

Gaming Innovation Group

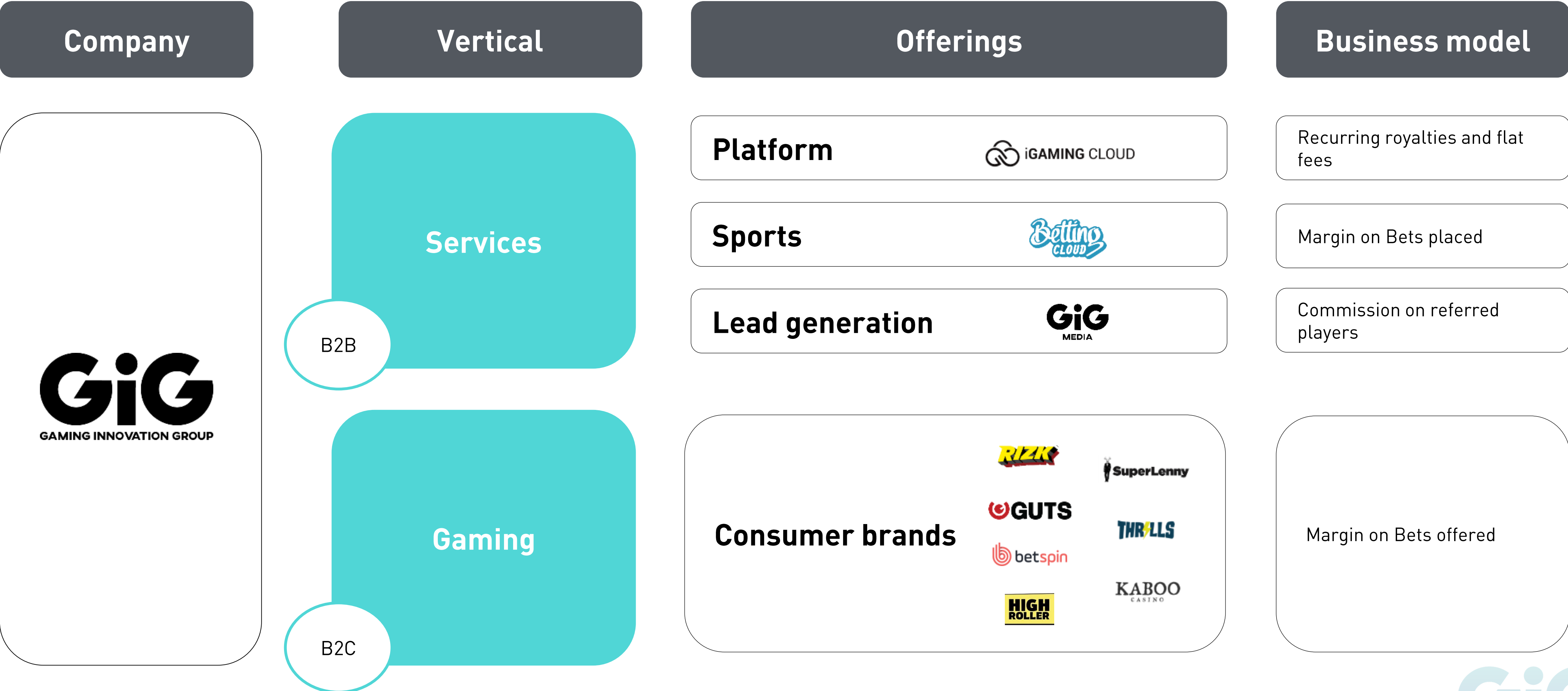
Q3 2017

2 November 2017

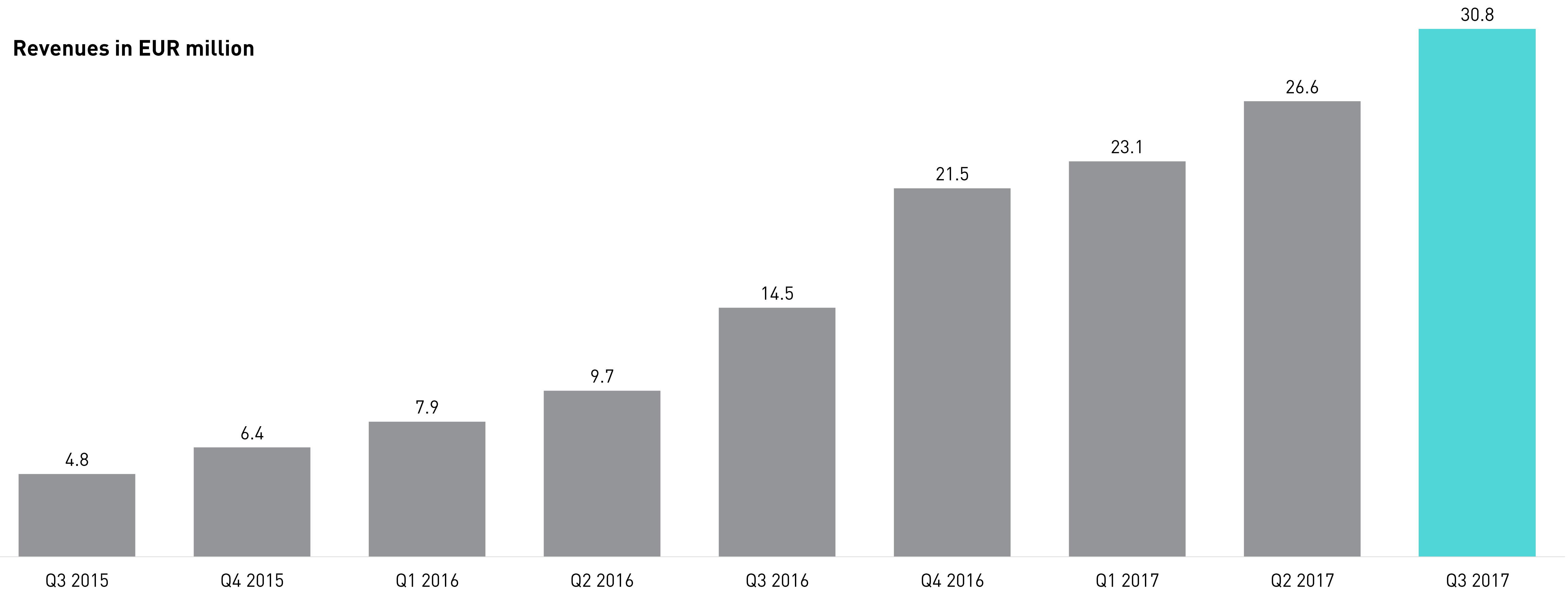
Robin Reed, CEO

Tore Formo, CFO

An iGaming technology and entertainment provider



Creating a leading iGaming company



Highlights Q3 2017

- All time high revenues of EUR 30.8 million, EBITDA increasing to EUR 3.0 million
- GIG Cloud services
 - Growing 44% over Q2 17
 - Letter of intent (LOI) signed with major casino operator
- GIG Media
 - Concluding two major acquisitions - expanding to paid media
 - All time high first time depositors (FTD's), revenues and EBITDA
- GIG Gaming
 - Expansion in core market continued, 22% growth
 - Highroller.com open for beta
- Completed SEK 250 million tap issue (EUR 25 million)

Financial highlights Q3 2017

REVENUES	COST OF SALES	MARKETING EXPENSES	OTHER OPEX	EBITDA
€30.8M	€5.0M	€12.0M	€10.9M	€3.0M
(16% Q/Q) (112% Y/Y)	(6% Q/Q) (99% Y/Y)	(8% Q/Q) (132% Y/Y)	(23% Q/Q) (87% Y/Y)	1.9M (Q2 17) 1.1M (Q3 16)

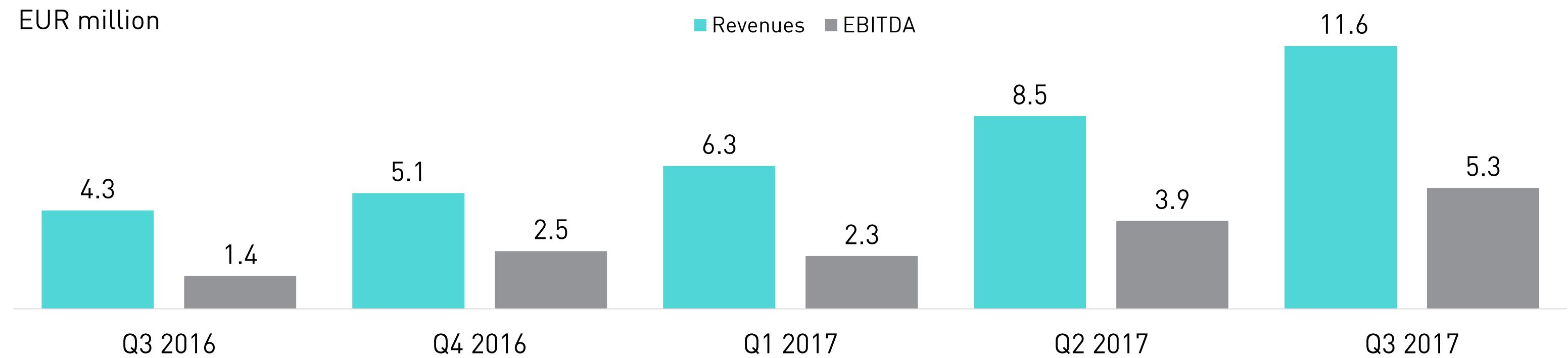
Operational update

Services



B2B Services

- All time high B2B revenues, up 171% Y/Y and 36% Q/Q
 - Y/Y organic growth of 93%
 - Q/Q organic growth of 15%



