

Gaming Innovation Group

Q1 2017

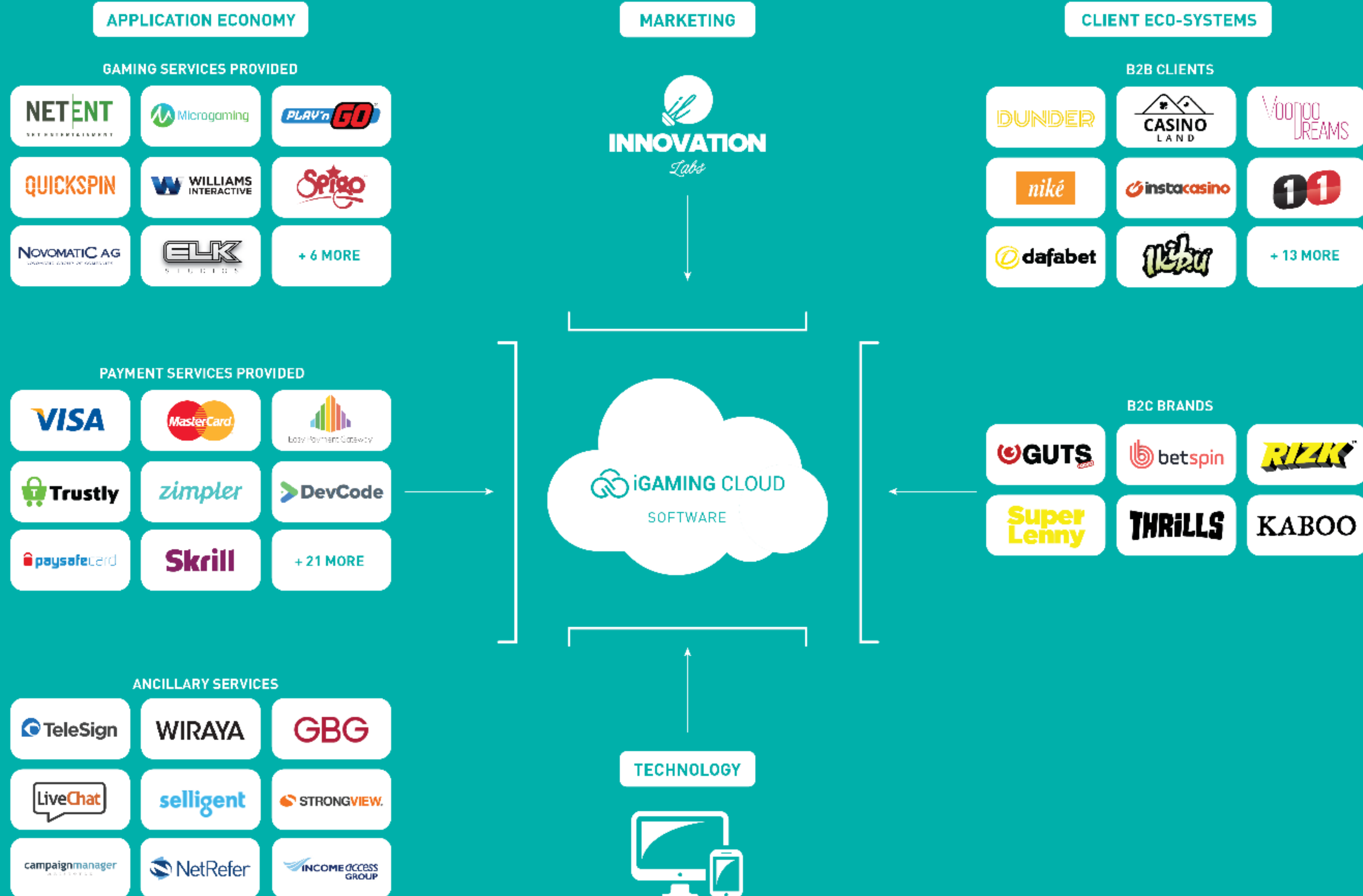
02 May 2017

Robin Reed, CEO

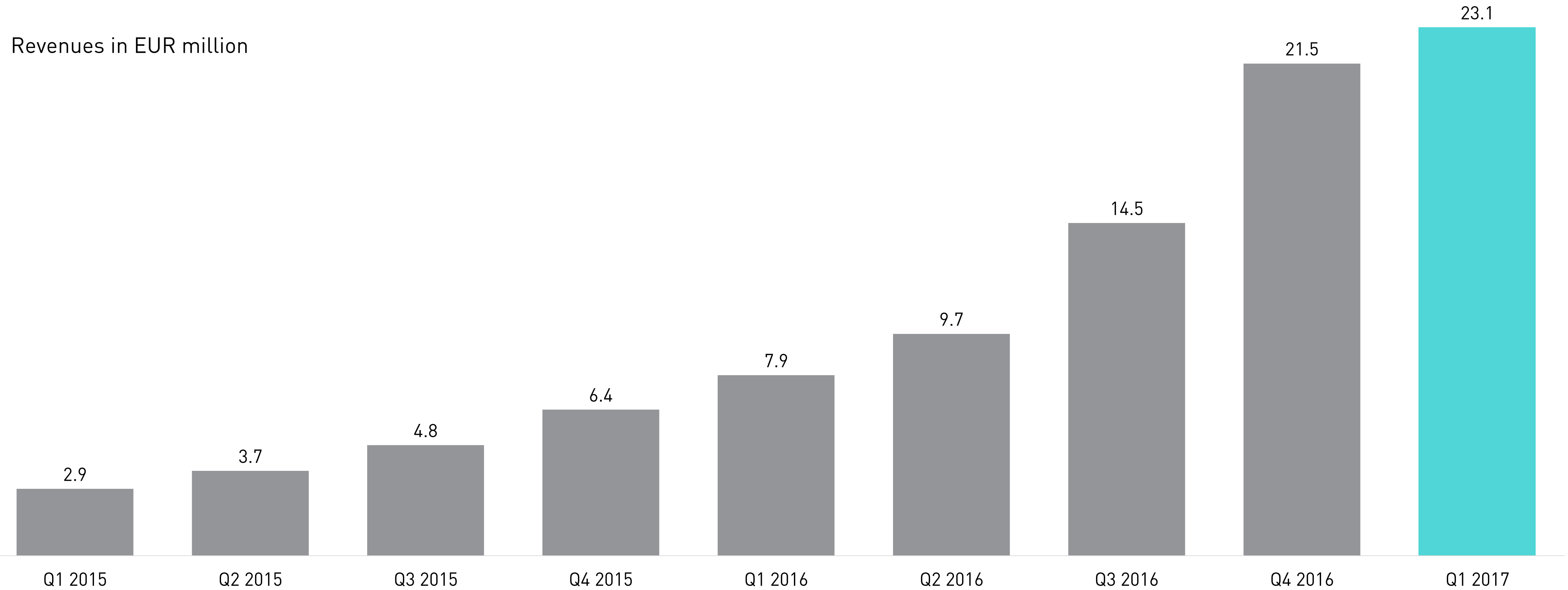
Tore Formo, CFO

GAMING INNOVATION GROUP

AN iGAMING ECO-SYSTEM



Creating a leading iGaming company



Highlights Q1 2017

- All time high revenues for the group – maintaining full year guiding of EUR 120 million
- Securing funding for future growth through SEK 400 million bond issue
- Largest affiliate acquisition to date - creating a leading affiliate company
- All time high Revenues for iGamingCloud (up 163% Y/Y and 35% Q/Q)
 - 7 new brands and contracts signed
- Increased focus on core, regulated markets for the B2C brands
 - Introducing 'BrandX', GIG's largest casino launch to date

Financial highlights Q1 2017

REVENUES	COST OF SALES	MARKETING EXPENSES	OTHER OPEX	EBITDA
€23.1M	€4.4M	€10.9M	€8.1M	€(0.4)M
(7% Q/Q) (193% Y/Y)	(8% Q/Q) (237% Y/Y)	(56% Q/Q) (227% Y/Y)	(24% Q/Q) (144% Y/Y)	3.9M (Q4 16) (0.1M) (Q1 16)

