as at 30 September 2020.

COVID-19

The COVID-19 virus has spread across the world in 2020 and caused disruption to businesses and economic activity. GiG's customers are operating in the online gambling industry, which is affected by general economic and consumer trends outside GiG's and its customers' control. The occurrence of extraordinary events, such as COVID-19, has an adverse impact on the global economy, and may lead to a global recession. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company's operations, or to provide a quantitative estimate of this impact. Despite the impact on sports events globally, Sports Betting Services showed improved performance due to cost control program, and the exposure in Media Services was mitigated due to agility within business unit enabling GiG to offset the loss of Sports revenue, through the swing of paid media to Casino.

For further description on COVID-19 and other risk factors, see GiG's 2019 Annual Report that is available on www.gig.com/ir.

Nomination committee

The Annual Meeting of Shareholders in May 2020 resolved that the Nomination Committee shall represent all shareholders, and consist of not less than three and not more than four members. Each of the three largest shareholders of the Company as per 31 August 2020 shall have the right to appoint one member each to the Nomination Committee. Should any of the three largest shareholders waive their right to appoint a representative, or their representative resign from the Nomination Committee, or when members of the Nomination Committee representing shareholders who are no longer among the three largest shareholders resign, the opportunity to appoint a member of the Nomination Committee shall thereafter be passed on in order of the largest shareholding. The three members appointed by the largest shareholders may decide, by simple majority, to appoint a fourth member to the Nomination Committee. If such fourth member is a member of the Board of Directors, such member cannot run for re-election as member of the Board of Directors upon expiry of his/her current term as a Board member.

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

- Mikael Riese Harstad, representing Andre Lavold
- Frode Fagerli, representing Myrlid AS
- Petter Moldenius, representing Henrik Persson Ekdahl

About Gaming Innovation Group

Gaming Innovation Group Inc. is a technology company providing products and services throughout the entire value chain in the iGaming industry. Founded in 2012, Gaming Innovation Group's vision is 'To open up iGaming and make it fair and fun for all'. Through its ecosystem of products and services, GiG is connecting operators, suppliers and users, to create the best iGaming experiences in the world. The headquarters are based in Malta and the Company is listed on the Oslo Stock Exchange under the ticker symbol GiG and on Nasdaq Stockholm under the ticker symbol GIGSEK.

Legal disclaimer

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

Financial calendar

Q4 2020 Interim Report	**23 Feb 2021**
2020 Annual Report	**16 April 2021**
Q1 2021 Interim Report	**5 May 2021**
2021 Annual Shareholder Meeting	**20 May 2021**
Q2 2021 Interim Report	**18 Aug 2021**

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This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, at 08:00 CET on 4 November 2020.

Sustainability

GiG's sustainability priority areas are:

- Fair and safe iGaming
- Responsible marketing and advertising
- Encourage GiGsters to thrive

Sustainable and long-term profitable growth is at the core of all aspects of GiG's corporate strategy. GiG focuses its sustainability strategy on areas most relevant to its business, at the heart of which is responsible gambling. This means offering customers and end users a full suite of solutions across the iGaming value chain while upholding strict rules to minimise harm caused by gambling; to prevent gambling from being a source of crime; and to ensure it is conducted in a fair and safe way. GiG supports end users to comply with technical, legislative and responsible marketing demands, both as an online operator and software supplier providing online gambling platform and services.

In the third quarter of 2020, GiG continued its work on role based awareness training across the group, using SANS, a leading computer based security training provider, to ensure that the material used is reflective of the current threat landscape, with every colleague.

A number of sustainability projects were finalised in the third quarter of 2020. GiG's security team integrated a security incident and event management system into their operations, ensuring timely alerts and intelligent responses to any potential risks to data. The team also built a formalised risk assessment process through which GiG can continuously risk assess their most critical operations, mitigating risk to their information in a timely manner. This cutting-edge technology has all been created in-house giving GiG scalability, a competitive advantage and their customers' real business advantage from a security perspective.

It goes without saying that GiG continues to security test every product ensuring they all meet the compliance and legislative regulations in each applicable jurisdiction. This process has been made even simpler and more efficient by security being integrated from the very first design stages of any products' functionality.

In quarter four of 2020, GiG will introduce new projects and initiatives which really bring home the GiG values, and look to their people for inspiration on how to make the business even more sustainable during the challenges of Covid-19.

GiG is committed to progressively working towards its sustainability goals and to report on progress and development in annual sustainability reporting. In the fourth quarter 2019, a dedicated, insightful and interactive section on Sustainability was launched on the GiG website.

For further information and reports on Sustainability at GiG, please refer to the dedicated Sustainability pages on www.gig.com/sustainability

Gaming Innovation Group Inc.

