

# Q1 2021

Gaming Innovation Group Inc.  
Interim Report

05 May 2021



**GiG**



**Richard Brown**  
CEO



**Tore Formo**  
Group CFO

# Today's Presenters

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# iGaming solutions based on innovative technology

GiG focusing strategy on ambition to become global Tier 1 B2B provider. Our strategy is centered on two customer focused business areas, supported by our group ambition for top performance and operational excellence

## Platform



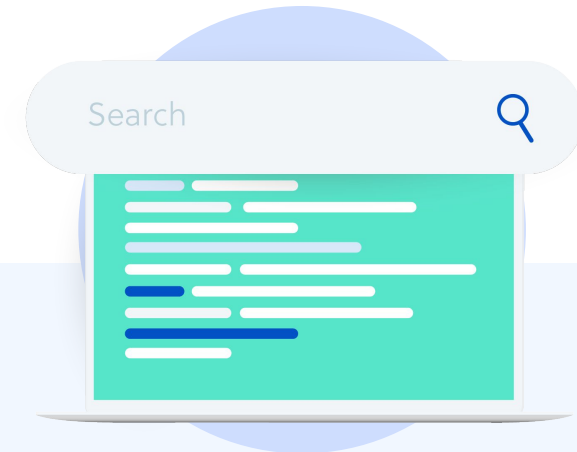
Providing cutting edge, scalable iGaming tech platforms which drive sustainable growth and profitability of our partners

## Sports



Sports betting solutions delivering a seamless betting experience, tailored for retail and digital channels

## Media



Online marketing services to attract quality users - connecting players and operators on a Global scale

## Managed Services

Supportive services to fulfil our partner's operational needs across complex industry needs

# GiG in brief

## Mission

“To drive sustainable growth and profitability of our partners through product innovation, scalable technology and quality of service.”



**Dual-listed** on Oslo Børs and at Nasdaq Stockholm



**Over 25** primary countries targeted by Media assets



**€185m (approx.)**  
Market Cap



**~430**

Employees

**Offices**

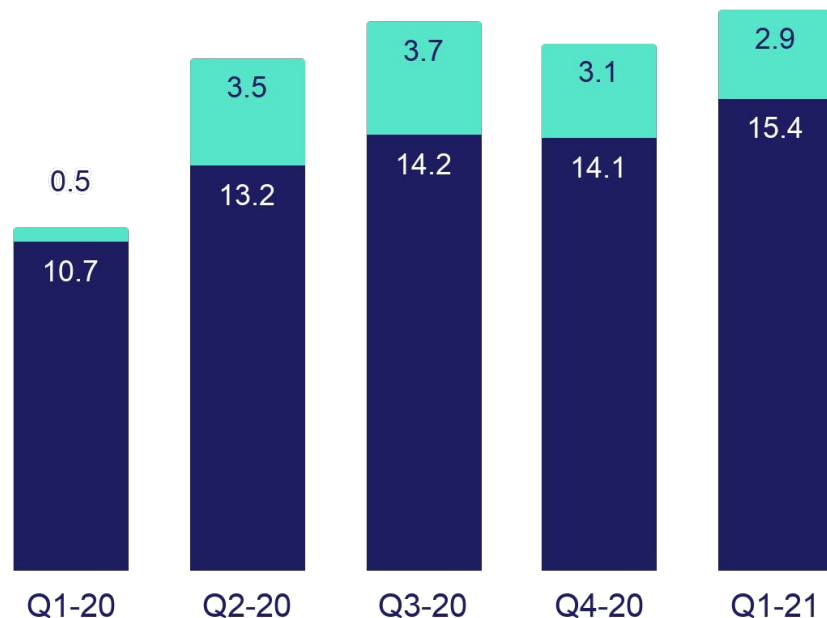
in Malta, Denmark & Spain

**10** Global Platform Licenses

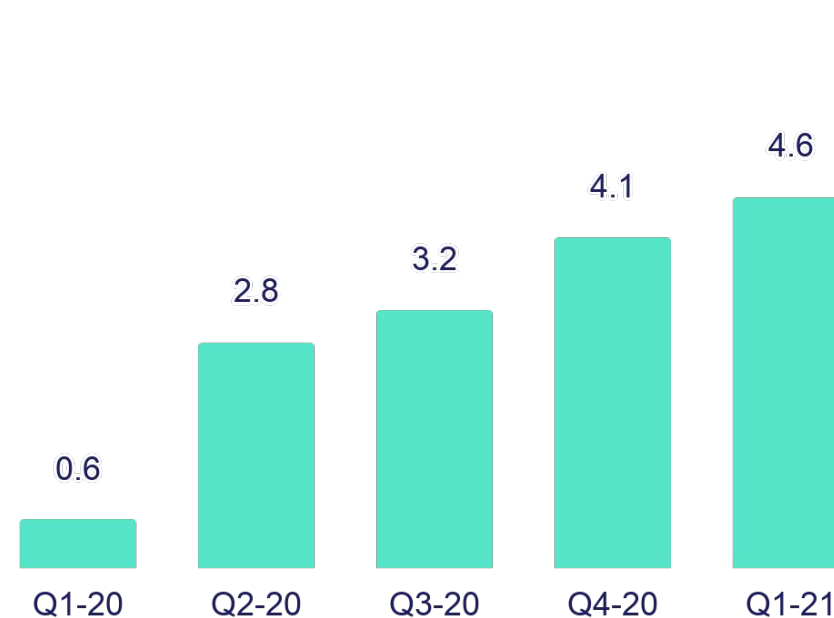
**US:** New Jersey & Iowa  
**ROW:** Malta, UK, Sweden, Spain, Romania, Croatia, Latvia, Curacao  
+7 additional in integration pipeline

