



Q3 2020

Gaming Innovation Group Inc.
Interim Report —

04 Nov 2020



Richard Brown
CEO



Tore Formo
Group CFO

Today's Presenters



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



Drive sustainable growth and profitability of our partners



Drive quality traffic, connecting players and operators on a Global scale



Operate a top performing, efficient business, providing value to clients, employees and shareholders

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



€65m (approx.) Market Cap



~465

Employees

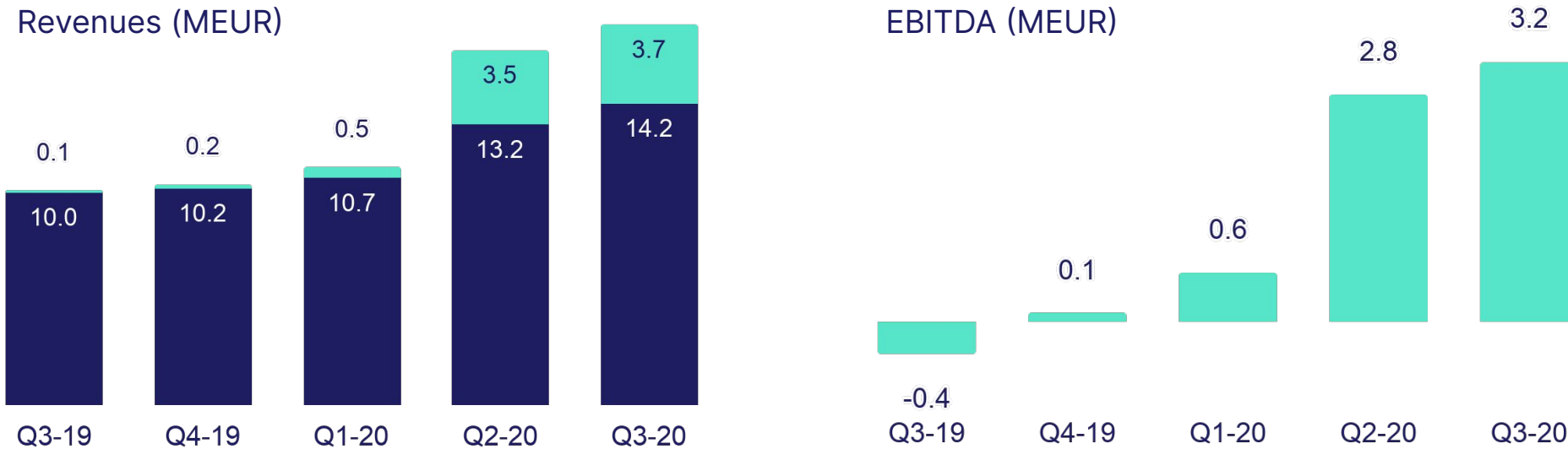
Offices

in Malta, Denmark & Spain

8 Global Platform Licenses

US: New Jersey & Iowa
ROW: Malta, UK, Sweden, Spain, Romania, Croatia, +8 additional in integration pipeline

Head figures development



Revenues

+78% Y/Y
+8% Q/Q

Revenues adj.

+42% Y/Y
+8% Q/Q

EBITDA

+850% Y/Y
+12% Q/Q

Key takeaways

Q3 2020

- Continued quarterly and significant year over year growth
- Secured future revenue growth by signing six new agreements for platform provision in the quarter, and two so far in Q4
- Signed partnership with BetGenius to help further expand Sport product offering and reduce costs
- WSN.com gaining traction in US affiliate market, now present in nine states
- Restructuring program completed in the quarter, positioning the Company for future growth
- 15 brands in the integration pipeline

