

Gaming Innovation Group

Q4 2016

14 February 2017
Robin Reed, CEO
Tore Formo, CFO

GAMING INNOVATION GROUP

AN iGAMING ECO-SYSTEM



APPLICATION ECONOMY

GAMING SERVICES PROVIDED



PAYMENT SERVICES PROVIDED



ANCILLARY SERVICES



MARKETING



TECHNOLOGY



CLIENT ECO-SYSTEMS

B2B CLIENTS



B2C BRANDS

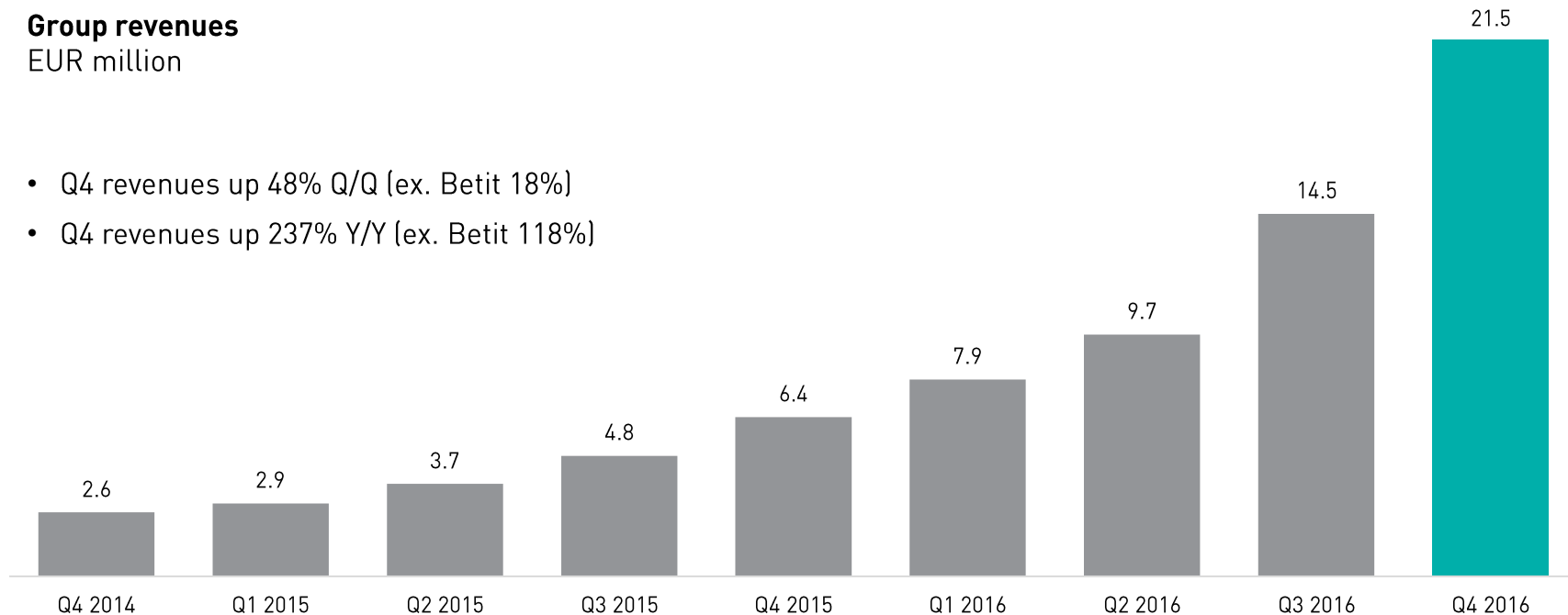


Creating a leading iGaming company

Group revenues

EUR million

- Q4 revenues up 48% Q/Q (ex. Betit 18%)
- Q4 revenues up 237% Y/Y (ex. Betit 118%)



