

Gaming Innovation Group

Q2 2016

17 August 2016
Robin Reed, CEO
Tore Formo, CFO

Agenda

- **Highlights**
- Operational update
- Financial update
- Outlook & Summary
- Appendix

Highlights

- All time high revenues and EBITDA, improvement expected to continue
- BetIt acquisition making GIG a top five Nordic operator within iGaming
- 142% increase in FTD's making Innovation Labs a top three affiliate in the Nordics
- 14 external clients live on the iGaming Cloud platform

Financial highlights

REVENUES

€9.7M

(23% Q/Q)
(161% Y/Y)

COST OF SALES

€1.4M

(12% Q/Q)
(58% Y/Y)

OPERATING EXPENSES

€7.3M

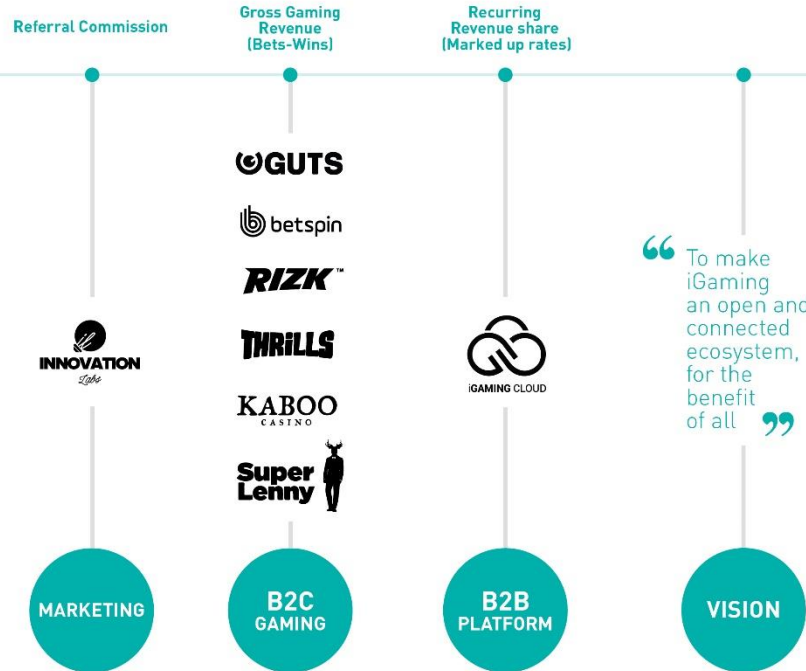
(9% Q/Q)
(168% Y/Y)

