

# Gaming Innovation Group

Q1 2016

10 May 2016  
Robin Reed, CEO  
Tore Formo, CFO

# Agenda

- **Highlights**
- Operational update
- Financial update
- Outlook & Summary
- Appendix

# Highlights Q1

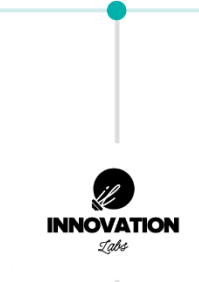
- Solid progress in all business areas
- All time high revenues of EUR 7.9m (24% Q/Q, 170% Y/Y)
- EBITDA improved with EUR 1.7m to EUR -0.07m
  - Positive trend expected to continue
- Six external clients live on iGC in Q1
  - 10 in production aiming at Q2 launch
- Broadened and strengthened service offering through acquisition of odds technology company and two affiliate networks

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# GIG transforming to a technology company

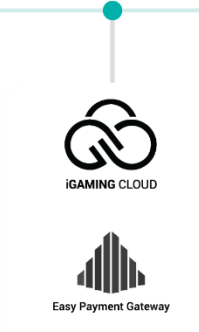
Referral Commission



Gross Gaming Revenue (Bets-Wins)



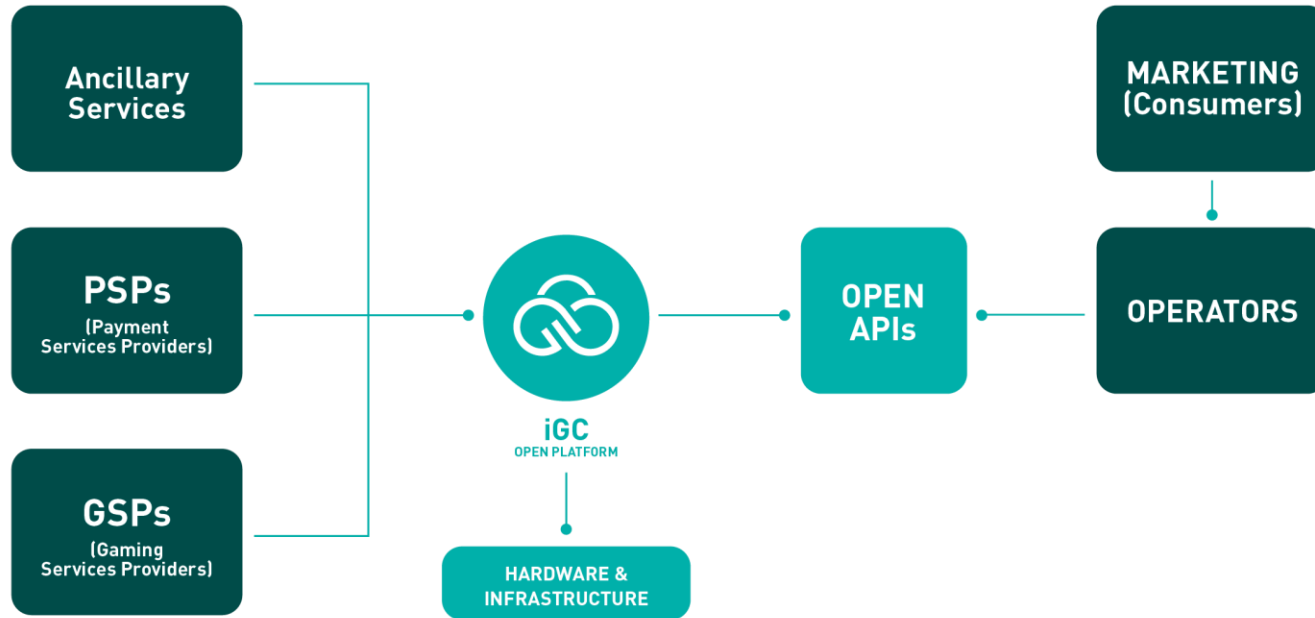
Recurring Revenue share (Marked up rates)



“ To make iGaming an open and connected ecosystem, for the benefit of all ”