# Head figures development

Revenues (MEUR)



EBITDA (MEUR)



## Revenues

**+64% Y/Y**  
**+6% Q/Q**

## Revenues norm.

**+44% Y/Y**  
**+9% Q/Q**

## EBITDA

**+674% Y/Y**  
**+11% Q/Q**

# Key takeaways Q1 2021

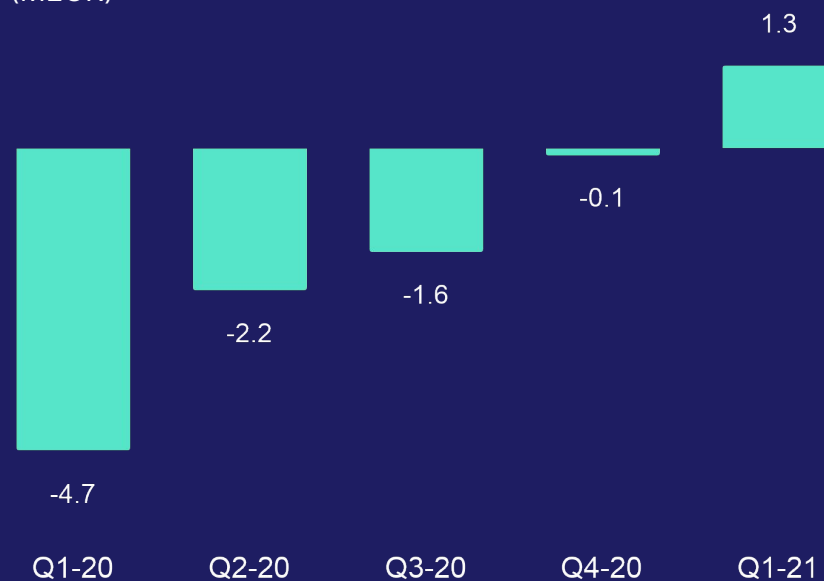
- Continued positive development with significant YoY growth, both revenues and EBITDA
- Signed two new agreements for platform provision in the quarter, and one more in first weeks of Q2
- Two new brands went live on the platform in Q1, including regulated and expanding market of Romania
- Media delivered all-time-highs on both revenue and FTD generation
- Positive EBIT and EPS

The GiG logo is displayed in a large, bold, dark blue font. The letters 'G' and 'i' are connected, and the second 'G' is also connected to the 'i'. The logo is centered on the right side of the slide, set against a background of a modern glass skyscraper with a blue tint.

# EBIT performance

- EBIT result of €1.3m - a €6.0m improvement YoY
- In accordance with IFRS best practice, re-evaluation of useful life of domains acquired
- Majority of assets performing better than at time of acquisition, therefore in those cases useful life extended
- Reducing amortisation by €0.4m vs. previous quarters
- Using historical useful life, EBIT result delivered still significant improvement at €0.9m for the quarter

EBIT & Adjusted EBIT  
(MEUR)



