



Q4 2020

Gaming Innovation Group Inc.
Interim Report —

+

23 Feb 2021



Richard Brown
CEO



Tore Formo
Group CFO

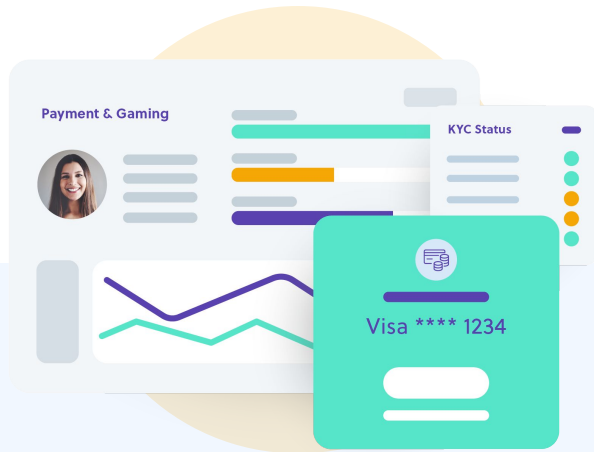
Today's Presenters



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

Platform



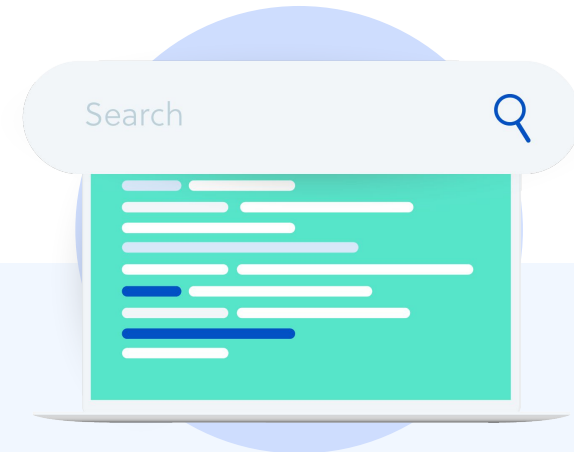
Providing cutting edge, scalable iGaming tech platforms which drive sustainable growth and profitability of our partners

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



€200m (approx.) Market Cap



~460

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

2020 - a Transformative year for GiG



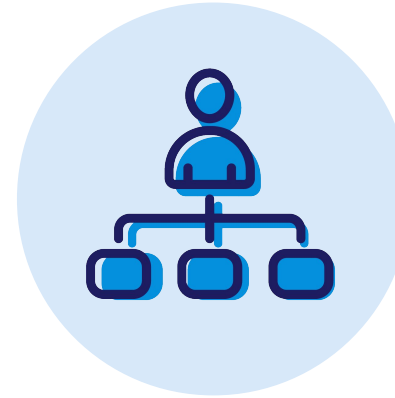
Strategic Focus

- Became a fully focused B2B company
- De-leverage business



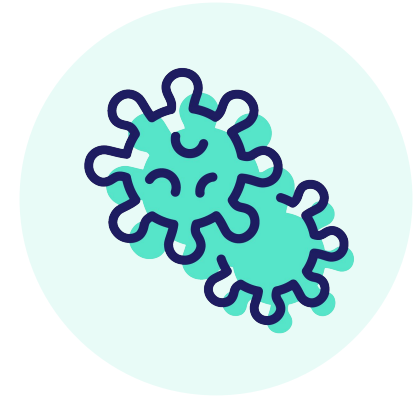
Future growth

- Ramped up Platform sales
- Expanded and diversified Media business



Operational

- Business Restructuring completed
- Comparable operating expenses reduced 25% from Q4-2019



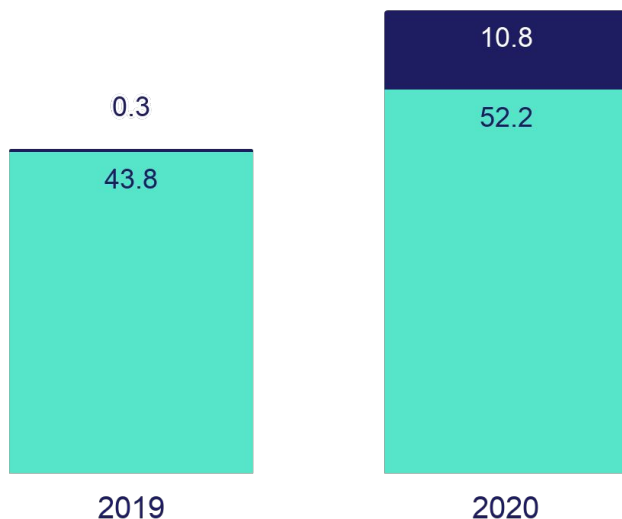
Covid-19

- Protection of staff
- Business continuity
- Acceleration of global trends

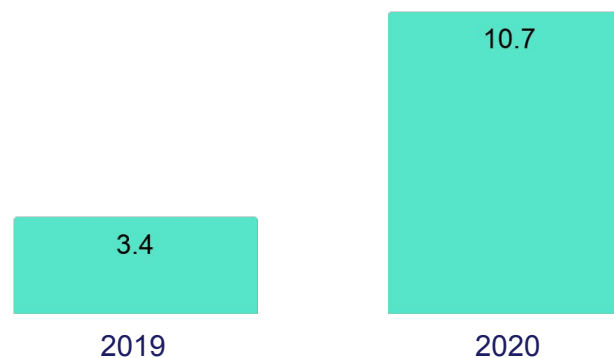
Strategic actions to place GiG in position to deliver growth and shareholder value