Highlights Q4

- All time high revenues and EBIDTA for the group
- iGamingCloud exceeding 2016 new clients guiding, achieve all time high quarterly revenues (132% Y/Y growth)
- All time high revenues for Innovation Labs in Q4 (159% Y/Y growth)
- RIZK player retention and BetIt acquisition driving B2C revenue surge (270% Y/Y growth)
- Betit migration to iGamingCloud completed

Financial highlights

Q4 REVENUES

€21.5M

(48% Q/Q)
(237% Y/Y)

Q4 COST OF SALES

€4.1M

(62% Q/Q)
(212% Y/Y)

Q4 OPERATING EXPENSES

€16.6M

(13% Q/Q)
(114% Y/Y)

Q4 EBITDA

€3.9M

(1.1M Q3 16)
(-1.8M Q4 15)

2016

€53.6M

2016

€9.3M

2016

€38.5M

2016

€5.8M



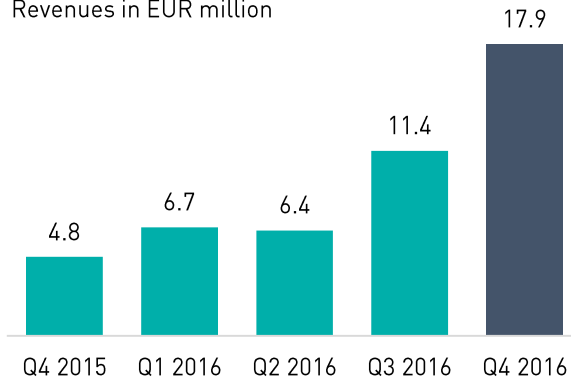
Operational update

B2C

The B2C segment include Gaming Innovations Groups gaming operators

EUR million	Q4 2016	Q4 2015	FY 2016
Revenue	17.9	4.8	42.4
Marketing cost	7.3	3.8	20.0
EBITDA	1.3	(2.9)	(1.1)

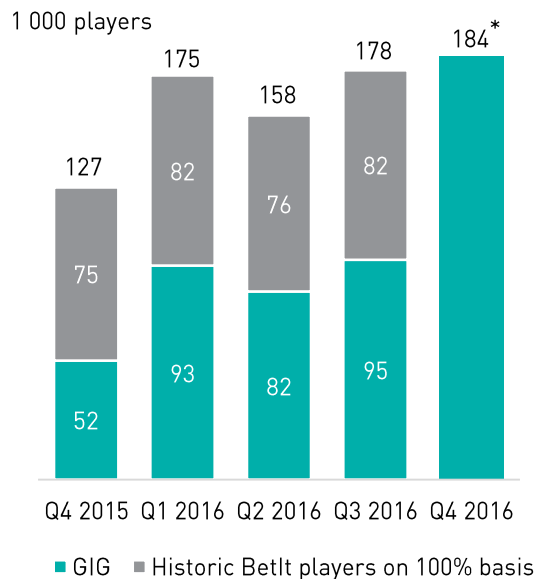
Revenues in EUR million



- Revenues up 270% Y/Y and 58%Q/Q
- Ex. Betit growth of 123% Y/Y and 19% Q/Q
 - Betit contributed with EUR 7.5 mill. in Q4 (2.7m in Q3)
- UK sports betting license awarded
- Marketing share of revenues down Q/Q, expected to pick up going forward