Condensed Statements of Operations - B2C included as discontinued operations

EUR 1000 - Unaudited	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenues	17 931	10 060	45 771	33 641	44 054
Cost of sales	906	222	2 137	741	906
Gross profit	**17 025**	**9 838**	**43 634**	**32 900**	**43 148**
Marketing expenses	4 534	1 309	10 715	4 199	5 272
Other operating expenses	9 302	8 954	26 301	25 347	34 432
Total operating expenses	**13 836**	**10 263**	**37 016**	**29 546**	**39 704**
EBITDA	**3 189**	**-425**	**6 618**	**3 354**	**3 444**
Depreciation & amortisation	3 252	3 611	9 364	10 821	14 422
Amortisation of acquired affiliate assets	1 560	2 264	5 777	6 964	9 228
Impairment of intangibles	-	2 911	-	2 911	3 911
EBIT	**-1 623**	**-9 211**	**-8 523**	**-17 342**	**-24 117**
Financial income (expense)	-1 188	-2 016	-4 784	-6 486	-9 362
Unrealized exchange gain(loss) on the bond	282	521	1 344	2 697	1 140
Other income (expense)	-51	-9	-33	-42	-5
Result before income taxes	**-2 580**	**-10 715**	**-11 996**	**-21 173**	**-32 344**
Tax income/(expense)	-111	-106	-266	-302	-627
Loss from continuing operations	**-2 691**	**-10 821**	**-12 262**	**-21 475**	**-32 971**
Income/(loss) from discontinuing operations	**-2 255**	**2 471**	**-1 304**	**4 118**	**-31 720**
Loss for the period	**-4 946**	**-8 350**	**-13 566**	**-17 357**	**-64 691**
Exchange differences on translation of foreign operations	704	-178	-108	-258	-245
Fair value movement in available for sale investment	0	26	-13	18	-1 284
Total comprehensive income (loss)	**-4 242**	**-8 502**	**-13 687**	**-17 597**	**-66 220**
Total comprehensive income (loss) attributable to:					
Owners of the Company	-4 239	-8 511	-13 679	-17 594	-66 218
Non-controlling interests	-3	9	-8	-3	-2
Total comprehensive income (loss)	**-4 242**	**-8 502**	**-13 687**	**-17 597**	**-66 220**
Weighted average shares outstanding (1000)	90 006	90 006	90 006	90 006	90 006
Diluted weighted average shares outstanding (1000)	90 006	90 006	90 006	90 006	90 006
Basic and diluted earnings (losses) per share from continuing operations:	-0.03	-0.12	-0.14	-0.24	-0.37
Basic and diluted earnings (losses) per share from discontinuing operations	-0.03	0.03	-0.01	0.05	-0.35
Basic and diluted earnings (losses) per share attributable to GiG Inc.	-0.06	-0.09	-0.15	-0.19	-0.72

Gaming Innovation Group Inc.

Condensed Statements of Financial Position - B2C included as discontinued operations

EUR 1000 - Unaudited	30 SEP 2020	30 SEP 2019	31 DEC 2019
ASSETS			
Non-current assets:			
Goodwill	16 018	69 396	15 995
Intangible assets	34 526	57 084	40 912
Deposits and other non-current assets	18 121	22 266	20 191
Total non-current assets	**68 665**	**148 746**	**77 098**
Current assets:			
Prepaid and other current assets	17	24	3
Trade and other receivables	18 233	20 442	20 464
Cash and cash equivalents	5 886	10 944	4 557
Total current assets	**24 136**	**31 410**	**25 024**
Assets of discontinued operations held for sale	-	-	32 966
TOTAL ASSETS	**92 801**	**180 156**	**135 088**
Liabilities and shareholders' equity			
Shareholders' equity:			
Share capital	78 858	78 858	78 858
Share premium/reserves	29 338	120 881	29 835
Retained earnings (deficit)	-101 355	-130 231	-87 797
Total equity attributable to GiG Inc.	6 841	69 508	20 896
Non-controlling interests	16	22	24
Total shareholders' equity	**6 857**	**69 530**	**20 920**
Liabilities:			
Trade payables and accrued expenses	34 030	32 606	24 940
Short term bond	3 455	31 462	30 035
Total current liabilities	**37 485**	**64 068**	**54 975**
Bond payable	33 934	33 277	36 908
Other long term liabilities	13 056	12 146	12 496
Deferred tax liability	1 469	1 135	1 270
Total long term liabilities	**48 459**	**46 558**	**50 674**
Total liabilities	**85 944**	**110 626**	**105 649**
Liabilities directly associated with assets classified as held for sale	-	-	8 519
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**92 801**	**180 156**	**135 088**

CONDENSED STATEMENTS OF CHANGES IN EQUITY:

Equity at beginning of period	**20 920**	**88 072**	**88 076**
Adjustment in prior period	-14	-264	-259
Fair value movement in available for sale investments	-13	18	-1 284
Share compensation expense	-362	-679	-677
Non-controlling interests	-8	-3	-2
Exchange differences on translation of foreign operations	-108	-260	-245
Net results from continuing operations	-12 254	-21 472	-32 969
Net results from discontinuing operations	-1 304	4 118	-31 720
Equity at end of period	**6 857**	**69 530**	**20 920**

Gaming Innovation Group Inc.