2019 vs 2020

Revenues (MEUR)



EBITDA (MEUR)



EBITDA margin (normalised)

2020
21%

2019
8%

Revenues
+43%

Revenues norm.
+19%

EBITDA
+212%

Key takeaways

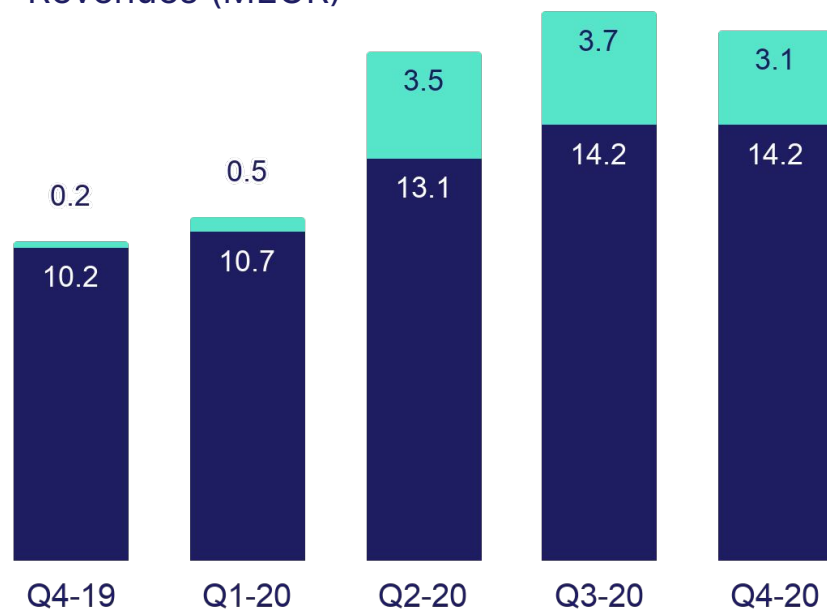
Q4 2020

- Continued positive development with significant YoY growth, both revenues and EBITDA
- Signed four new agreements for platform provision in the quarter, total of 14 for 2020
- Media experienced positive developments in the quarter, finishing off with all-time-high revenues in December, FTDs up 36% YoY and 9% QoQ
- Sports Betting Services restructuring completed, placing Sports Betting Services in a sustainable position for growth and strategic partnerships
- 2 new brands were launched on the platform

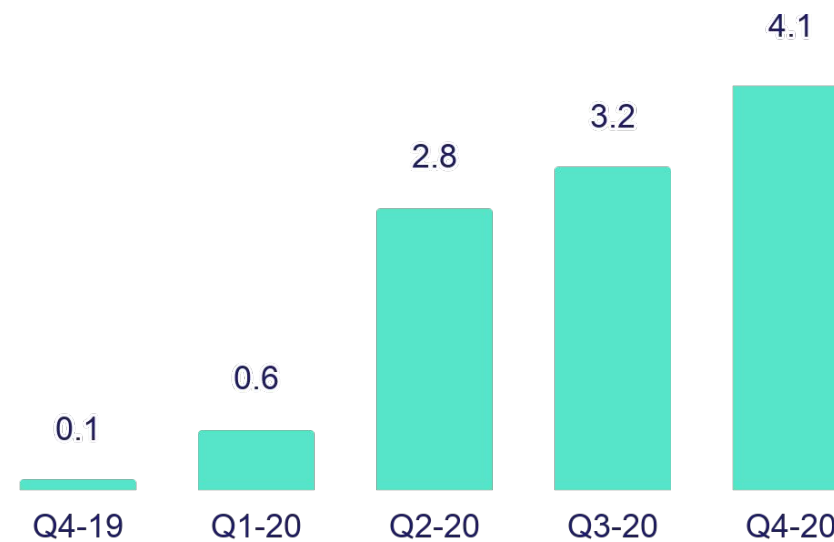
The GiG logo is displayed in a large, bold, dark blue font. The letters 'G' and 'i' are connected, and the 'G' has a distinctive shape with a curved top. The background of the slide features a blue-tinted image of a modern glass skyscraper with a grid pattern of windows.

Head figures development

Revenues (MEUR)



EBITDA (MEUR)



Revenues

+66% Y/Y
-4% Q/Q

Revenues norm.

