

Gaming Innovation Group

Interim Report Q2

August 2015
Robin Reed, CEO



1. Introduction

2. Segments

3. Q2 Financials

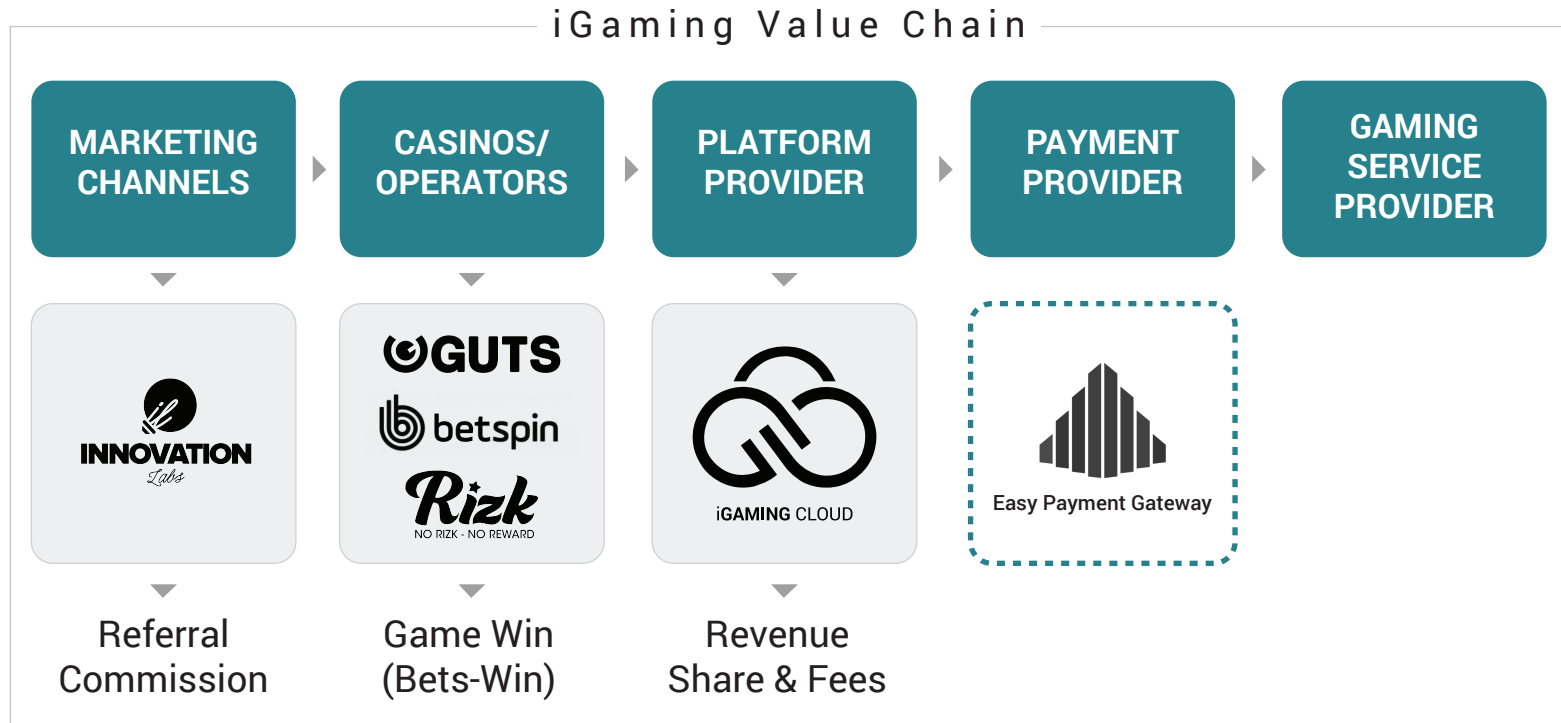
4. Outlook

FOUNDED WITH A VISION

“To **excel** the iGaming industry”

By operating and investing into rapidly growing gambling solutions and entertainment providers. The group provide three bespoke revenue models; cutting-edge Cloud based Services, B2B Performance marketing, and B2C gambling operators offering games from the best-of-breed supplier across the online sports betting and casino industry.