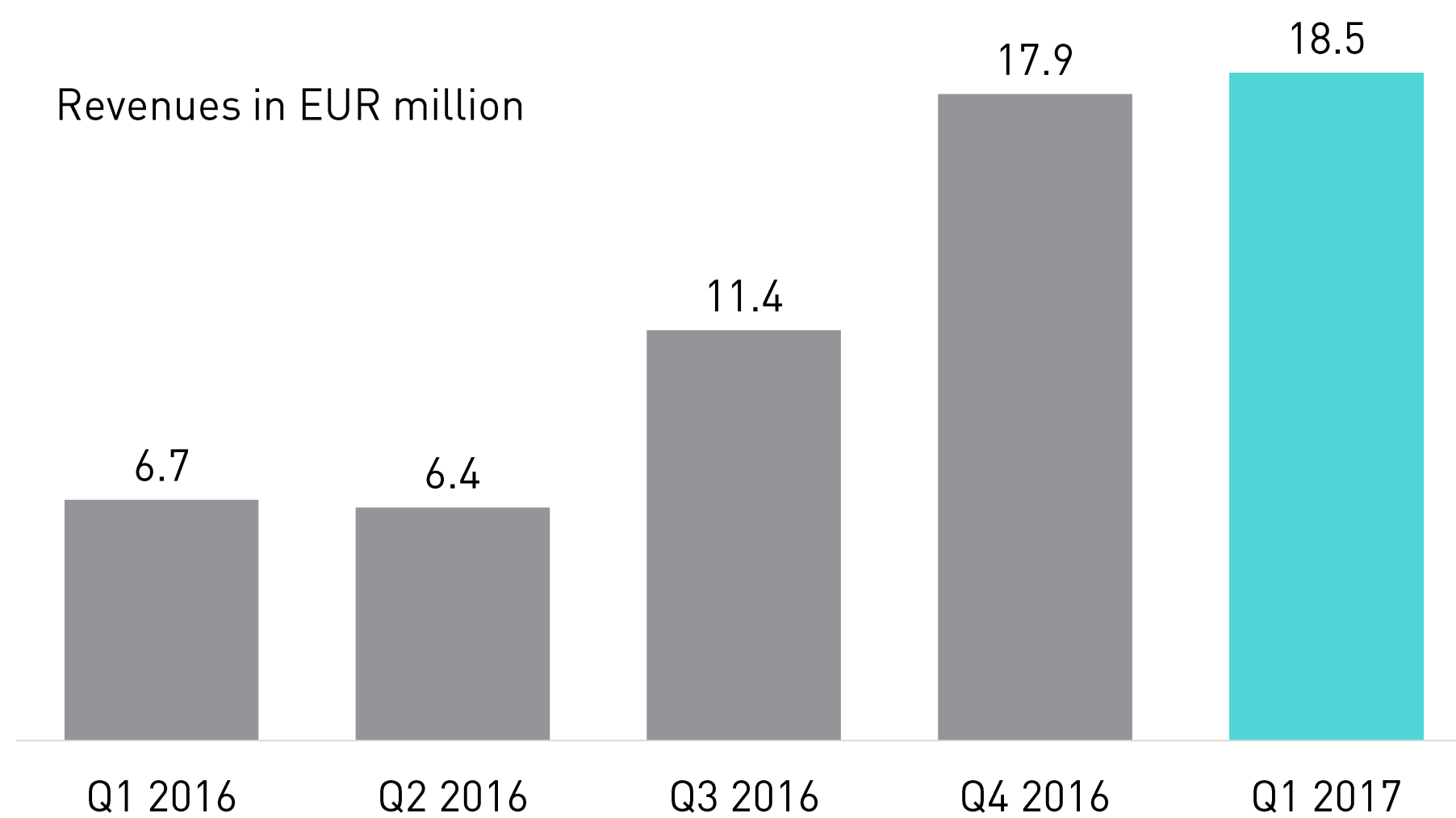
Operational update



B2C

The B2C segment include Gaming Innovation Groups gaming operators

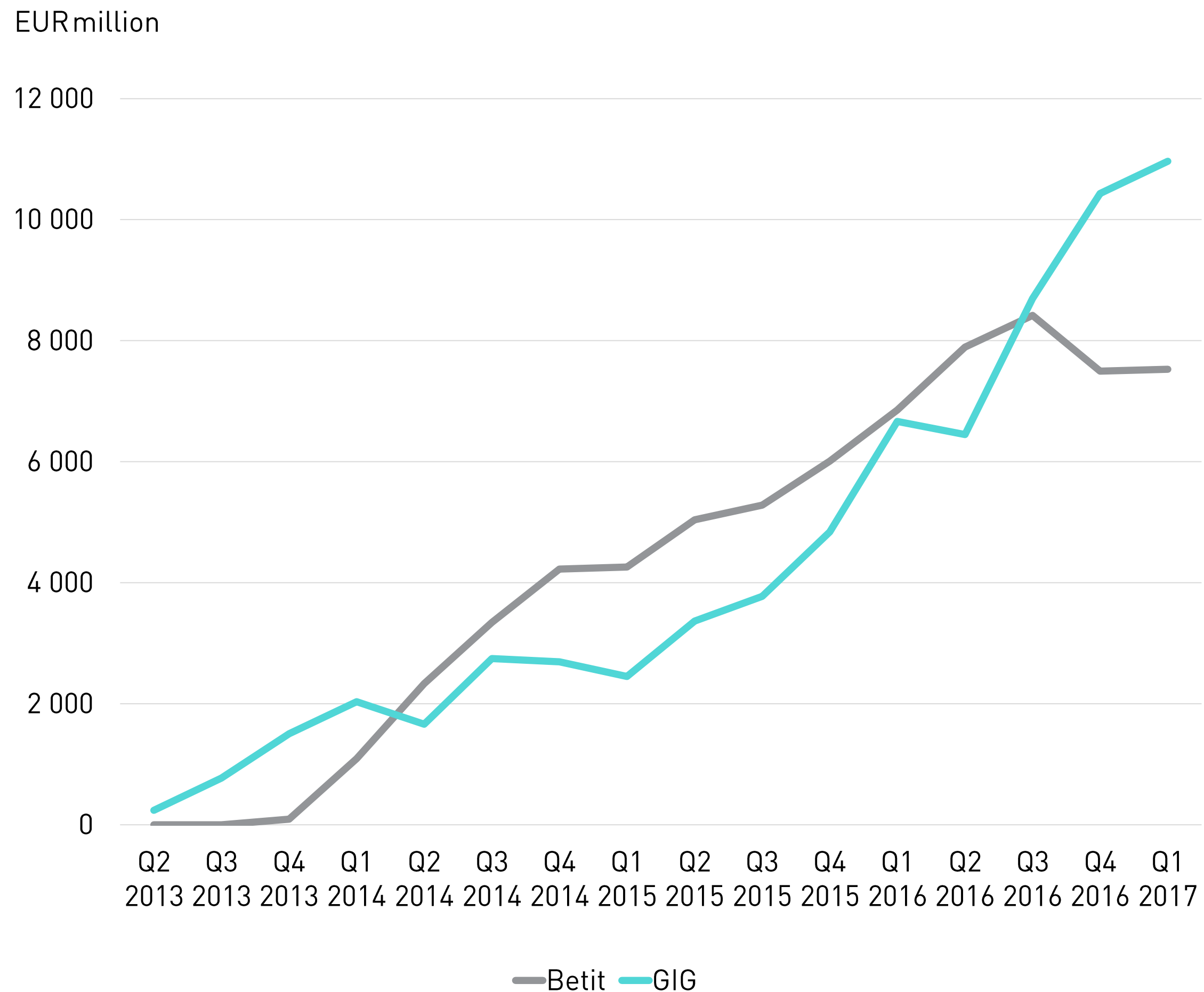
EUR million	Q1 2017	Q1 2016	FY 2016
Revenue	18.5	6.7	42.4
Marketing cost	11.1	3.4	20.0
EBITDA	(2.5)	(0.7)	(1.1)



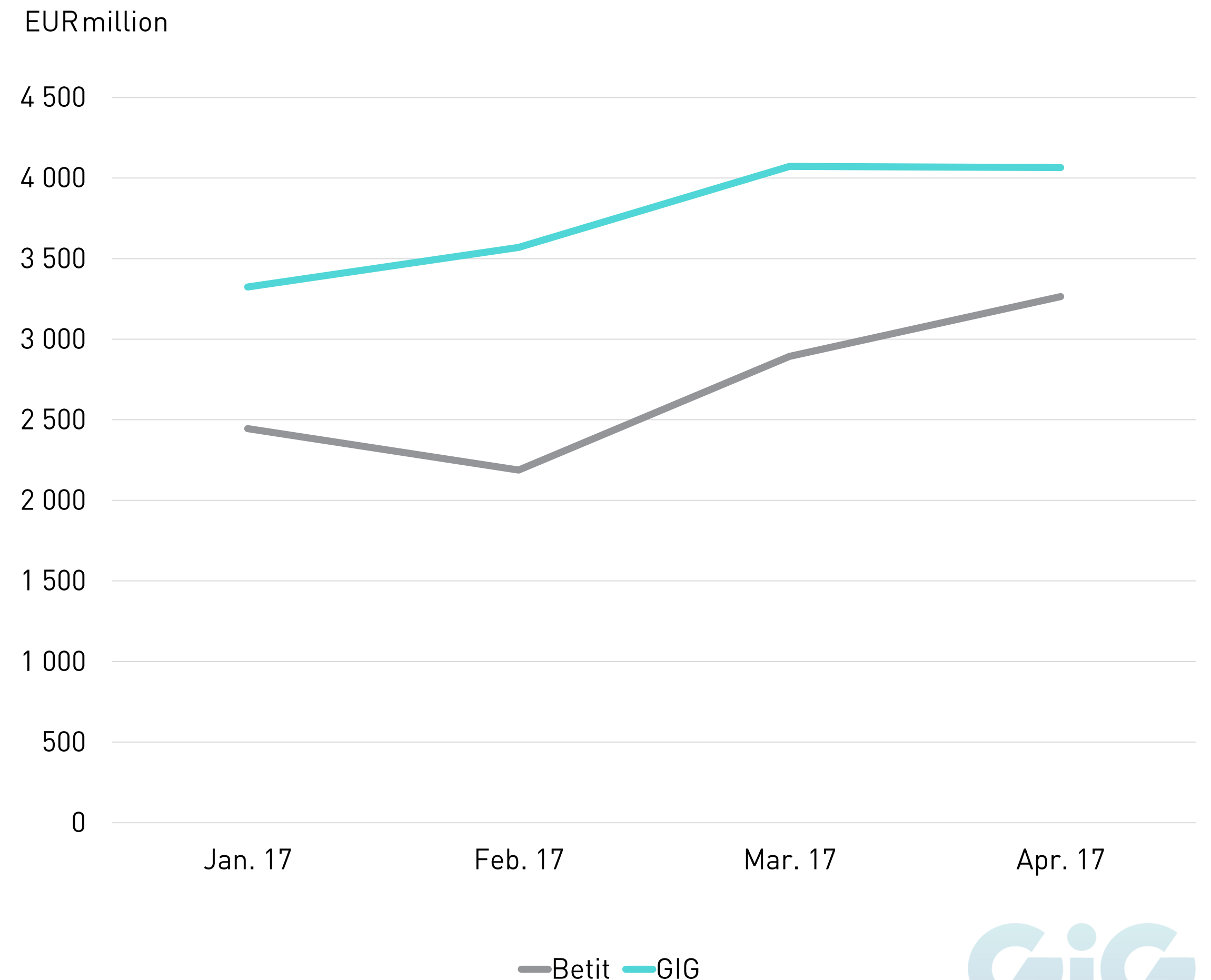
- Revenues up 178% Y/Y and 3% Q/Q
 - Betit contributed with EUR 7.5 mill. in Q1, unchanged from Q4
- Q1 EBITDA margins affected by launch of several above the line marketing campaigns
- Q1 revenues affected by Betit migration dip experienced throughout week 1-6
- Number of Betit players back at pre-integration levels in March
 - All time high Betit revenues in April