+38% Y/Y
-1% Q/Q

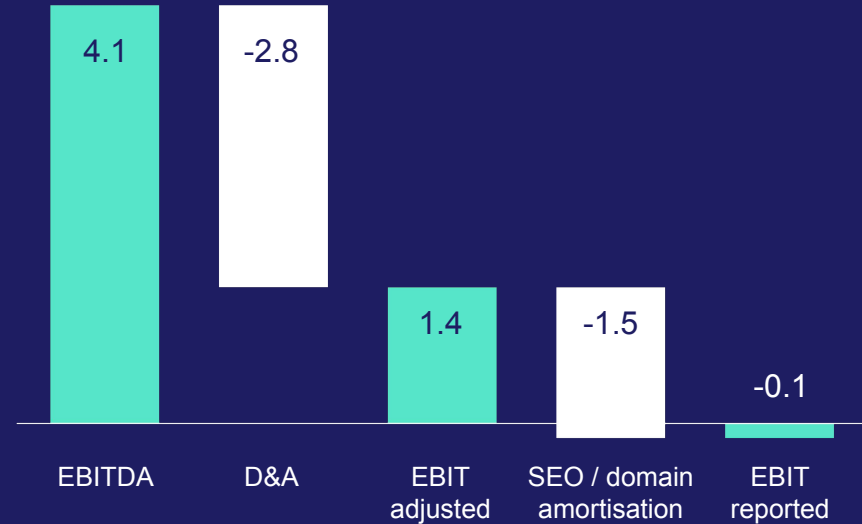
EBITDA

+4431% Y/Y
+29% Q/Q

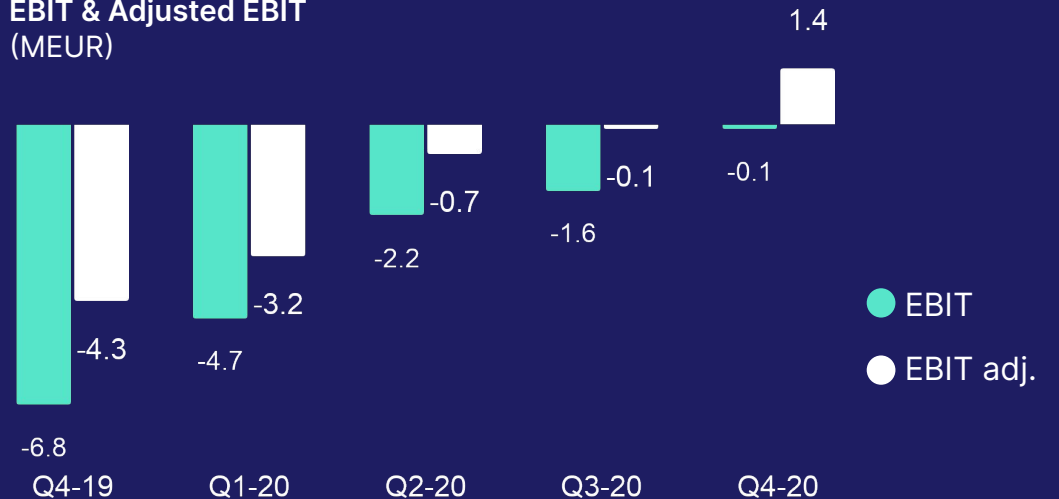
EBIT performance

- Marginal EBIT loss in the quarter of €-0.1 (-6.8) and marked improvement of €1.5m (91%) QoQ
- GiG currently amortises affiliate SEO/domain assets over 8 years, a non-comparable practice to peers which define such assets with indefinite life
- Impacts reported EBIT result but does not adequately describe business performance since most assets performing at same or higher levels than at time of acquisition
- Operational EBIT, i.e. when excluding amortisation of acquired SEO/domain asset (and impairment in 2019), is positive with €1.4m (-4.3)
- For the full year 2020, operational EBIT is €-2.7m (-14.2) an 85% improvement YoY

Q4-2020 EBITDA to EBIT (MEUR)



EBIT & Adjusted EBIT (MEUR)