Three Business Segments

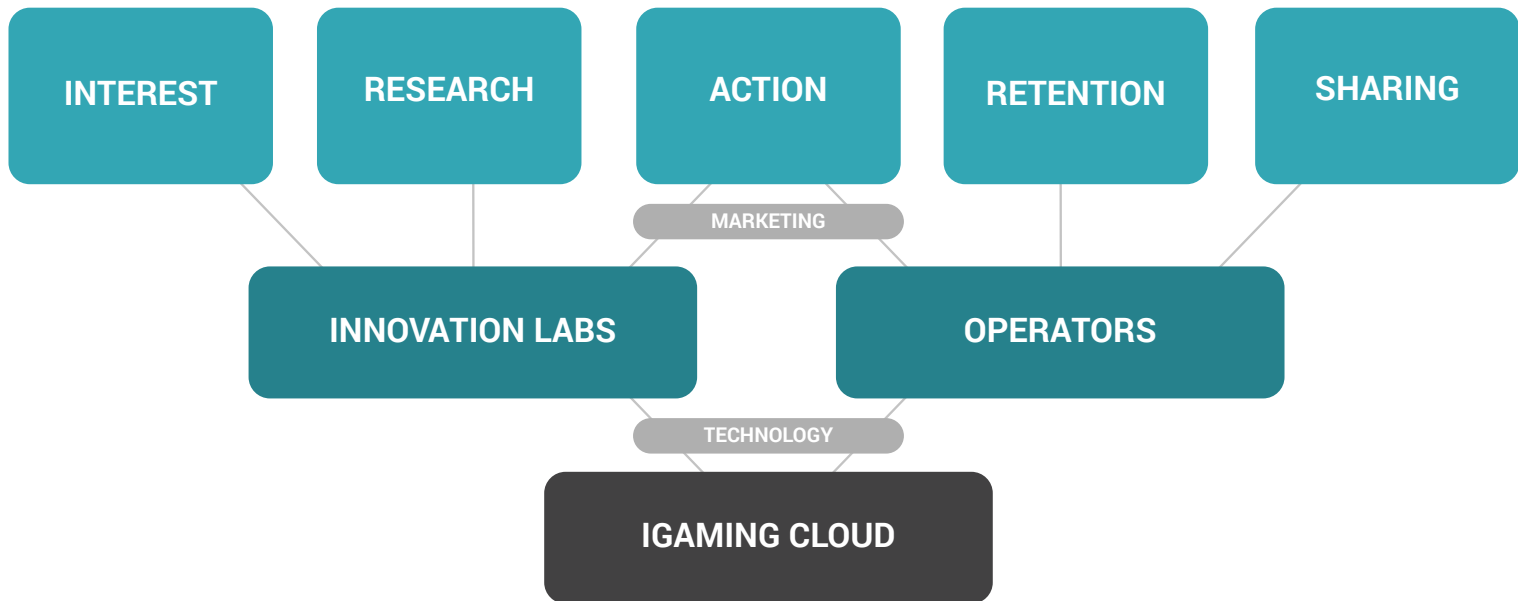


GIG is branching out rapidly, in a logical manner, to draw synergies and improve margins.

Strategy

We optimize every part of the customer journey to create better conversion and lifetime value for our own brands and b2b customers.

CUSTOMER JOURNEY





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Performance Marketing

Why

We are optimizing the touch points, where paying users are finding gambling online.

How

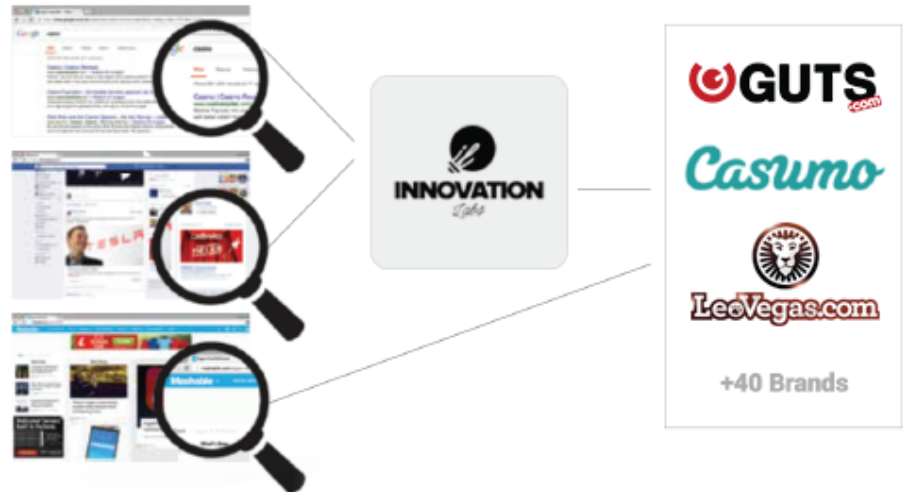
We are earning a share of the revenue generated by each paying user referred to a client. We only get paid when the client earns, hence performance marketing.