Betit growth back on track after migration

Revenue dip during migration

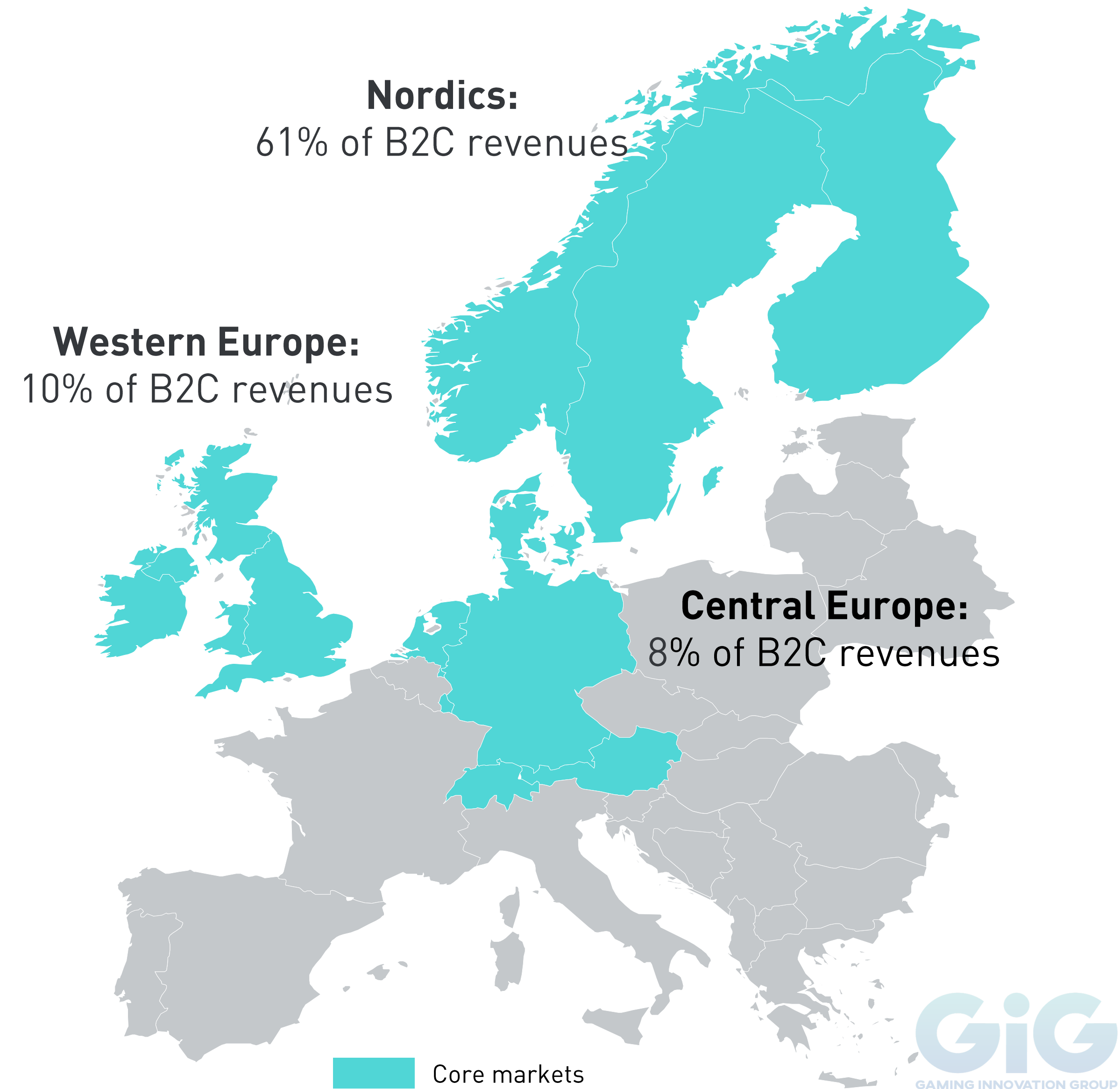


Increasing revenues post migration



High growth strategy - targeting regulated markets

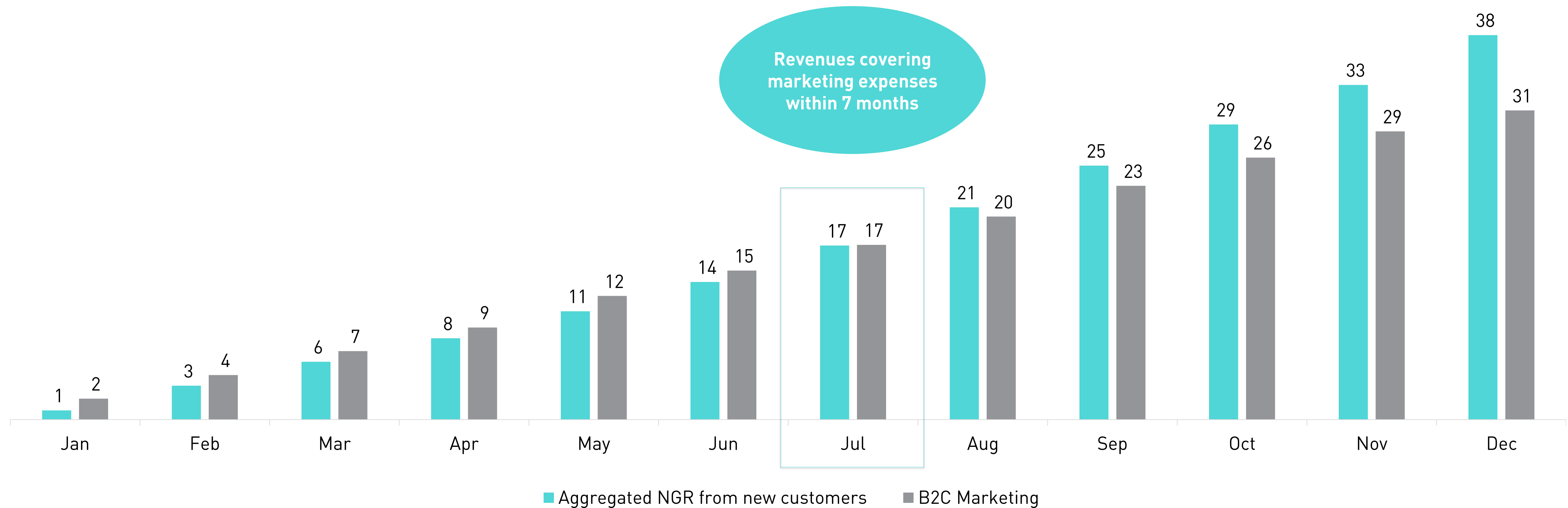
- Focus on growth in core markets: Nordics, Central- and Western Europe
 - In the process of obtaining Danish license (ETA Q4)
 - Targeting Dutch and Swedish licenses when available (01.01.2019)
 - Revenues from regulated, and near-regulated markets currently 41% of revenues (38% in Q4)
 - 79% of revenues including ETA countries
- Exiting non-core markets
 - 21% of Q1 B2C revenues
 - 15% of non-core markets revenues will be transferred to external licenses on the iGaming Cloud platform
 - Revenue share agreements effective from June
 - Revenue shift from B2C to B2B



7 months payback on marketing

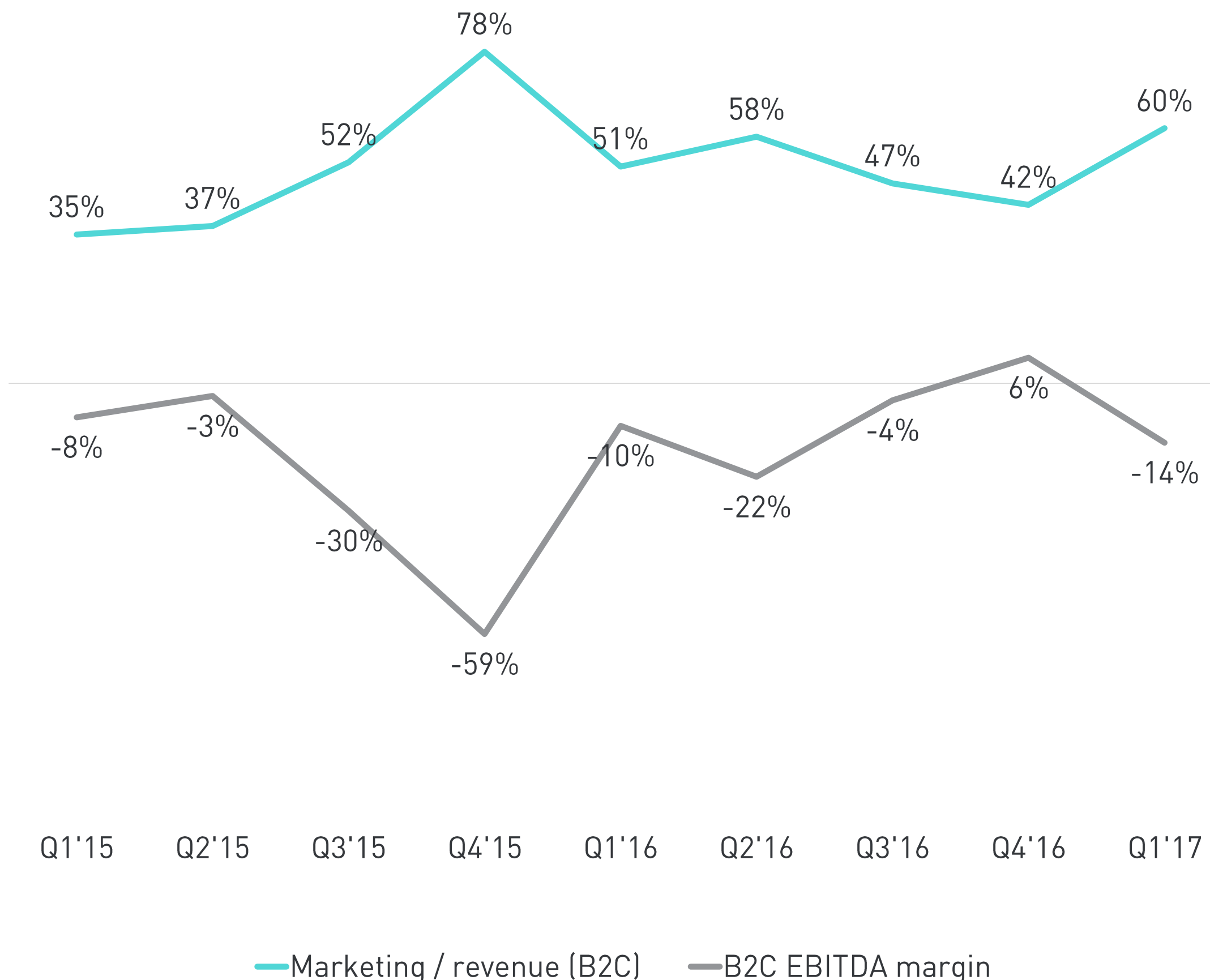
Marketing return on investment 2016

(Of Q1 17 marketing 70% up-front and 30% perpetual revenue share)