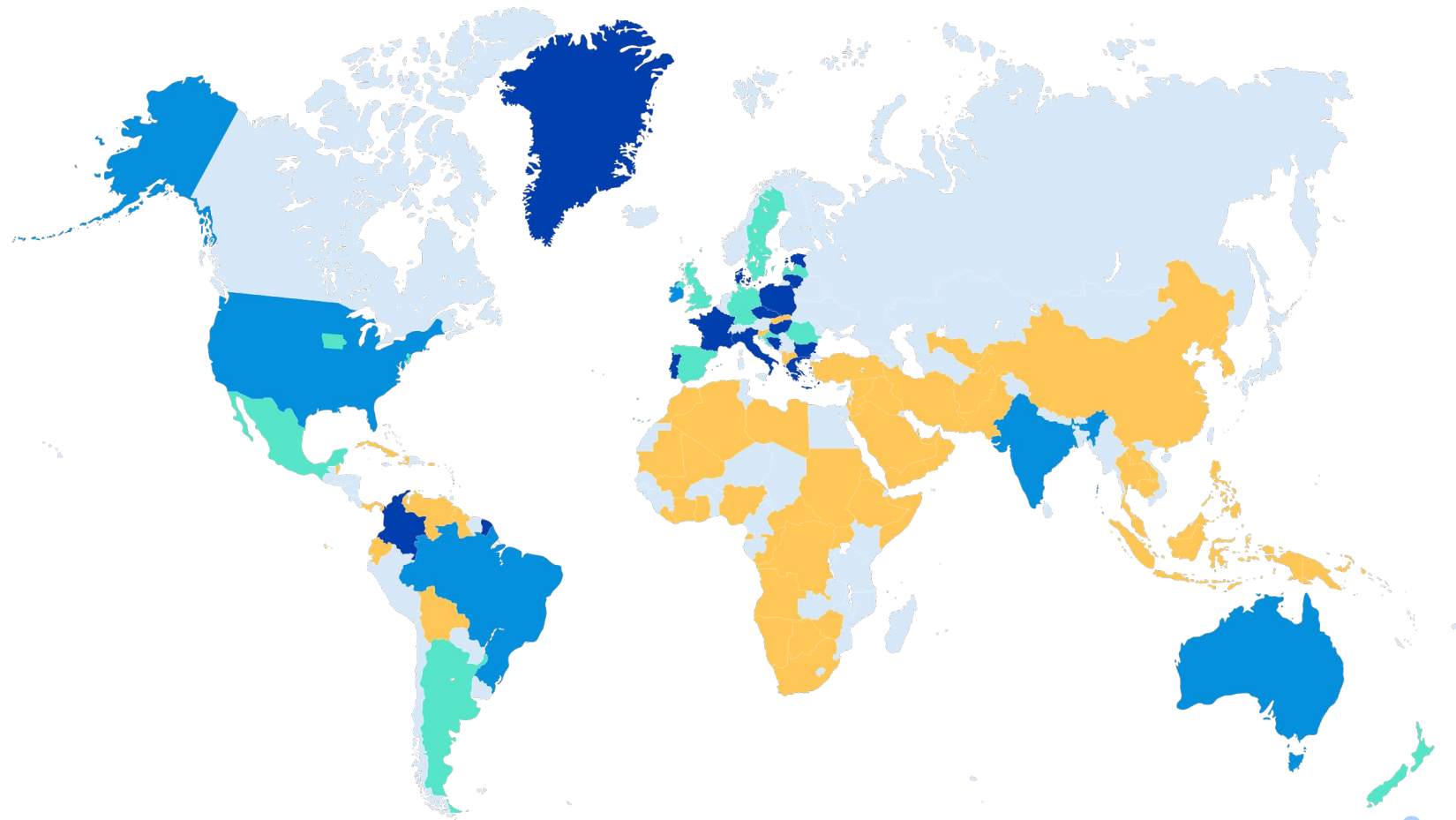
The GiG logo is displayed in a large, bold, dark blue font. The letters 'G' and 'i' are connected, and the second 'G' is also connected to the 'i'. The background of the slide features a blue-tinted image of a modern glass skyscraper with a grid pattern of windows.