Condensed Statements of Cash Flows - B2C included as discontinued operations

EUR 1000 - Unaudited

	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Cash flows from operating activities:					
Results from continuing operations before income taxes	-2 580	-10 715	-11 996	-21 173	-32 344
Income/(loss) from discontinued operations	-2 255	2 471	-1 304	4 118	-31 720
Adjustments. to reconcile profit before tax to net cash flow:					
Tax expense	-111	-106	-266	-302	-627
Depreciation and amortization	3 252	3 611	9 364	10 821	14 422
Amortization on aqcuired affiliate assets	1 560	2 264	5 777	6 964	9 228
Impairment of intangibles	1 100	2 911	1 100	2 911	44 097
Loss on disposal of B2C division	565	-	565	-	-
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 756	1 916	14 648	6 980	1 021
Net cash provided by operating activities	**-225**	**2 352**	**17 888**	**10 319**	**4 077**
Cash flows from investing activities:					
Purchases of intangible assets	-1 689	-1 782	-4 873	-6 423	-7 697
Purchases of property, plant and equipment	-55	-245	-1 385	-3 153	-2 704
Acquisition of associates	-	-	-	-100	-100
Disposal of subsidiaries	-	-	22 300	-	-
Net cash from investing activities	**-1 744**	**-2 027**	**16 042**	**-9 676**	**-10 501**
Cash flows from financing activities:					
Proceeds from bond issue	-	-	-	2 466	2 446
Repayment of loans	-	-2 570	-	-2 570	-2 570
Lease liability principal payments	-780	-	-2 367	-	-2 796
Interest paid on bonds	-880	-1 854	-3 591	-4 024	-4 897
Repayment of bonds	-	-	-27 825	-	-
Proceeds from loans	1 303	-	1 303	-	-
Cash flow from other investing activities	-	-	-	-	-80
Net cash from financing activities	**-357**	**-4 424**	**-32 480**	**-4 128**	**-7 897**
Translation loss	704	-178	-108	-258	-245
Fair value movements	-	26	-13	18	-1 284
Net increase (decrease) in cash	**-1 622**	**-4 251**	**1 329**	**-3 725**	**-15 850**
Cash and cash equivalents - beginning	7 508	15 195	10 295	14 669	14 669
Cash and cash equivalents attributable to discontinued operations	-	-	-5 738	-	5 738
Cash and cash equivalents - end	**5 886**	**10 944**	**5 886**	**10 944**	**4 557**

Gaming Innovation Group Inc.

Selected Notes to Condensed Consolidated Financial Statements as of and for the Periods Ending 30 September 2020 and 2019

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 from 26 March 2019 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, Trig Id-Dragunara, St. Julian's STJ 3148, Malta.

The Company's principal activity is to provide a platform for and facilitate internet gambling, gaming and sports betting.

The condensed consolidated financial statements of the Company as at and for the periods ended 30 September 2020 and 2019 are comprised of its subsidiary Plc and Plc's related accounting basis subsidiaries.

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets which include the operator brands Rizk, Guts, Kaboo and Thrills. On 16 April 2020, the Company completed the sale of its B2C assets to Betsson. GiG received EUR 33 million as a consideration including an upfront cash payment EUR 22.3 million relating to the acquisition, a prepaid platform fee of EUR 8.7 million, EUR 2 million relating to GiG's Spanish casino license, but excluding working capital adjustments. On 22 April 2020, GiG used part of these proceeds to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending the maturity date of the bond from 6 March 2020 to 22 April 2020.

2. Basis of preparation

These unaudited condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed consolidated financial statements report the periods ended 30 September 2020 and 2019 of Gaming Innovation Group Inc. and subsidiaries and have been prepared in conformity with IAS 34 and do not include all of the information required for full annual financial statements. The condensed consolidated financial statements for the periods ended 30 September 2020 and 2019 have not been audited by the Company's auditors.

The Company's condensed consolidated financial statements are presented in Euros (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).

Liquidity and COVID-19 Impact on going concern

As at 30 September 2020, the net current assets of the Company amounted to EUR 24,135,321 (2019: net current assets EUR 31,409,691). As at 30 September 2020, the net current liabilities of the Company amounted to EUR 37,483,944 (2019: net current liabilities EUR 64,068,293). In 2019, current liabilities included a bond for an amount of EUR 31,461,883 (nominal value SEK 300 million), with a maturity date of 6 March 2020, which was repaid on 22 April 2020. Further, as described in note 10, a bond with a nominal value of EUR 33,933,680 (SEK 400 million), becomes payable in June 2022.

The Company's financial position improve following the repayment of the bond. GIG acknowledges that pressures on liquidity will continue to prevail, until actions related to rationalisation of costs and operations in line with the Company's new focus are successfully implemented. As described in note 10, an advance payment of EUR 8.7 million on B2B support services, was used to settle the bond in Q2 of 2020, giving rise to increased liquidity pressures in the short term.

All of the above factors, combined with the advent of COVID-19 pandemic further described below, increase the Company's liquidity risk exposures, and may lead to uncertain scenarios, where liquidity shortfalls can occur. Notwithstanding the uncertainties, management continues to believe that these financial statements should be drawn up on a going concern basis, primarily due to cost mitigation measures already initiated as well as new initiatives that they consider could be introduced relatively quickly to alleviate pressures on liquidity. No assurance can be provided that such plans will be successful, as such material uncertainty remains as of the date of this report.