EBITDA

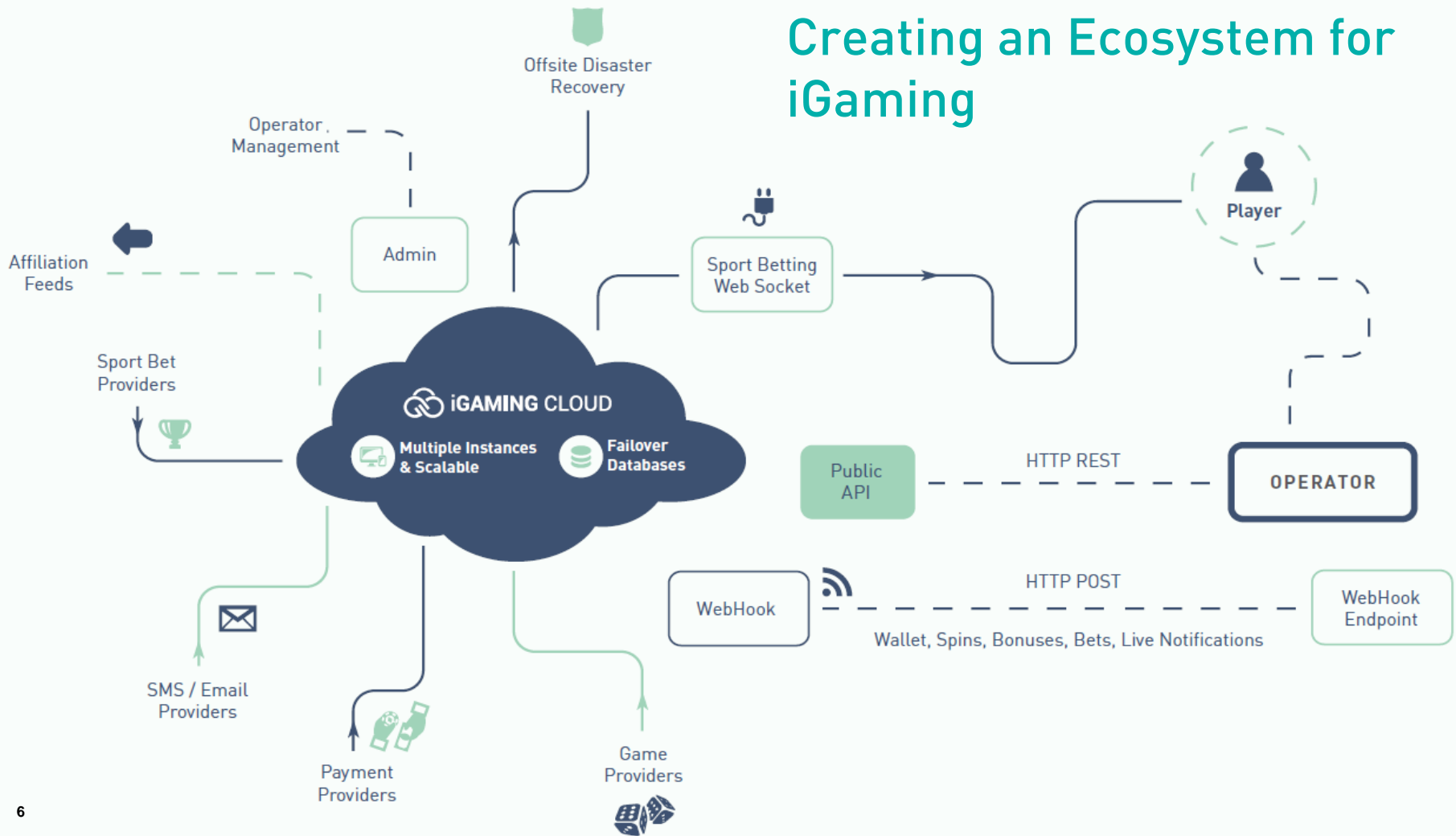
€1.0M

(-0.1M Q1-16)
(0.1M Q2-15)

A leading iGaming, technology company



Creating an Ecosystem for iGaming

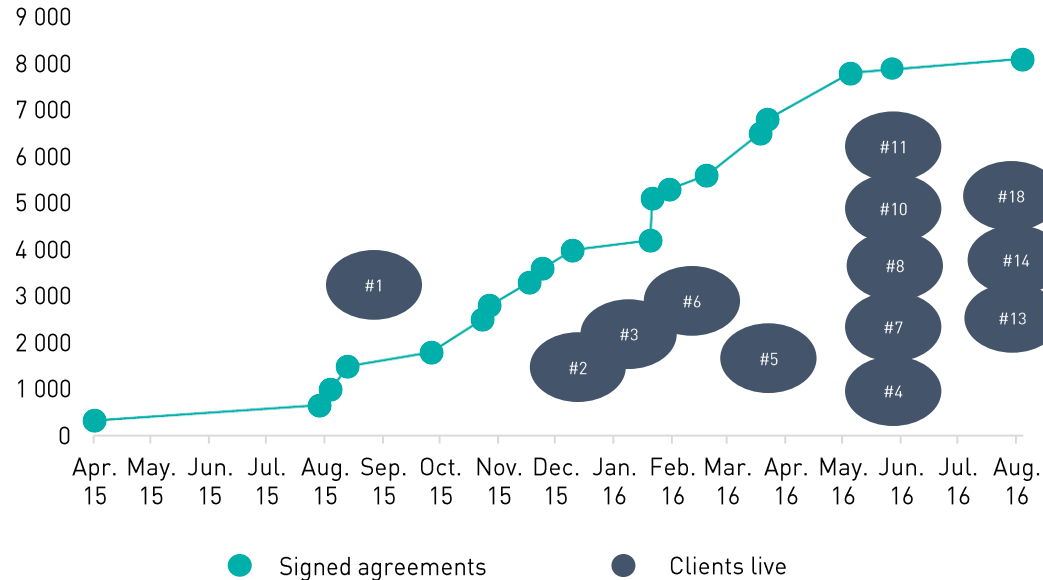


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19 clients signed to iGamingCloud platform