Strategic Update



Positioned to capitalise on projected growth in regulated markets

GiG is well positioned via its Platform and Media business units to capitalize on the growth in the industry by positioning itself in high barrier to entry re-regulating and regulating markets where drive of offline to online is high potential

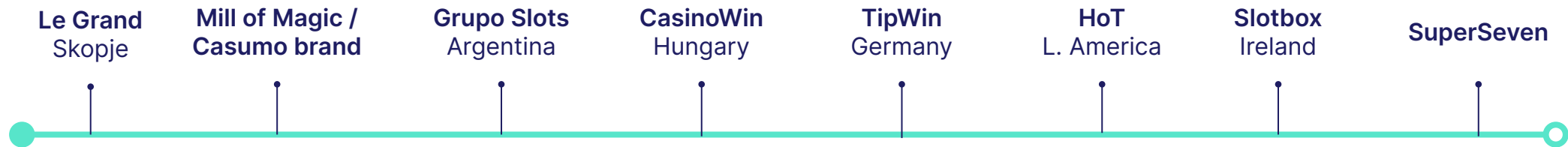


Local regulation driving demand and securing future revenue

+80% of contracts signed
in Q3 were in locally
regulated markets



Platform revenue growth with new contracts



- **Sales pipeline developing well despite delays caused by Covid-19**
- Signed K.A.K. DOO Skopje, one of North Macedonia's leading leisure groups, that will take the Le Grand Casino brand online
- Signed platform agreement with leading iGaming specialist Mill of Magic/Casumo to power a new Pay N Play brand
- Heads of terms with Grupo Slots, Argentina's premier gaming & entertainment group, to enter the regulated City of Buenos Aires online gaming market
- Signed CasinoWin, one of Hungary's leading land based operators to launch their online entry in the regulated Hungarian market
- Signed large retail operator TipWin in Germany to power their new casino offering
- HoT with Betgenius for provision of Platform and Sportsbook to major LATAM operator
- Signed Slotbox, founded by the leading gaming & casino operator in Ireland
- Signed with Bet Seven Online for their new brand SuperSeven
- **Additional agreements are expected to be signed before the year end.**

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

Entered into partnership with Betgenius

- Combined offering enhances product offering
- End to end sportsbook and platform
- Reduction in opex and scalable trading & risk management
- Partnership is great opportunity to expand reach with market leader
- GiG and Betgenius signed heads of terms with major LatAm operator to supply platform and sportsbook software



Live sports Data

Pre-match &
in-play trading

Risk Management



Betting Engine

P.A.M.

Front-end

B2B Customers

GiG's core strengths are positioning us to capture our target market

- **Platform:** providing Casino, Sportsbook and Data technology to Operators globally as well as full Managed Services capability
- **Media:** successful track record in multiple markets sending traffic to leading iGaming operators
- **Sports:** competitive offering through cooperation with market leader Betgenius

GiG's Strengths

- End to End product and service solutions
- First class technology and product offering
- Operational knowledge and experience
- Strong track record of partnerships
- Omnichannel experience