The occurrence of extraordinary events, such as natural disasters, and the outbreak of disease epidemics, has an adverse impact on the global economy, and may lead to a global recession. In early 2020, the existence of a new virus, now known as COVID-19, was confirmed, and since this time COVID-19 has spread across the world. COVID-19 has caused disruption to businesses and economic activity, which has also adversely impacted global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the Company, or to provide a quantitative estimate of this impact. Management has, however, considered the potential impact based on the known circumstances as at the date of reporting, and their assessment of potential future developments, and continues to believe that these financial statements should be drawn up on a going concern basis.

The Company closely monitored the progress of the Coronavirus (COVID-19) outbreak and introduced contingency measures to reduce the risk for its staff, and to ensure business continuity. The Company successfully deployed its Business Contingency Plan (BCP), and systems and operations continued to perform. The Company operates from various offices in several countries, and local measures have been adopted in line with recommendations made by the respective authorities.

The Company has a robust BCP to ensure continuity of operations and working from home is an integral part of day to day operations. Proactive steps were taken to advise employees to work from home prior to any announcements by governments. As part of the BCP, production environments require an extra level of approval to protect both the Company's business and its customers. COVID-19 did not result in disruption to the Company's operating model as a result of its agility. For more information on the potential impact on the Company's business units, see note 2 to the 2019 annual report.

3. Summary of significant accounting policies

Accounting Policies

The accounting policies adopted and used in preparing the condensed consolidated financial statements as of and for the periods ended 30 September 2020 and 2019 are consistent with those used in preparing the Company's consolidated financial statements as of and for the year ended 31 December 2019.

Discontinued Operations

In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 30 September 2020 and 2019 and the year ended 31 December 2019.

Revenue Recognition Policy

Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Company's activities. The Company recognizes revenue, including other operating revenue, when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met as described below.

GiG Gaming Operators

Gaming transactions that are not deemed to be financial instruments, where the Company revenues stem from commissions. The revenue recognised in this manner relates to Poker. Such revenue represents the commission charged at the conclusion of each poker hand in cash games (i.e. rake). The Company's performance obligation in this service is the provision of the poker game to the individual players. The performance obligation is satisfied and the Company is entitled to its share of the pot (i.e. the rake) once each poker hand is complete. In this respect, revenue recognition under IFRS 15 is consistent with that under IAS 18 (i.e. to recognise revenue as each hand is complete).

Revenue from gaming transactions that are deemed to be financial instruments, where the Company takes open positions against players, are recognised as a net fair value gain or loss after the deduction of players' winnings, bonuses and gaming taxes. The revenue recognised in this manner relates to sports betting and casino. These are governed by IFRS 9 and thus out of the scope of IFRS 15.

Revenue from transactions where the Company is taking positions against players, such as sports betting and online casino, is recognised when the outcome of an event is known. Revenue from commission arising on transactions where the Company does not take open position against players, such as poker, is recognised when players place wagers in a pool.

GiG Platform Services

In contracting with white label operators (operators that are rebranded under another name), the Company considers that it is acting as an intermediary between the third party platform and the related service providers. On this basis revenue is recognised net of payments made to service providers.

Costs that are not reported as part of the net gain or loss within revenue include inter alia bank charges, fees paid to platform and payment providers and certain gaming taxes.

In contracting with own license operators (operators that own their own licences), the Company generates revenue by entering into a revenue share or a fixed arrangement where such revenue is apportioned on an accrual basis over the whole term of the contract. The consideration for such services is generally split between an initial setup to configure the software as per the customer's requirements and on-going charge invoiced monthly.

The uncertainty on the amount of revenue to be received is resolved at each calendar month end since the contracts are such that the amounts reset to zero on a monthly basis. Accordingly, it is appropriate for the Company to recognise the monthly amounts invoiced in the P&L.

The only difference between accounting for such arrangements under the previous revenue standard and IFRS 15 pertains to the set-up fees. Under IAS 18, the set-up fees were deferred over a period of (generally) six months until the go-live date. In accordance with IFRS 15, the set-up is not seen as a distinct PO as the customer cannot benefit from the set-up itself but for the agreement as a whole. Accordingly, the set-up fee is simply seen as being part of the consideration receivable for the software as a service (SAAS) agreement and should therefore be deferred over the period of the agreement.

Management performed a detailed analysis of IFRS 15 impact and concluded that this has an immaterial affect for the Company.

GiG Media Services

For a revenue share arrangement, the Company receives a share of the revenues that the gaming operator has generated as a result of a player playing on their iGaming site. Revenue is recognised in the month that it is earned by the respective gaming operator.

For a cost acquisition arrangement, a client pays a one-time fee for each player who deposits money on the client's site. Cost per acquisition contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

For a listing arrangement, a client pays a fixed fee to be listed and critically reviewed on the Company's websites. Such revenue is apportioned on an accrual basis over the term of the contract.