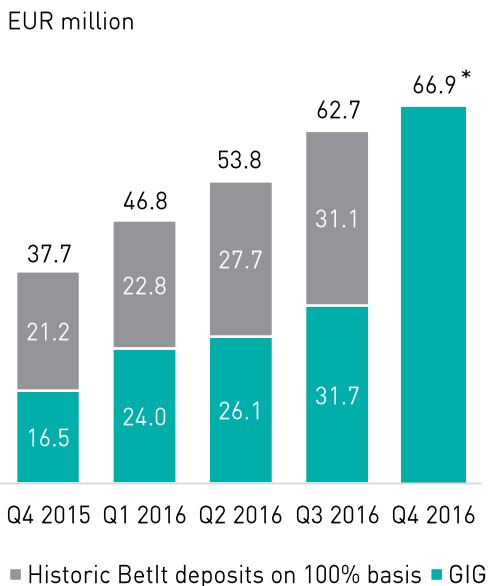
Increased deposits from active players

Active real money players



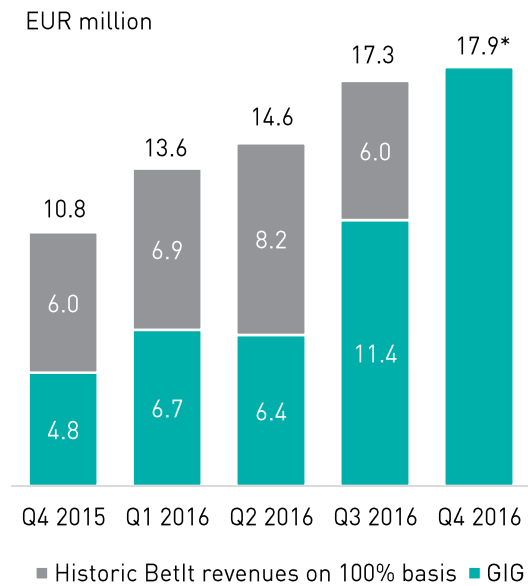
BetIt contribution Q4: 74 000

Deposits



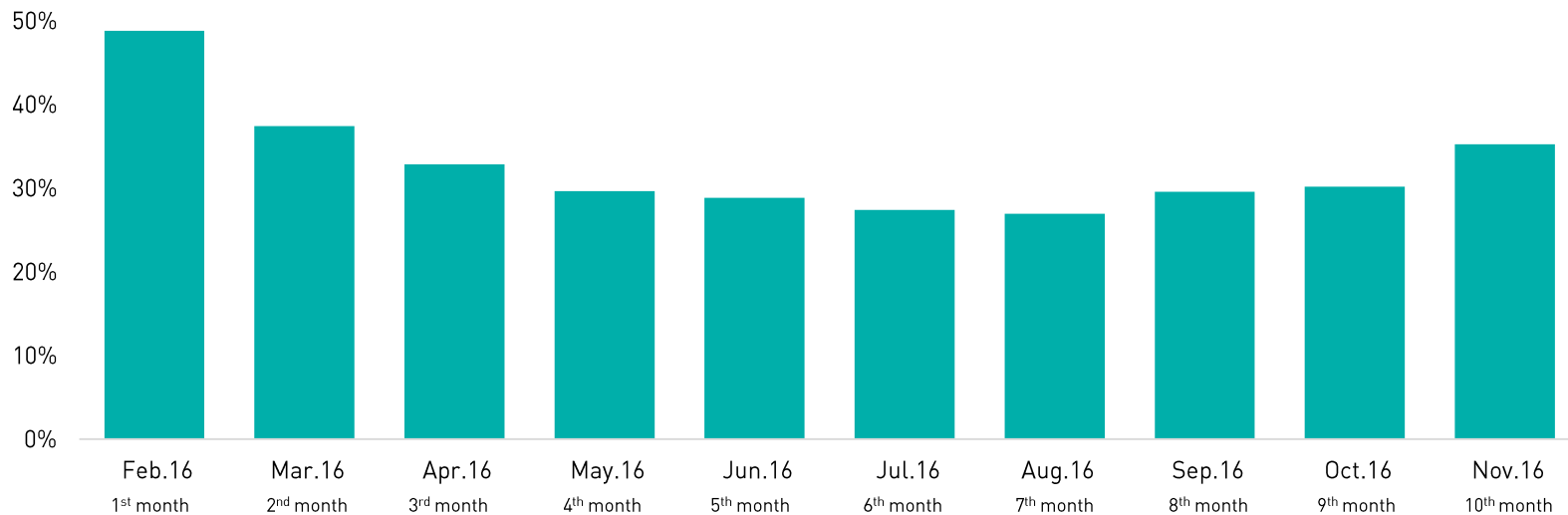
BetIt contribution Q4: EUR 28.5m

B2C revenues



BetIt contribution Q4: EUR 7.5m
BetIt contribution Q3: EUR 2.7m

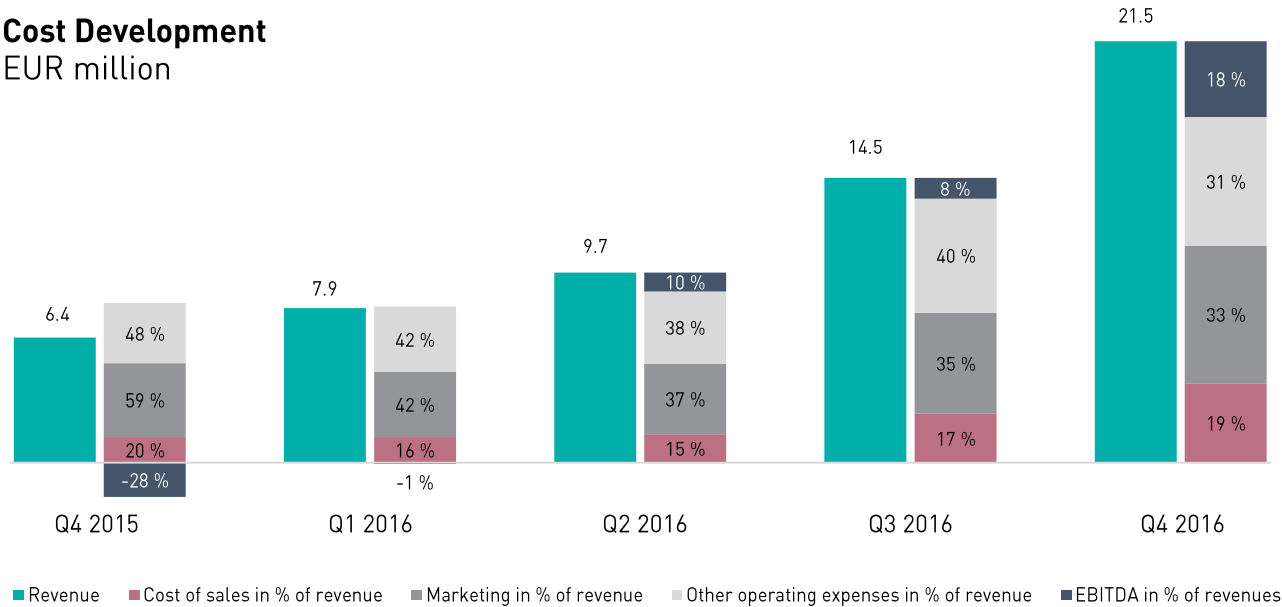
High retention rate for RIZK



Cohort report: Amount of players that made a real money bet in January, whom is making at least one real money bet in subsequent months. Real Money Bets includes bets only made with winnings from freespins

Marketing % driving future earnings

Cost Development EUR million

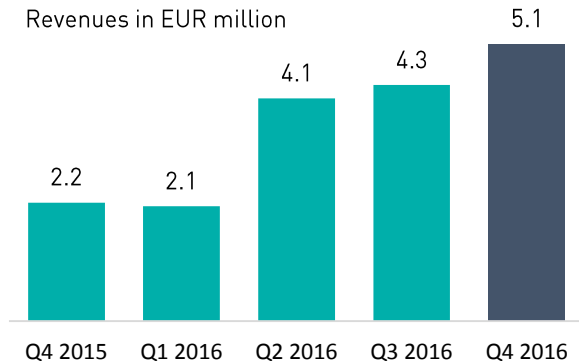


- High marketing % affect short term earnings, driving future growth
- Marketing % expected to increase going forward

B2B

The B2B segment includes Gaming Innovation Groups cloud based services (iGamingCloud) and digital marketing services (Innovation Labs)