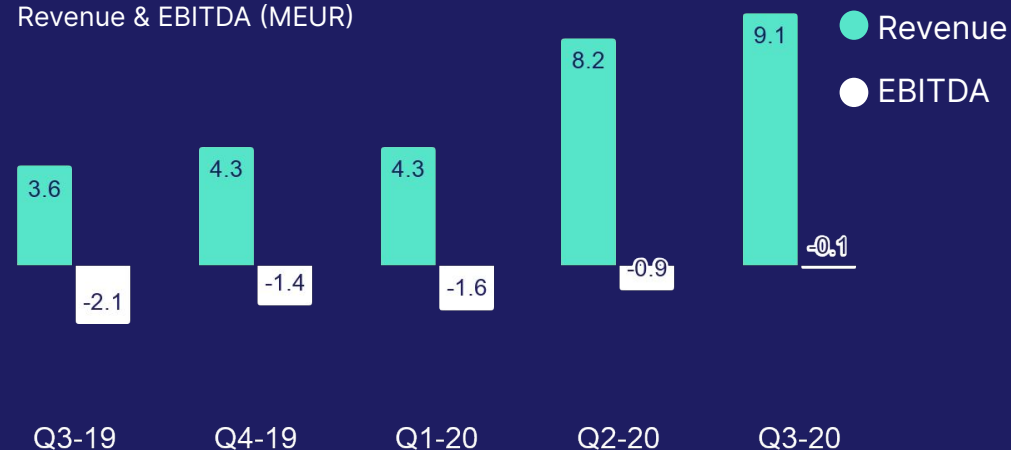
Business Update



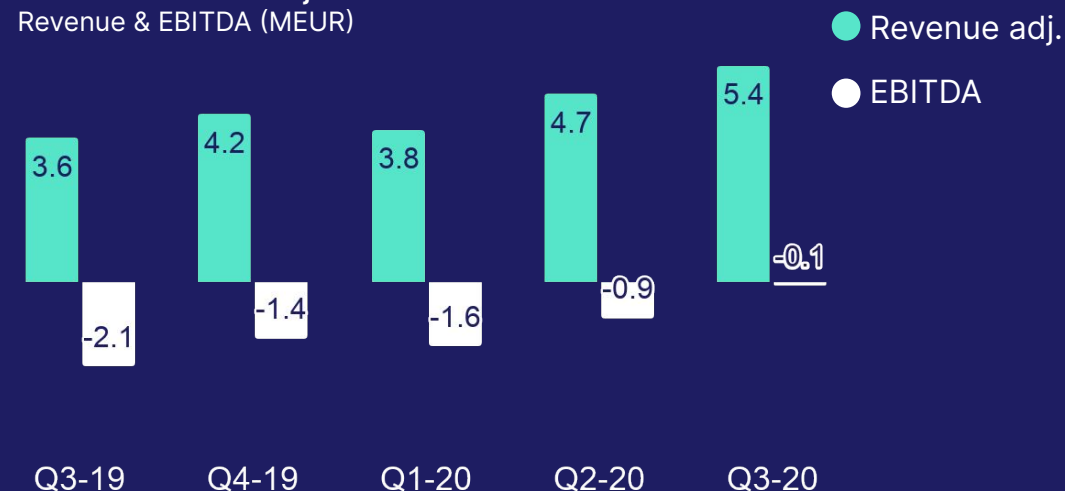
Platform Services

- Revenues for Platform Services were €9.1 (3.6) million in Q3 2020, adjusted revenues* were €5.4 (3.6) million, a 50% increase Y/Y and 15% Q/Q
- Platform Services had positive EBITDA in September and EBITDA for the quarter ended at €-0.1m (-2.1), a 96% improvement Y/Y and 91% Q/Q.
- Signed 6 new agreements in Q3 2020 and 2 so far in Q4 2020
- 24 brands were operating on the platform during the quarter & 15 brands are in integration phase for launch
- GiG's platform is licensed in 8 jurisdictions, with 8 more in the integration pipeline

Platform Services
Revenue & EBITDA (MEUR)



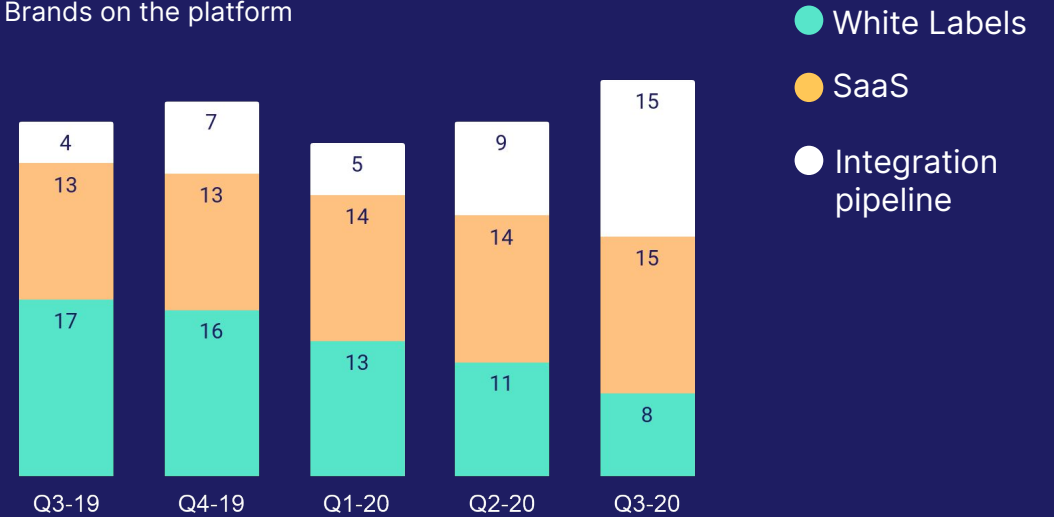
Platform Services - adj.
Revenue & EBITDA (MEUR)