The Company's performance obligation in this respect can be viewed as a series of distinct performance obligations to stand ready to redirect players on a constant basis. Such contacts give rise to variable consideration from an IFRS 15 point of view since the revenues are not fixed at the outset. In view of the nature of the service provided as a monthly stand-ready obligation, the Company recognises the income in the month in which it has a contractual right to bill the iGaming operators.

Other

Interest income is recognised in profit or loss for interest-bearing instruments as it accrues, on a time proportion basis using the effective interest method, unless collectability is in doubt.

Dividend income is recognised when the right to receive payment is established.

Standards, Interpretations and Amendments to Published Standards Effective in 2019

In 2019, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting periods beginning 1 January 2019. 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.

IFRS 16 Leasing arrangement

IFRS 16 Leasing agreements replaced the previous IAS 17 Leasing agreements and IFRIC 4 determining whether an arrangement contains a Lease or related agreements. The standard is mandatory from 1 January 2019. The new standard requires that all contracts which fulfil the definition of a leasing agreement, except contracts of less than 12 months duration and those with low values be recognised as an asset and liability in the financial statements. The accounting according to IFRS 16 is based upon the approach that the lessee has the right to use the assets under a specific time period and simultaneously have an obligation to pay for the rights. The assets and liabilities are accounted for as a discounted present value of the future leasing payments. The cost regarding the leased assets consists of amortization of the assets and interest cost towards the leasing liability. Contracts that earlier have been classified as operating leases will thereby be accounted for in the balance sheet with the effect that the current operating costs, leasing cost for the period, will be replaced with amortization of the right-to-use asset and interest expense in the income statement.

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

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

4. 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.

Following the stategic decision to halt investments into building its proprietary game studio, GIG Games, an impairment of intangible asset value was completed in the third quarter 2019. This resulted in a non-cash write-down of EUR 2.5 million. The impairment represents write-offs of development cost in terms of salaries capitalized, trademarks, llicenses and a prior year investment into a start-up game studio.

Also in the third quarter 2019, the Company impairred a prior year investment into a technology start-up company, Infobot Limited, due to the start-up company going into financial difficulties. This resulted in a non-cash write down of EUR .4 million. In the fourth quarter 2019, the Company recorded an impairment of EUR 1 million which was related to an intangible of Sports.

5. Discontinued operations

On 14 February 2020, the Company signed a Share Purchase Agreement (SPA) with Betsson Group (Betsson) for the divestment of its B2C assets. On 16 April 2020, the Company completed the sale of its B2C assets to Betsson. In accordance with IFRS 5, the B2C financial results are reported as discontinued operations in the Company financial statements as of and for the periods ended 30 September 2020 and 2019. The 30 September 2019 Statement of Operations has been restated for comparability.

As a result of the sale of the B2C assets, the Company has surplus office space, and in the third quarter of 2020, the Company accelerated the amortisation of EUR 1.1 million to leasehold investments in relation to these offices as part of discontinued operations.

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

The following is the breakdown of the profit/(loss) from discontinued operations for the periods ended 30 September 2019 and 2020 and the year ended 31 December 2019:

(EUR 1000)	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Net revenue	-	20 167	22 896	59 980	78 972
Expenses	-590	-17 696	-22 535	-55 862	-70 507
Impairment losses	-1 100	-	-1 100	-	-40 185
Loss on disposal of B2C segment	-565	-	-565	-	-
Operating profit/(losses)	-2 255	2 471	-1 304	4 118	-31 720
Loss from discontinued operations attributable to:					
Owners of the Company	-2 255	2 471	-1 304	4 118	-31 720
Non-controlling interest	-	-	-	-	-
	-2 255	2 471	-1 304	4 118	-31 720
Net cash flow from operating activities	-591	2 285	- 711	2 852	4 135
Net cash flow from investing activities	-	-428	-196	-877	-1 368
Net cash inflow/(outflow) from financing activities	-	-	-	-	-
Net increase in cash generated by discontinued operations	-591	-1 857	-907	1 975	2 767

(EUR 1000)	30 Sep 2020	30 Sep 2019	2019
Goodwill	-	-	24 827
Prepayments	-	-	341
Other trade receivables	-	-	60
License guarantee	-	-	2 000
Players cash	-	-	5 738
Total assets of disposal held for sale	**-**	**-**	**8 139**
Trade and other payables	-	-	-2 572
Players liability	-	-	-4 341
Jackpot liability	-	-	-1 606
Total liabilities of disposal group held for sale	**-**	**-**	**-8 519**
Net liabilities directly associated with assets classified as held for sale liability	-	-	-380

6. Segment information

Effective with the sale of the Company's B2C assets, and in accordance with IFRS 5, the Company has restated its financial statements to report the B2C results as discontinued operations. Effectively, the Company operates one segment Business to Business ("B2B") for the periods ended 30 September 2020 and 2019. The following tables are included for informational purposes only.