Offerings

Platform



Sports



Lead generation



Main KPI's

Database transaction

FTD's

KPI's Q3 2017

3.2 billion

29 049

KPI's Q2 2017

2.8 billion

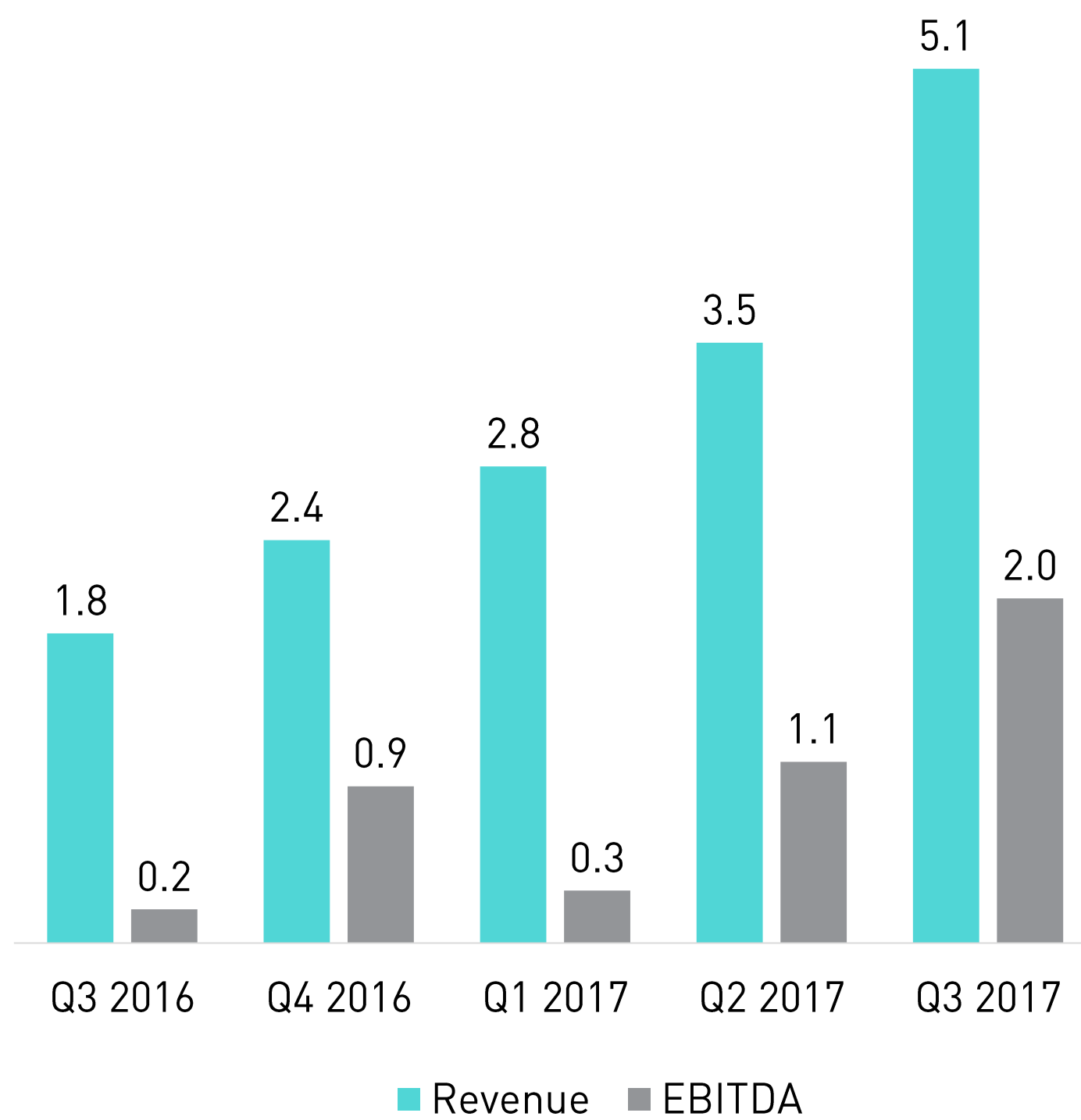
21 456

*FTD's: First Time Depositors

Financial performance Services

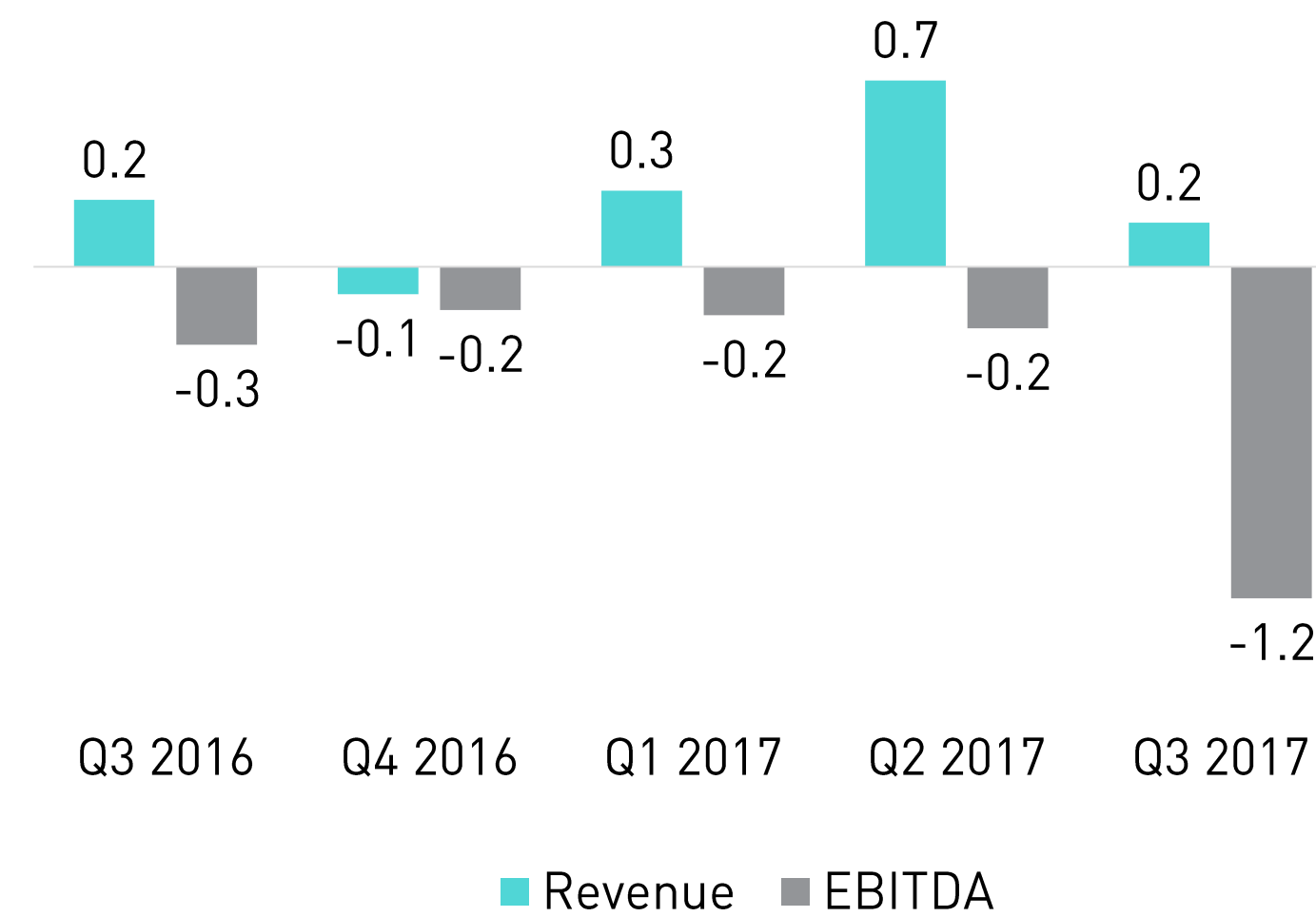
Platform

EUR million



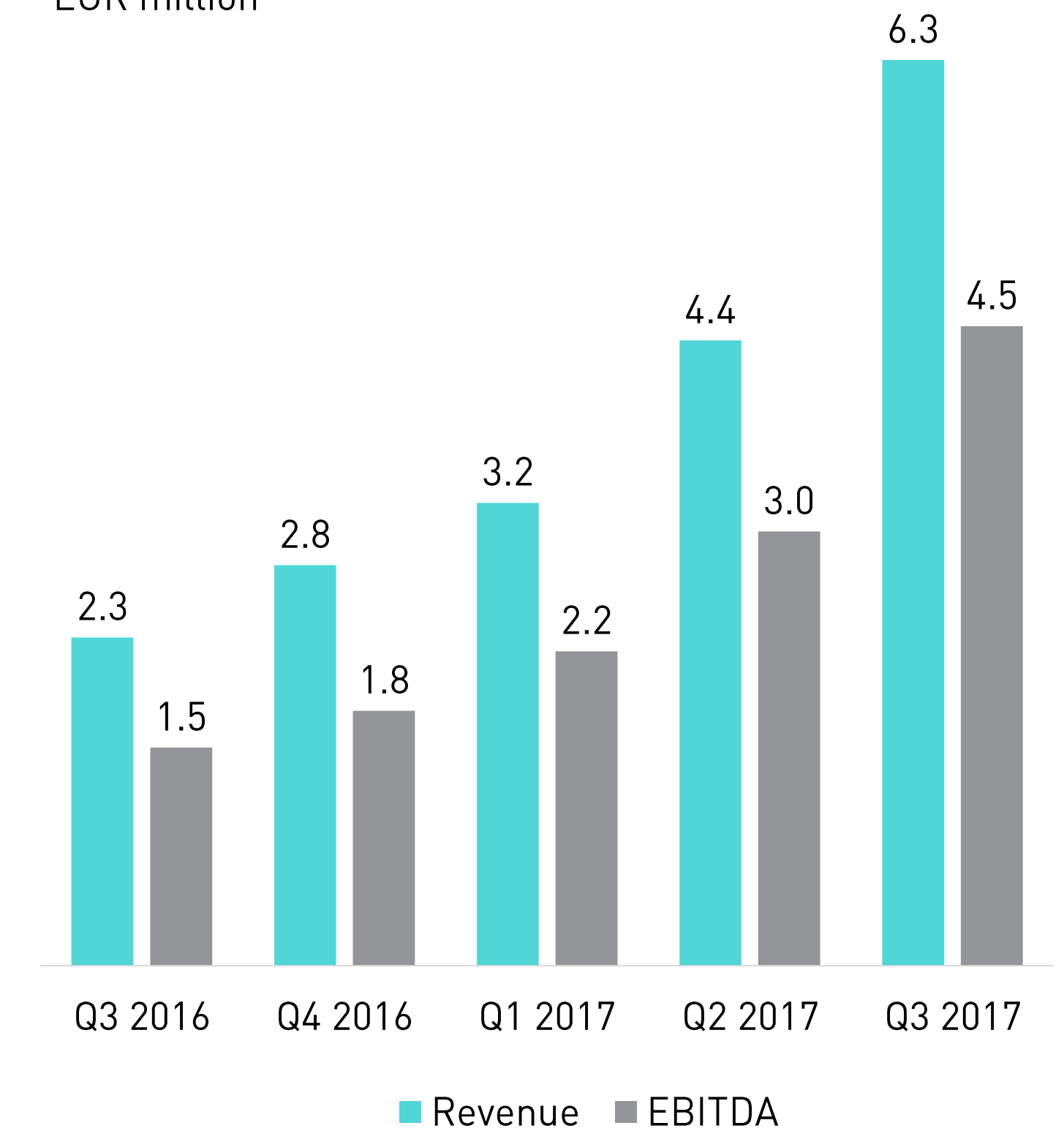
Sports

EUR million



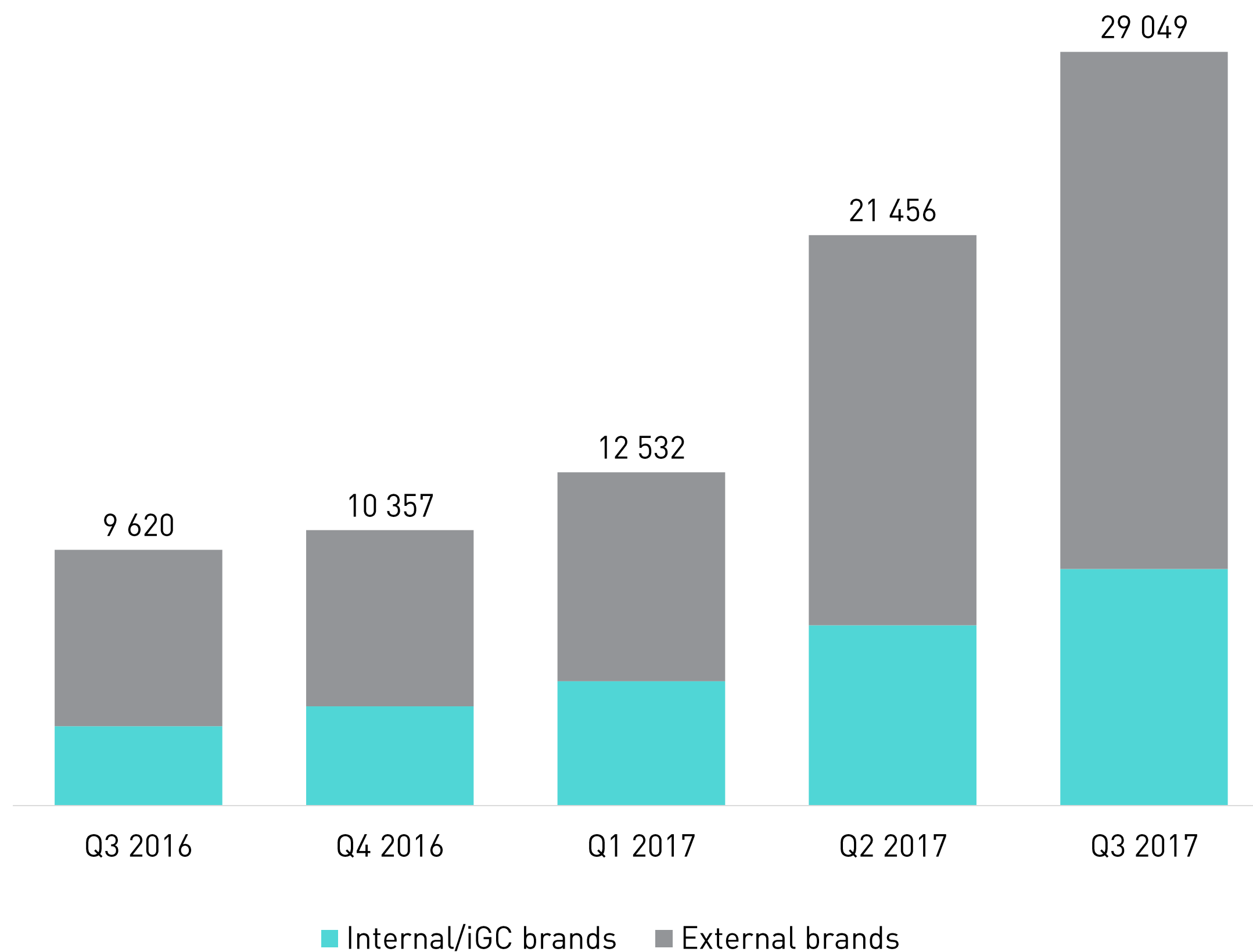
Lead generation

EUR million