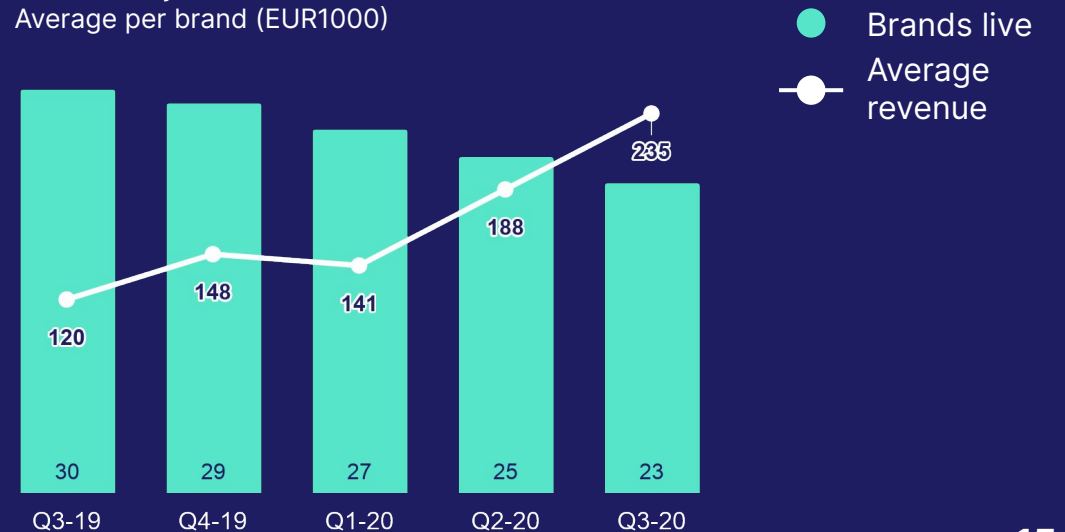
Platform Services

- Strategy to move clients from the white label model and over to Software-as-a-Service (SaaS) agreements is progressing well:
 - reduces operational complexity and overhead costs
 - reduces risks and strengthen overall sustainability
- As part of the strategy to end white label agreements, GiG has rescinded its Swedish and UK licenses which enables further costs reduction
- Went live with Betsson’s Rizk.com brand in two new regulated markets, Croatia and Spain - GiG’s platform now licensed in 8 jurisdictions, with 8 more through the integration pipeline

Platform Services
Brands on the platform



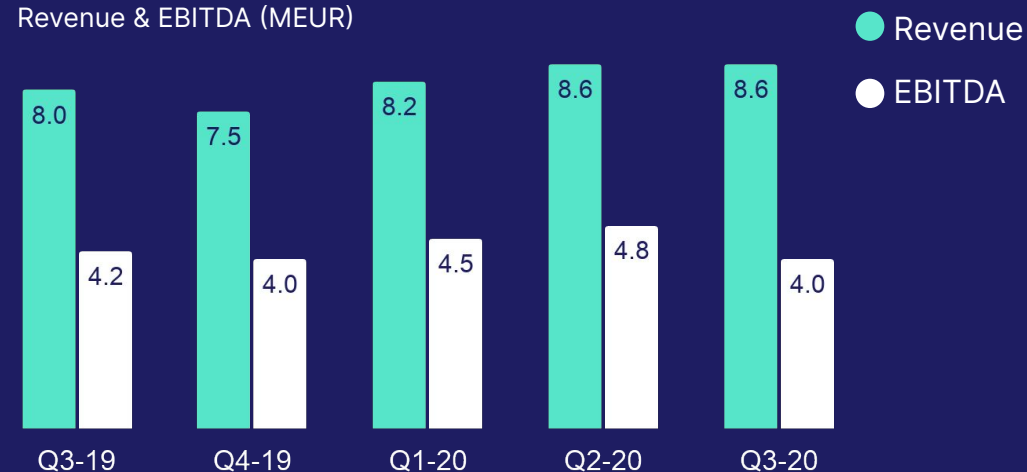
Revenue adj.
Average per brand (EUR1000)