High correlation between EBITDA margin and marketing spend

Marketing spend vs EBITDA margin

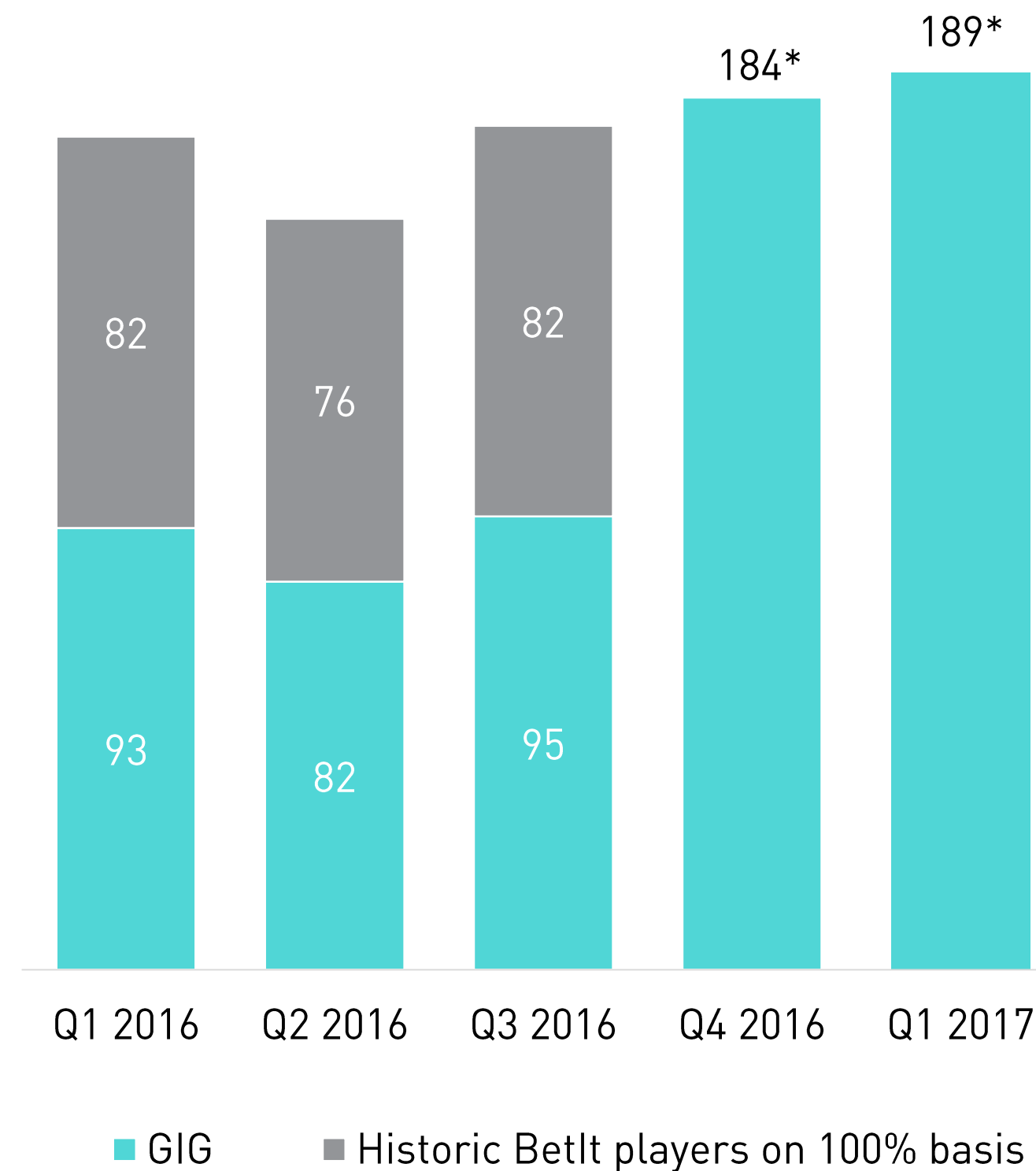


- Largest investment to date (EUR 7.6m) towards up front marketing in Q1
 - Main focus on Nordics, increasing focus on UK
 - Revenue share constant, up front marketing increased 104% from Q4 2016
- Aiming to increase share of own channel, high margin players in regulated or near-regulated markets
- Goal is to be the market leader in a regulated future
- Expect payback on Q1 campaigns within Q3/Q4