# Creating an Ecosystem for iGaming

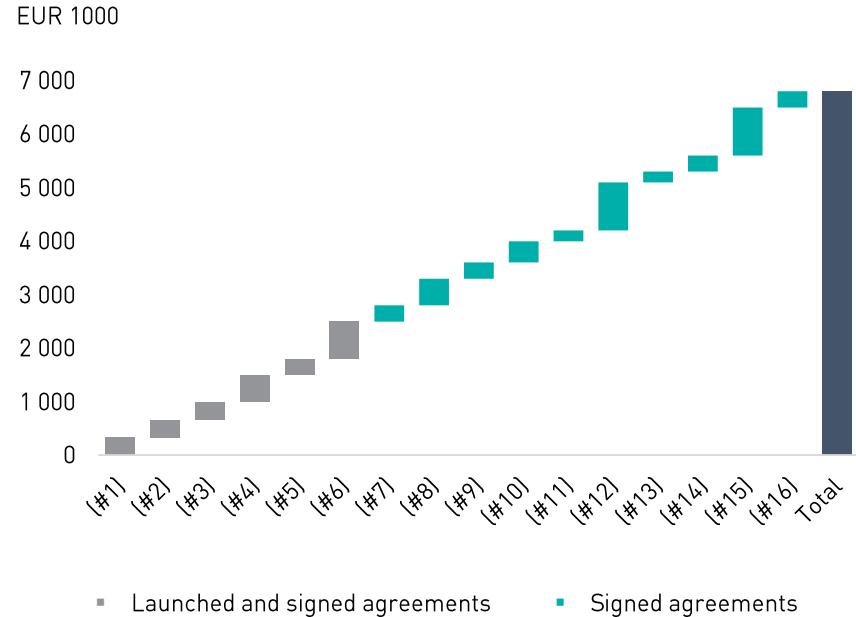


# 16 clients signed to iGamingCloud platform

## Operational Development

- First fully operational quarter
- Five new clients signed in Q1 and 16 clients in total
- YTD 6 external clients live and remaining in production aiming at Q2 launch
- Revenues from live operators in line with budget

## 16 iGC agreements so far



# iGC progress and KPIs

## Service providers

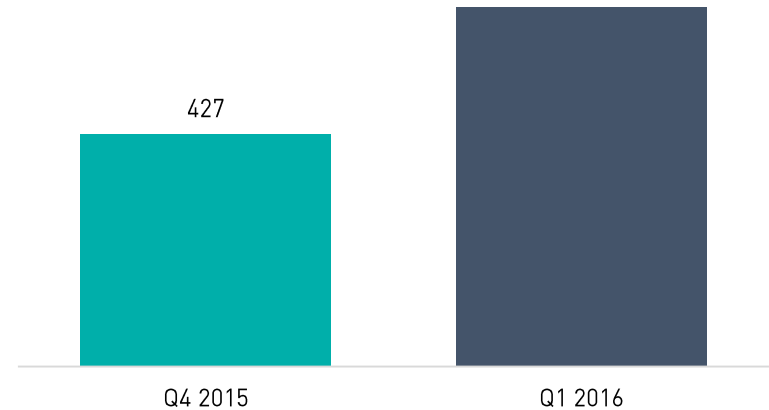
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- Available games
  - Q4 2015: 1578
  - Q1 2016: 1651
- 18 Payment Solutions live
- New ancillary services
  - EPG Payment Gateway
  - Strongview CRM and lifecycle management

## iGC KPIs

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Million transactions processed