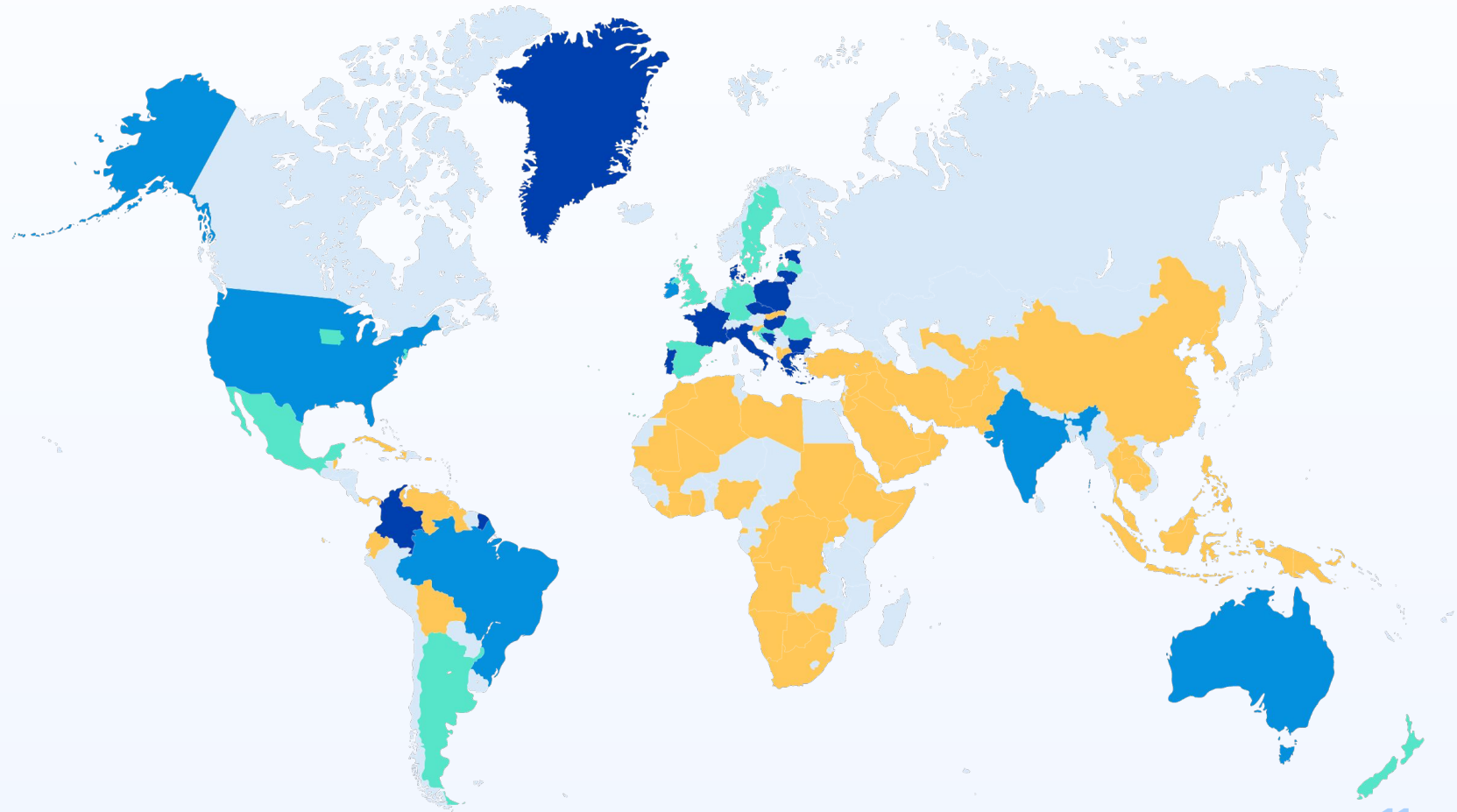
Strategic Update



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

	Unregulated
	Regulated
	Partially regulated
	Licence already held or Partner
	Restricted



New contracts signed



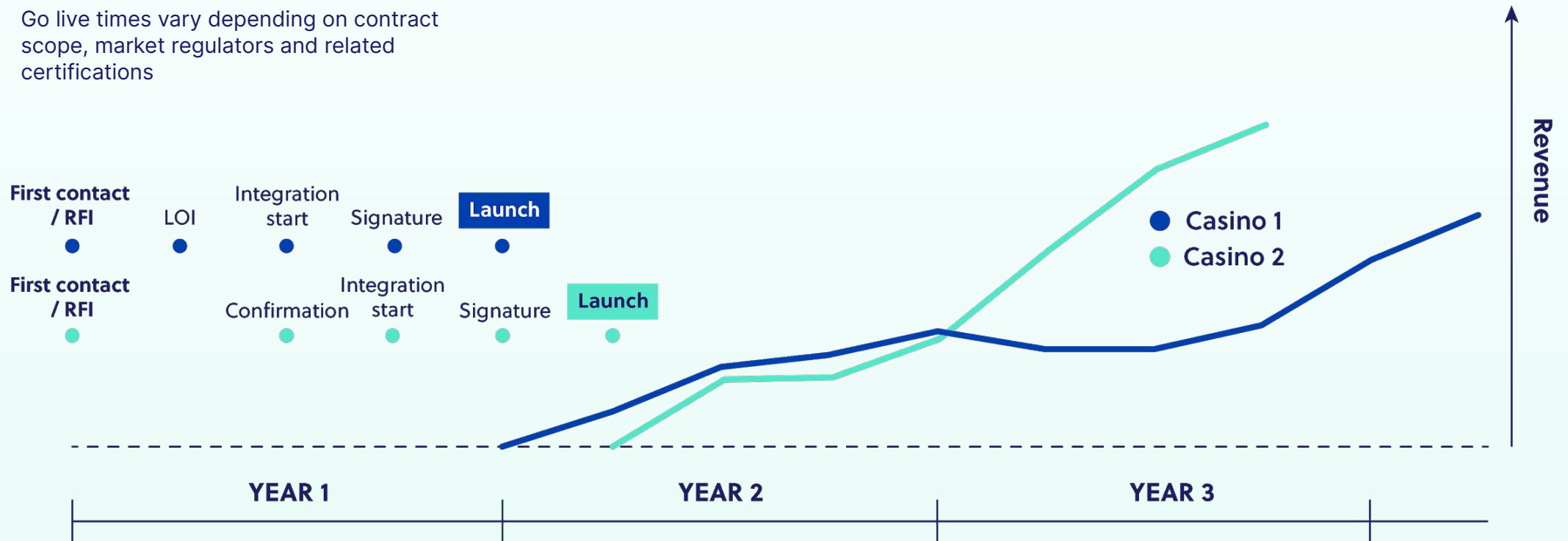
- Signed Slotbox, founded by the leading gaming & casino operator in Ireland
- Signed with Bet Seven Online for their new brand SuperSeven
- Signed Admirāļu Klubs, large land based casino group in Estonia and Latvia for Casino and Sportsbook solutions
- Signed large European media group for the provision of GiG's iGaming platform, data platform and managed services to power its new iGaming offering
- Sales pipeline continued to develop well into 2021 and 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, and an additional LOI signed with an established online casino company to enter the regulated German market.