Compounded annual contribution in EUR 1000



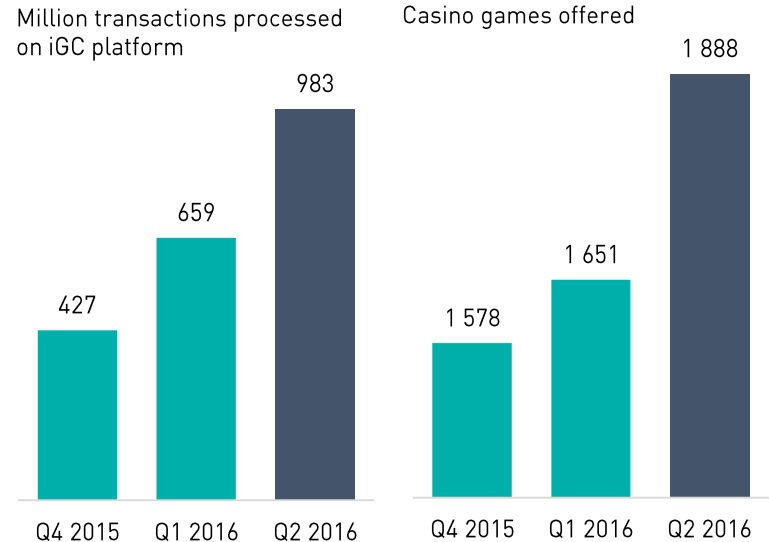
- New client signed, expecting EUR 300K yearly contribution
- YTD 13 clients live on the platform, 3 launching soon
- Operations in line with expectations
- Integration of some clients postponed from June to July/August

A growing application economy

Service providers

- We aim to integrate all the major service providers to our industry with iGC
- Pursuing worldwide coverage of payments
 - 21 (18) solutions currently available
- Olark support suite added to an increasing range of integrated ancillary services

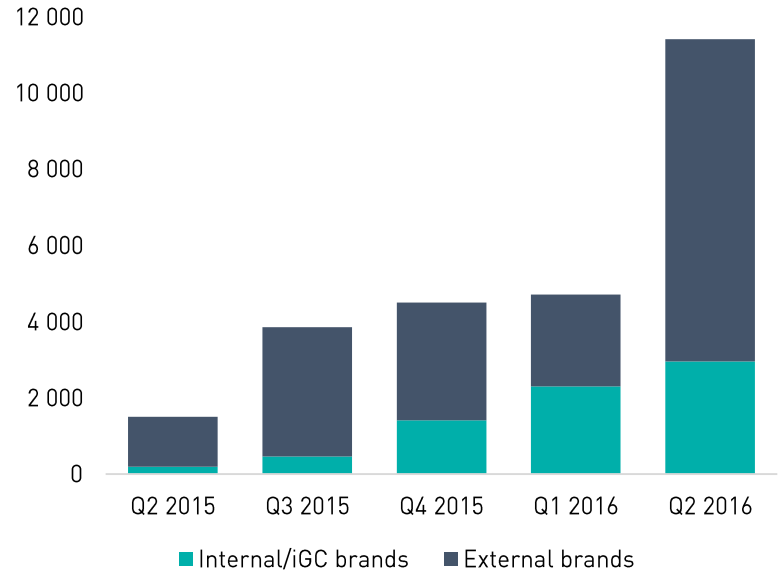
iGC KPIs



Innovation Labs increasing First Time Depositors (FTD's)

