

# Gaming Innovation Group

Interim Report Q3 2015

10 November 2015  
**Robin Reed, CEO**

# Agenda

## 1. Highlights

2. Operational Update

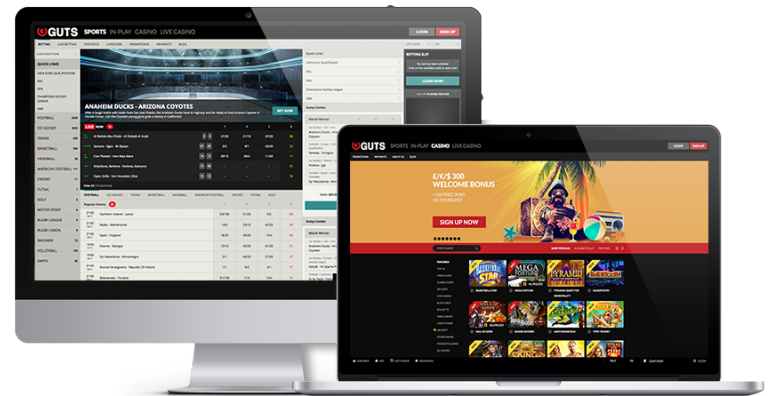
3. Financial Update

4. Outlook & Summary

5. Appendix

# Growth and improvement in all segments

- All-time-high quarterly revenues of EUR 6.0 million  
**Up 62% year-on-year, up 25% quarter-on-quarter**
- Gross margin 66% vs. 58% in Q2 15
- Significant growth in iGamingCloud client base  
**Three agreements signed in Q3 15**  
**Three agreements signed to date in Q4 15**
- Development of proprietary Sportsbook service completed  
**Launched on Guts.com in September**  
**First external customer signed**



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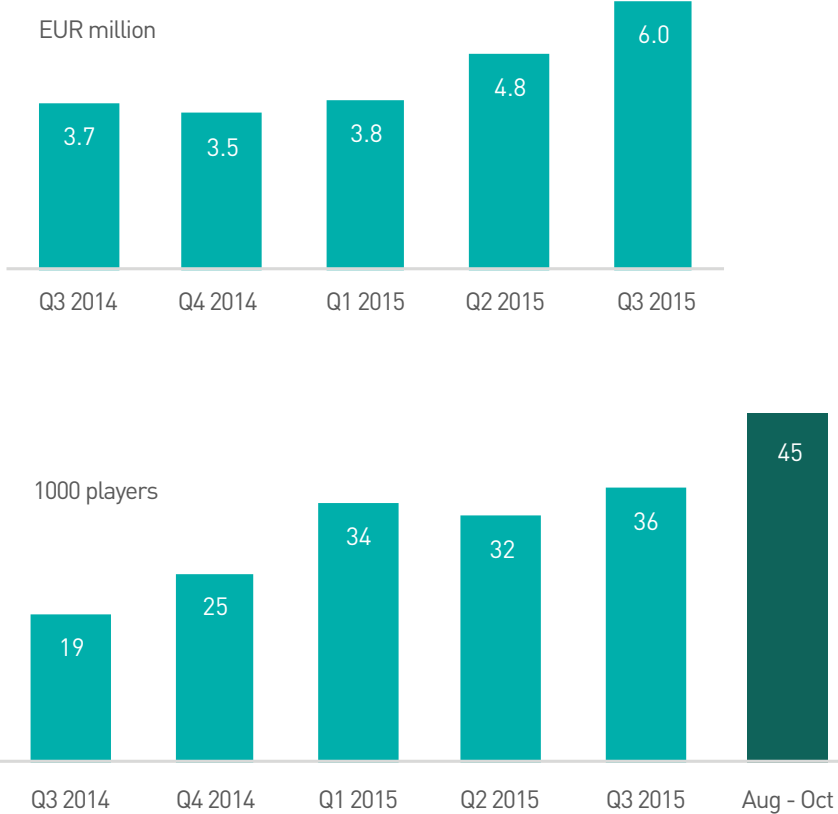
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# Key performance indicators