# Strategic Update - Q1





## New contracts signed & markets entered



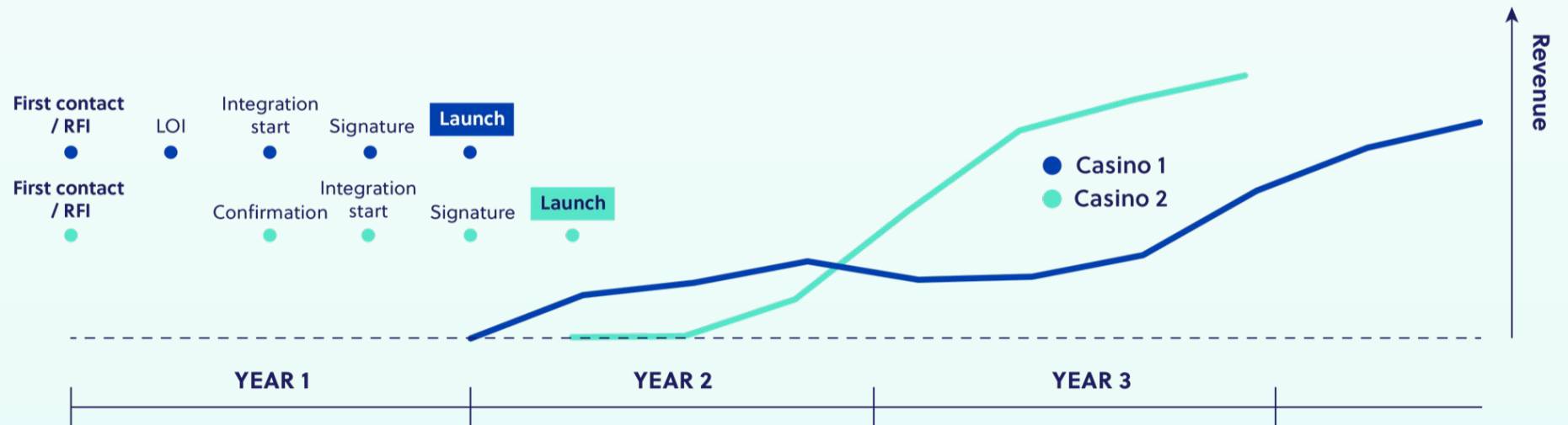
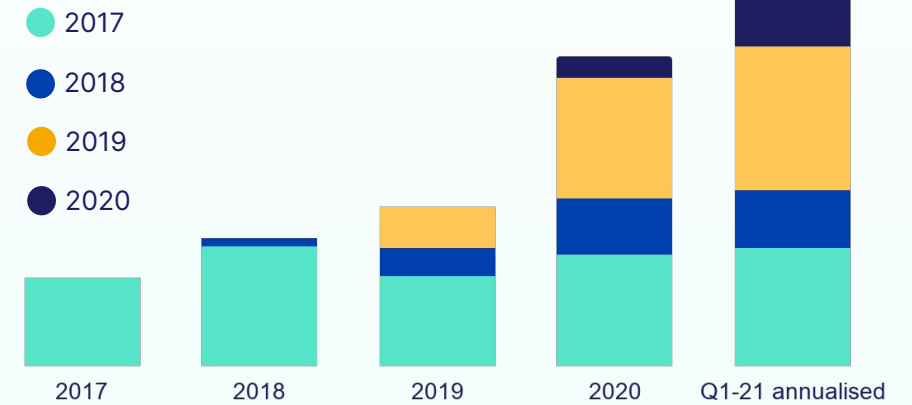
- Sales pipeline continued to develop well into 2021
- Signed a long-term agreement with PlayStar, for the provision of GiG's iGaming platform technologies to power the brand's launch in the US market
- Signed with experienced online team to launch into new regulated German market
- Signed a new European online casino in April
- Our Media business entered 7 new markets and launched 15 new website assets

### Securing long term, recurring revenues in different geographies

# Client integration timeline

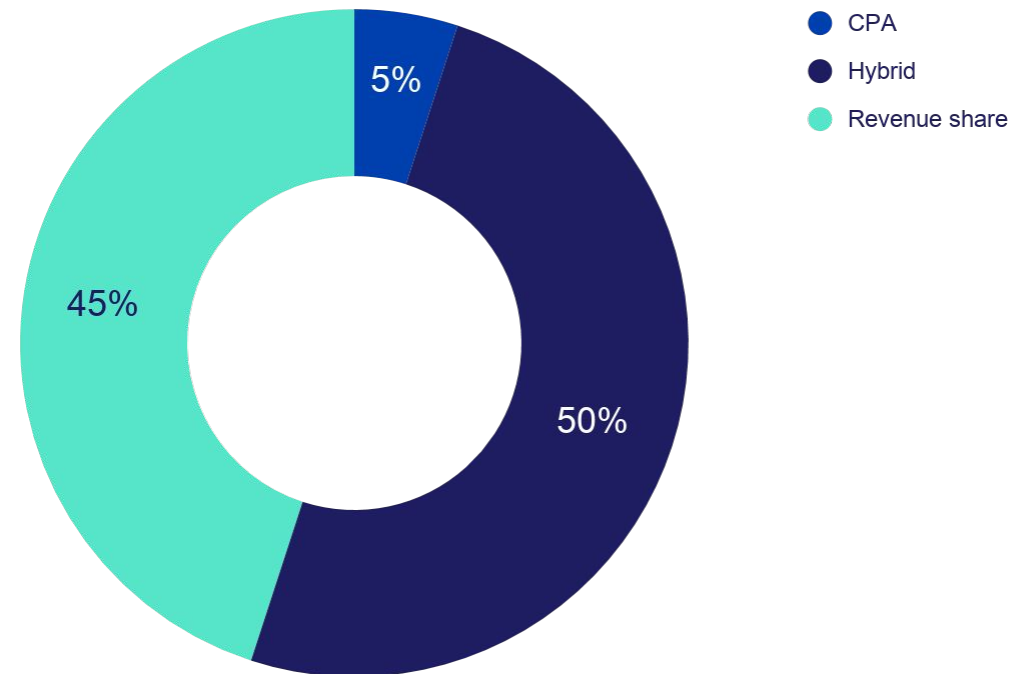
- SaaS contracts generate long term and sustainable revenue source
- Ramp period from contract signing to launch, followed by operator revenue growth
- Go live times vary depending on contract scope, market regulators and related certifications
- Long-term contracts with average initial term of more than 4 years
- Average annual contract values between €0.6-1.0 million

SaaS revenue (ex. GiG/Betsson brands)  
Brands onboarded in:



# Media - securing future revenues

- All-time-high in First Time Depositors (FTDs) in Q1 2021, up 56% YoY and 31% QoQ
- 95% on perpetual revenue share agreements where GiG will earn revenue over the players' lifetime
- Effective balance of long term recurring revenue and upfront
- Models are blended across regions, customers and product verticals.