Securing long term, recurring revenues in different geographies

Local regulation driving demand

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



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

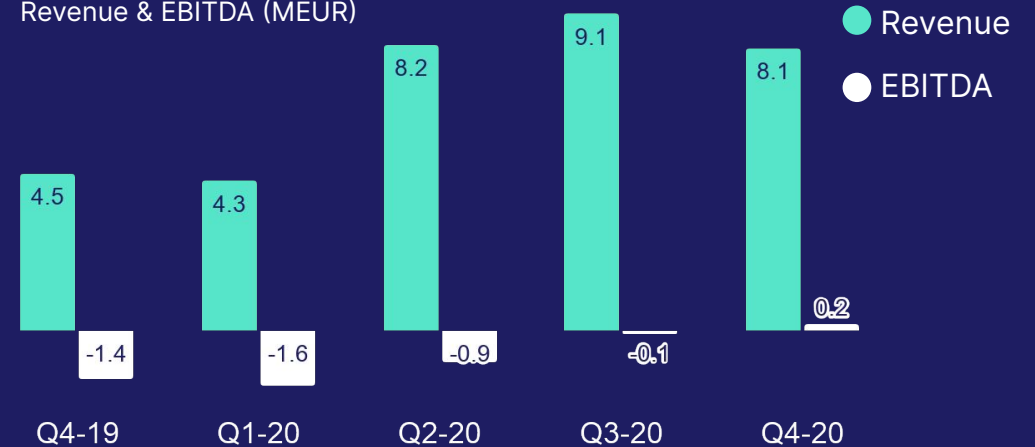
Business Update



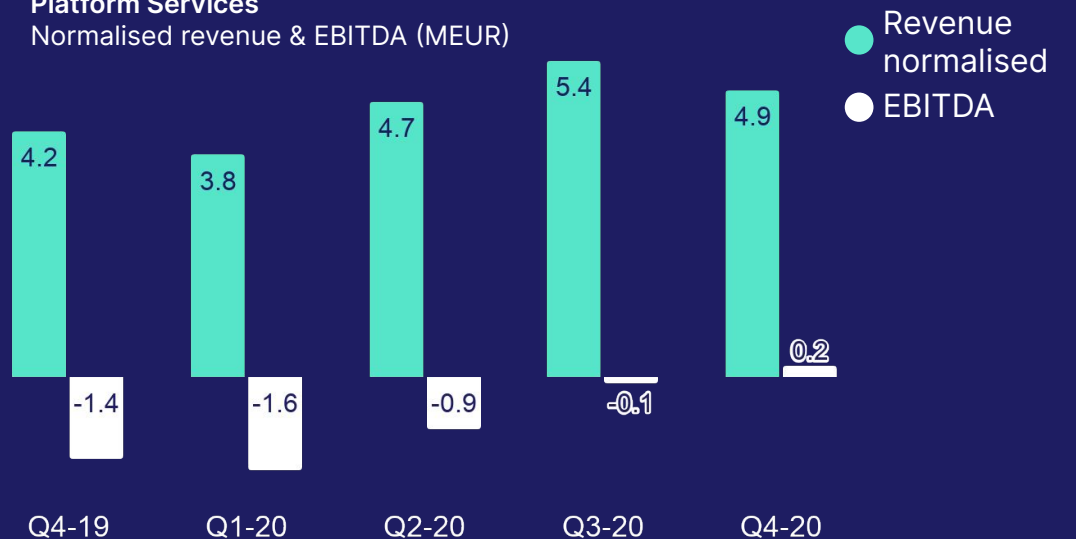
Platform Services

- Normalised revenues for Platform Services were €4.9m (4.2) in Q4 2020, a 19% increase YoY
- Platform Services had positive EBITDA for the quarter, ended at €0.2m (-1.4), a 111% improvement YoY
- Signed 4 new agreements in Q4 2020 - a total of 14 in 2020
- Strategy to move clients from the white label model to Software-as-a-Service (SaaS) is nearing completion
 - reduces operational complexity and overhead costs
 - reduces risks and strengthen overall sustainability of the unit
- Led to reduced revenues of €0.5m from white label agreements as 6 brands were discontinued in the quarter, three white labels left at year end
- Implementation of new German regulation impacted revenues negatively by approx €0.2m