**REVENUES**  
**6.0**  
EUR million

**ACTIVE USERS ALL BRANDS**  
**35,590**



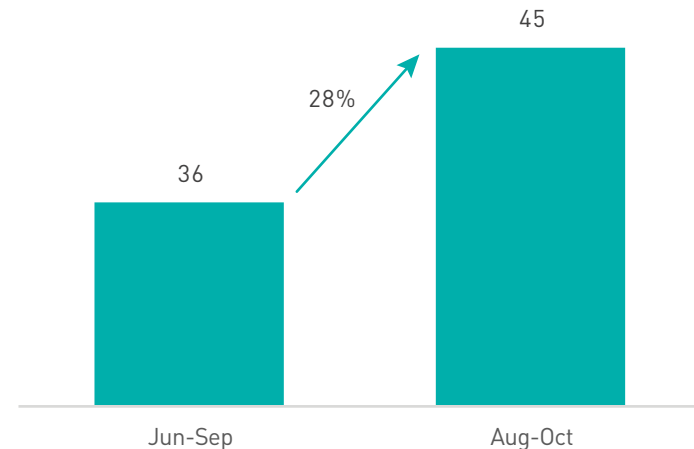
# Casino & Sportsbook

## Guts.com & Betspin

- Total registered users for Guts and Betspin as of October 31, 2015 were 235,107 (9% increase in Oct.)
- Guts.com TV campaign launched in August
- Guts.com successfully migrated to iGaming Cloud platform
- Third brand, Rizk.com will be launched in December

### 3-month rolling total active real money players

1000 players  
GUTS and Betspin



# RIZK.com close to launch



# B2B: iGaming Cloud

## Cloud Services

- Platform offering the full range of services needed for for an iGaming operator

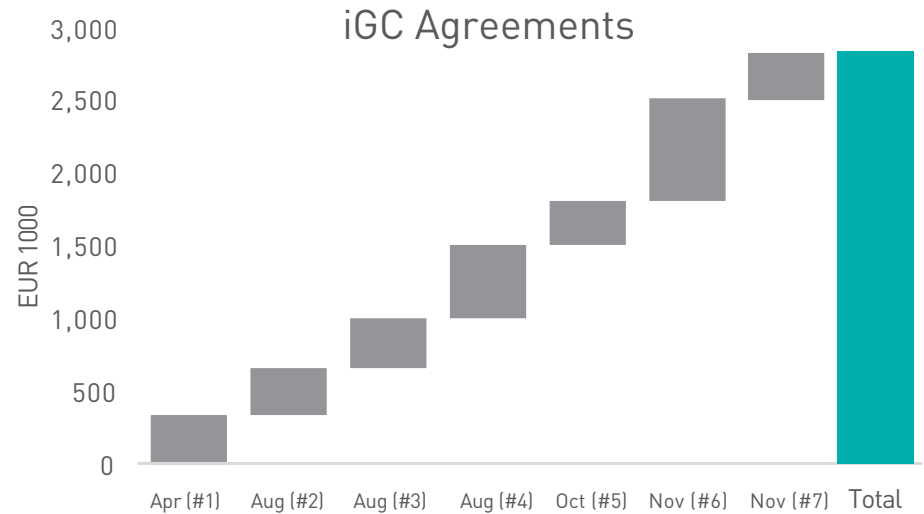
**In September, Sportsbook gaming service included in iGC offering**