Increased deposits from active players

Active real money players

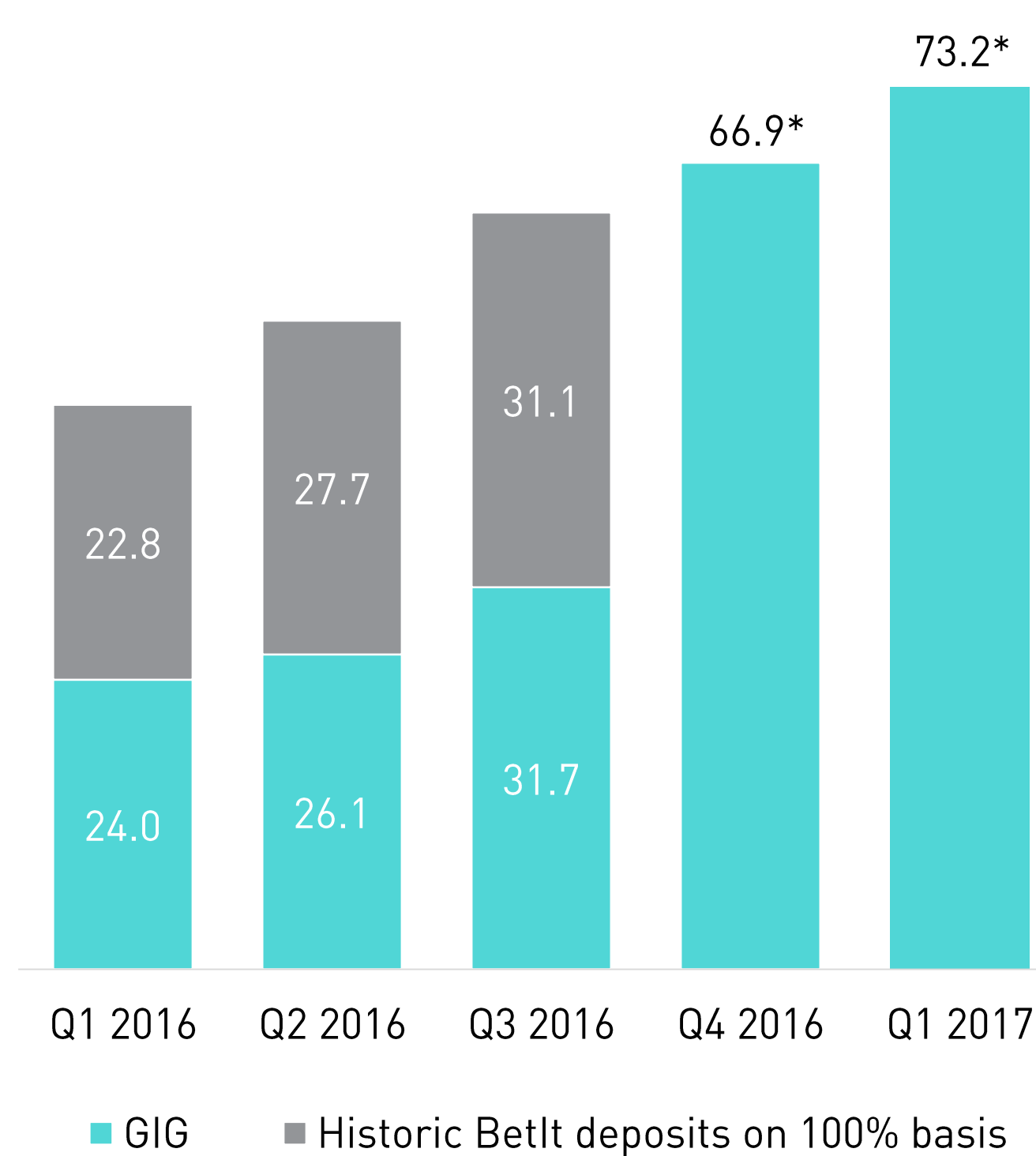
1 000 players



BetIt contribution Q1 17: 67 000
BetIt contribution Q4 16: 74 000

Deposits

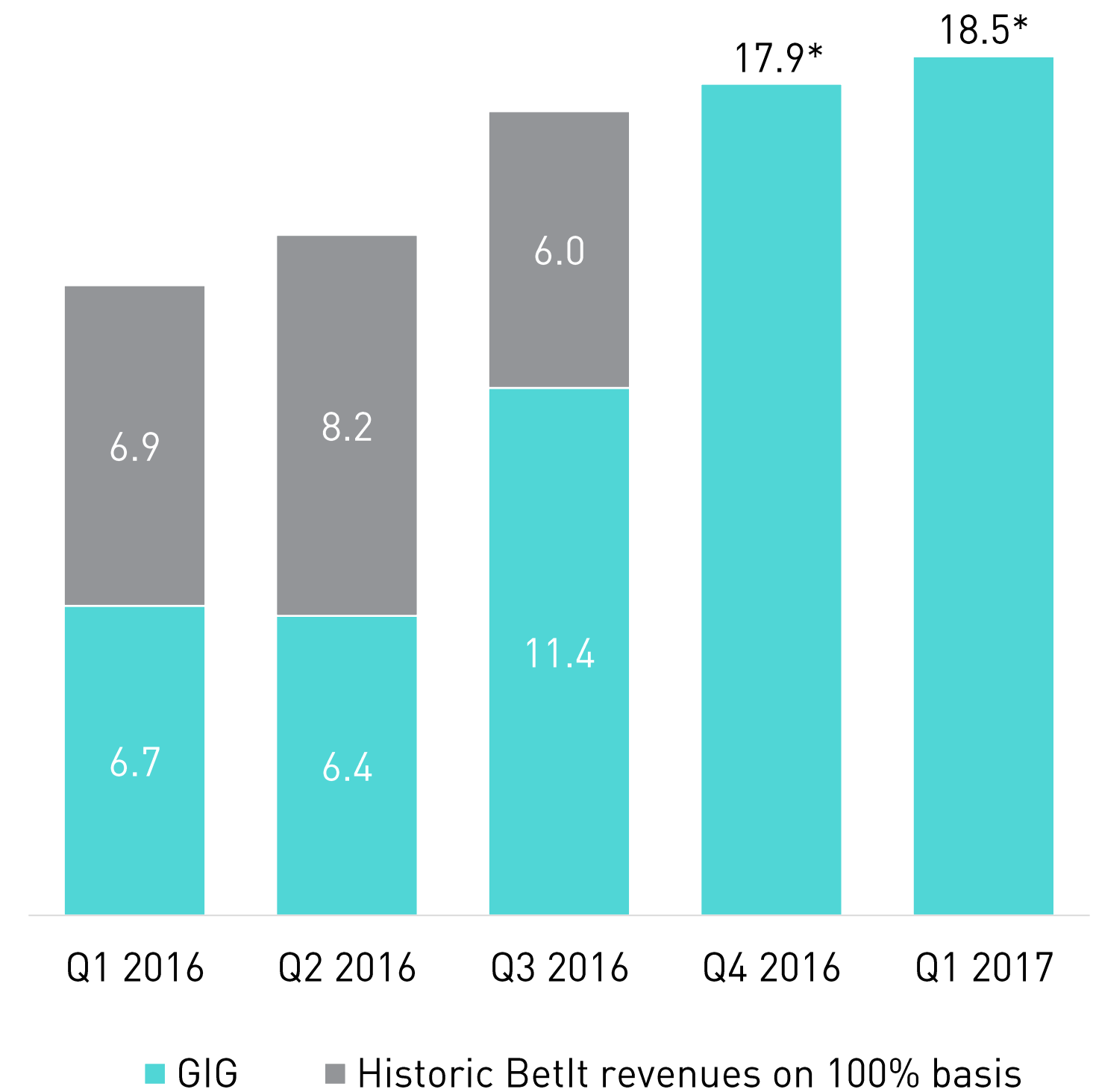
EUR million



BetIt contribution Q1 17: EUR 30.5m
BetIt contribution Q4 16: EUR 28.5m

B2C revenues

EUR million



BetIt contribution Q1 17: EUR 7.5m
BetIt contribution Q4 16: EUR 7.5m
BetIt contribution Q3 16: EUR 2.7m

*Includes fully integrated BetIt figures
Note: BetIt effective from 1 September 2016

Developing the next generation online casino

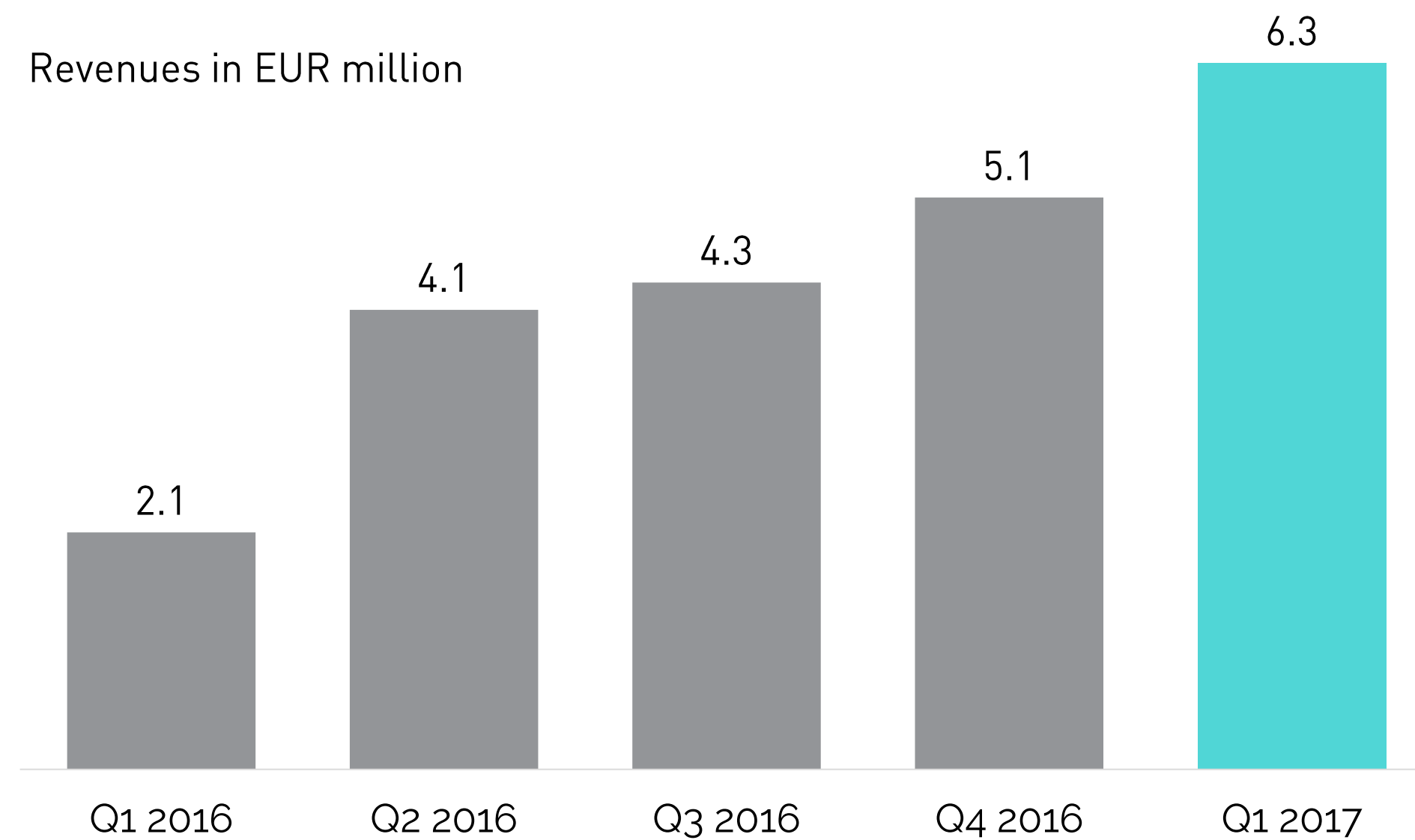
- Codenamed Brand X
- Designing the ultimate user experience
 - Social, personalised and gamified
 - All technology, design, sound effects and html5 content is proprietary
 - A truly differentiated and future oriented casino
 - Music and RNG games outsourced
- Expected launch between August and October
- Planning large launch campaign



B2B

The B2B segment includes Gaming Innovation Groups cloud based services (iGamingCloud) and digital marketing services (Innovation Labs)