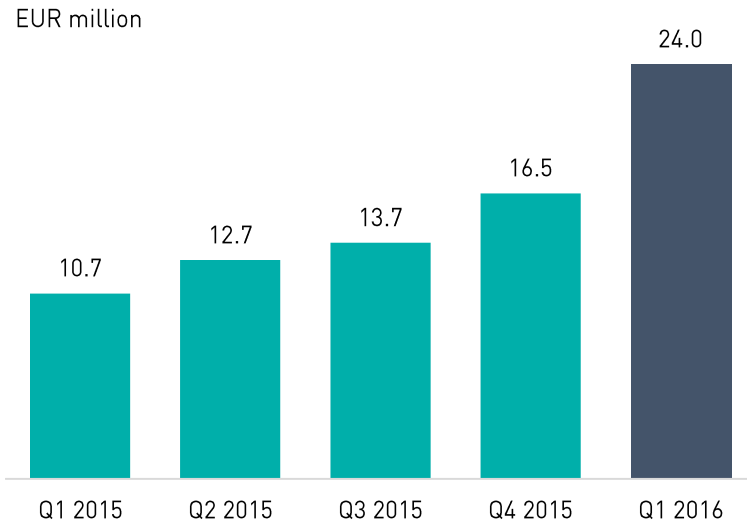


Uptime iGC platform: 99.99%

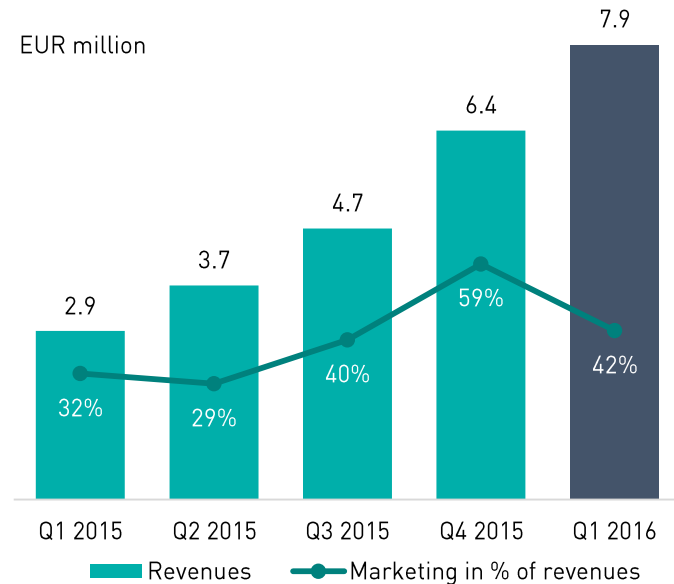


# B2C gambling operators – Sportsbook, Casino & Poker

## Deposits



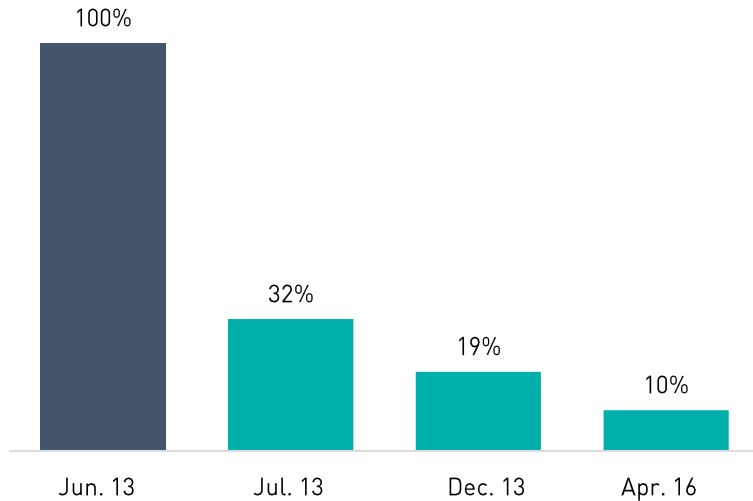
## Revenues and marketing in % of revenues