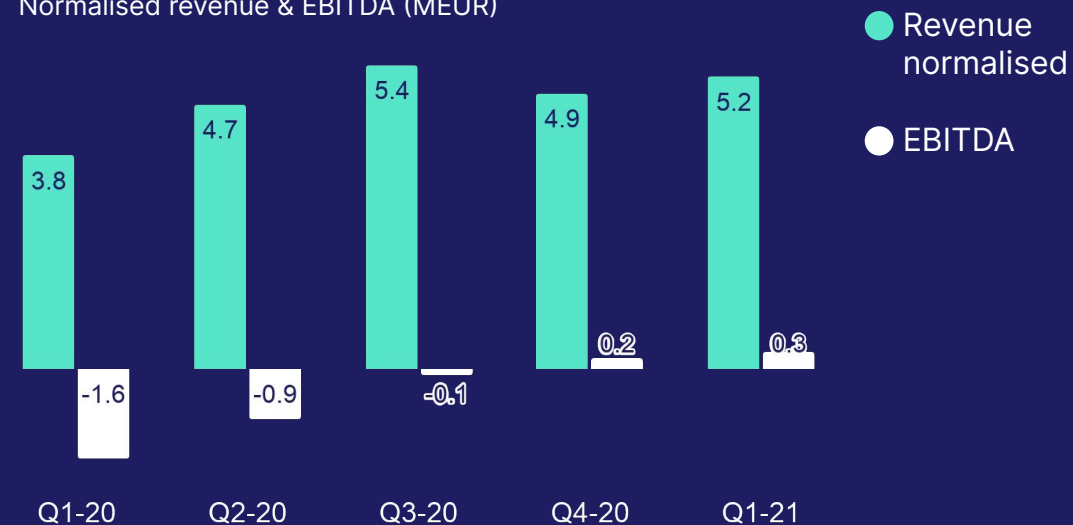
# Business Update



# Platform Services

- Normalised revenues for Platform Services were €5.2m (3.8) in Q1 2021, a 36% increase YoY
- Platform Services had positive EBITDA for the quarter, ended at €0.3m (-1.6), a 120% improvement YoY
- 2020 client onboarding and market entries in conjunction helped drive the platforms business underlying growth
- Reduced revenues of €0.3m from white label agreements QoQ, and one white-label converted to SaaS in Q1
- Implementation of new German regulation impacted revenues negatively by approx €0.6m - however looks to have bottomed out. Several clients in integration pipeline target market post regulation

**Platform Services**  
Normalised revenue & EBITDA (MEUR)



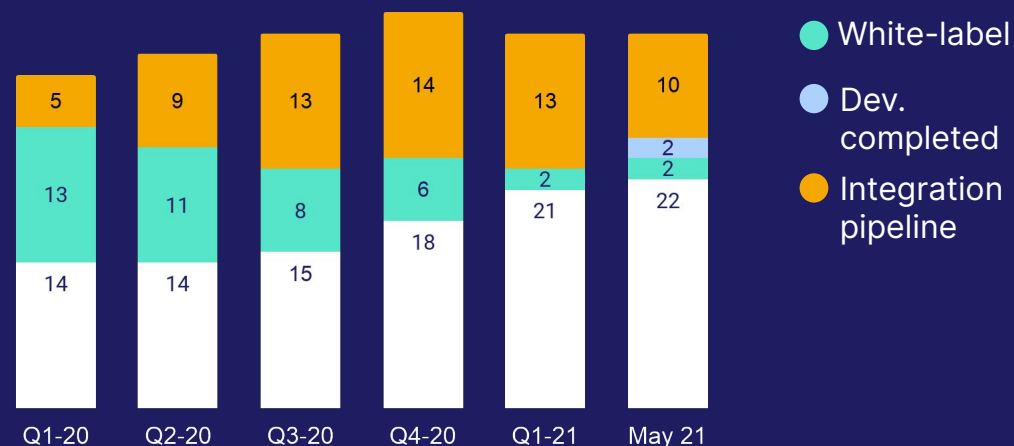
**Platform Services**  
Revenue split (MEUR)