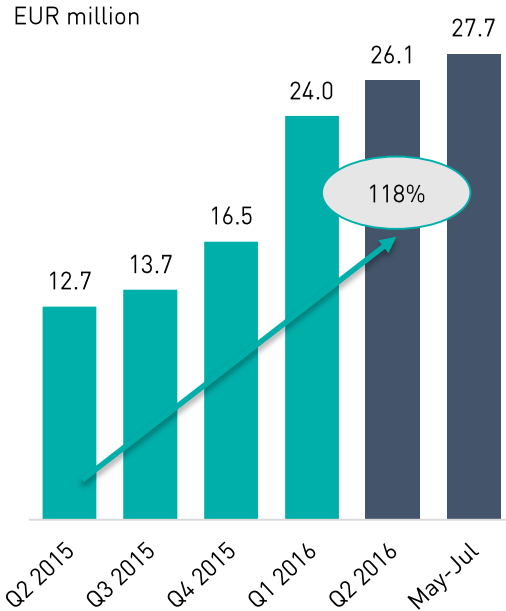
- GIG is controlling an increasing part of paying users traffic
- 11 413 FTD's in Q2
- FTD's increasing with 142% Q/Q
- Acquisitions increased number of FTD's referred to operators by more than 100% on a monthly basis

Number of First Time Depositors

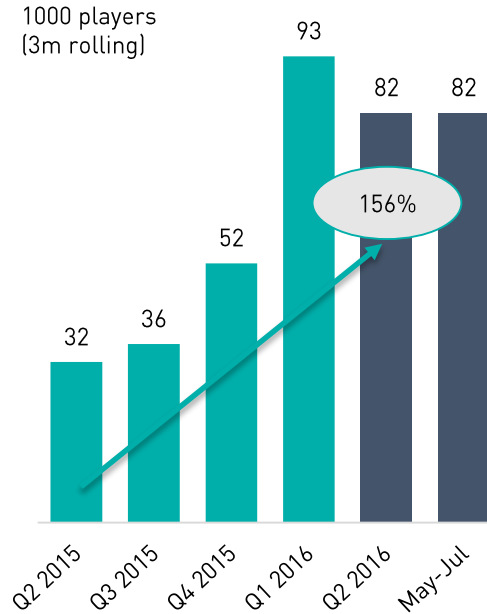


B2C gambling operators – Guts, Betspin, Rizk

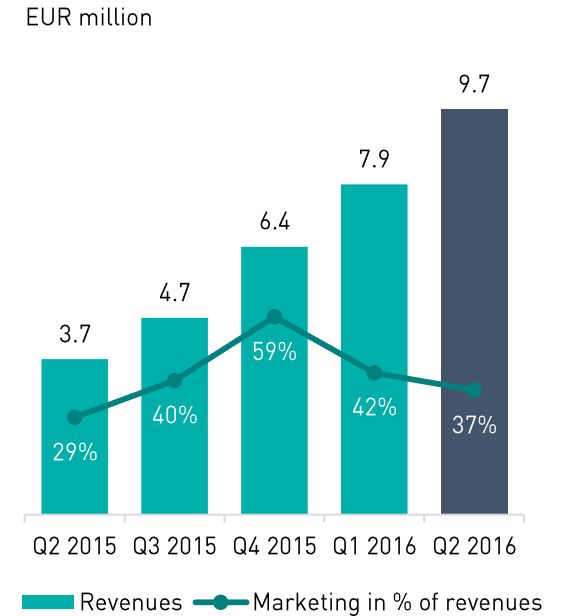
Deposits



Active real money players



Revenue and marketing costs



Creating a leading Nordic iGaming company

• About BetIt

- Operator with an annualised runrate of EUR 36 million in revenues, and current Y/Y growth rate in excess of 60%
- Technology oriented operator renown for product and design
- Highly competent staff of 100+ people

• Strategic synergies

- Greatly enhancing GIG's geographical footprint in the UK
 - Around 40% of BetIt's NDC's per month are from the UK
- Ranson front-end platform yields powerful technological synergies
- Enhancing GIG's reach to users, marketing partners and highly competent staff