Q3 2020 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	-	17 942	-11	17 931
Cost of sales	-	906	-	906
Marketing cost	11	4 545	-11	4 545
EBITDA	-590	3 185	5	2 600
EBIT	-1 689	-1 627	4	-3 312

Q3 2019 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	20 167	11 909	-1 850	30 226
Cost of sales	7 279	222	-829	6 672
Marketing cost	6 608	1 309	-813	7 104
EBITDA	2 440	326	-46	2 720
EBIT	1 498	-6 947	-1 291	-6 740

9M 2020 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	22 896	47 609	-1 839	68 666
Cost of sales	8 846	1 993	-1 031	9 808
Marketing cost	8 978	10 654	-690	18 942
EBITDA	-179	7 358	-18	7 161
EBIT	-1 904	-7 340	-17	-9 261

9M 2019 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	59 980	39 166	-5 526	93 620
Cost of sales	21 558	741	-2 606	19 693
Marketing cost	22 632	4 199	-2 236	24 595
EBITDA	3 986	5 423	-96	9 313
EBIT	1 402	-13 286	-1 340	-13 224

2019 (EUR 1000)	B2C	B2B	Elimination	Total
Revenue	78 972	51 330	-7 276	123 026
Cost of sales	26 702	906	-3 518	24 090
Marketing cost	28 739	5 279	-2 913	31 105
EBITDA	8 089	6 196	-121	14 164
EBIT	-35 421	-18 917	-1 499	-55 837

7. Earning (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) for the period, plus or minus applicable dividends, by the weighted number of shares outstanding. Diluted earnings (loss) per share utilize the same numerator, but outstanding shares in profitable periods include the dilutive effect of outstanding warrants and options determined by the treasury stock method. As of 30 September 2020, the Company had 551,000 options outstanding.

8. Changes in equity

In the third quarter 2020, 120,000 options were cancelled resulting in 551,000 options outstanding as of 30 September 2020. GIG borrowed shares for the immediate transfer of the option shares to the employees during the first and second quarters of 2019 and will issue new shares at a later date.

As at 30 September 2020, 90,005,626 shares were outstanding, where of the Company owned no treasury shares. In addition, 70,000 ption were exercised in 2019 and the Company boorowed shares for the immediate transfer of option shares. When new shares are issued for the options 2019, the outstanding number of shares will increase to 90,075,626. The number of authorised shares is 100,000,000.

9. Loans payable to shareholders

In December 2015, the Company entered into a revolving loan facility in the amount of NOK 9,700,000 with a shareholder owning more than 10% of the Company with an interest rate of 10% per annum due on demand at monthly intervals. This facility was increased to NOK 19,200,000 in July 2016. In December 2017, the Company, utilized the revolving loan facility and borrowed NOK 10,000,000 and in December 2018, an additional NOK 9,000,000. The outstanding amount, NOK 19,000,000, was repaid in July 2019.

In December 2018, the Company entered into a loan agreement for NOK 6,000,000 with an interest rate of 10% per annum with maturity on 30 November 2019. The loan was repaid in July 2019.

In June 2020, the Company entered into a NOK 25,000,000 credit facility with a shareholder on market terms. The facility has a commitment fee of 3% per annum and an interest rate of 15% per annum, and maturity on 10 January 2022. NOK 14,000,000 was drawn under the facility in July 2020.

Short term loans outstanding balances at 30 September 2020 and 2019 were EUR 0 and EUR 0, respectively with accrued interest of EUR 0 and 0, respectively. Long-term loans outstanding balances at 30 September 2020 and 2019 were EUR 1,287,426 and EUR 0, respectively with accrued interest of EUR 15,549 and 0, respectively.

10. Senior secured bonds

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

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

As a result of the Company's divestment of its B2C vertical to Betsson Group, the Company has used part of the proceeds from the sale to repay the Company's SEK300 million 2017 - 2020 bond together with the cost incurred of SEK 1.1 million for extending maturity date of the bond from 6 March 2020 to 22 April 2020.

The outstanding balance of the short term bond at 30 September 2020 and 2019 was EUR 3,455,360 and EUR 31,461,883 respectively, with accrued interest of EUR 507,717 and EUR 328,785 respectively. The outstanding balance of the long term bond at 30 September 2020 and 2019 was EUR 33,933,680 and EUR 33,277,257 respectively, with accrued interest of EUR 198,905 and 781,860, respectively. The bonds are registered in the Norway Central Securities Depository. The 2017-20 bond is listed on the Oslo Stock Exchange (GIGLTD01) and the 2019-22 bond is listed on Nasdaq Stockholm in Q4 2019.

The remaining bond is redeemable at par (SEK 1,000,000). The Company has the option to early redeem the SEK 400 million bond, at a fee, before its maturity date on 28 June 2022. The Company will not avail of the option and will redeem at maturity.

The amount of transaction costs which were capitalised as part of borrowings during 2019 was EUR 718,000.

11. Acquisitions

There were no acquisitions in the third quarter 2020.

12. Litigations

From time to time, the Company is involved in litigation brought by previous employees or other persons. The Company and its legal counsel believe that these claims are without merit.

13. Related party transactions

There were no material related party transactions in the second quarter 2020 other than the loans mentioned in Note 9.

14. Subsequent events

There have been no material subsequent events that occurred after 30 September 2020.

15. 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.