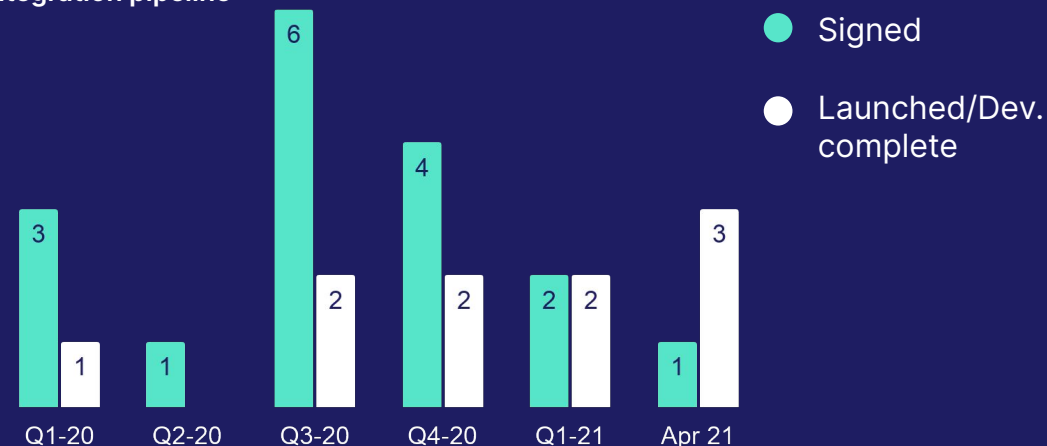
# Platform Services

- Overall the focused SaaS business continues to deliver positive growth mechanisms, and indicate exciting year ahead as onboarding program continues to roll out
- GiG continues with its aim to operate globally in locally regulated jurisdictions, with 7 new markets in the integration pipeline
- 73% of GGR from locally regulated or soon-to-be locally regulated markets
- Sales remained strong in Q1 with addition of two new contracts and total of three YTD
- Onboarding program progressing with two new clients live in Q1, one so far in Q2 with two further in dev complete phases, awaiting client go live
- 10 additional launches are being worked on in the integration pipeline