What

We refer traffic across Casino, Poker and Sportsbetting by operating websites who rank high in search results for specific keywords. We compliment this strategy with data driven online media buys.

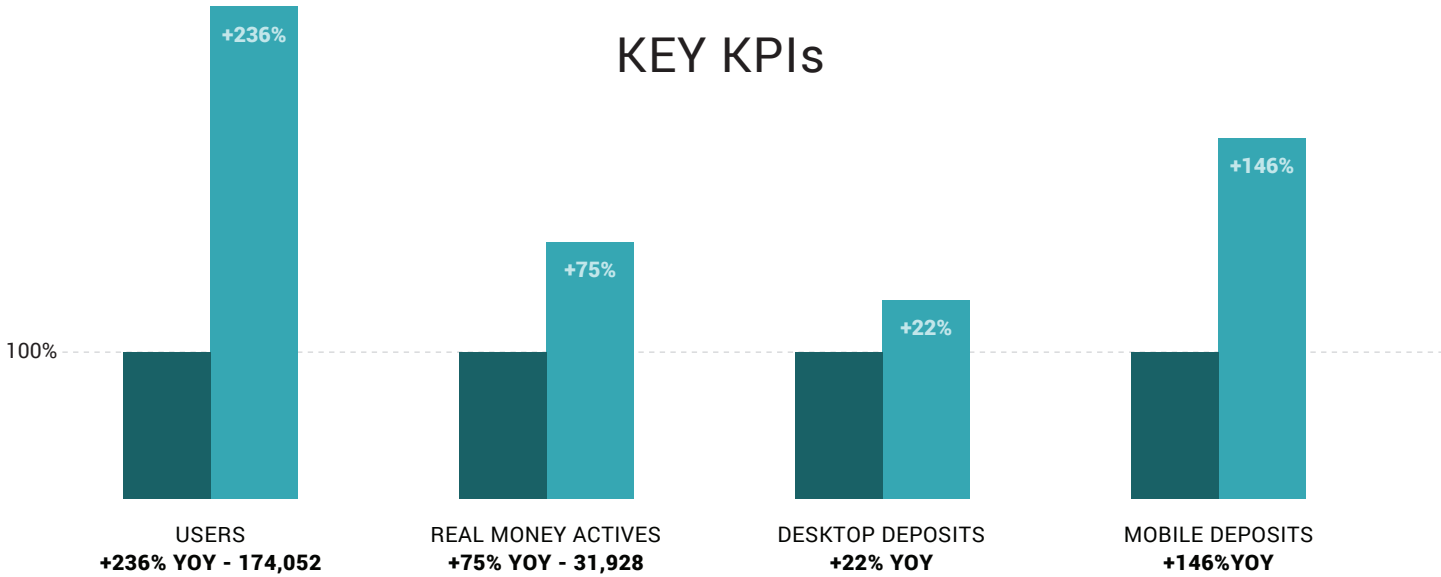
Highlights

- Acquisition of Spaseeba closed 1st of May.
- Acquisition of two additional affiliate networks closed in June and July.
- Current traffic driving capability increased over the next years.
- Traffic will be used to promote internal brands, iGC clients, and high value operators



Operators

KEY KPIs



HIGHLIGHTS

- Record revenues in first May then June
- Granted permanent operator license for Casino in United Kingdom
- Rizk.com to launch in Q4



Cloud Services

Why

iGaming Made Lean

How

iGamingCloud is a Cloud based platform offering the full range of services needed for an iGaming operator. A very competitive cost structure allows us to lower the entry barrier for startups, and yield significant advantages of scale for larger entities. We earn from a share of the revenue generated by the client, as well as fees.

What

Features and functionality include: Customer Relationship Management, Game Management, Marketing suite, Business Intelligence, Financials, Reporting, Multi-Currency Wallets&Banking as well as the full range of integrations to bespoke game and payment providers, all working in realtime.