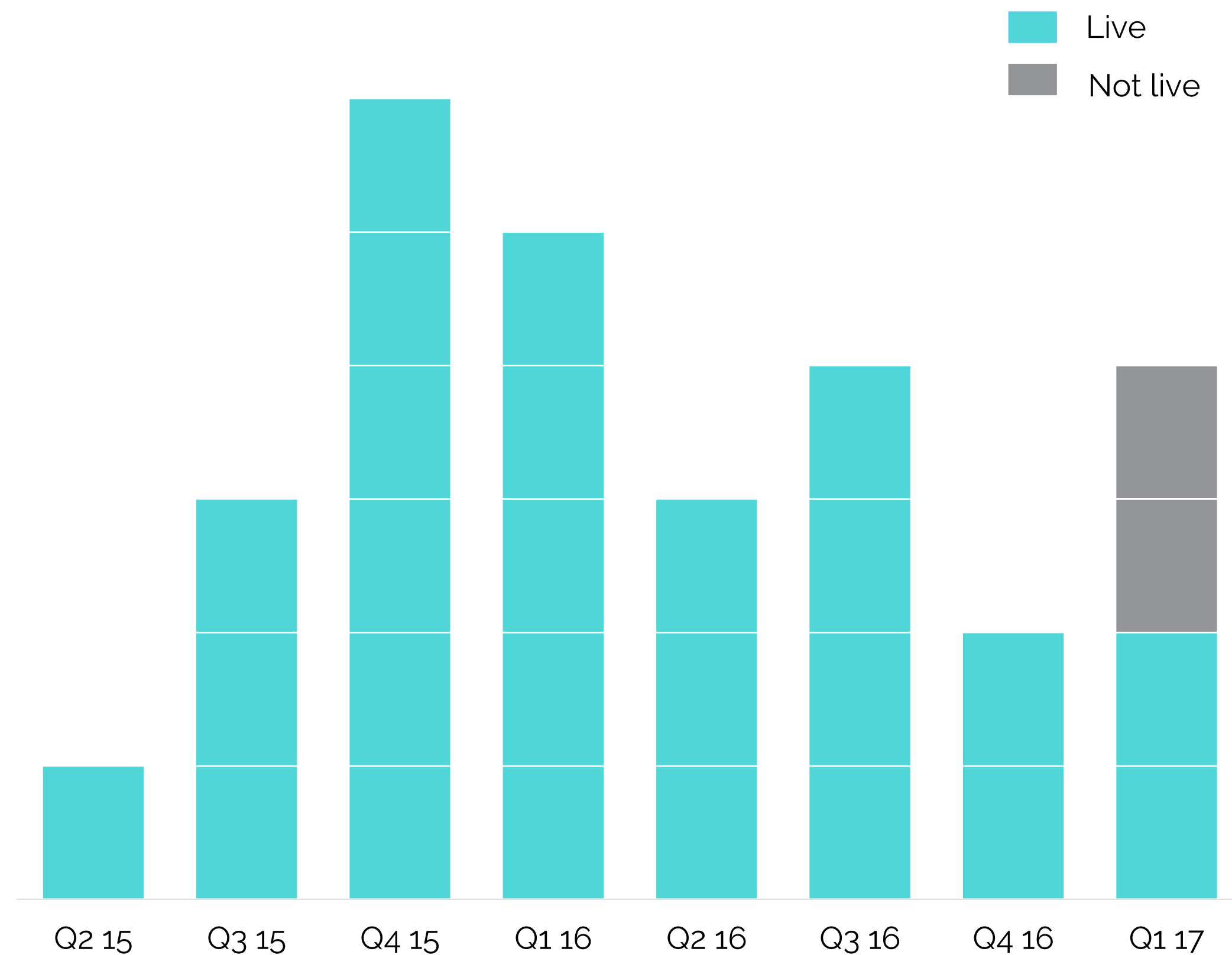
EUR million	Q1 2017	Q1 2016	FY 2016
Revenues Innovation Labs	3.2	0.9	8.1
Revenues iGaming Cloud /Betting Cloud	3.1	1.2	7.5
B2B EBITDA	2.3	0.6	6.9



- All time high B2B revenues, organic growth of 198% Y/Y and 24% Q/Q
- iGaming Cloud
 - 2.4 billion database transactions in eco-system in Q1, up from 1.9 billion in Q4
- Innovation Labs (Digital marketing services)
 - Continued increase in FTD's, from 10 350 in Q4 16 to 12 500 in Q1 17

iGaming Cloud platform now operating 41 brands

28 external clients signed to the platform



- Revenues of EUR 3.1 million in Q1 17, up 163% Y/Y and 35% Q/Q
- 28 external clients operating 41 brands signed to the platform
 - Existing iGC clients signed four additional brands in Q1
 - Increases volume and revenue to the platform
- 28 brands live, two new clients live in Q1
- Re-designing iGC platform architecture to support the scale of any operator in the industry

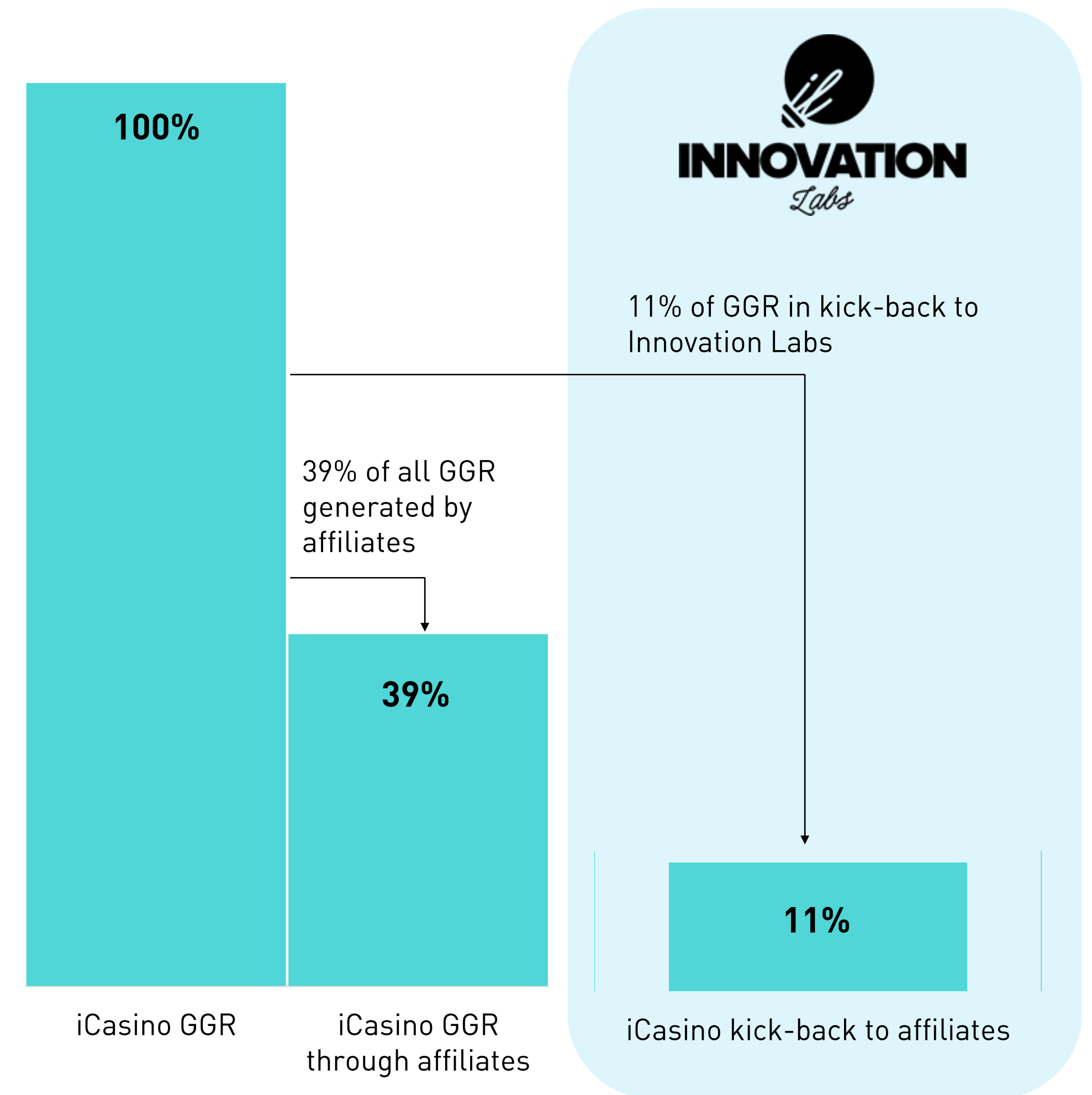
Innovation Labs– lead generation in iGaming

Two main revenue models

Innovation Labs (IL) is a performance marketing agency referring paying users to affiliated operators on two business models

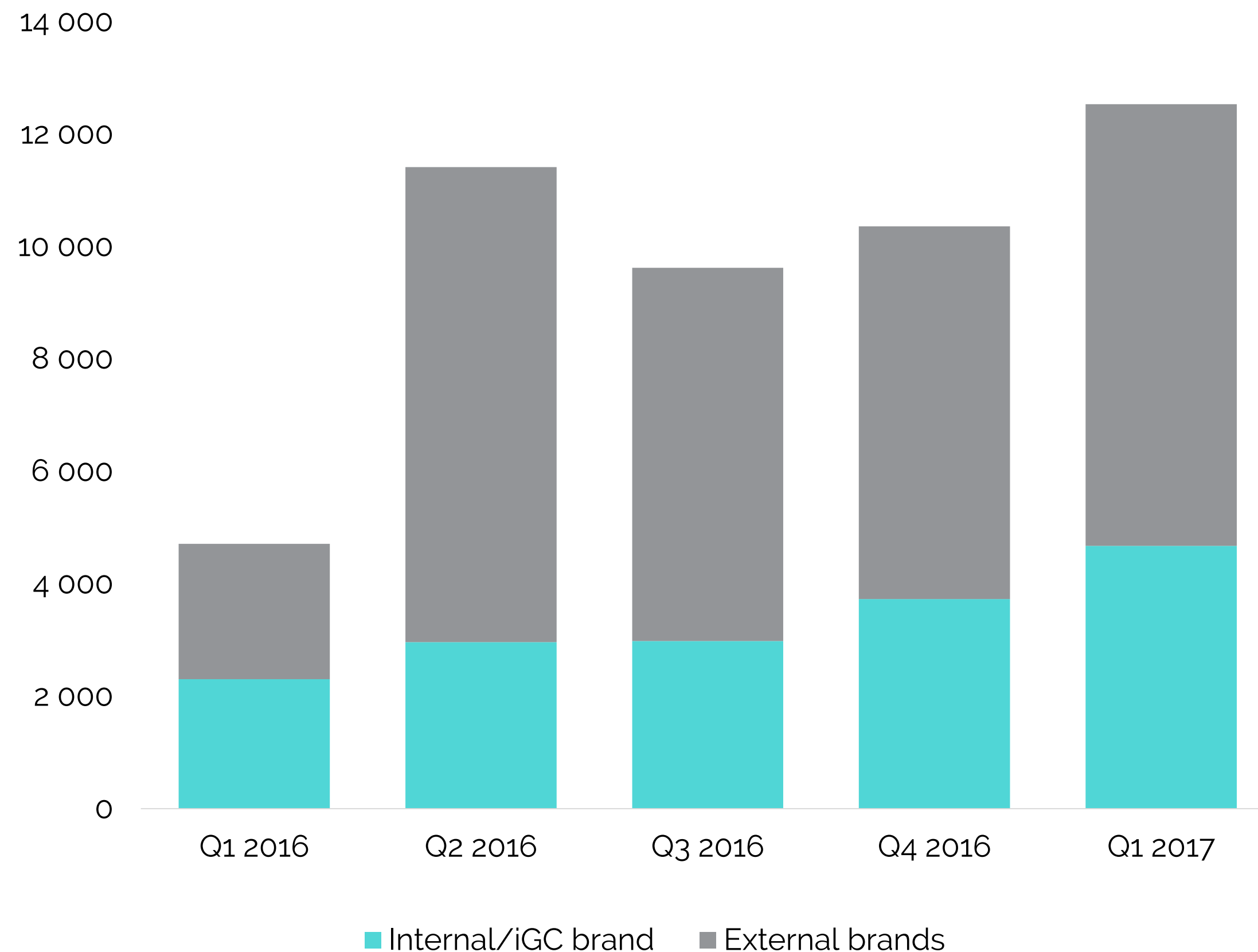
1. Perpetual revenue share
 - IL receive a perpetual revenue share for every first time depositor (“FTD”)
 - Future cash flow distribution
2. One-time fee
 - IL receive a one-time fee for every first time depositor