Lead generation update and KPI's

Number of referred First Time Depositors



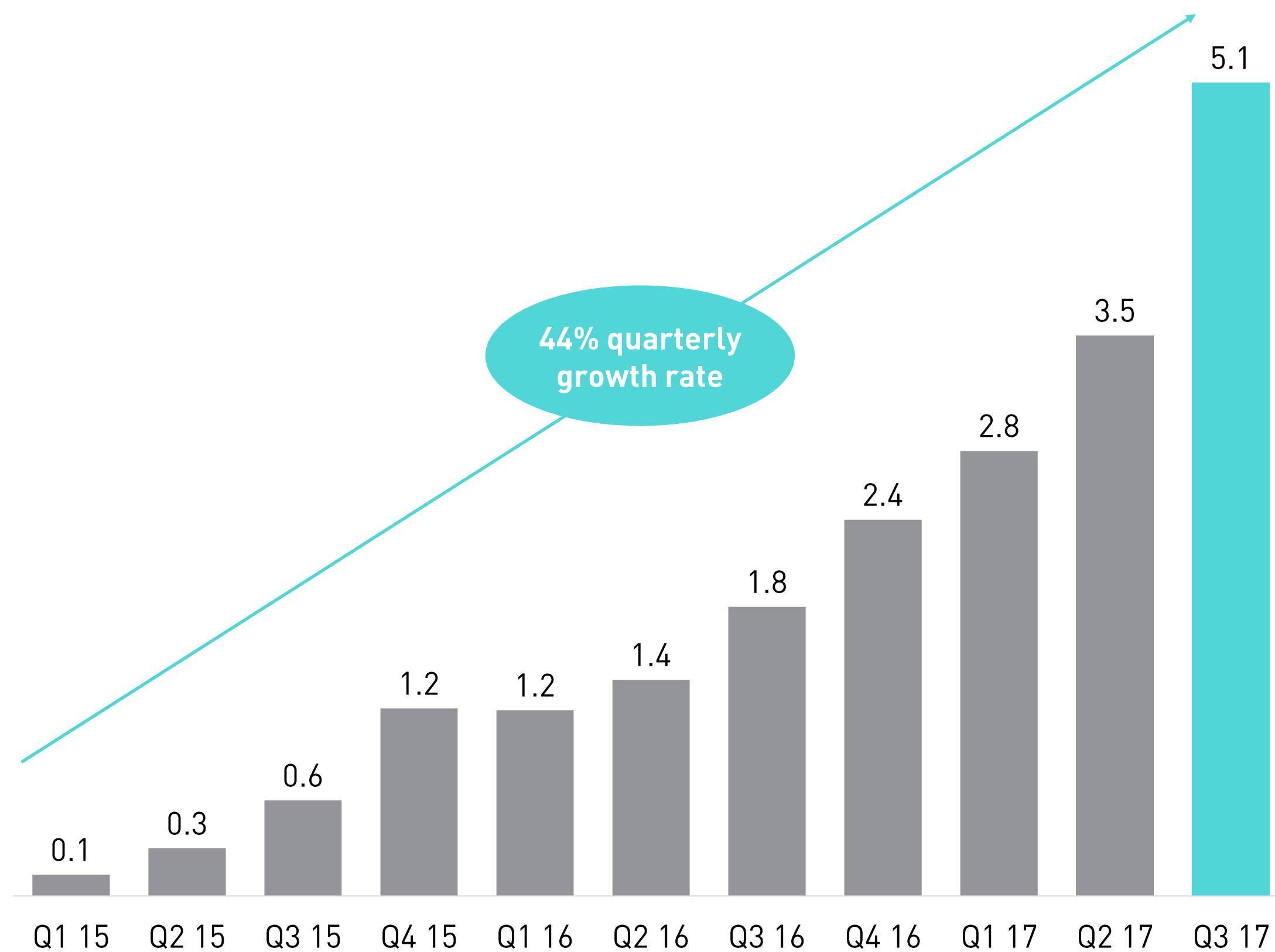
- Revenues of EUR 6.3 million in Q3 17
 - Y/Y revenue growth of 177%
 - Q/Q revenue growth of 45%
- Number of *FTD's up 202% Y/Y and 35% Q/Q
- 74% of revenues from revenue share (Q2 78%), 26% from CPA and listing fees
- *FTD distribution: 32% to GiG's ecosystem, 68% to external clients
- Expanding into paid media through acquisition of Rebel Penguin