EUR million	Q4 2016	Q4 2015	FY 2016
Revenue	5.1	2.2	15.6
EBITDA	2.6	1.1	6.9



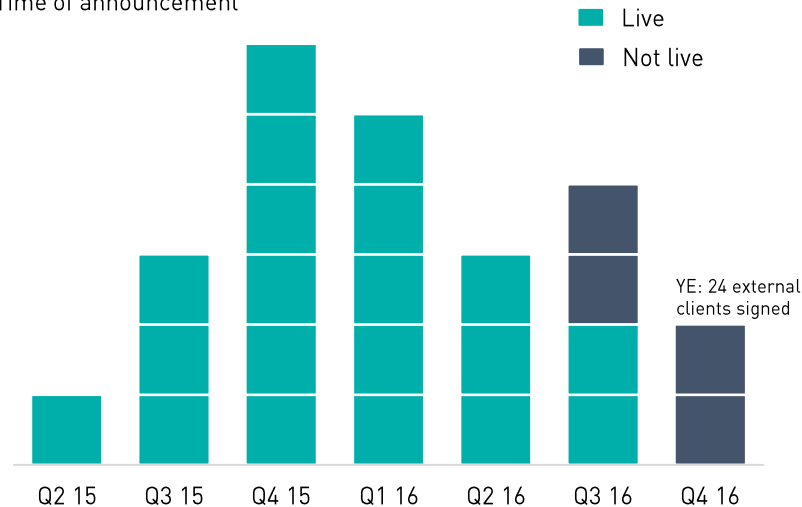
- Revenues up 132% Y/Y and 17% Q/Q
- Cloud based services
 - iGaming Cloud aims to be the leading cloud based service provider within iGaming
 - Enabling a sharing economy for the iGaming industry
 - 1.9 billion database transactions in ecosystem in Q4 (up from 1.3 billion in Q3)
- Digital Marketing services
 - Continued increase in revenue from Innovation Labs

iGaming Cloud exceeded 2016 target

From start-up to full scale platform in 1.5 years

Number of iGC agreements

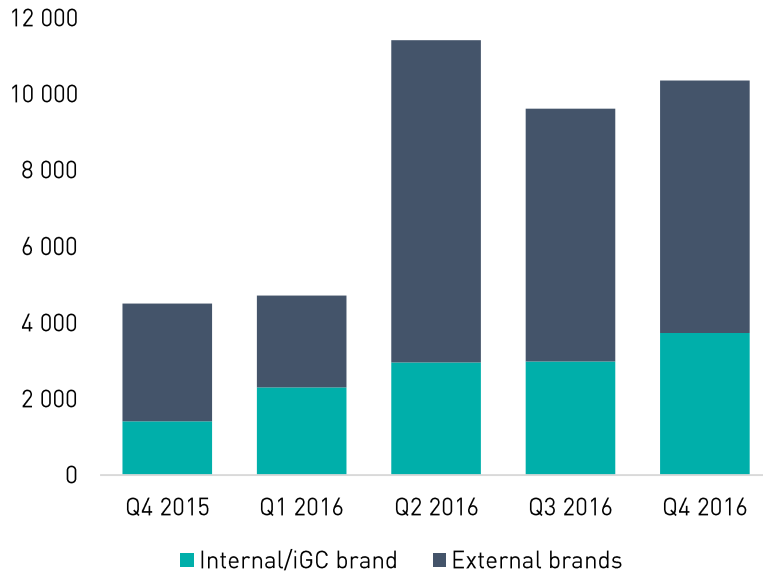
Time of announcement



- 24 external clients signed by year end 2016
 - Exceeded YE 2016 goal of 20 clients
- Acquired BetIt brands migrated to the platform in November
- Focus on integration of games, payments and ancillary services
- Re-writing and scaling up platform to sign large and established clients
 - Time estimate: 12-18 months
 - Increase volumes to the iGaming ecosystem