Platform Services
Revenue & EBITDA (MEUR)



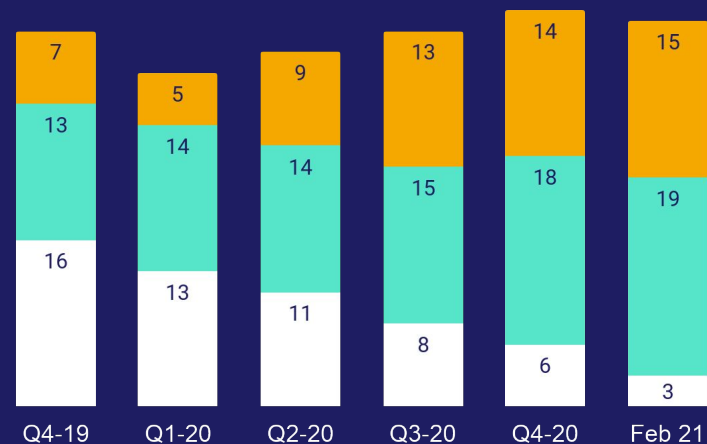
Platform Services
Normalised revenue & EBITDA (MEUR)



Platform Services

- GiG's platform is licensed in 10 jurisdictions, with 7 more in the integration pipeline
- 2 new brands went live in Q4
- 15 brands are in integration phase for launch
- 76% of GGR from locally regulated or soon-to-be locally regulated markets
- SaaS and other revenues were stable quarter-over-quarter despite the short term negative impact of the new regulatory framework in Germany

Platform Services
Brands on the platform



- White Labels
- SaaS
- Integration pipeline

Platform Services
Aggregated GGR (MEUR)