*FTD's: First Time Depositors

Platform update and KPI's

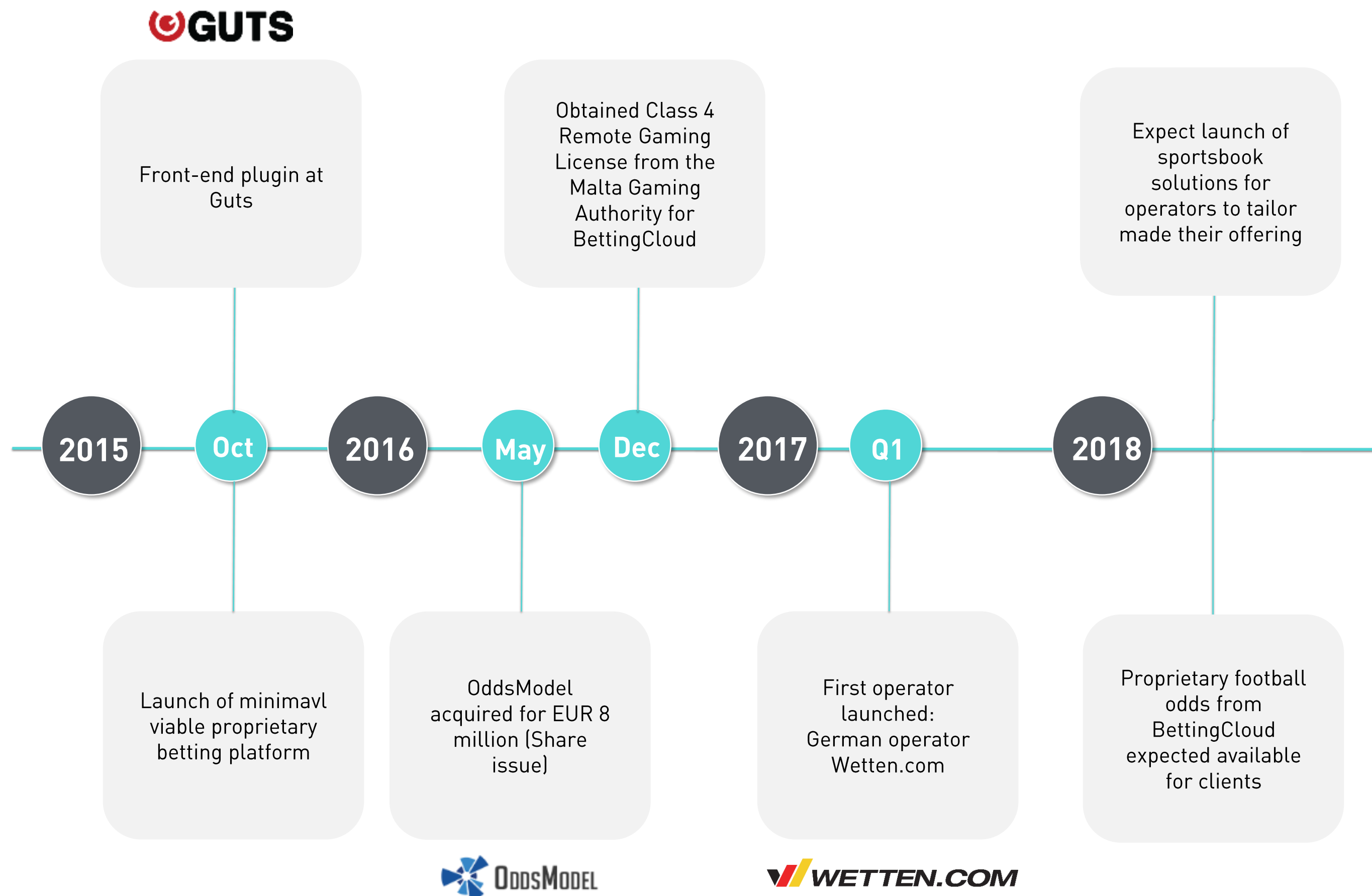
iGaming Cloud (iGC) revenue development

EUR million



- All 7 GIG operators integrated on the platform
- 44 brands signed to the platform
 - 1 new brand and 1 new brand from existing iGC client signed in Q3 17
 - 7 brands went live during the quarter
 - 3 new brands signed in Q4 17
 - Platform uptime above 99.9%
- 3.2 billion database transactions in eco-system in Q3 17, up from 2.8 billion transactions in Q2 17
- Signed letter of intent (LOI) with major casino operator in October

Sports services roadmap and KPI's



- **GIG pursuing an end-to-end sportsbook strategy, controlling all technology in-house**

- Aiming to sell odds and sportsbook tools through a service and product named BettingCloud
 - Proprietary odds application programming interface (API) available for in-house brands in Q4
 - Eliminate intermediaries and cost of sales
 - Development of new sportsbook for in-house brands based on these API's have commenced
 - Aiming at launch prior to World Cup
- Q3 17 trading revenue (bets placed) of EUR 0.20 million, down from EUR 0.67 million in Q2 17

*OddsModel acquired for EUR 8 million (GIG shares) in May 2016

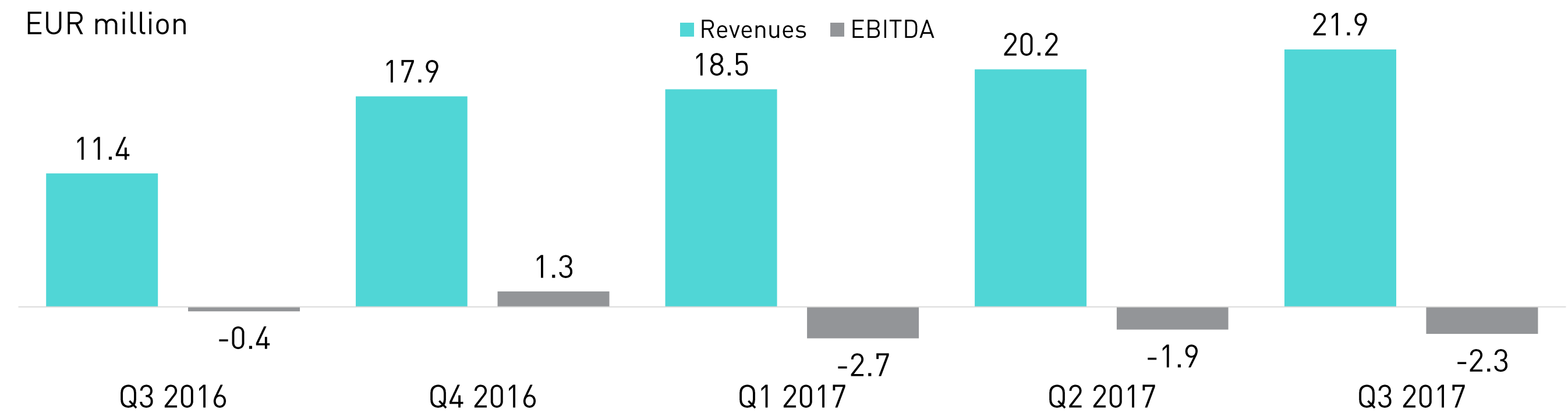
Operational update

Gaming



B2C Gaming

- Revenues up 93% Y/Y and 8% Q/Q
 - Pro-forma, organic, sequential growth in underlying core markets of 22%
 - Up front marketing driving losses, profitability expected in Q1 2018