# B2C gambling operators

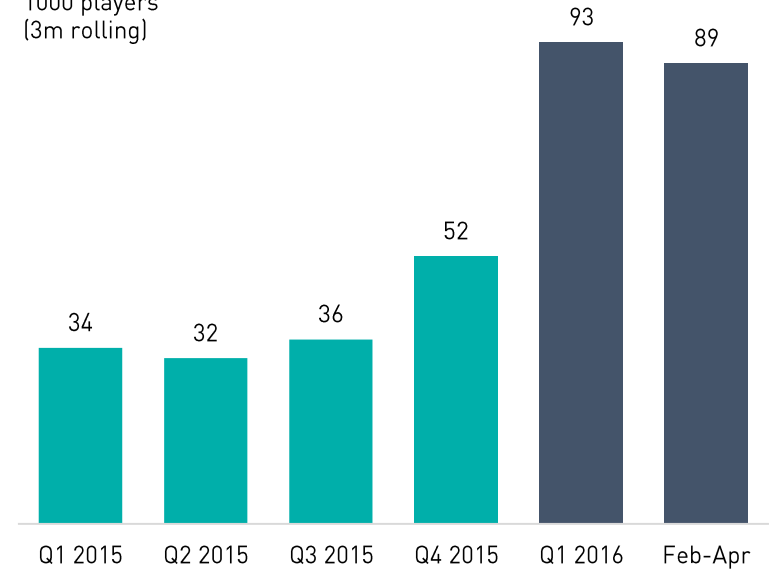
## Player acquisition dynamics

Depositors in percentage of original player base



## Active real money players Guts, Betspin, Rizk

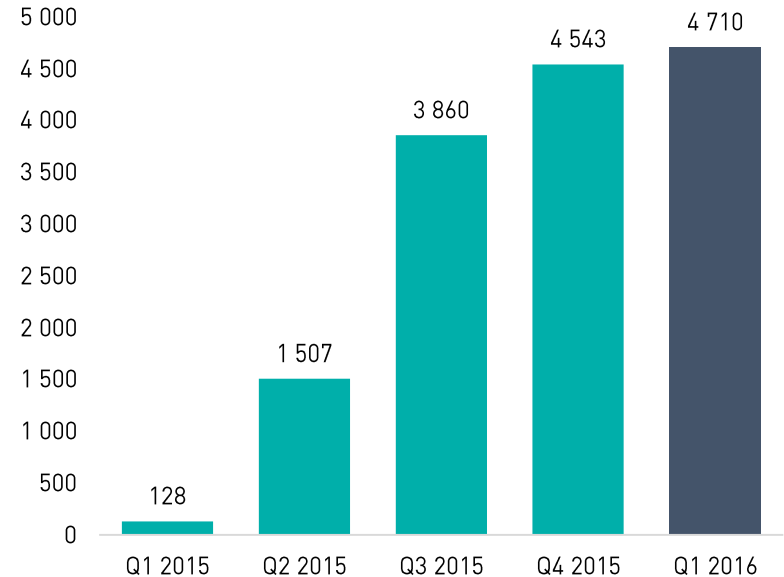
1000 players (3m rolling)



# Innovation Labs increasing First Time Depositors (FTD's)

- \*NRC's increasing with 17% Q/Q
- \*\*FTD's increasing with 4% Q/Q
- FTD's distribution Q1:
  - Internal brands: 35%
  - iGC clients: 14%
  - General clients: 51%
- Two new affiliate networks acquired
  - Closing in Q2

## Number of First Time Depositors



\*NRC's: New Registered Customers

\*\*FTD's: First Time Depositors

# Affiliate network acquisitions

Innovation Labs



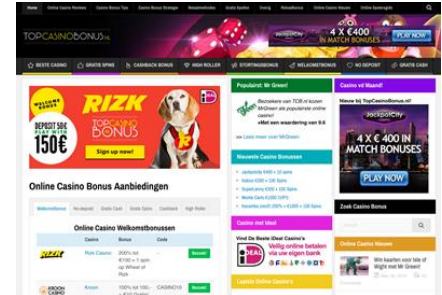
Delta Media

- Acquisitions price EUR 4.2m
- Closing April 2016
- Targeting soon to be regulated Dutch market



Magenti Media

- Acquisition price EUR 5.1m
- Closing May 2016
- Huge network of referral sites in soon to be regulated Swedish market



# OddsModel acquisition: A real time edge on sports



- Acquisition price NOK 75m, closed in April
- Sports technology company
- Strengthening current team and sportsbook offering ahead of EuroCup
- Acquired models and algorithms for automatic pricing of sports markets
- «Acquihire» which brought seasoned traders, risk managers and product owners for Sports
- Full integration to be completed in 2016, significantly enhancing B2C & B2B Sports offering
- New Odds Services revenue streams to be generated in 2017

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# Key financials

REVENUES

**€7.9M**

(24% Q/Q)  
(170% Y/Y)

COST OF SALES

**€1.3M**

(0% Q/Q)  
(25% Y/Y)

OPERATING EXPENSES

**€6.7M**

(-3% Q/Q)  
(212% Y/Y)

EBITDA

**€0.0M**

(96% Q/Q)  
(71% Y/Y)

# Income Statement

Condensed Statements of Operations in 1000 EUROS (Unaudited)

	Q1 2016	Q1 2015	2015
<b>Revenues</b>	<b>7 886</b>	<b>2 923</b>	<b>17 749</b>
Cost of sales	1 294	1 033	4 042
<b>Gross profit</b>	<b>6 592</b>	<b>1 890</b>	<b>13 707</b>
Gross profit margin	84 %	65 %	77 %
Marketing expenses	3 339	923	7 670
Other operating expenses	3 325	1 212	8 099
Total operating expenses	6 664	2 135	15 769
<b>EBITDA</b>	<b>-72</b>	<b>-245</b>	<b>-2 062</b>
<b>EBIT</b>	<b>-176</b>	<b>-279</b>	<b>-2 395</b>
Other income (expenses)	-157	7	34
<b>Results before income taxes</b>	<b>-333</b>	<b>-272</b>	<b>-2 058</b>
Marketing in % of revenue:	42 %	32 %	43 %
Other operating in % of revenue:	42 %	41 %	46 %
EBITDA in % of revenue:	-1 %	-8 %	-12 %