**Platform Services**  
Brands on the platform



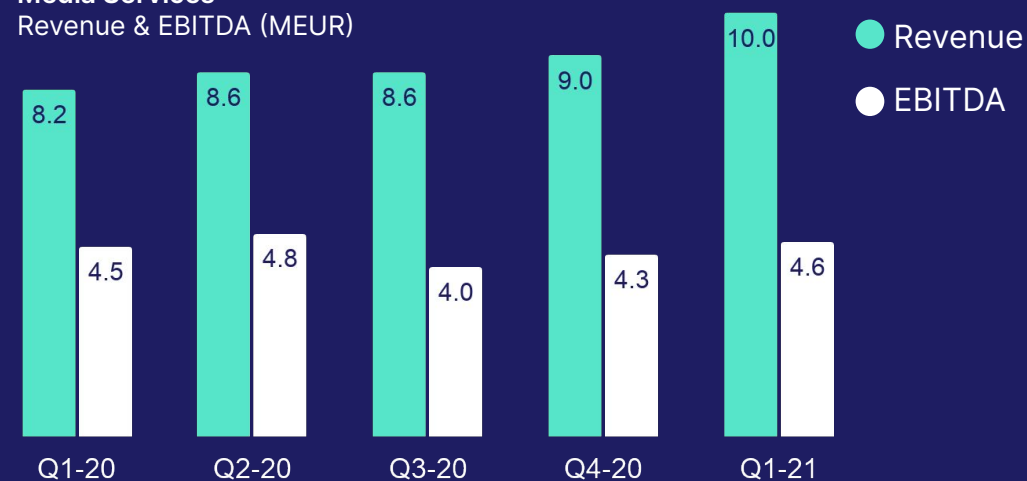
**Integration pipeline**



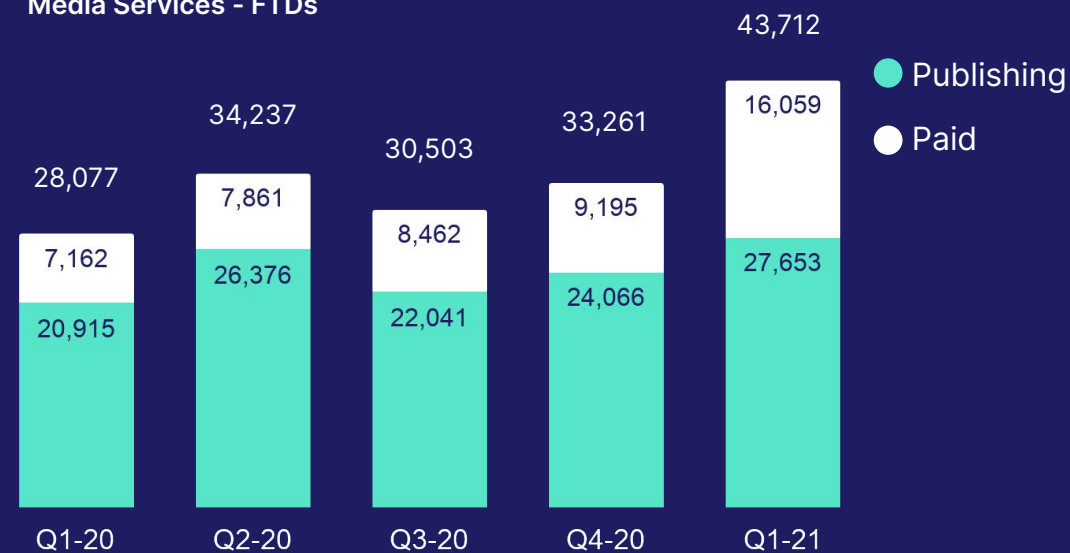
# Media Services

- Media Services continued its positive development in Q1 with an all-time-high in quarterly revenues. Revenues were €10m (8.2), a 23% increase YoY and 12% QoQ
- Paid media continues to see QoQ improvements with revenues up 76% YoY and 22% QoQ
- EBITDA for Media Services ended at €4.6m (4.5)
- First Time Depositors (FTD) ended at 43,712 in the first quarter, a 56% increase YoY and 31% QoQ
- Recurring Revenue Share accounted for more than 60% of earnings
- Exciting new asset launches in both paid and publishing units in key new markets across LATAM and Europe

**Media Services**  
Revenue & EBITDA (MEUR)



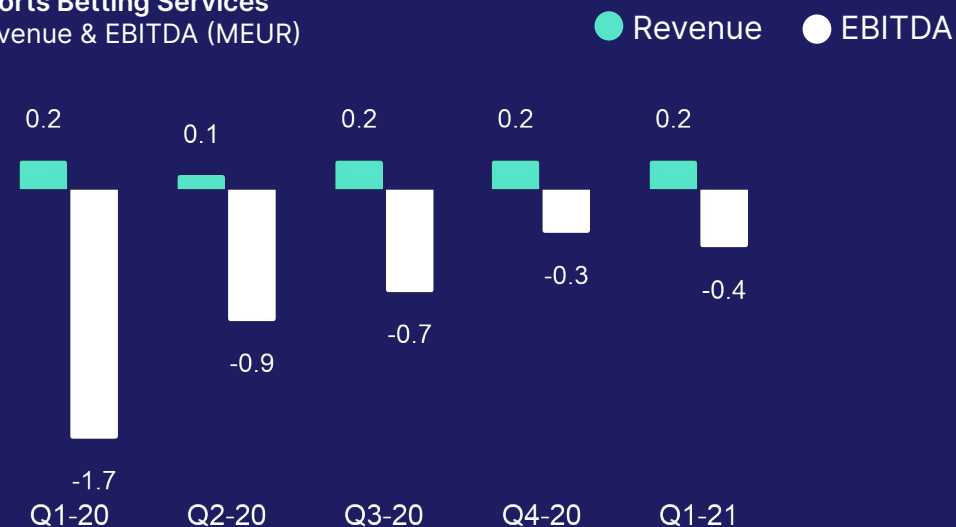
**Media Services - FTDs**



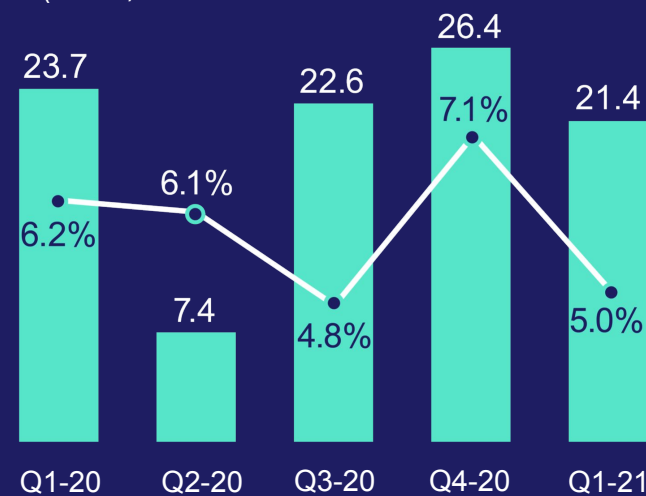
# Sports Betting Services

- Slightly Lower than normal margins influenced a drop in revenue vs Q4
- EBITDA ended at €-0.4m (-1.7), a €1.3m improvement YoY
- Now that the business has the appropriate cost base, and completion of multi-feed handler and Betgenius trading is fully in place, we can begin to work towards ramping up the division in a prudent and assured manor.
- Strong potential value driver and GiG build on foundations it has currently.

Sports Betting Services  
Revenue & EBITDA (MEUR)