Active customers: A customer having played with money deposited or with winnings from free spins or bonuses during the three month period

Casino margin: Customers' total bets less winnings and jackpot contribution, divided by customers' total bets

Deposits: Money deposited in the customer accounts

EBIT: Operating profit

EBITDA: Operating profit less depreciation, amortization and impairments

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

Gaming tax: Taxes paid on revenues in regulated markets

Gross profit: Operating revenue less cost of sales

Gross margin: Gross profit in percent of revenues

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

Organic growth: Growth excluding acquisitions.

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

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

Report on review of Interim Financial Information

To the Directors of Gaming Innovation Group Inc.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gaming Innovation Group Inc. as of September 30, 2020 and the related condensed interim statements of operations, changes in equity and cash flows for the nine-month period then ended and the explanatory notes. The directors are responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union applicable to interim reporting (International Accounting Standards 34 "Interim Financial Reporting"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial reporting and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

As stated in Note 2, the Company faces uncertainties related to its financial results, liquidity and impact of COVID-19.

The condensed financial statements include comparative financial information for the nine months ended September 30, 2020 were reviewed by Israeloff Trattner & Co PC who merged with G.R. Reid Associates, LLP as of August 1, 2020 and whose report was issued on November 4, 2020.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared in all material respects in accordance with International Accounting Standards 34 "Interim Financial Reporting".

4 November 2020

G.R. Reid Associates, LLP

G.R. Reid Associates LLP
Woodbury, New York, USA

Gaming Innovation Group plc.

Condensed statement of operations - B2C included as discontinued operations

Gaming Innovation Group Plc issued a SEK 650 million senior secured bond with a SEK 1,250 million borrowing limit in 2017. The bond had a fixed coupon of 7.0% p.a. and was repaid in April 2020.

In June 2019, Gaming Innovation Group Plc issued a new SEK 400 million senior secured bond with a SEK 1,000 million borrowing limit. The new bond has a coupon of STIBOR + 9.0% p.a. with maturity in June 2022. The new bond was used to repay SEK 350 million of the old bond, reducing the balance to SEK 300 million. The bond is listed on Nasdaq Stockholm.

As per the bond terms, the interim condensed consolidated accounts for the issuer for the third quarter 2020 are stated below. Please refer to the selected notes to condensed consolidated financial statements for the parent Gaming Innovation Group Inc. for more information.

EUR 1000 - Unaudited

	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenues	17 931	10 060	45 771	33 641	44 054
Cost of sales	906	222	2 137	741	906
Gross profit	**17 025**	**9 838**	**43 634**	**32 900**	**43 148**
Operating expenses					
Marketing expenses	4 534	1 309	10 715	4 199	5 272
Other operating expenses	9 056	8 582	25 430	24 192	33 042
Total operating expenses	**13 590**	**9 891**	**36 145**	**28 391**	**38 314**
EBITDA	**3 435**	**-53**	**7 489**	**4 509**	**4 834**
Depreciation & amortisation	3 252	3 611	9 364	10 821	14 422
Amortisation on acquired affiliate assets	1 560	2 264	5 777	6 964	9 228
Impairment of intangibles	-	2 911	-	2 911	3 911
EBIT	**-1 377**	**-8 839**	**-7 652**	**-16 187**	**-22 727**
Financial income (expense)	-1 188	-2 016	-4 784	-6 358	-9 234
Unrealized exchange gain (loss) on bond	282	521	1 343	2 697	1 140
Other income (expense)	4	-9	4	-37	0
Result before income taxes	**-2 279**	**-10 343**	**-11 089**	**-19 885**	**-30 821**
Tax income/(expense)	-111	-106	-266	-302	-627
Loss from continuing operations	**-2 390**	**-10 449**	**-11 355**	**-20 187**	**-31 448**
Income/(loss) from discontinuing operations	**-2 255**	**2 471**	**-1 305**	**4 118**	**-26 481**
Loss for the period	**-4 645**	**-7 978**	**-12 660**	**-16 069**	**-57 929**
Exchange differences on translation of foreign operations	704	-178	-108	-258	-245
Fair value movement in available for sale investment	-	26	-13	18	-1 284
Total comprehensive income (loss)	**-3 941**	**-8 130**	**-12 781**	**-16 309**	**-59 458**
Total Comprehensive income (loss) attributable to:					
Owners of the Company	-3 938	-8 139	-12 773	-16 306	-59 456
Non-controlling interests	-3	9	-8	-3	-2
Total comprehensive income (loss)	**-3 941**	**-8 130**	**-12 781**	**-16 309**	**-59 458**

Gaming Innovation Group plc.