# Cash Flow

In EUR 1000	Q1 2016	Q1 2015	2015
Cash flow from operating activities	-1 478	320	-1 189
Cash flow from investment activities	-73	-114	-1 604
Cash flow from financing activities	3 805	50	3 753
Translation loss	-36	-	-150
Net change in cash and cash equivalents	2 218	256	810
Cash and cash equivalents at start of period	2 092	738	1 282
Cash and cash equivalents at end of period	4 310	994	2 092

# Financial Position

Condensed Balance Sheet in 1000 EUROS (Unaudited)

	Q1 2016	Q1 2015	2015
<b>Assets</b>			
Goodwill	22 230	3	22 230
Intangibles and other non-current assets	7 249	959	7 334
Total non-current assets	29 479	962	29 564
Other current assets	5 694	1 253	3 634
Cash and cash equivalents	4 310	994	2 092
Total current assets	10 004	2 247	5 726
<b>Total assets</b>	<b>39 483</b>	<b>3 209</b>	<b>35 290</b>
Liabilities and Shareholders' Equity			
<b>Total shareholders' equity</b>	<b>31 177</b>	<b>2 432</b>	<b>27 070</b>
Short term loans	1 549	-	2 031
Other current liabilities	5 175	777	4 648
Total current liabilities	6 724	777	6 679
Long term loans	1 582	-	1 541
<b>Total liabilities</b>	<b>8 306</b>	<b>777</b>	<b>8 220</b>
<b>Total liabilities and shareholders' equity</b>	<b>39 483</b>	<b>3 209</b>	<b>35 290</b>

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## Outlook: Continuing strong trajectory

- Continue to improve GIGs leading technology platform and innovative iGaming service offering
- Growth in iGC clients expected to continue and further strengthen revenue base
- Maintaining guiding of an 100 per cent increase in revenues and EBIT in excess of EUR 5 million for 2016
  - Will evaluate guiding following completion of the acquisitions in second quarter
- Acquisitions contributing positively to financials from Q2
- GIG will selectively evaluate further acquisition opportunities

# Summary

- A very good quarter with significant organic improvement in operations
- Successful acquisitions broaden offering and improve financials
- A robust financial position and positive outlook
  - Expect doubling of group revenues in 2016
  - See operating profit exceeding EUR 5 million in 2016
- GIG set for continued strong growth

# Q&A



Next event:  
2nd quarter 2016 presentation  
17 August 2016

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

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# Top 20 shareholders as of 09 May 2016

<b>Shareholder</b>	<b># shares</b>	<b>%</b>
Bryggen Holding AS	60 661 927	11.6 %
Super Innovative Limited (Robin Reed)	52 468 528	10.4 %
Hans Michael Hansen	39 101 744	7.4 %
J.P. Morgan Chase Bank	36 004 835	6.9 %
Bolshoy AS	35 252 732	6.7 %
Frode Fagerli	33 362 648	6.4 %
GIG Share Options Ltd	18 712 673	3.6 %
Anders Berntsen	18 328 623	3.5 %
ICKC Ltd. (Ben Clemens)	16 506 568	3.1 %
Nordnet Bank AB	14 522 378	2.8 %
Nordea Bank Danmark	7 725 002	1.5 %
Jussi Hietalahti	6 980 301	1.3 %
Mikko Halmela	6 977 836	1.3 %
Skabo Offshore AS	6 900 000	1.3 %
Avanza Bank AB	6 790 341	1.3 %
Nordea Bank AB	6 580 519	1.3 %
Flaxvatn Holding AS	6 161 818	1.2 %
CMM Invest AS	6 161 818	1.2 %
Foo Holding Ltd.	5 000 000	1.0 %
Nordnet Livsforsikring	4 949 132	0.9 %
Jon B. Skabo	4 463 954	0.9 %
Other	131 507 574	25.0 %
<b>Total issued shares</b>	<b>525 120 952</b>	<b>100.0 %</b>

**GAMING INNOVATION GROUP INC.**  
DELAWARE

**AFFILIATE MARKETING**  
Innovation Labs Ltd.  
( Malta )



**INNOVATION**  
*Labs*

**CLOUD SERVICES**  
iGaming Cloud Ltd. ( Malta 90% )



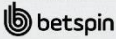
**iGAMING CLOUD**

**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 )