Innovation Labs increasing revenue per FTD

Number of referred First Time Depositors



- Generate clients to the iGaming eco-system
- Focus on high value depositors
 - Number of *FTD's up 8% Q/Q and 130% Y/Y
- Overall revenues up 22% Q/Q and 159% Y/Y

Strategic update

- Competence core to success - focus on attaining the best employees
 - Extensive hiring of highly qualified engineers
 - Hired top industry names to group and subsidiary managements
 - Incentive programs to retain existing and attract new employees
- Continued development of iGaming eco-system
 - Product development and re-architecture of IGC
 - Acquisitions: Bolt-on acquisitions
 - Development of new business areas: BettingCloud
- Positioned for organic and acquired growth across all business areas

Introducing BettingCloud

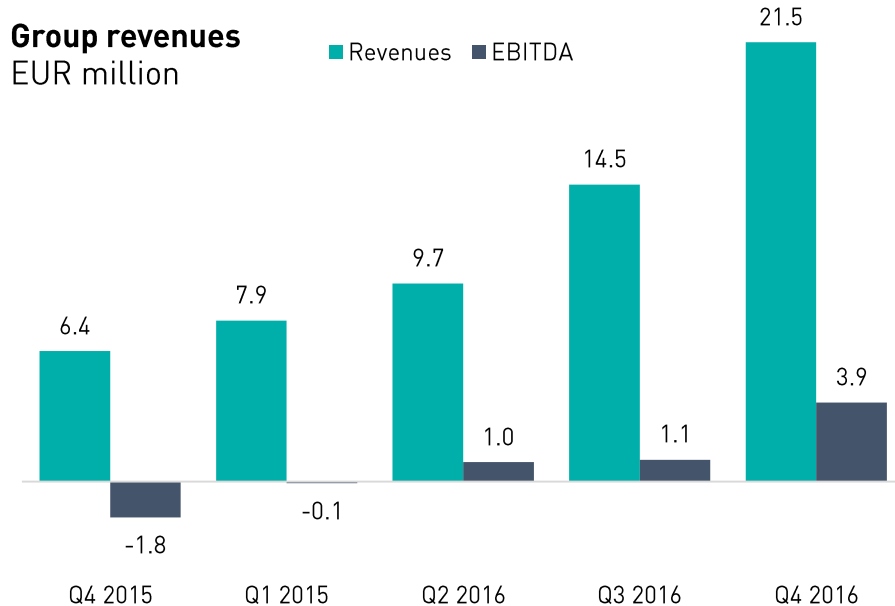
- Proprietary odds supplier offering odds feeds, content services, betting engine, risk management and trading tools
- The solutions can work in isolation or as a complete Sports offering, bundled with the iGamingCloud platform
- Originates from the OddsModel acquisition
- Hire 80 new employees during 2017
- Under development, expected launch Q4 17