Offerings

Consumer brands



Main KPI's

Active real money players and deposits

KPI's Q3 2017

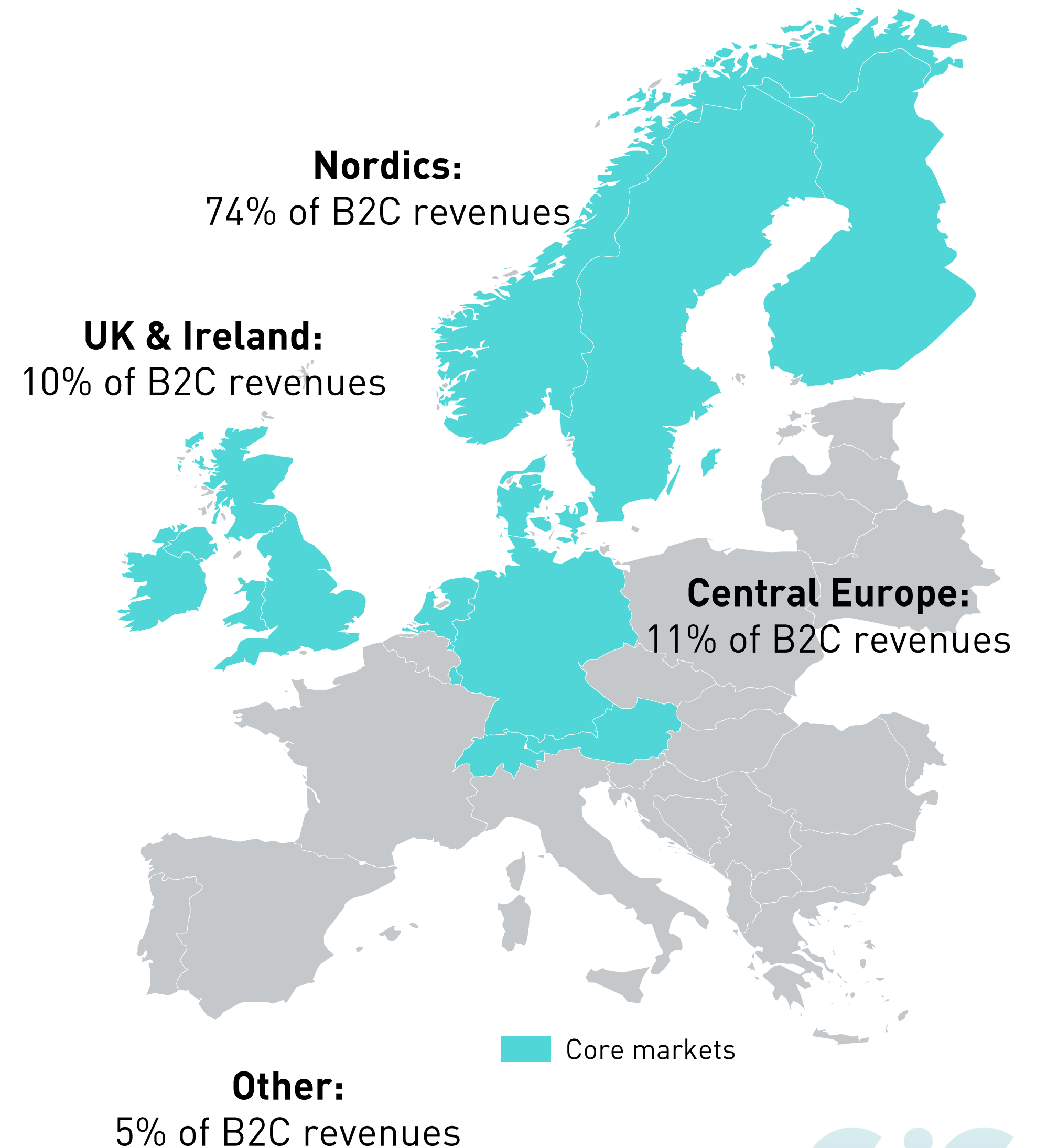
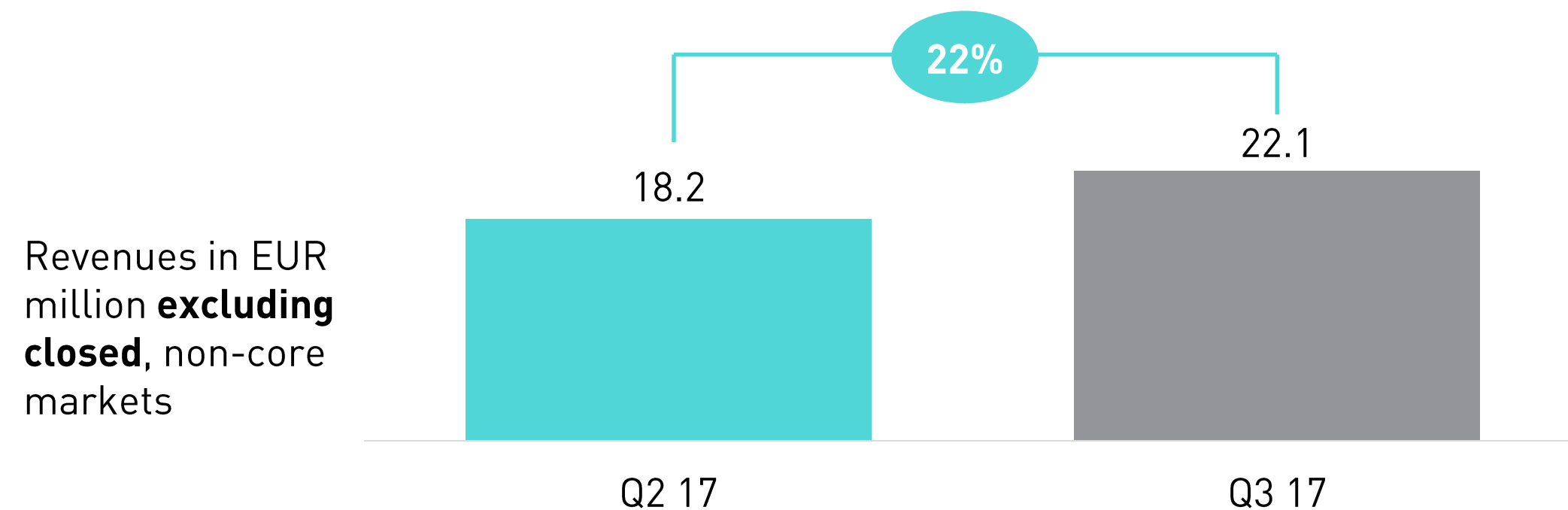
170 000 and EUR 91 million