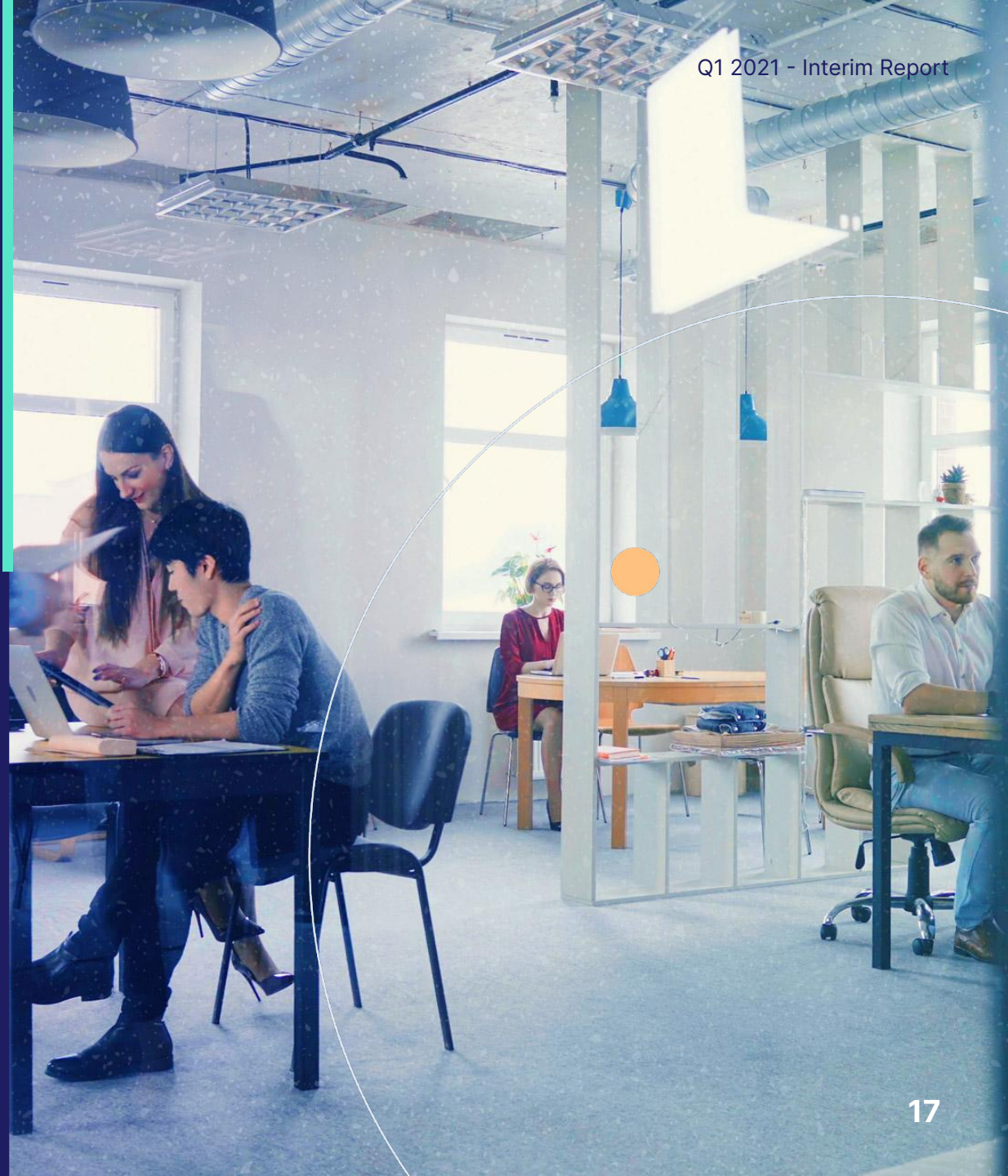


Sports Betting Services  
Turnover (MEUR)





# Events after the quarter & summary



# Update after the quarter

- Signed a new long term customer onto the platform for regulated EU markets
- Additional brand live in first weeks, with two additional launches anticipated shortly
- Sales pipeline remains strong
- Media delivered another monthly ATH in FTD's in April
- Normalised revenues in April were up 35% vs same period last year

# GiG's Long-term Financial targets

## Growth

To deliver annual double digit organic revenue growth

## Profitability

To achieve an EBITDA margin in excess of 40% by 2025

## Leverage

Cash generated from the business will be used to lower leverage ratio while pursuing growth opportunities in the rapidly growing iGaming sector

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# Summary

- GiG again delivered significant year-over-year growth in both revenue and EBITDA
- Strong EBIT improvement YoY resulted in positive EBIT of 1.3m
- A leading product and growing Platform business with an exciting onboarding program securing future growth in a multitude of regulated markets.
- Highly profitable and growth focused Media business with an expanding global reach
- The business continues to take strong steps forwards towards its long term targets and value potential, a result of the dedication and hard work from the teams across the company.
- GiG will continue its focus on execution and global expansion and the numerous actions taken in 2020 and 2021 will positively impact operations going forward