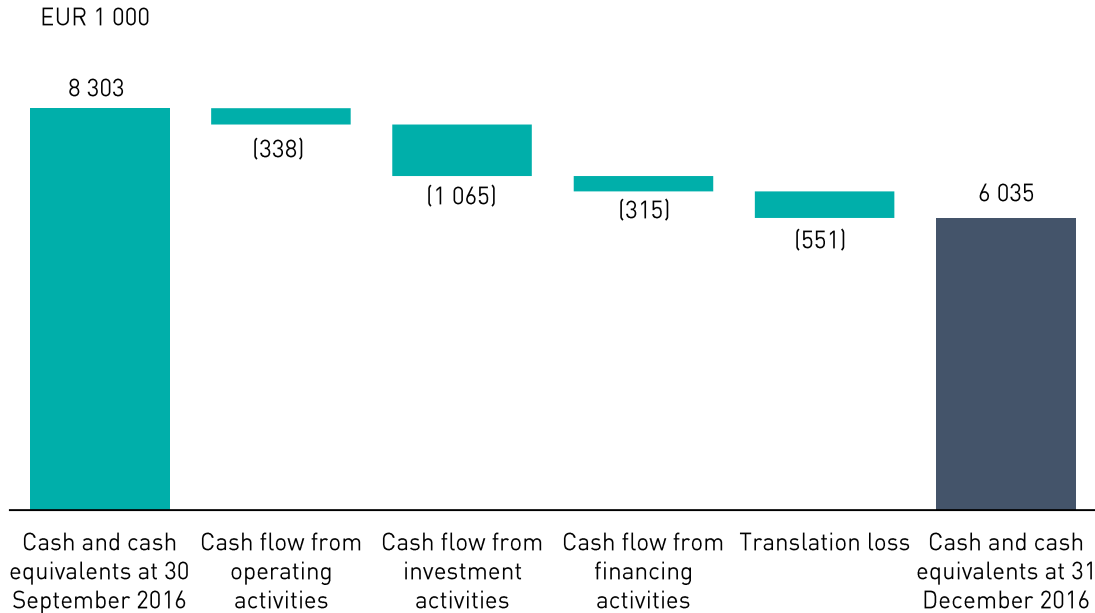
Financial update

Continued strong growth



- All time high revenues of EUR 21.5 million
- EBITDA of EUR 3.9 million in Q4

Cash Flow development

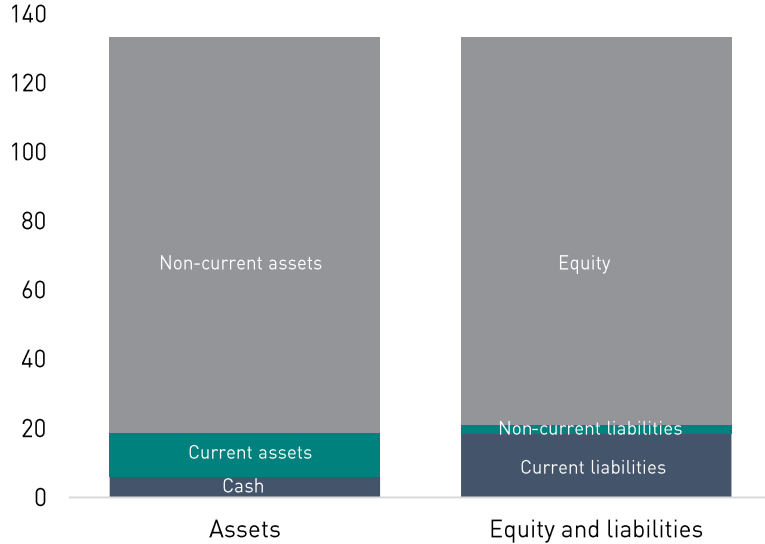


- Cash flow from financing EUR -0.3 million
- New loans EUR 1.46 million
- Repayments EUR 1.78 million
- Strong cash balance maintained

Financial position

Balance sheet composition

EUR million



- Equity ratio of 83%
- Strong cash position



Summary and outlook

Outlook

- Expect to use the Nordic bond market to finance future acquisitions
- Increased marketing budgets for B2C in 2017
- Develop iGC-platform to sign larger and established clients
- Expand Innovation Labs to new verticals and markets
- New sports betting provider to be launched in 2017
- See 2017 revenues above EUR 120 million