Revenue share illustration



Making Innovation Labs a leading affiliate in Europe

Number of referred First Time Depositors



- Two affiliate acquisitions in Q1, three YTD
 - Enhance Innovation Labs' position outside Scandinavia and in regulated markets
 - Direct more traffic of paying users to GiG's ecosystem
- Number of *FTD's up 166% Y/Y and 21% Q/Q, all FTD's acquired organic
- Revenues of EUR 3.2 million in Q1 17 up 16% Q/Q and 241% Y/Y
- 61% of revenues from revenue share, 31% from CPA (+8% listing fees)

*FTD's: First Time Depositors

Financial update

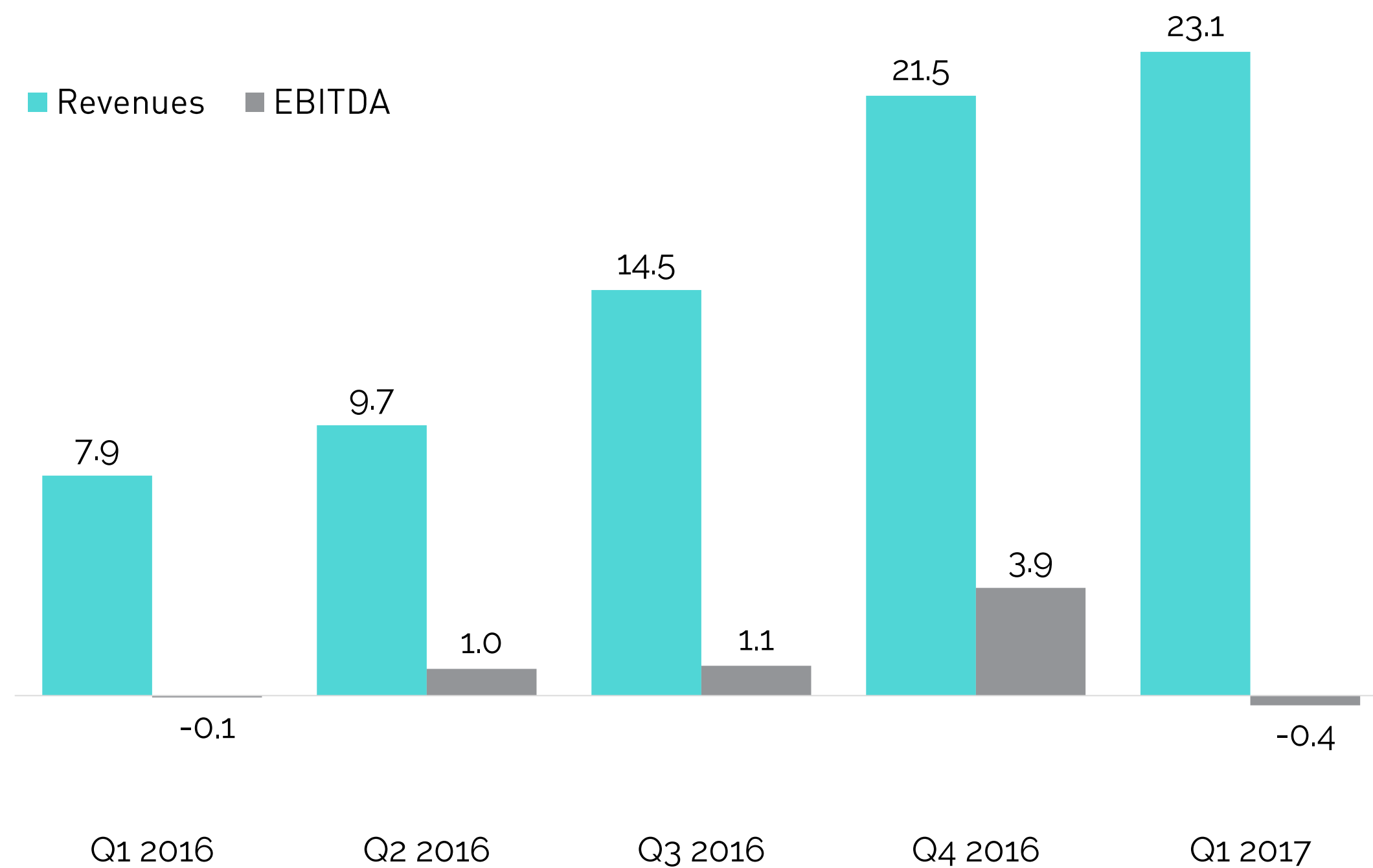


Secured funding for future growth

- SEK 400 million senior secured bond, with a SEK 1,250 million borrowing limit
- Acquire and invest into marketing businesses and distribution channels
- Increase GIG's traffic handling capability in a rapidly expanding eco-system
 - Higher volumes benefit all stakeholders through advantages of scale
- Refinance existing debt of EUR 6 million

- Significantly oversubscribed
- Strong demand from across the Nordic region
- Final maturity 6 March 2020
- Fixed coupon of 7.0% p.a

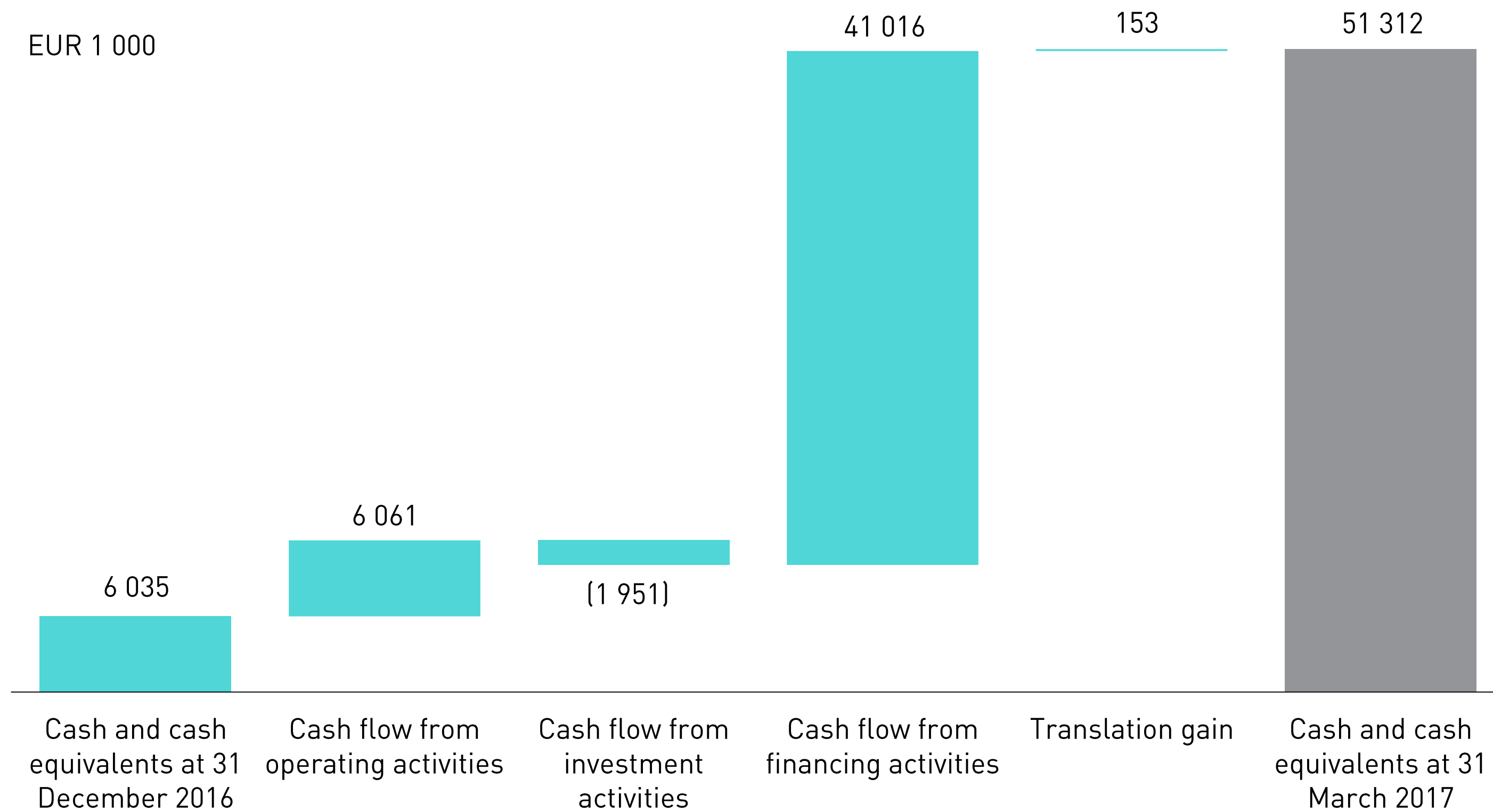
Continued strong growth



- All time high revenues of EUR 23.1 million
- EBITDA of EUR (0.4) million in Q1
 - Affected by start of new marketing campaigns across three brands

*BetIt included from 1 September 2016 (Contributing with EUR 2.7 million in Q3 2016)