# Q&A





# Appendix

# Largest shareholders: 31 March 2021

## GAMING INNOVATION GROUP INC.

1	7 603 559	8.4 %	Optimus Invest Limited
2	6 613 518	7.3 %	Myrlid AS
3	4 919 596	5.5 %	Swedbank Robur Ny Teknik
4	4 896 125	5.4 %	True Value Limited
5	4 500 000	5.0 %	Jesper Ribacka
6	2 637 302	2.9 %	Hans Mikael Hansen
7	2 478 585	2.8 %	Stenshagen Invest AS
8	2 360 000	2.6 %	G.F. Invest AS
9	2 009 437	2.2 %	Kvasshøgdi AS
10	1 998 972	2.2 %	Saxo Bank A/S nom.
11	1 907 146	2.1 %	Ben Clemes
12	1 866 391	2.1 %	Nordnet Bank AB nom.
13	1 822 944	2.0 %	Morten Hillestad Holding AS
14	1 567 975	1.6 %	Riskornet AB
15	1 432 653	1.5 %	Digeelva Invest I AS
16	1 360 972	1.5 %	Nordnet Livsforsikring AS
17	1 350 000	1.5 %	Symmetry Invest A/S
18	1 354 136	1.5 %	Mikael Riese Harstad
19	1 173 591	1.3 %	CMM Invest I AS
20	1 149 451	1.3 %	Försäkringsaktiebolaget Avanza Pension
<b>Top 20</b>	<b>54 990 353</b>	<b>61.0 %</b>	
Other	35 085 273	39.0 %	
<b>TOTAL</b>	<b>90 075 626</b>	<b>100.0 %</b>	

# Income Statement

EUR 1 000 (Unaudited)

B2C included as discontinued operations

	Q1 2021	Q1 2021	2020
<b>Revenues</b>	<b>18 305</b>	<b>11 162</b>	<b>63 027</b>
Cost of sales	825	425	2 967
<b>Gross profit</b>	<b>17 480</b>	<b>10 737</b>	<b>60 060</b>
Marketing expenses	4 690	1 676	14 937
Other operating expenses	8 234	8 472	34 381
Total operating expenses	12 924	10 148	49 318
<b>EBITDA</b>	<b>4 556</b>	<b>589</b>	<b>10 742</b>
Depreciation & amortization	2 134	3 251	12 131
Amortisation of acquired affiliate assets	1 090	2 039	7 276
<b>EBIT</b>	<b>1 332</b>	<b>-4 701</b>	<b>-8 665</b>
Financial income (expense)	-1 570	-1 765	-6 394
Unrealised exchange gain (loss) on bond	792	2 115	-652
Other income (expense)	136	16	103
<b>Result before income taxes</b>	<b>690</b>	<b>-4 335</b>	<b>-15 608</b>
Income tax refund (expense)	1 492	-60	-323
<b>Profit/ (loss) from continuing operations</b>	<b>2 182</b>	<b>-4 395</b>	<b>-15 931</b>
Profit/(loss) from discontinued operations	-67	1 817	-1 753
<b>Profit/(loss) for the period</b>	<b>2 115</b>	<b>-2 578</b>	<b>-17 684</b>



# Balance Sheet

EUR 1 000 (unaudited)

B2C included as discontinued operations

	31 Mar 2021	31 Mar 2020	31 Dec 2020
<b>Assets</b>			
Goodwill	16 285	15 115	16 287
Intangibles assets	32 884	38 920	33 012
Deposits and other non-current assets	15 594	19 953	16 637
<b>Total non-current assets</b>	<b>64 763</b>	<b>73 988</b>	<b>65 936</b>
Trade and other receivables	14 242	21 154	15 711
Cash and cash equivalents	5 577	5 128	11 504
<b>Total current assets</b>	<b>19 819</b>	<b>26 282</b>	<b>27 215</b>
Assets of discontinued operations held for sale	-	28 440	-
<b>Total assets</b>	<b>84 582</b>	<b>128 710</b>	<b>93 151</b>
<b>Liabilities and shareholders' equity</b>			
Total shareholders' equity	5 451	16 963	3 606
Trade payables and accrued expenses	18 560	24 533	24 866
Lease liabilities	2 180	2 182	2 351
Bond payable	3 455	30 866	3 455
<b>Total current liabilities</b>	<b>24 195</b>	<b>57 581</b>	<b>30 672</b>
Bond payable	35 259	33 028	35 998
Long term loans	7 488	-	9 610
Deferred tax liability	420	1 331	1 529
Other long term liabilities	11 769	11 289	11 736
<b>Total long term liabilities</b>	<b>54 936</b>	<b>45 648</b>	<b>58 873</b>
<b>Total liabilities</b>	<b>79 131</b>	<b>103 228</b>	<b>89 545</b>
Liabilities associated with assets classified as held for sale	-	8 519	-
<b>Total liabilities and shareholders' equity</b>	<b>84 582</b>	<b>128 710</b>	<b>93 151</b>

# Cash Flow

In EUR 1 000			
B2C included as discontinued operations	Q1 2021	Q1 2020	2020
Cash flow from operating activities	-115	8 059	17 700
Cash flow used by investing activities	-2 079	-3 007	14 613
Cash flow from financing activities	-3 862	-3 156	-25 178
Translation (loss)/gain	129	-1 328	-174
Fair value movements	-	3	-13
Net change in cash and cash equivalents	-5 927	571	6 974
Cash and cash equivalents at start of period	11 504	4 557	10 295
Cash and cash equivalents attributable to discontinued operations	-	-	-5 738
Cash and cash equivalents at end of period	5 577	5 128	11 504

## Legal Disclaimer

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Gaming Innovation Group Inc. gives forecasts. Certain statements in this report presentation are forward-looking and the actual outcome 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.