Condensed statements of financial position - B2C included as discontinued operations

EUR 1000 - Unaudited	30 SEP 2020	30 SEP 2019	31 DEC 2019
ASSETS			
Non-current assets:			
Goodwill	5 570	53 708	5 547
Intangible assets	34 526	57 084	40 912
Deposits and other non-current assets	17 753	21 924	19 856
Total non-current assets	**57 849**	**132 716**	**66 315**
Current assets:			
Trade and other receivables	18 233	24 677	20 464
Cash and cash equivalents	5 751	10 835	4 508
Total current assets	**23 984**	**35 512**	**24 972**
Assets classified as held for sale	-	-	32 966
TOTAL ASSETS	**81 833**	**168 228**	**124 253**
Llabilities and shareholders' equity			
Shareholders' equity:			
Share capital	51	51	51
Share premium/reserves	86 806	93 018	87 289
Retained earnings (deficit)	-89 624	-35 122	-76 973
Total equity attributable to GiG Inc.	-2 767	57 947	10 367
Non-controlling interests	16	22	24
Total shareholders' equity	**-2 751**	**57 969**	**10 391**
Llabilities:			
Trade payables and accrued expenses	33 957	32 240	24 634
Bond payable	3 455	31 462	30 035
Total current liabilities	**37 412**	**63 702**	**54 669**
Bond payable	33 934	33 277	36 908
Deferred tax liability	11 769	12 145	12 496
Other long term liabilities	1 469	1 135	1 270
Total long term liabilities	**47 172**	**46 557**	**50 674**
Total liabilities	**84 584**	**110 259**	**105 343**
Liabilities directly associated with assets classified as held for sale	-	-	8 519
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**81 833**	**168 228**	**124 253**

Gaming Innovation Group plc.

Condensed statement of cash flows - B2C included as discontinued operations

EUR 1000 - Unaudited

	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Cash flows from operating activities:					
Results from continuing operation before income taxes	-2 279	-10 343	-11 089	-19 885	-30 821
Results from discontinued operations	-2 255	2 471	-1 305	4 118	-26 481
Adjustments. to reconcile profit before tax to net cash flow:					
Tax expense	-111	-106	-266	-302	-627
Depreciation and amortization	3 252	3 611	9 364	10 821	23 650
Amortization on acquired affiliate assets	1 560	2 264	5 777	6 964	-
Impairment of intangibles	1 100	2 911	1 100	2 911	38 857
Loss on disposal of B2C division	565	-	565	-	-
Other adjustments for non-cash items and changes in operating assets and liabilities	-1 659	2 086	14 898	5 342	-600
Net cash provided by operating activities	**173**	**2 894**	**19 044**	**9 969**	**3 978**
Cash flows from investing activities:					
Purchases of intangible assets	-1 689	-1 782	-4 873	-5 778	-7 697
Purchases of property, plant and equipment	-55	-245	-1 385	-3 798	-2 704
Acquisition of associates	-	-	-	-100	-100
Disposal of subsidiaries	-	-	22 300	-	-
Net cash from investing activities	**-1 744**	**-2 027**	**16 042**	**-9 676**	**-10 501**
Cash flows from financing activities:					
Loan from related party	798	-505	61	-1 960	-
Lease payments	-780	-	-2 367	-	-2 796
Interest paid on bonds	-880	-1 854	-3 591	-1 854	-4 897
Repayment of bonds	-	-	-27 825	-	-
Cash flow from other investing activities	-	-	-	-	-80
Net cash from financing activities	**-862**	**-2 359**	**-33 722**	**-3 814**	**-7 773**
Translation loss	704	-178	-108	-258	-245
Fair value movements	0	26	-13	18	-1 284
Net increase (decrease) in cash	**-1 729**	**-1 644**	**1 243**	**-3 761**	**-15 825**
Cash and cash equivalents - beginning	7 480	12 479	4 508	14 596	14 595
Cash and cash equivalents attributable to discintinued operations	-	-	-	-	5 738
Cash and cash equivalents - end	**5 751**	**10 835**	**5 751**	**10 835**	**4 508**

We are GiG

Gaming Innovation Group Inc. (“GiG” or “the Company”) is a technology company operating in the iGaming industry. Offering cutting edge cloud-based services and performance marketing through their B2B solutions.

Founded in 2012, Gaming Innovation Group’s vision is “to be the industry leading platform and media provider delivering world class solutions to our iGaming partners and their customers”. GiG’s agile iGaming platform is adaptable to change, providing partners with the choice and flexibility of selecting content and services tailored to their specific market requirements, delivering a seamless omnichannel experience. Furthermore GiG is a lead generation and marketing provider with a 360 degree digital offering, supplying high value leads with global reach. All driving sustainable growth and profitability through product innovation, scalable technology and quality of service.

Media
Digital Marketing
Finding leads through online media buys and publishing and refer these lead to operators

Platform
Platform Services
Offering cloud based platform services and games, from multiple vendors, to casino operators

Sports
Sports Services
Odds, trading and risk management tools and mobile first front end for sportsbooks

Data
Data as Service
Compliant real time data and insights at your fingertips. Rich set of AI-enabled self service tools available to help you stay ahead of the game

Managed Services
(B2B)

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.

Casino Supplier
Compliance
Ancillary Service Providers
Game Providers
Payment Providers
Sports Providers
Odds Providers

GiG

VIP Management
Support
Media
SEO
Google Ads/SEM
Social Media
Permission Marketing
Affiliates

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Golden Mile Business Centre
Triq Id-Dragunara

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Marbella

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Denmark

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