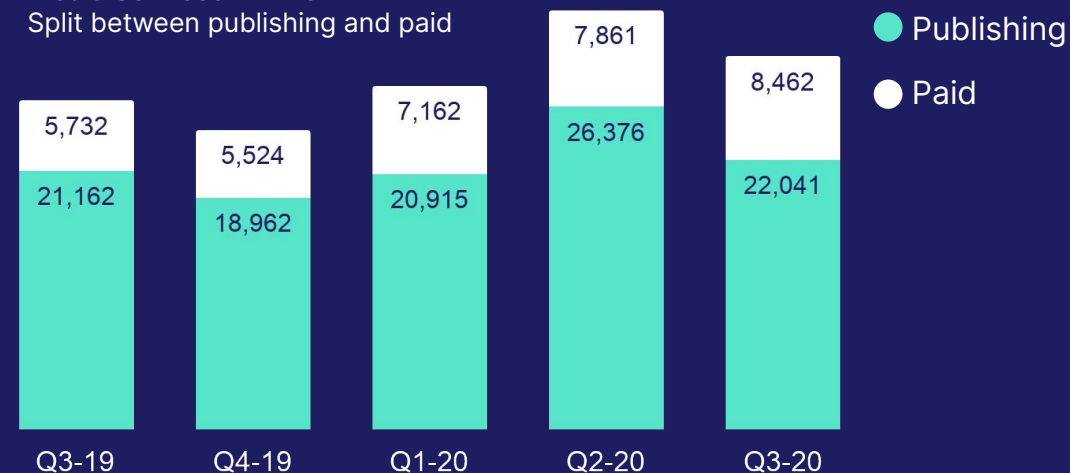
Media Services

- Media Services' core markets returned towards normality in the third quarter as general COVID-19 restrictions were eased and sports events started again. Seasonality also had an impact in some markets
- Media Services had stable revenues in the third quarter, up 7% YoY and in line with Q2 2020
- Paid media continues to see quarter on quarter improvements with revenue up 50% YoY and 10% QoQ
- FTD's up 13% YoY, but decreased QoQ due to consumer demand surge due to Covid lockdown in Q2 2020
- WSN.com continued to grow in the US market with ATH in September, now present in nine US states
- Maintain focus on developing business outside current core markets in 2020.

Media Services
Revenue & EBITDA (MEUR)



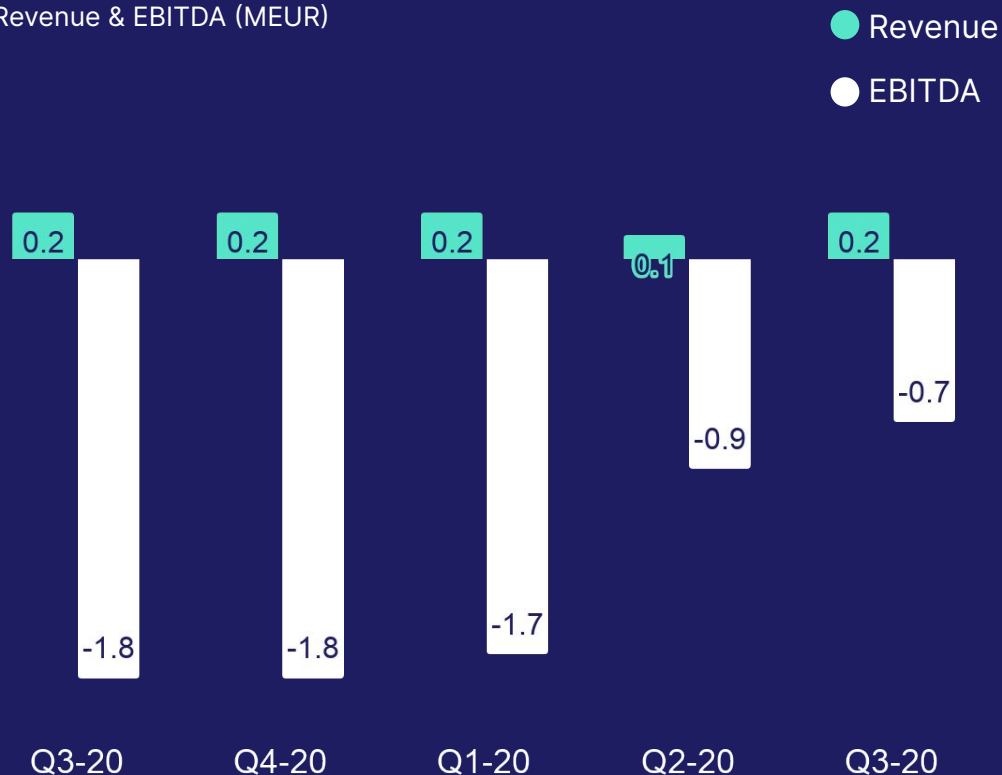
Media Services - FTDs
Split between publishing and paid