Cash Flow development

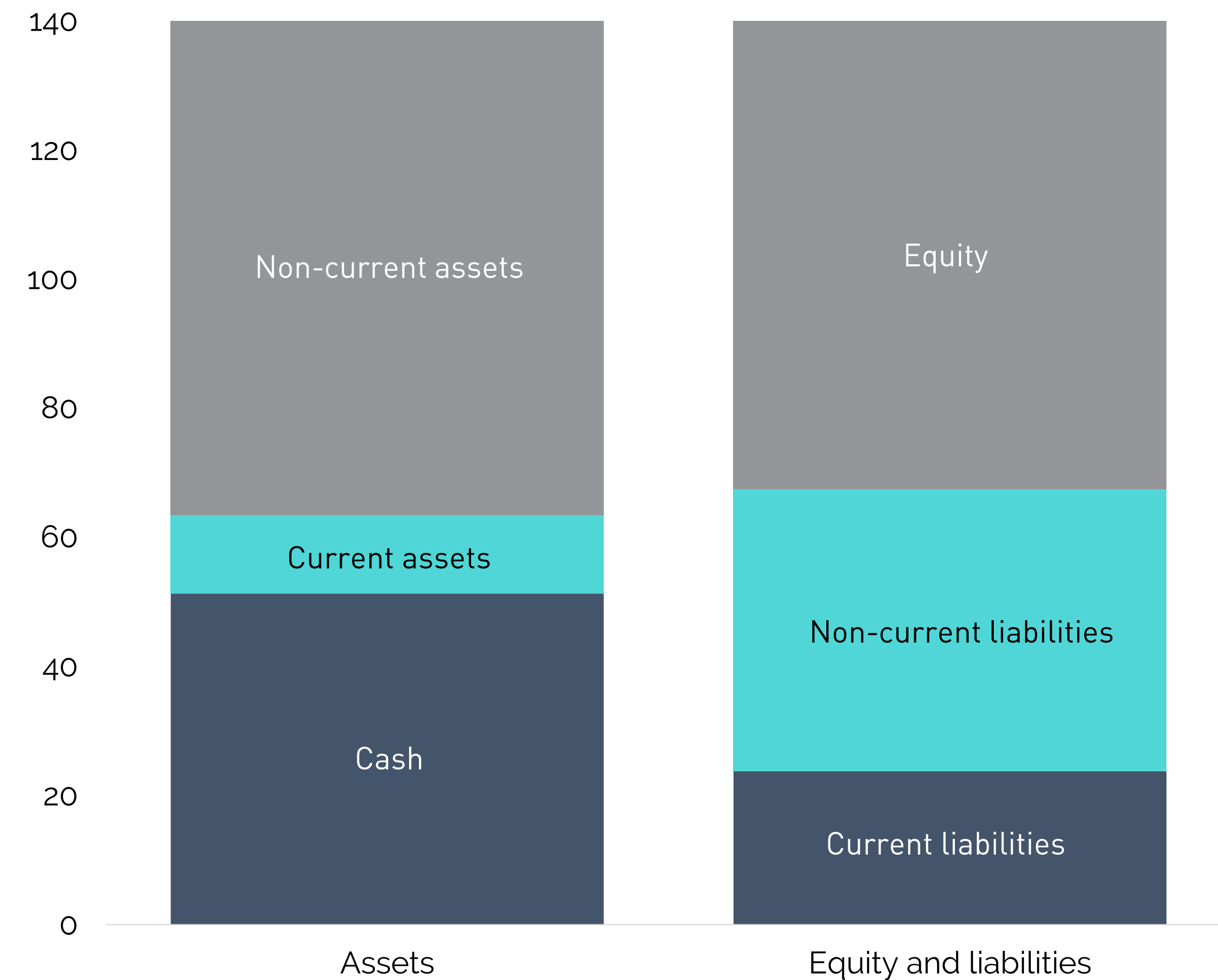


- Strong cash balance
 - Cash increased by EUR 45.3 million, includes EUR 41.0 million from bond financing

Financial position

Balance sheet composition

EUR million



- Equity ratio of 60%
- Strong cash position

Summary and outlook



Outlook

- The company is well positioned for organic and acquired growth across all three major business areas
- Reiterates guiding of EUR 120 million in revenues for 2017
- Re-designing iGC platform architecture to support the scale of any operator in the industry
 - Timeline of 18 months, improvements continuously implemented
- Continue expansion of GiG Gaming brands in Nordics, Central and Western Europe
 - Launch of Brand X between August and October
- Launch of BettingCloud in 2017 to continue organic expansion and innovation in iGaming value chain

Q&A

2nd quarter 2017

08.08.2017

Appendix



Largest shareholders as of 30 April 2017

Shareholder	# shares	%
Optimizer Invest Ltd.	131 173 297	16.0 %
Bryggen Holding AS	104 446 123	12.8 %
Swedbank Robur Fonder - Ny Teknik	65 566 502	8.0 %
Super Innovative Limited (Robin Reed)	58 414 881	7.1 %
Hans Michael Hansen	39 101 744	4.8 %
Frode Fagerli	36 001 194	4.4 %
Skandinaviska Enskilda Banken AB nom.	25 350 458	3.1 %
Ben Clemes	19 232 998	2.3 %
Anders Berntsen	17 185 812	2.1 %
CMM Invest AS	17 184 063	2.1 %
Flaxvatn Holding AS	14 891 990	1.8 %
Nordnet Bank AB nom.	14 736 164	1.8 %
Svenska Handelsbanken nom.	13 717 906	1.7 %
Avanza Bank AB nom.	13 429 462	1.6 %
G.F. Invest AS	11 716 054	1.8 %
GIG Share Options Ltd.	10 798 605	1.3 %
Nordea Bank AB nom.	9 447 814	1.2 %
Mikko Halmela	8 233 452	1.0 %
Jussi Hietalahti	8 053 869	1.0 %
Lasse Rantala	7 296 119	0.9 %
Other	192 577 759	23.5 %
Total issued shares	818 556 266	100.0 %

Income statement

Condensed Statements of Operations in EUR 1 000 (Unaudited)

	Q1 2017	Q1 2016	2016
Revenues	23 074	7 886	53 605
Cost of sales	4 367	1 294	9 285
Gross profit	18 708	6 592	44 320
Gross profit margin	81%	84%	83%
Marketing expenses	10 930	3 339	19 094
Other operating expenses	8 129	3 325	19 411
Total operating expenses	19 059	6 664	38 504
EBITDA	-351	-72	5 816
Depreciation & amortization	1 239	355	3 046
EBIT	-1 590	-427	2 770
Other income (expenses)	-862	-157	-1 349
Unrealized gain on derivative asset	-	1 622	1 338
Result before income taxes	-2 452	1 038	2 758
Income tax refund (expense)	-10	-	-364
Net result	-2 462	1 038	2 394
Marketing in % of revenue:	47%	42%	36%
Other operating in % of revenue:	35%	42%	36%
EBITDA in % of revenue:	-2%	-1%	11%

Cash flow

In EUR 1 000	Q1 2017	Q1 2016	2016
Cash flow from operating activities	6 061	-1 603	2 221
Cash flow from investment activities	-1 951	-73	-5 061
Cash flow from financing activities	41 016	3 805	7 052
Translation gain	153	-36	-200
Net change in cash and cash equivalents	45 277	2 218	3 943
Cash and cash equivalents at start of period	6 035	2 092	2 092
Cash and cash equivalents at end of period	51 312	4 310	6 035

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)	31.03.17	31.03.16	2016
Assets			
Goodwill	64 119	15 691	63 955
Intangibles and other non-current assets	42 958	12 948	43 638
Total non-current assets	107 077	28 639	107 593
Other current assets	12 166	8 682	12 680
Cash and cash equivalents	51 312	4 310	6 035
Total current assets	63 479	12 991	18 715
Total assets	170 556	41 630	126 308
Liabilities and shareholders' equity			
Total shareholders' equity	103 084	33 325	105 175
Short term loans	3 324	1 549	3 407
Other current liabilities	20 444	5 174	15 066
Total current liabilities	23 768	6 723	18 473
Bond payable	41 060	0	0
Long term loans	2 643	1 582	2 661
Total liabilities	67 471	8 306	21 134
Total liabilities and shareholders' equity	170 556	41 630	126 308

Several markets moving towards regulation

Unregulated markets

Regulated* markets

Areas



Taxation

- No tax for offshore operators
- Revenue not officially generated in the country

- Tax ranging from ~10-25% of Gross Gaming Revenue (GGR)
- Differences in tax rates between countries and type of gaming product

Marketing

- Advertising prohibited, however occurring through various channels
- Many places allowed to advertise through offshore TV broadcasters
- However, some countries (e.g. the US) prosecutes marketing and operators

- Licensed operators generally allowed to advertise through all channels, with some restrictions
- Generally officially illegal to operate and market without license



*Includes partly regulated markets, where only some gaming products or regions are regulated
Source: ABG Sundal Collier, Solvang LLP, PwC, H2 Gambling Capit

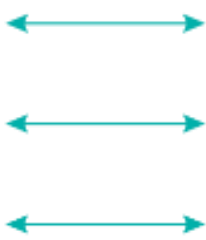
GAMING INNOVATION GROUP INC.
 DELAWARE
 Listed on the Oslo Børs

GAMING INNOVATION GROUP LTD.
 MALTA






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<p>AFFILIATE MARKETING Innovation Labs Ltd. [Malta]</p>  <p>INNOVATION <i>Labs</i></p>	<p>CLOUD SERVICES iGaming Cloud Ltd. [Malta]</p>  <p>iGAMING CLOUD</p>
<p>SPORTS TECHNOLOGY OddsModel AS [Norway]</p>	<p>SPORTS TRADING Gridmanager Ltd. [Malta]</p>



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 OPERATORS

<p>CANDID GAMING LTD. [Malta]</p> 	<p>ZECURE GAMING LTD. [Malta]</p> 
<p>MT SECURE TRADE LTD. [Malta]</p> 	<p>BETIT HOLDINGS LTD. [Malta]</p> 