- First external client launched on iGC platform

- A very competitive cost structure

**Lower the entry barrier for start-ups**

**Significant advantages of scale for larger entities**

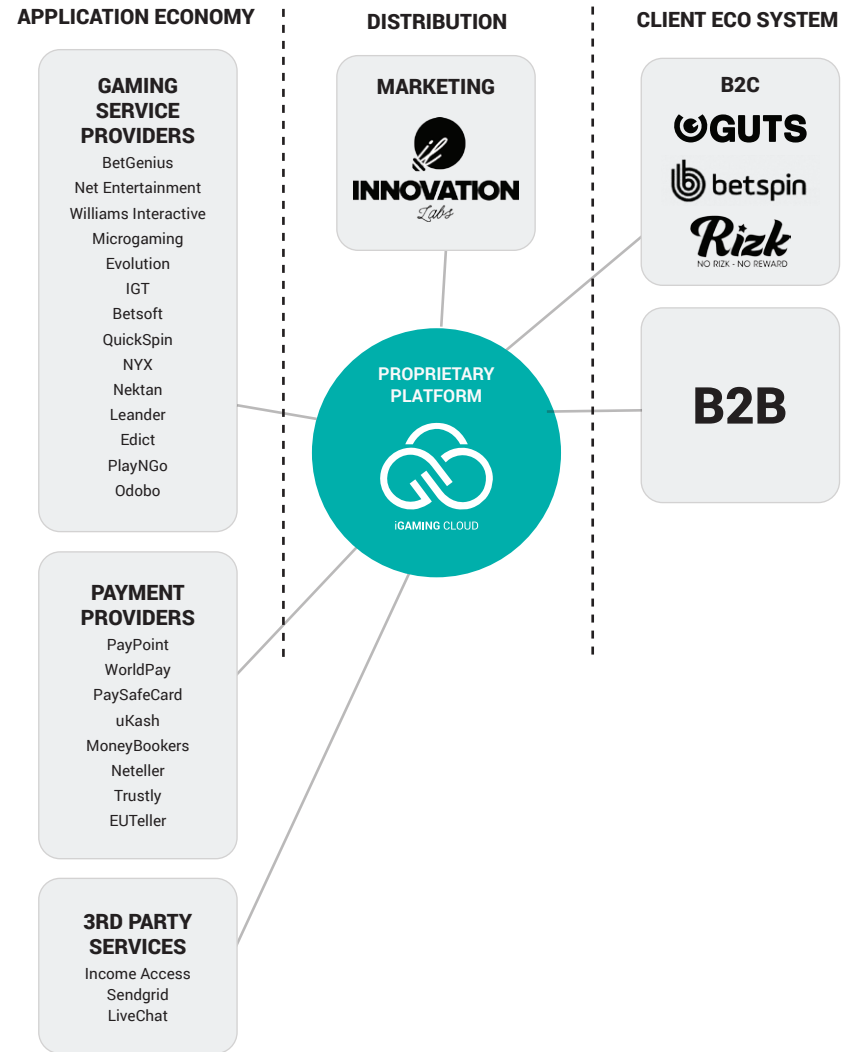




# iGC Business Model

## Payment schedule iGC agreements

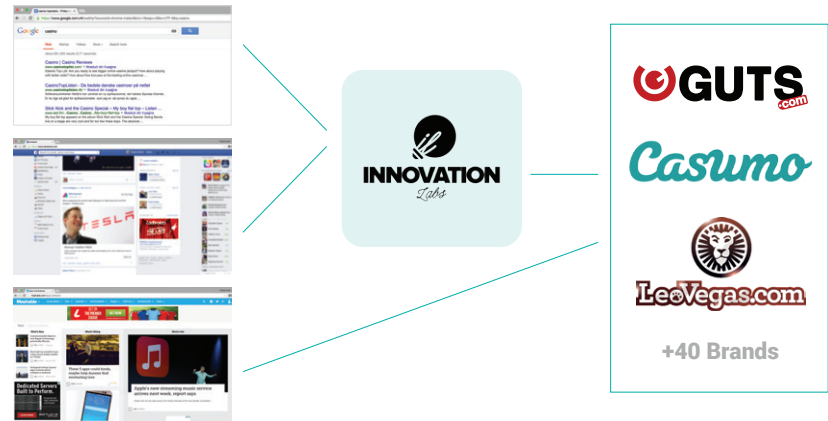
- Set-up fee
- Flat fee
- Revenue sharing



# Performance marketing: Innovation labs

## Online marketing channel for the iGaming industry

- Acquisition of two affiliate networks in Q3
- Significantly increasing GIG's traffic driving capability
- Combined activities expected to generate a significant number of new real money players over the next 3 years