Sports Betting Services

- A restructuring initiative was rolled out in April to significantly reduce costs. Full effects will be seen in Q4-20
- EBITDA for Sports Betting Services improved to €-0.7m (-1.8) due to reduction in operating expenses by 21% Q/Q (41% adjusted for non-recurring expenses)
- Signed two new clients in Q3 on the SB platform including partnership agreement with Betgenius

Sports Betting Services
Revenue & EBITDA (MEUR)



Events after the quarter & summary



Update after the quarter

- Signed two new long term customers onto the platform
- One of which is a land based casino group where GiG can provide omni channel offering to end users
- Sales pipeline remains strong with globally diverse new customers and trend continues as land based and retail business look to go online and regulation drives demand
- In October reported revenues on adjusted basis were up 48% vs same period last year

Summary

- GiG delivered Significant year over year growth and continued quarterly growth in both revenue and EBITDA
- Signed six new agreements in the quarter - securing geographical, regulated & diversified recurring future revenues. The sales pipeline is strong and additional agreements expected in 2020
- Sports placed it in a sustainable long term position through completed initiatives to significantly reduce burn rate which will be evident from Q4 onward in conjunction with strategic partnership with BetGenius we see very good value creation potential on sustainable cost base
- Restructuring program completed
- Guidance for 2020 adjusted due to uncertainty around new German regulations and delayed onboarding of new customers due to Covid-19. Revenues expected in the lower range of the previous guiding €52 – 57 million, with a corresponding reduction in EBITDA, expected around €11.0 million (previous range of €12.0 – 15.0 million).

A diverse B2B Company well positioned for future growth in transformative online gambling industry

Q&A





Appendix

Largest shareholders: 30 September 2020

GAMING INNOVATION GROUP INC.

1	7 603 559	8,4 %	Andre Lavold
2	6 800 000	7.6 %	Swedbank Robur Ny Teknik
3	6 154 552	6.8 %	Myrlid AS
4	4 896 125	5.4 %	Henrik Persson Ek Dahl
5	3 880 999	4.3 %	Morten Hillestad Holding AS
6	3 509 128	3.9 %	Hans Mikael Hansen
7	2 478 585	2.8 %	Stenshagen Invest AS
8	2 047 161	2.3 %	G.F. Invest AS
9	2 009 437	2.2 %	Kvasshøgdi AS
10	2 000 000	2.2 %	Symmetry Invest A/S
11	1 907 146	2.1 %	Ben Clemes
12	1 862 535	2.1 %	Försäkringsaktiebolaget Avanza Pension
13	1 786 361	2.0 %	CMM Invest I AS
14	1 629 668	1.8 %	Digeelva Invest I AS
15	1 400 000	1.6 %	Frode Fagerli
16	1 328 148	1.5 %	Saxo Bank A/S nom.
17	1 342 136	1.5 %	Mikael Riese Harstad
18	1 273 642	1.4 %	Nordnet Bank AB nom.
19	1 003 100	1.1 %	Nordea Livsförsäkring Sverige AB
20	986 000	1.1 %	Helida AS
Top 20	55 898 282	62.1 %	
Other	34 107 344	37.9 %	
TOTAL	90 005 626	100.0 %	