KPI's Q2 2017

183 000 and EUR 80 million

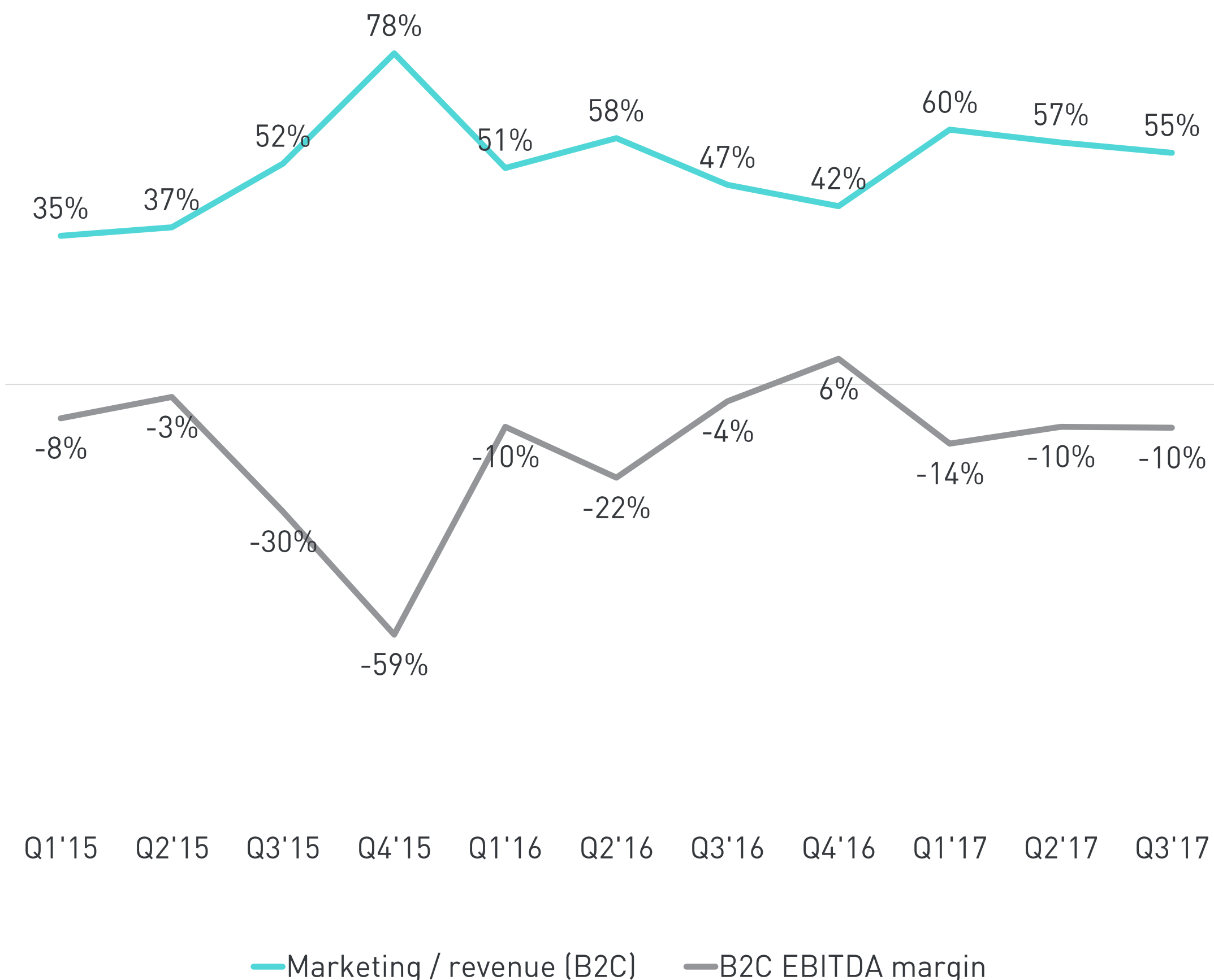
B2C market update

- Launched TV campaigns in Central Europe in September
- Regulatory changes in UK slowing down market growth
- Core markets 95% of revenues, up from 86% in Q2 17
- Adjusted for markets exited in Q2 17, pro forma **growth of 22%** from Q2 17 to Q3 17



Majority of marketing expenses front-loaded

Marketing spend vs B2C EBITDA margin

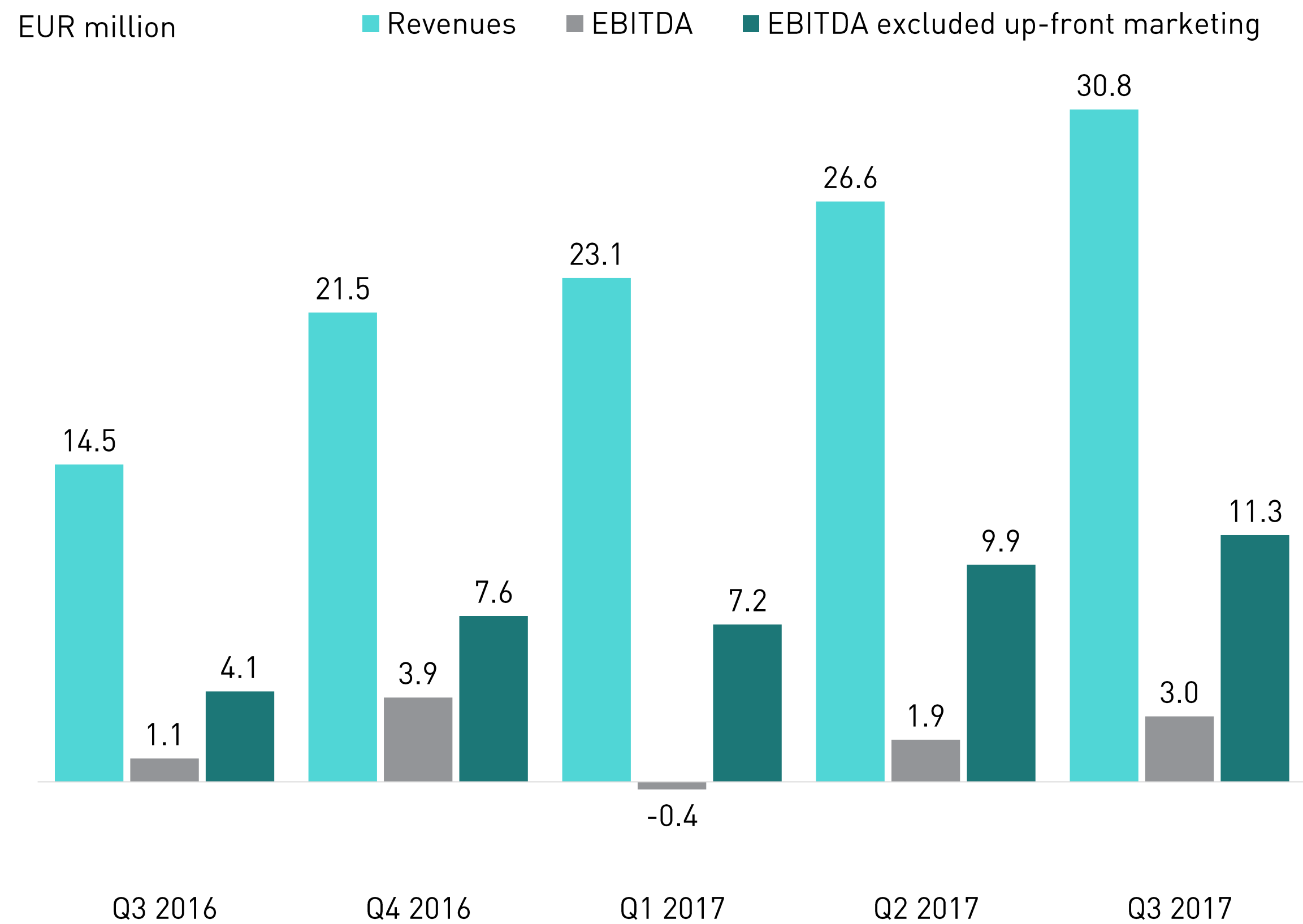


- Up-front marketing investment of EUR 8.2 million in Q3 (EUR 7.4m in Q2)
 - Revenue share agreements of EUR 3.8 million (EUR 3.7 million in Q2)
- Up-front marketing expensed in the quarter, yielding long-term lifetime values
- Once campaigns are reaching return on investment, new campaigns are added to grow the operation
- Q3 Campaigns in Nordics and Central Europe
- Highroller.com opened for beta in October, targeting launch in November

Financial update



Strong underlying EBITDA Growth

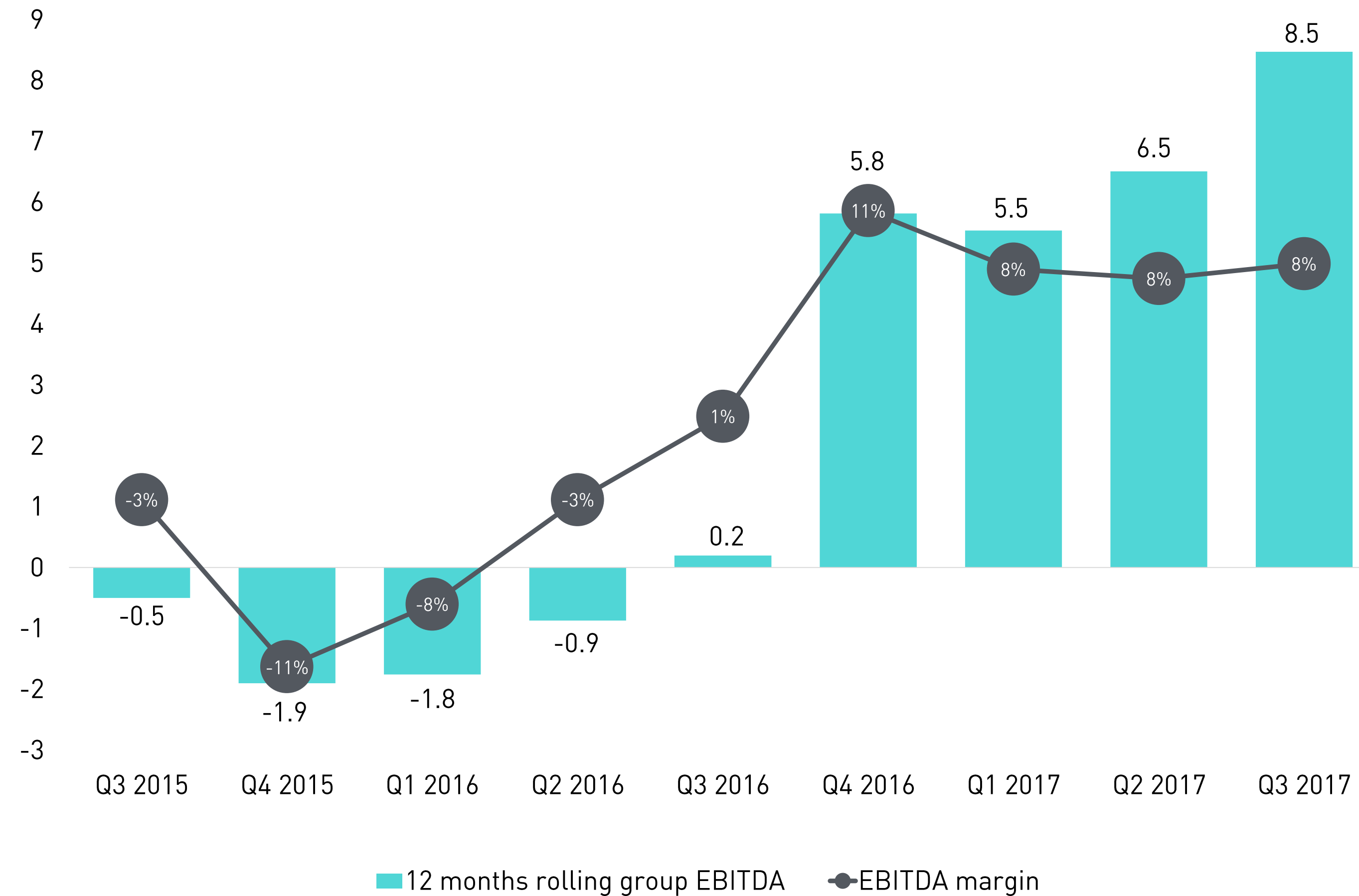


- All time high revenues of EUR 30.8 million
- EBITDA of EUR 3.0 million
- EBITDA excluding up-front marketing costs of EUR 11.3 million
- Up-front marketing needed to retain revenues estimated to be at 15-20% of revenues