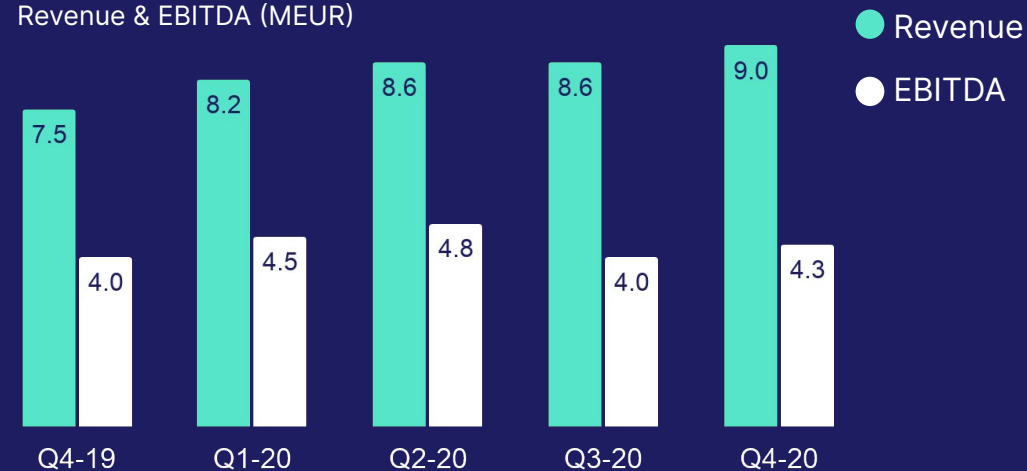


- White Labels
- SaaS

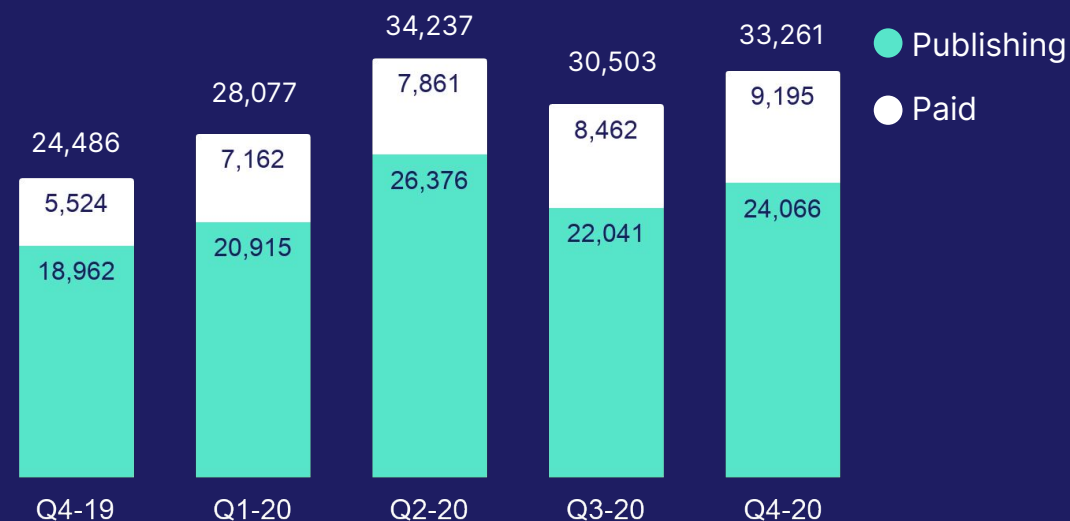
Media Services

- Media Services continued its positive development in Q4 2020, finishing off the year with an all-time-high in revenues in December. Revenues were €9.0m (7.5), a 20% increase YoY and 5% QoQ
- Paid media continues to see QoQ improvements with revenues up 87% YoY and 11% QoQ
- EBITDA for Media Services ended at €4.3m (4.0), an 8% increase both YoY and QoQ
- First Time Depositors (FTD) ended at 33,261 in the fourth quarter, a 36% increase YoY and 9% QoQ
- Positive development in Publishing after the Google update in December, with a subsequent increase in player intake
- WSN.com continued to grow in the US market with ATH in Q4, now present in ten US states
- Maintain focus on developing business outside current core markets in 2021.

Media Services
Revenue & EBITDA (MEUR)



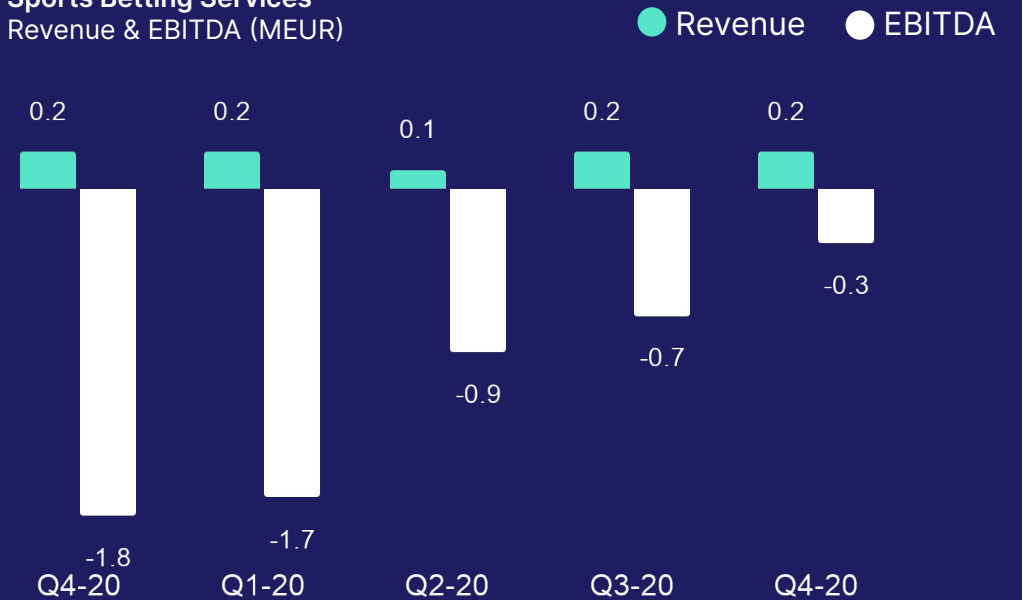
Media Services - FTDs



Sports Betting Services

- The restructuring of Sports Betting Services was completed in the fourth quarter, resulting in a 78% YoY reduction in operating expenses
- Thus, EBITDA ended at €-0.3m (-1.8), a €1.5 million improvement YoY
- The strategic partnership with Betgenius was implemented into operations in the fourth quarter, creating a fully integrated sportsbook platform and managed trading solution for operators in regulated markets
- Signed two new clients in Q4 for Sports, adding up to four Sports clients in the integration pipeline
- Operator turnover increased by 17% QoQ
- Positioned to taking on new clients and grow in online gambling's largest vertical

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 the US market with first state roll out in New Jersey
- Signed with established German facing online operator to launch new brand into market
- Sales pipeline remains strong
- Media delivered ATH in FTD's generation in January
- Launched a new client, Magic Jackpot into highly regulated market of Romania
- Normalised revenues in January were up 40% 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

+

Summary

- GiG delivered significant year-over-year growth in both revenue and EBITDA
- Signed four new agreements in the quarter - securing geographical, regulated & diversified recurring future revenues - the sales pipeline is strong
- A leading and growing Platform business with approx. 80% of revenues in regulated/or soon to be regulated markets
- Highly profitable and growth focused Media business including emerging position in the US
- GiG's proprietary Sports betting platform placed it in a sustainable long term position to grow via new client onboarding - already licensed and operational in Europe and several US states
- Proven operational excellence with a revised strong B2B focus, improved cost-efficiency and growing sales and onboarding pipeline

Q&A





Appendix

Largest shareholders: 31 January 2021

GAMING INNOVATION GROUP INC.