Highlights

- Signed first external client in Q2 and two new clients in Q3.
- Combined annual contract value of MEUR1+ iNet.Revenues.
- Migrated Guts.com to the platform in 1st of June resulting in an immediate increase in Guts CLTV (Customer lifetime value)

APPLICATION ECONOMY

GAMING SERVICE PROVIDERS

BetGenius
Net Entertainment
Williams Interactive
Microgaming
Evolution
IGT
Betsoft
QuickSpin
NYX
Nektan
Leander
Edict
PlayNGo
Odoboo

PAYMENT PROVIDERS

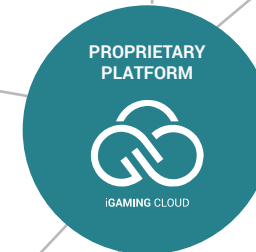
PayPoint
WorldPay
PaySafeCard
uKash
MoneyBookers
Neteller
Trustly
EUTeller

3RD PARTY SERVICES

Income Access
Sendgrid
LiveChat

DISTRIBUTION

MARKETING



CLIENT ECO SYSTEM

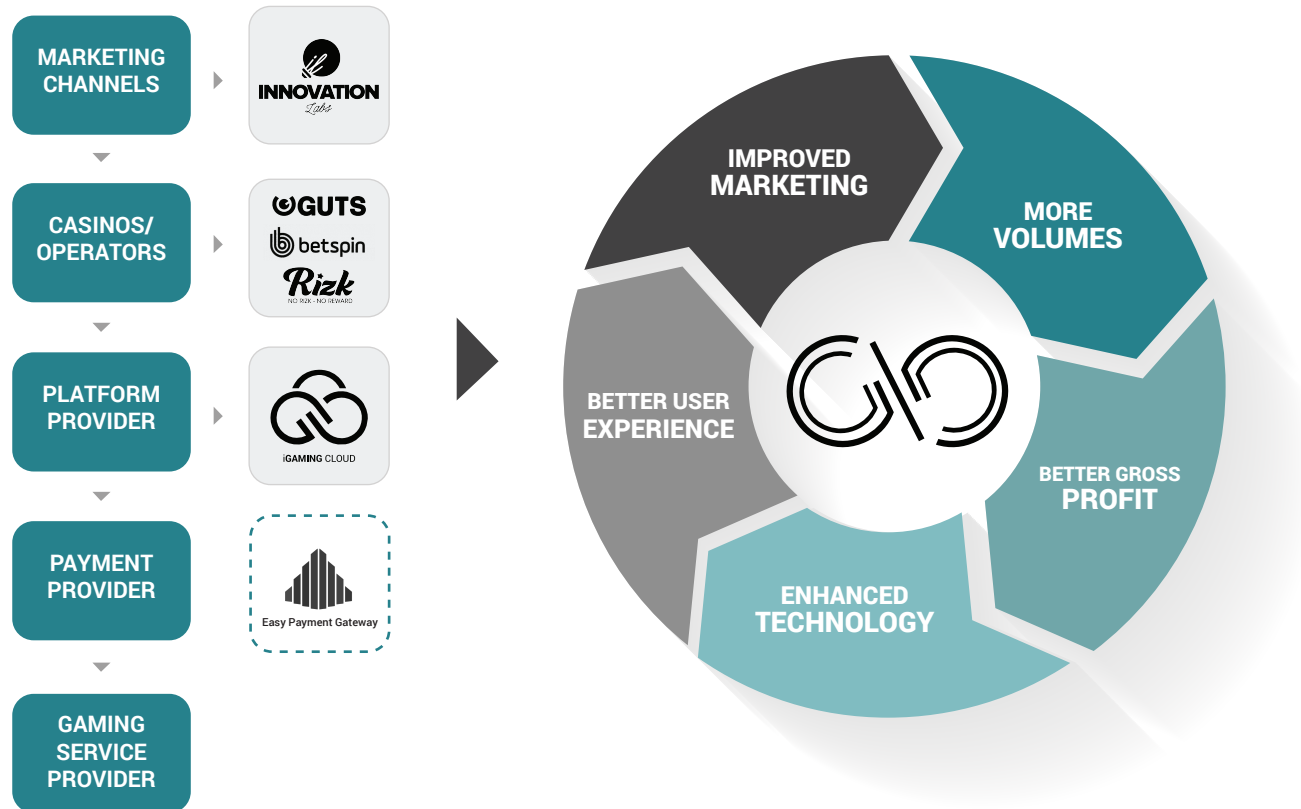
B2C



B2B

Strategy Continued

Innovation lies at the intersection of each gaming activity.
By owning the value chain we improve margins and decrease pricepoints.
By selling B2B we scale.