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

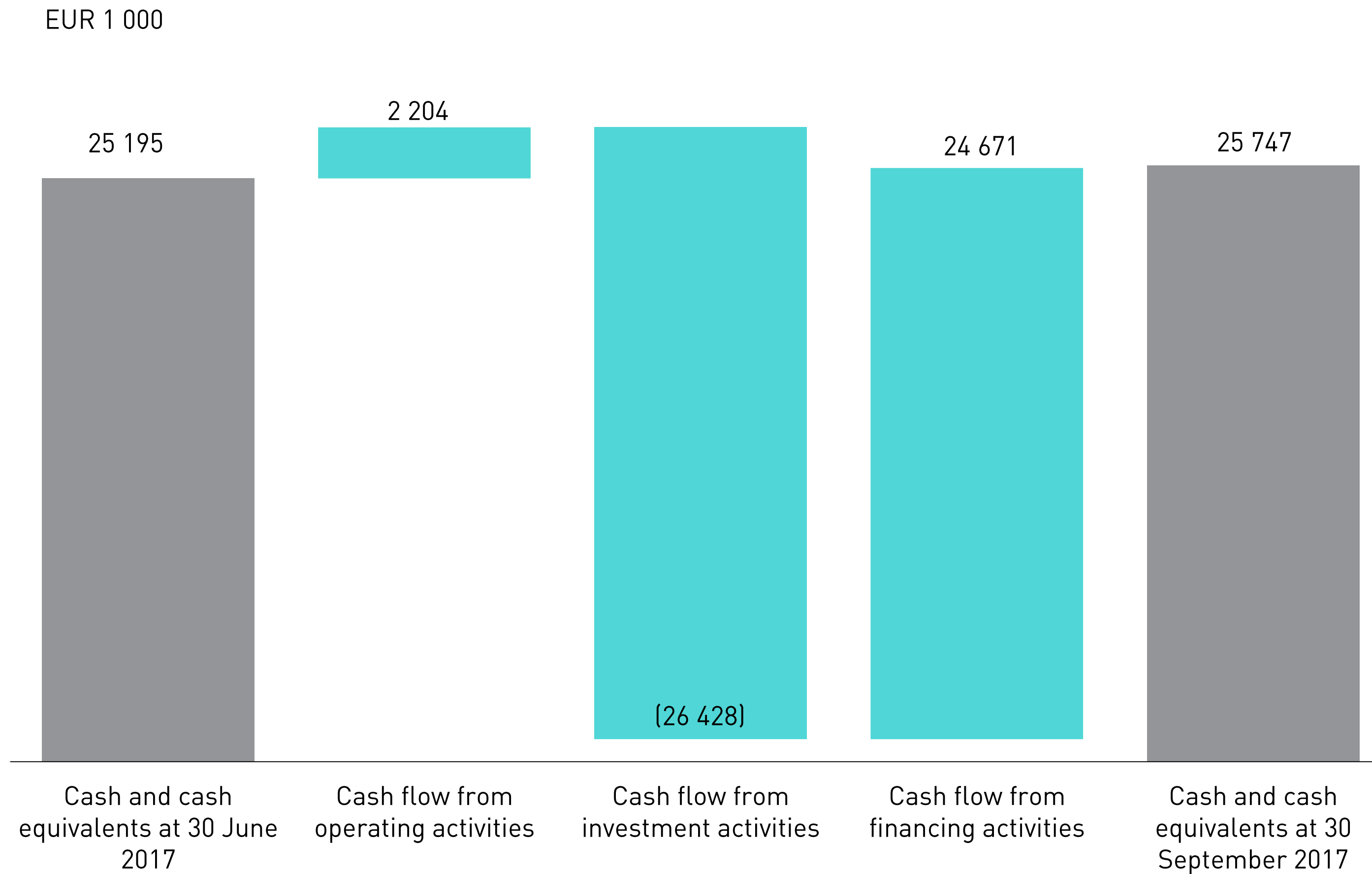
12 months rolling EBITDA

EURmillion



- Rapid growth and 12 months rolling EBITDA in the 8-11% range
- Scalability in GIG's business model can improve margins further

Cash Flow development

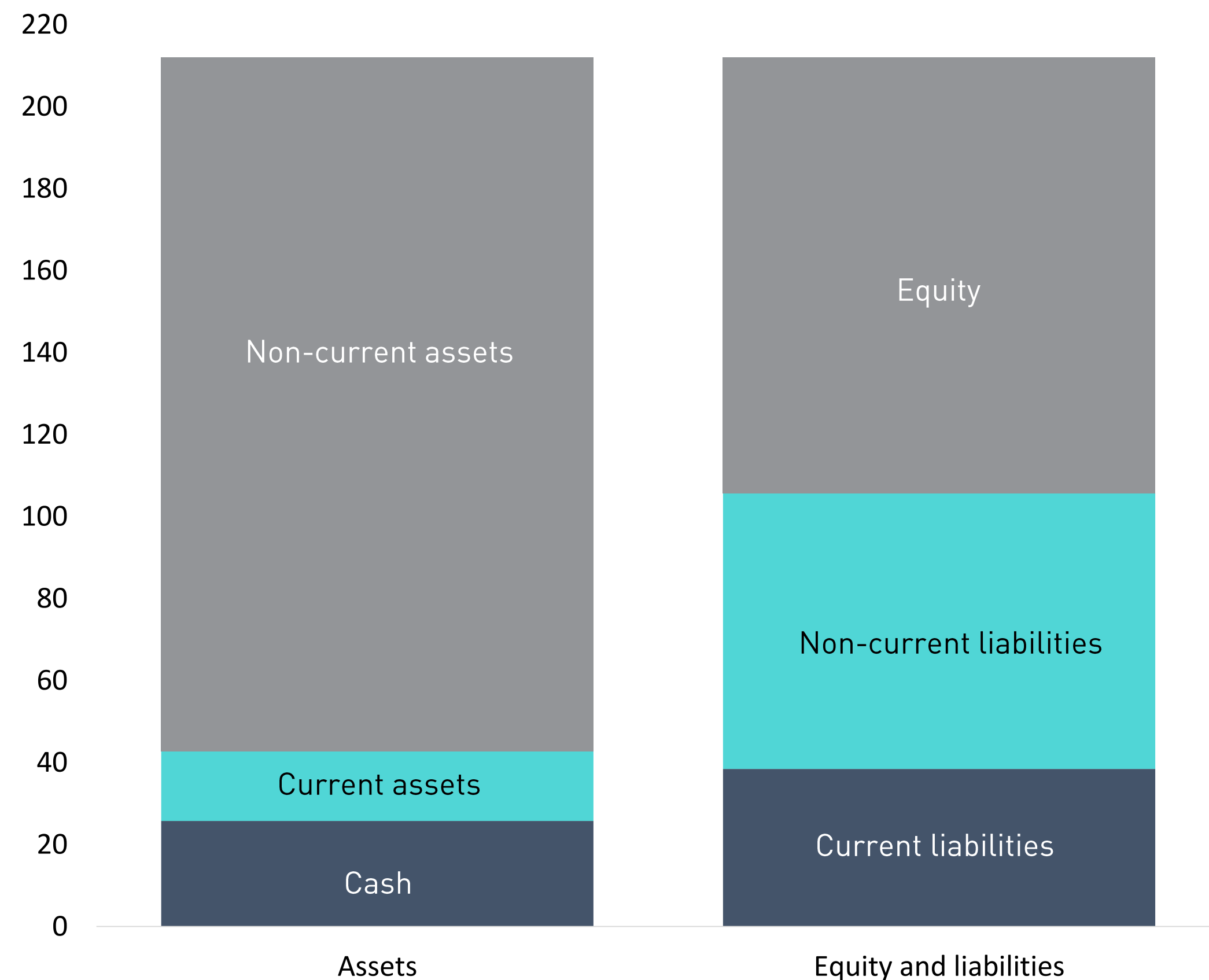


- Positive cash flow from operations of EUR 2.2 million
- Cash flow from investments of EUR 26.4 million of which EUR 25.4 million related to acquisition of affiliates
- Cash flow from financing activities of EUR 24.7 million of which EUR 26.2 million are proceeds from bond issue