1	7 669 052	8.5 %	Myrlid AS
2	7 603 559	8.4 %	Optimus Invest Limited
3	5 428 544	6.0 %	Swedbank Robur Ny Teknik
4	4 896 125	5.4 %	True Value Limited
5	3 187 302	3.5 %	Hans Mikael Hansen
6	2 478 585	2.8 %	Stenshagen Invest AS
7	2 354 309	2.6 %	G.F. Invest AS
8	2 009 437	2.2 %	Kvasshøgdi AS
9	2 000 000	2.2 %	Symmetry Invest A/S
10	1 907 146	2.1 %	Ben Clemes
11	1 895 279	2.1 %	Nordnet Bank AB nom.
12	1 843 077	2.0 %	Morten Hillestad Holding AS
13	1 769 106	2.0 %	Saxo Bank A/S nom.
14	1 734 971	1.9 %	Försäkringsaktiebolaget Avanza Pension
15	1 695 091	1.9 %	CMM Invest I AS
16	1 602 213	1.8 %	Digeelva Invest I AS
17	1 452 078	1.6 %	IBKR Financial Services AG
18	1 349 000	1.5 %	Frode Fagerli
19	1 342 136	1.5 %	Mikael Riese Harstad
20	1 308 942	1.5 %	Nordea Livsförsäkring Sverige AB
Top 20	55 525 952	61.6 %	
Other	34 549 674	38.4 %	
TOTAL	90 075 626	100.0 %	

Income Statement

EUR 1 000 (Unaudited)

B2C included as discontinued operations

	Q4 2020	Q4 2019	2020	2019
Revenues	17 256	10 413	63 027	44 054
Cost of sales	830	165	2 967	906
Gross profit	16 426	10 248	60 060	43 148
Marketing expenses	4 222	1 073	14 937	5 272
Other operating expenses	8 081	9 084	34 381	34 432
Total operating expenses	12 303	10 157	49 318	39 704
EBITDA	4 123	91	10 742	3 444
Depreciation & amortization	2 767	3 601	12 131	14 422
Amortisation of acquired affiliate assets	1 499	2 264	7 276	9 228
Impairment of intangibles	-	1 000	-	3 911
EBIT	-143	-6 774	-8 665	-24 117
Financial income (expense)	-1 609	-2 906	-6 357	-9 362
Unrealised exchange gain (loss) on bond	-1 995	-1 557	-652	1 140
Other income (expense)	136	-533	103	-5
Result before income taxes	-3 611	-11 770	-15 608	-32 344
Income tax refund (expense)	-58	-325	-323	-627
Loss from continuing operations	-3 669	-12 095	-15 931	-32 971
Income/(loss) from discontinued operations	-449	-35 839	-1 753	-31 720
Loss for the period	-4 118	-47 934	-17 684	-64 691

Balance Sheet

EUR 1 000 (unaudited) B2C included as discontinued operations	31 Dec 2020	31 Dec 2019
Assets		
Goodwill	16 287	15 995
Intangibles assets	33 012	40 912
Deposits and other non-current assets	16 637	20 191
Total non-current assets	65 936	77 098
Prepaid and other current assets	-	3
Trade and other receivables	15 711	20 464
Cash and cash equivalents	11 504	4 557
Total current assets	27 215	25 024
Assets of discontinued operations held for sale	-	32 966
Total assets	93 151	135 088
Liabilities and shareholders' equity		
Total shareholders' equity	3 606	20 920
Trade payables and accrued expenses	27 217	24 940
Bond payable	3 455	30 035
Total current liabilities	30 672	54 975
Bond payable	35 998	36 908
Long term loans	9 610	-
Deferred tax liability	1 529	1 270
Other long term liabilities	11 736	12 496
Total long term liabilities	58 873	50 674
Total liabilities	89 545	105 649
Liabilities associated with assets classified as held for sale	-	8 519
Total liabilities and shareholders' equity	93 151	135 088

Cash Flow

In EUR 1 000				
B2C included as discontinued operations	Q4 2020	Q4 2019	2020	2019
Cash flow from operating activities	-189	-1 971	17 700	4 077
Cash flow used by investing activities	-1 429	-2 255	14 612	-10 501
Cash flow from financing activities	7 302	-872	-25 178	-7 897
Translation (loss)/gain	-66	13	-174	-245
Fair value movements	-	-1 302	-13	-1 284
Net change in cash and cash equivalents	5 618	-6 387	6 974	-15 850
Cash and cash equivalents at start of period	5 886	10 944	10 295	14 669
Cash and cash equivalents attributable to discontinued operations	-	-	-5 738	5 738
Cash and cash equivalents at end of period	11 504	4 557	11 504	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.