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Key Highlights Q2

- Revenues up 88% Year-over-year and 27% Quarter-over-Quarter
- iGamingCloud signing first external platform customer (two new clients signed in August.)
- Guts migrated to iGamingCloud in June expected to generate significant savings.
- Acquisition of two affiliate networks supplementing the organic growth of Innovation Labs.
- Investment into payment gateway EPG for 10% stake (with option for another 15%)

Financials

Gaming Innovation Group Inc.
Condensed Statements of Operations in Euros
(Unaudited)

	Q2 2015	Q2 2014	Q1 2015	2014
Revenues	4 801 197	2 560 535	3 789 319	12 346 946
Cost of sales	2 004 845	1 331 255	1 901 527	6 167 778
Gross profit	2 796 352	1 229 280	1 887 792	6 179 168
<i>Gross profit margin:</i>	58%	48%	50%	50%
Marketing expenses	1 091 576	822 889	920 300	3 522 283
Share based compensation expenses	202 659	17 684	139 792	158 973
Other operating expenses	1 429 685	587 885	881 279	2 615 335
Total Operating Expenses	2 723 920	1 428 458	1 941 371	6 296 591
EBITDA	72 432	(199 178)	(53 579)	(117 423)
EBIT	25 735	(230 861)	(67 938)	(245 425)
Other Income (expense)	849 730	34	(191 837)	25 670
Results before income taxes	875 465	(230 827)	(259 775)	(219 755)
<i>Marketing in % of revenue:</i>	23%	32%	24%	29%
<i>Other operating in % of revenue:</i>	34%	24%	27%	22%
<i>EBITDA in % of revenue:</i>	2%	-8%	-1%	-1%

Balance Sheet

(Unaudited)	06-30-15	06-30-14	12-31-14
Assets			
Goodwill	22 252 461	-	-
Intangible assets	4 300 455	298 366	525 125
Deposits and other non-current assets	1 347 994	215 210	223 620
Total non-current assets	27 900 910	513 576	748 745
Prepaid and other current assets	452 148	199 792	73 493
Trade and other receivables	2 456 417	1,359 185	2 702 977
Cash and cash equivalents	1 150 638	368 233	738 076
Total current assets	4 059 203	1,927 210	3 514 546
Total assets	31 960 113	2 440 786	4 263 291
Liabilities and Shareholders' Equity			
Share Capital	43 317 798	28 190 810	28 190 810
Other equity	(17 054 639)	(27 198 264)	(25 981 346)
Attributable to Gaming Innovation Group Inc.	26 226 059	992 546	2 209 464
Non-controlling interests	770 131	252 336	494 302
Total equity (deficit)	26 996 190	1 244 882	2 703 766
Short term loans	2 285 472	-	-
Other current liabilities	2 219 734	1 195 904	1 559 525
Total current liabilities	4 963 923	1 195 904	1 559 525
Long term loans	458 717	-	-
Total liabilities	4 963 923	1 195 904	1 559 525
Total liabilities & shareholders' equity	31 960 113	2 440 786	4 263 291