Income Statement

EUR 1 000 (Unaudited)

B2C included as discontinued operations

	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenues	17 931	10 060	45 771	33 641	44 054
Cost of sales	906	222	2 137	741	906
Gross profit	17 025	9 838	43 634	32 900	43 148
Gross profit margin	95%	98%	95%	98%	98%
Marketing expenses	4 534	1 309	10 715	4 199	5 272
Other operating expenses	9 302	8 954	26 301	25 347	34 432
Total operating expenses	13 836	10 263	37 016	29 546	39 704
EBITDA	3 189	-425	6 618	3 354	3 444
Depreciation & amortization	3 252	3 611	9 364	10 821	14 422
Amortisation of acquired affiliate assets	1 560	2 264	5 777	6 964	9 228
Impairment of intangibles	-	2 911	-	2 911	3 911
EBIT	-1 623	-9 211	-8 523	-17 342	-24 117
Financial income (expense)	-1 188	-2 016	-4 784	-6 486	-9 362
Unrealised exchange gain (loss) on bond	282	521	1 344	2 697	1 140
Other income (expense)	-51	-9	-33	-42	-5
Result before income taxes	-2 580	-10 715	-11 996	-21 173	-32 344
Income tax refund (expense)	-111	-106	-266	-302	-627
Loss from continuing operations	-2 691	-10 821	-12 262	-21 475	-32 971
Income/(loss) from discontinued operations	-2 255	2 471	-1 304	4 118	-31 720
Loss for the period	-4 946	-8 350	-13 566	-17 357	-64 691

Balance Sheet

EUR 1 000 (unaudited)

B2C included as discontinued operations

	30 Sep 2020	30 Sep 2019	31 Dec 2019
Assets			
Goodwill	16 018	69 396	15 995
Intangibles assets	34 526	57 084	40 912
Deposits and other non-current assets	18 121	22 266	20 191
Total non-current assets	68 665	147 746	77 098
Prepaid and other current assets	17	24	3
Trade and other receivables	18 233	20 442	20 464
Cash and cash equivalents	5 886	10 944	4 557
Total current assets	24 136	31 410	25 024
Assets of discontinued operations held for sale	-	-	32 966
Total assets	92 801	180 156	135 088
Liabilities and shareholders' equity			
Total shareholders' equity	6 857	69 530	20 920
Trade payables and accrued expenses	34 030	32 606	24 940
Bond payable	3 455	31 462	30 035
Total current liabilities	37 485	64 068	54 975
Bond payable	33 934	33 277	36 908
Deferred tax liability	1 469	1 135	1 270
Other long term liabilities	13 056	12 146	12 496
Total long term liabilities	47 172	46 558	50 674
Total liabilities	87 231	110 626	105 649
Liabilities associated with assets classified as held for sale	-	-	8 519
Total liabilities and shareholders' equity	92 801	180 156	135 088

Cash Flow

In EUR 1 000

B2C included as discontinued operations	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Cash flow from operating activities	-225	2 352	17 888	10 319	4 077
Cash flow used by investing activities	-1 744	-2 027	16 042	-9 676	-10 501
Cash flow from financing activities	-357	-4 424	-32 480	-4 128	-7 897
Translation (loss)/gain	704	-178	-108	-258	-245
Fair value movements	-	26	-13	18	-1 284
Net change in cash and cash equivalents	-1 622	-4 251	1 329	-3 725	-15 850
Cash and cash equivalents at start of period	7 508	15 195	10 295	14 669	14 669
Cash and cash equivalents attributable to discontinued operations	-	-	-5 738	-	5 738
Cash and cash equivalents at end of period	5 886	10 944	5 886	10 944	4 557

Legal Disclaimer

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.