Q&A

1st quarter 2017

09.05.17



Appendix

Largest shareholders as of 13 February 2017

Shareholder	# shares	%
Optimizer Invest Ltd.	131 173 297	16.0 %
Bryggen Holding AS	104 446 123	12.8 %
Super Innovative Limited (Robin Reed)	58 414 881	7.1 %
J.P. Morgan Chase Bank	58 614 800	7.2 %
Hans Michael Hansen	39 101 744	4.8 %
Frode Fagerli	36 001 194	4.4 %
Ben Clemes	19 232 998	2.3 %
Anders Berntsen	17 210 772	2.1 %
CMM Invest AS	17 184 063	2.1 %
Nordnet Bank AB	17 102 713	2.1 %
Avanza Bank AB	15 631 299	1.9 %
Flaxvatn Holding AS	14 891 990	1.8 %
Svenska Handelsbanken	13 824 006	1.7 %
G.F. Invest AS	11 716 054	1.4 %
GIG Share Options Ltd.	11 137 962	1.4 %
Nordea Bank AB	9 601 129	1.2 %
Mikko Halmela	8 233 452	1.0 %
Jussi Hietalahti	8 153 869	1.0 %
Nordea Bank AB Denmark Branch	7 714 318	0.9 %
Saxo Bank A/S	7 613 223	0.9 %
Other	211 556 379	25.8 %
Total issued shares	818 556 266	100.0 %

Income statement

Condensed Statements of Operations in EUR 1 000 (Unaudited)	Q4 2016	Q4 2015	2016	2015
Revenues	21 495	6 384	53 605	17 749
Cost of sales	4 052	1 300	9 285	4 042
Gross profit	17 443	5 084	44 320	13 707
Gross profit margin	81 %	80 %	83 %	77 %
Marketing expenses	7 007	3 769	19 094	7 670
Other operating expenses	6 574	3 071	19 411	8 099
Total operating expenses	13 581	6 840	38 504	15 769
EBITDA	3 862	-1 756	5 816	-2 062
Depreciation & amortization	556	267	1 472	528
EBIT	3 306	-2 023	4 344	-2 590
Other income (expenses)	-568	153	-1 349	337
Unrealized gain on derivative asset	0	332	1 338	521
Result before income taxes	2 738	-1 539	4 332	-1 732
Income tax refund (expense)	-251	9	-364	-31
Net result	2 487	-1 530	3 969	-1 763
Marketing in % of revenue:	33 %	59 %	36 %	43 %
Other operating in % of revenue:	31 %	48 %	36 %	46 %
EBITDA in % of revenue:	18 %	-28 %	11 %	-12 %

Cash flow

In EUR 1 000	Q4 2016	Q4 2015	2016	2015
Cash flow from operating activities	-338	-1 205	1 594	-1 189
Cash flow from investment activities	-1 065	-91	-4 305	-1 604
Cash flow from financing activities	-315	1 826	7 188	3 753
Translation loss	-551	-80	-533	-150
Net change in cash and cash equivalents	-2 268	449	3 943	810
Cash and cash equivalents at start of period	8 303	1 643	2 092	1 282
Cash and cash equivalents at end of period	6 035	2 092	6 035	2 092

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)	2016	2015
Assets		
Goodwill	63 962	22 230
Intangibles and other non-current assets	45 267	7 138
Total non-current assets	109 229	29 369
Other current assets	12 680	5 000
Cash and cash equivalents	6 035	2 092
Total current assets	18 715	7 092
Total assets	127 944	36 460
Liabilities and shareholders' equity		
Total shareholders' equity	106 810	28 241
Short term loans	3 407	2 031
Other current liabilities	15 066	4 647
Total current liabilities	18 473	6 678
Long term loans	2 661	1 541
Total liabilities	21 134	8 220
Total liabilities and shareholders' equity	127 944	36 460

GAMING INNOVATION GROUP INC.

DELAWARE

Listed on the Oslo Børs

GAMING INNOVATION
GROUP LTD.
MALTA



B 2 B

AFFILIATE MARKETING

Innovation Labs Ltd.
[Malta]



CLOUD SERVICES

iGaming Cloud Ltd.
[Malta]



SPORTS TECHNOLOGY

OddsModel AS
[Norway]

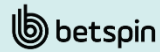
SPORTS TRADING

Gridmanager Ltd.
[Malta]

B 2 C OPERATORS

CANDID GAMING LTD.

[Malta]



ZECURE GAMING LTD.

[Malta]



MT SECURE TRADE LTD.

[Malta]



BETIT HOLDINGS LTD.

[Malta]