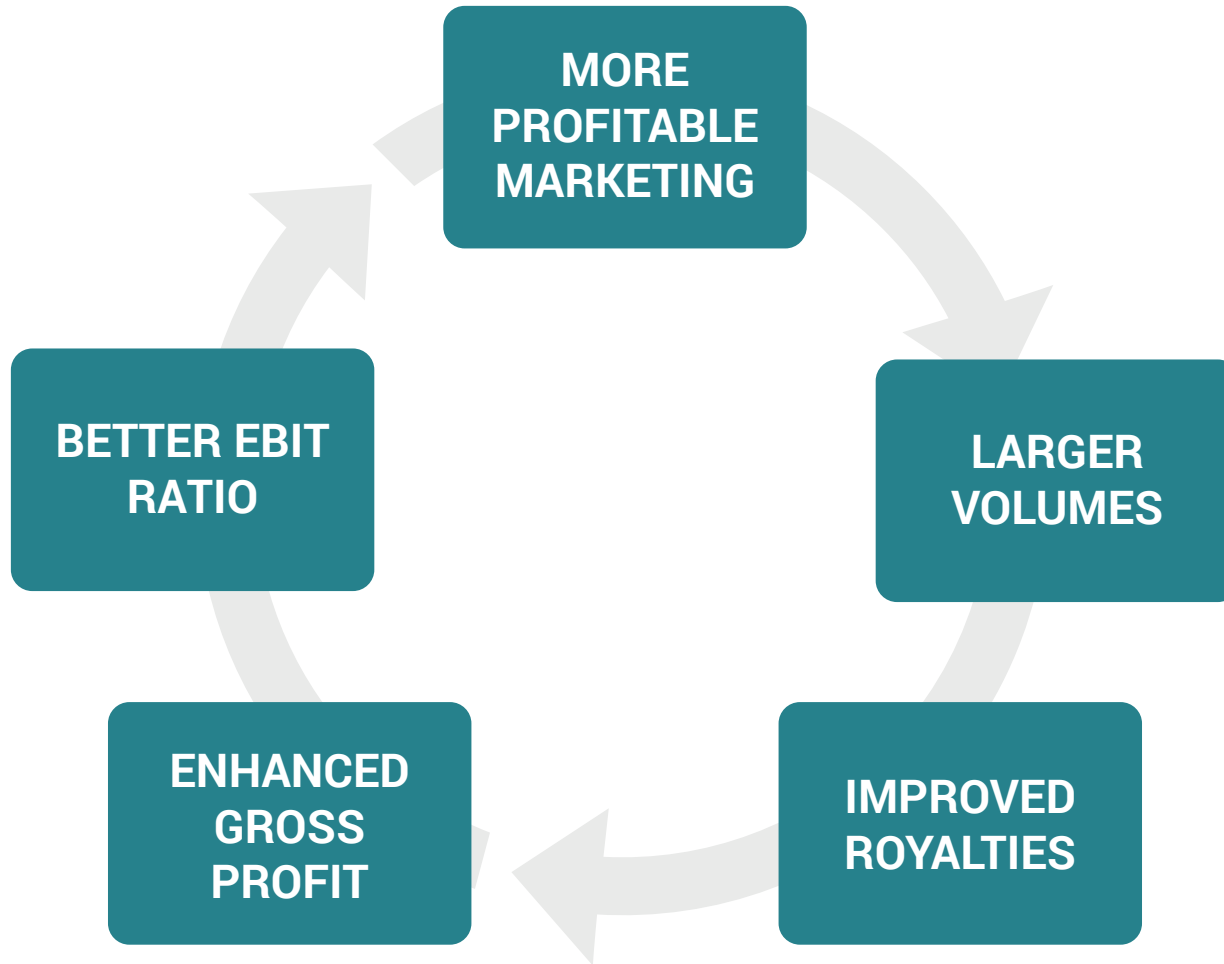
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Growth Strategy



Outlook



50,000
Real money Actives
by Q4



5-10 clients on
Cloud Services
by end of year.



Increase in paying users
referred b2b by
Innovation Labs.



iGamingCloud to launch
new b2b sportsbetting
service in Q3

Q & A

?

THANK YOU

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Appendix



Shareholding

Gaming Innovation Group Inc. is a US Delaware company

Listed on the Oslo Stock Exchange – ticker “GIG”

Number of shares outstanding: **502,120,952**

Outstanding warrants: **7,718,334 (strike NOK 1.25-1.50)**

Earn out shares : **125,000,000**
(pending performance in 2015 & 2016)

Authorized shares: **750,000,000**

No. of shareholders: **~2,900**

Shareholder	#shares	%
Super Innovative Limited (Robin Reed)	52,468,528	10.4 %
Bryggen Holding AS	52,096,707	10.4 %
Frode Fagerli	44,145,403	8.8 %
Hans Michael Hansen	41,355,331	8.2 %
Bolshoy AS	35,252,732	7.0 %
Anders Berntsen	18,328,623	3.7 %
ICKC Ltd. (Ben Clemens)	16,506,568	3.3 %
Nordnet Bank AB	15,187,556	3.0 %
UBS AG	9,655,769	1.9 %
Kjetil Myrliid Aasen	8,059,803	1.6 %
Jussi Hietalahti	7,766,044	1.5 %
Mikko Halmela	7,766,044	1.5 %
Skabo Offshore AS	6,900,000	1.4 %
Nordea Bank AB	6,362,209	1.3 %
CMM Invest AS	6,161,818	1.2 %
Flaxvatn Holding AS	6,161,818	1.2 %
Molasset AS	5,795,621	1.2 %
Mikko Hirvonen	5,000,000	1.0 %
Narina Solutions Limited (UK)	3,972,966	0.8 %
Danske Bank A/S	3,571,204	0.7 %
Other	101,183,534	20.2 %
Sum outstanding	453,698,279	90.4 %
Nio treasury shares	15,710,000	3.1 %
GIG Share Options Ltd	18,712,673	3.7 %
Bonus shares held in escrow	14,000,000	2.8 %
Total issued shares	502,120,952	100.0 %

Gaming Innovation Group