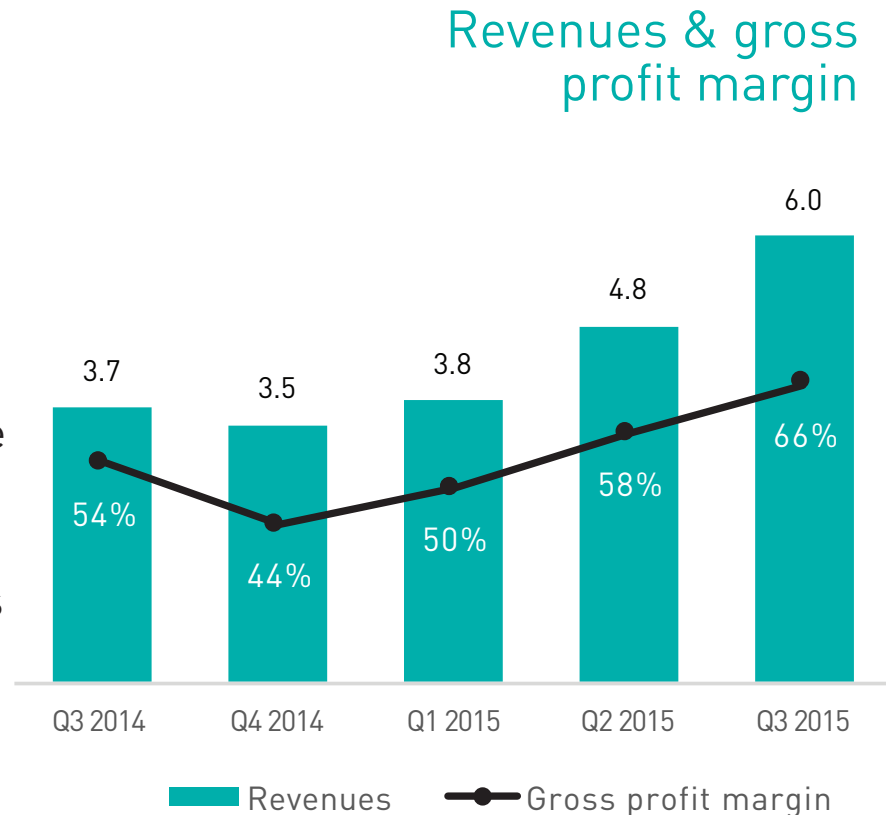


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# Increased revenues and margins

- Revenues driven by higher ARPU (Average revenue per user) and Innovation Labs
- Cost of sales EUR 2.1m (1.7m) related to payment provider fees
- Gross profit EUR 3.9m (2m)
- Marketing expenses 32% of revenue (31%)
- TV campaigns and user acquisitions will sustain high marketing expenses



# Income Statement

Gaming Innovation Group Inc.

Condensed Statements of Operations in EUROS

(Unaudited)

	Q3 2015	Q3 2014	9M 2015	9M 2014	2014
<b>Revenues</b>	<b>5,995,156</b>	<b>3,704,706</b>	<b>14,585,672</b>	<b>8,871,004</b>	<b>12,346,946</b>
Cost of sales	2,054,101	1,714,648	5,960,473	4,231,192	6,167,778
<b>Gross profit</b>	<b>3,941,055</b>	<b>1,990,058</b>	<b>8,625,199</b>	<b>4,639,812</b>	<b>6,179,168</b>
Gross profit margin	66%	54%	59%	52%	50%
Marketing expenses	1,891,025	1,156,252	3,902,901	2,723,484	3,522,283
Other operating expenses	2,050,412	656,218	4,703,827	1,752,978	2,774,308
Total operating expenses	3,941,437	1,812,470	8,606,728	4,476,462	6,296,591
<b>EBITDA</b>	<b>-382</b>	<b>177,588</b>	<b>18,471</b>	<b>163,350</b>	<b>-117,423</b>
<b>EBIT</b>	<b>-74,764</b>	<b>138,936</b>	<b>-136,872</b>	<b>71,017</b>	<b>-245,425</b>
Other income (expenses)	203,369	1,619	861,261	154,861	25,670
<b>Results before income taxes</b>	<b>128,605</b>	<b>140,555</b>	<b>724,389</b>	<b>225,878</b>	<b>-219,755</b>
Marketing in % of revenue:	32%	31%	27%	31%	29%
Other operating in % of revenue:	34%	18%	32%	20%	22%
EBITDA in % of revenue:	0%	5%	0%	2%	-1%