Financial position

Balance sheet composition

EUR million



- Tap issue of SEK 250 million of the senior secured bond
 - The total nominal amount outstanding SEK 650 million
 - Proceeds from the bond issue primarily used for affiliate acquisitions
- Cash balance of EUR 25.8 million (25.2 million)
- Equity ratio of 50% (60%)

Outlook

Outlook

- Expecting total revenues to be around EUR 120 million for 2017, now including acquisitions
- Services
 - Focus on vertical growth
 - Compliance and certification in new markets
 - Introduction of proprietary odds
 - Implementing Rebel Penguin from Q4
- Gaming
 - Launch of Highroller.com In November
 - Resolve underlying issues in parts of acquired operations
 - Expect positive EBITDA from Q1 2018

Q&A

4th quarter 2017

13.02.2018

Appendix



Largest shareholders

Shareholder	# shares	%
Bryggen Holding AS	118 178 394	13.2 %
Optimizer Invest Ltd.	103 373 297	11.5 %
Swedbank Robur Ny Teknik	80 275 000	9.0 %
Super Innovative Limited (Robin Reed)	64 464 272	7.2 %
Hans Michael Hansen	50 104 461	5.6 %
Frode Fagerli	38 574 516	4.3 %
Skandinaviska Enskilda Banken nom.	20 463 418	2.3 %
Ben Clemes	18 821 468	2.1 %
Avanza Bank AB nom.	19 077 448	2.1 %
CMM Invest AS	18 024 671	2.0 %
Carnegie Investment nom.	17 656 207	2.0 %
Anders Berntsen	17 150 713	1.9 %
Flaxvatn Holding AS	16 032 998	1.8 %
Prioritet Capital AB	15 665 062	1.7 %
Nordnet Bank AB nom.	14 688 762	1.6 %
GIG Share Options Ltd.	14 308 533	1.6 %
Fondita Nordic Micro Cap	13 250 000	1.5 %
Svenska Handelsbanken nom.	13 128 569	1.5 %
G.F. Invest AS	11 716 054	1.3 %
Nordea Bank AB nom.	9 559 650	1.1 %
Other	221 142 773	24.7 %
Total issued shares	895 656 266	100.0 %

Share performance since May 2015



27.05.15: Changed the ticker on OSE to "GIG"
Source: Oslo Børs

Income statement

Condensed Statements of Operations in EUR 1 000 (Unaudited)

	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
Revenues	30 841	14 533	80 494	32 110	53 605
Cost of sales	4 959	2 495	14 005	5 233	9 285
Gross profit	25 882	12 038	66 489	26 877	44 320
Gross profit margin	84%	83%	83%	84%	83%
Marketing expenses	11 947	5 149	33 991	12 086	19 094
Other operating expenses	10 886	5 821	27 870	12 837	19 411
Total operating expenses	22 834	10 970	61 861	24 923	38 504
EBITDA	3 048	1 068	4 628	1 954	5 816
Depreciation & amortization	3 186	924	6 578	1 979	3 046
EBIT	-138	144	-1 950	-25	2 770
Other income (expenses)	-307	-650	-1 173	-781	-1 349
Unrealized (loss) gain on derivative asset	0	-160	0	1 338	1 338
Result before income taxes	-444	-666	-3 123	531	2 758
Income tax refund (expense)	-55	-55	-82	-113	-364
Net result	-500	-721	-3 205	418	2 394
Marketing in % of revenue:	39%	35%	42%	38%	36%
Other operating in % of revenue:	35%	40%	35%	40%	36%
EBITDA in % of revenue:	10%	7%	6%	6%	11%

Cash flow

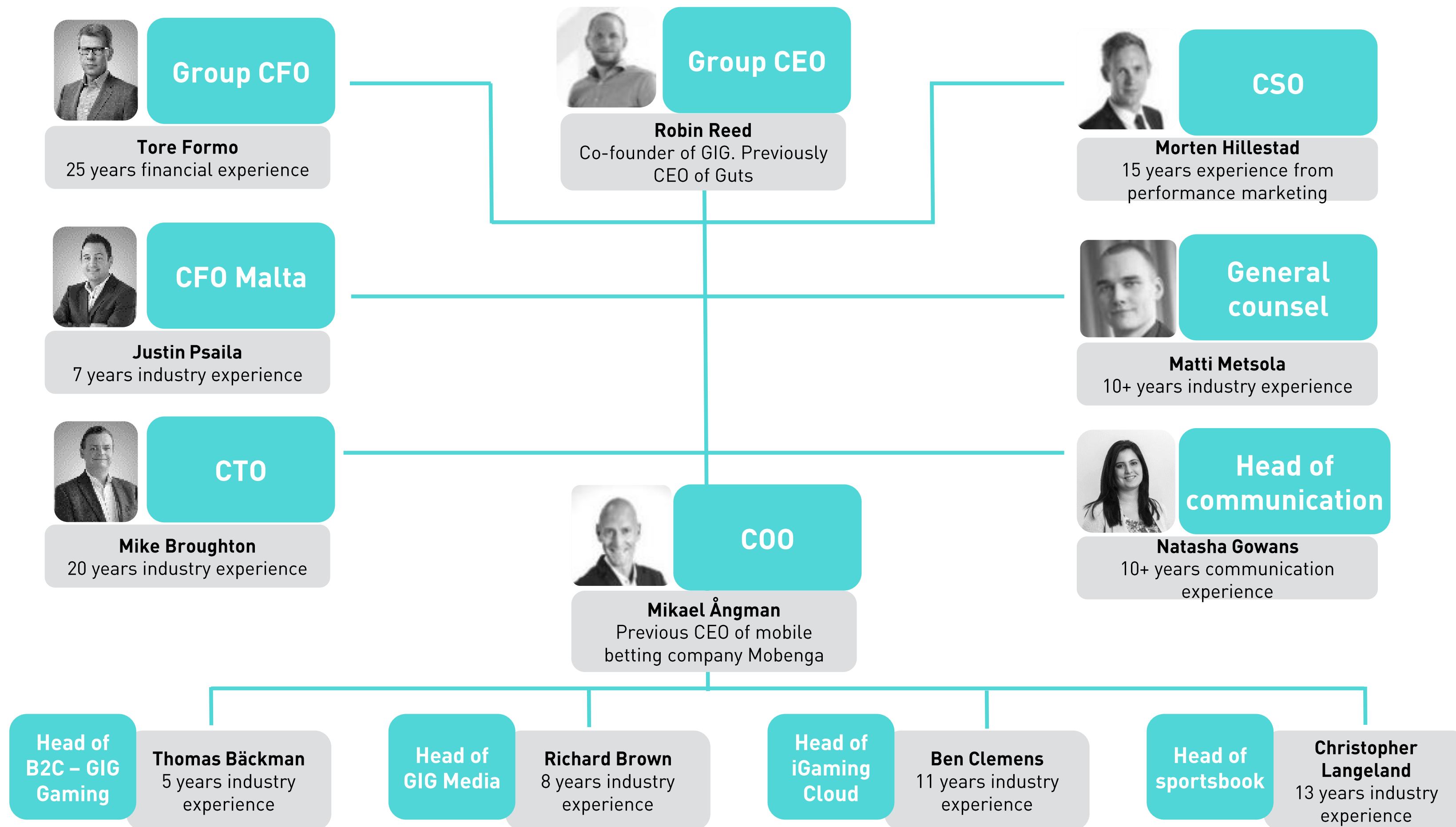
In EUR 1 000	Q3 2017	Q3 2016	9M 2017	9M 2016	2016
Cash flow from operating activities	2 204	2 679	11 419	1 806	2 221
Cash flow from investment activities	-26 428	968	-50 894	-3 240	-5 061
Cash flow from financing activities	24 671	1 341	59 619	7 503	7 052
Translation gain	110	221	-1 725	18	-200
Fair value movements	-4	0	1 292	126	-69
Net change in cash and cash equivalents	552	5 209	19 712	6 212	3 943
Cash and cash equivalents at start of period	25 195	3 095	6 035	2 092	2 092
Cash and cash equivalents at end of period	25 747	8 303	25 747	8 303	6 035

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)

	30.09.17	30.09.16	2016
Assets			
Goodwill	68 498	56 805	63 955
Intangibles and other non-current assets	100 780	45 016	43 638
Total non-current assets	169 278	101 821	107 593
Other current assets	17 052	11 049	12 680
Cash and cash equivalents	25 747	8 303	6 035
Total current assets	42 799	19 352	18 715
Total assets	212 077	121 173	126 308
Liabilities and shareholders' equity			
Total shareholders' equity	106 330	97 764	105 175
Short term loans	0	3 695	3 407
Other current liabilities	38 431	17 027	15 066
Total current liabilities	38 431	20 722	18 473
Bond payable	66 526	0	0
Other long term liabilities	789	2 687	2 661
Total liabilities	105 747	23 409	21 134
Total liabilities and shareholders' equity	212 077	121 173	126 308

Organizational structure and management team



Employees

- **500+ employees**
- **Low churn**
- **120 employees have options** in the Company
- **Main founders still work** in the company

 ~40 employees

 ~365 employees

 ~100 employees