# Financial Position

	09-30-15	09-30-14	12-31-14
<b>Assets</b>			
Non-current assets:			
Goodwill	22,230,484	-	-
Intangible assets	5,997,906	282,690	525,125
Other non-current assets	1,399,368	201,021	223,620
<b>Total non-current assets</b>	<b>29,627,758</b>	<b>483,711</b>	<b>748,745</b>
Current assets:			
Prepaid and other current assets	149,870	26,400	73,493
Trade and other receivables	2,812,806	2,842,340	2,702,977
Cash and cash equivalents	1,104,125	262,756	738,076
<b>Total current assets</b>	<b>4,066,801</b>	<b>3,131,496</b>	<b>3,514,546</b>
<b>Total assets</b>	<b>33,694,559</b>	<b>3,615,207</b>	<b>4,263,291</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Total equity</b>	<b>28,836,751</b>	<b>1,457,896</b>	<b>2,703,766</b>
Trade payables and accrued expenses			
Short term loans	2,078,084	2,157,145	1,273,499
Other current liabilities	2,654,730	-	-
<b>Total current liabilities</b>	<b>4,857,808</b>	<b>2,157,311</b>	<b>1,559,525</b>
<b>Total liabilities</b>	<b>4,857,808</b>	<b>2,157,311</b>	<b>1,559,525</b>

- Goodwill resulting from the merger of EUR 22.2 million
- Equity ratio of 86%
- Net interest bearing debt of EUR 2.7 million
- Cash and balance with payment providers EUR 2,59 million

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# Summary and outlook

Integration completed and operational platform for growth in place

Focus on further optimization operational model

Continued growth in all business areas going forward

- Signed up iGamingCloud clients to go live over the next two quarters
- Within Casino and Sportsbetting increase in active users and revenues expected to continue
- Rizk launch in December will accelerate growth
- Innovation Labs to deliver solid performance



**Q & A**

**?**



**[www.gaminginnovationgroup.com](http://www.gaminginnovationgroup.com)**

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# Gaming Innovation Group

## Top 20 shareholders as of 9th November 2015

Shareholder	# shares	%
Bryggen Holding AS	57,096,707	11.4 %
Super Innovative Limited (Robin Reed)	52,468,528	10.4 %
Frode Fagerli	44,145,403	8.8 %
Hans Michael Hansen	41,355,331	8.2 %
Bolshoy AS	35,252,732	7.0 %
GIG Share Options Ltd	18,712,673	3.7 %
Anders Berntsen	18,328,623	3.7 %
ICKC Ltd. (Ben Clemens)	16,506,568	3.3 %
Nordnet Bank AB	16,359,361	3.3 %
Jussi Hietalahti	7,385,301	1.5 %
Mikko Halmela	7,385,301	1.5 %
UBS AG	7,195,344	1.4 %
Skabo Offshore AS	6,900,000	1.4 %
Melin Holding AS	6,600,000	1.3 %
Nordea Bank AB	6,362,209	1.3 %
CMM Invest AS	6,161,818	1.2 %
Flaxvatn Holding AS	6,161,818	1.2 %
Kjetil Myrliid Aasen	5,200,000	1.0 %
Molasset AS	5,163,524	1.0 %
Foo Holding Ltd.	5,000,000	1.0 %
Other	123,464,710	24.6 %
<b>Sum outstanding</b>	<b>493,205,952</b>	<b>98.2 %</b>
Bonus shares held in escrow	8,500,000	1.7 %
Nio treasury shares	415,000	0.1 %
Total issued shares	502,120,952	100.0 %

# GAMING INNOVATION GROUP INC.

DELAWARE

## AFFILIATE MARKETING

Innovation Labs Ltd.  
( Malta )



## CLOUD SERVICES

iGaming Cloud Ltd. ( Malta 90% )



## GAMING INNOVATION GROUP LTD.

MALTA



## OPERATORS

Candid Gaming Ltd.  
( Malta )



MT Secure Trade Ltd.  
( Malta 99% )



Zecure Gaming Ltd.  
( Malta )



## SPORTS BETTING

Gridmanager Ltd.  
( Malta )