• Financial synergies

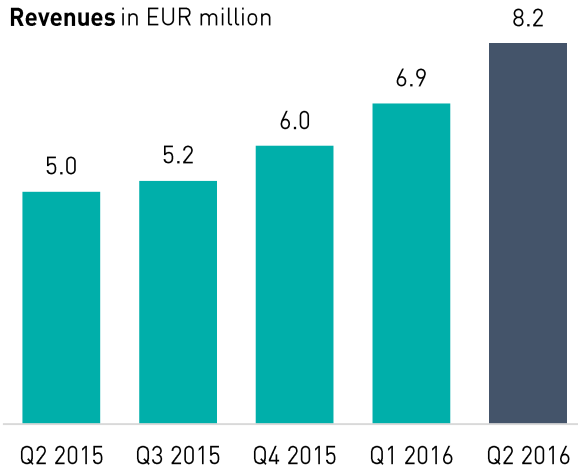
- Increased share of wallet, ARPU and CLTV of end-users
- Volume discounts, better supplier rates and improved staff to revenues ratio, mid and long-term

*NDC's: New Depositing Customers



BetIt acquisition to be completed early September

Financial figures, BetIt Group



- 2015 EBITDA negative EUR 1.4 million
- Q2 2016 EBITDA negative EUR 0.1 million
 - 2/3 of BetIt's customer base is prepaid

Transaction details

- (1) Acquired all shares in BetIt Group for EUR ~54 million
 - Issue of 153.5 million new GIG shares
- (2) Optimizer Invest's 10% holding in iGC converted to 56.5 million new GIG shares
 - iGC now fully owned by GIG
- Optimizer Invest signing non-compete obligation and become largest shareholder in GIG

Note: Financial statements based on management accounts

OddsModel becoming GIG Sports

- Successful integration of staff and know-how
- Upscaling of employees across all sports departments
- Complete re-architecture of iGC Sportsbook engine
- Increasing number of odds offered to B2B and B2C generated by Oddsmodel
 - Full integration by Q1 2017
- Manual and automatic trading ahead of projections

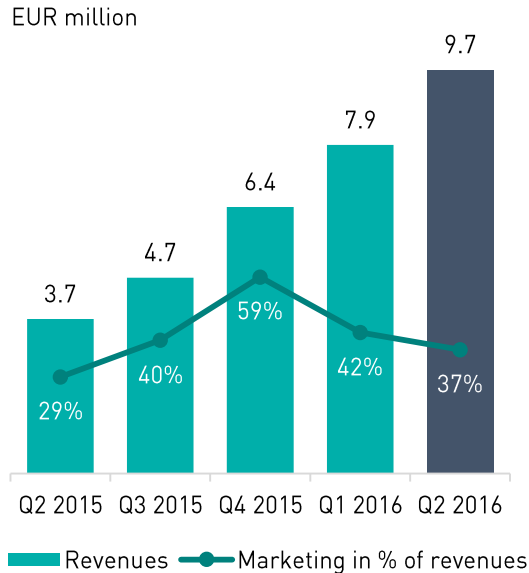


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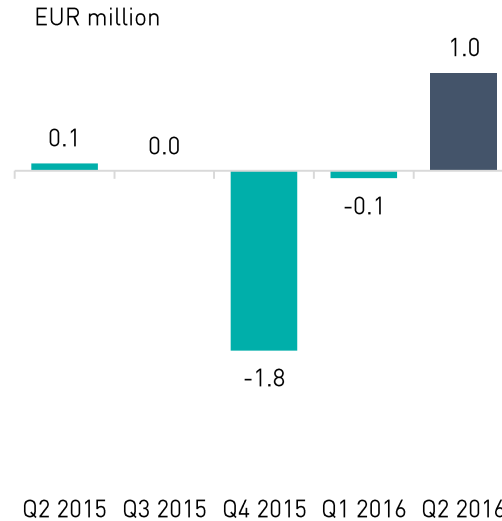
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Income statement highlights

Revenues and marketing

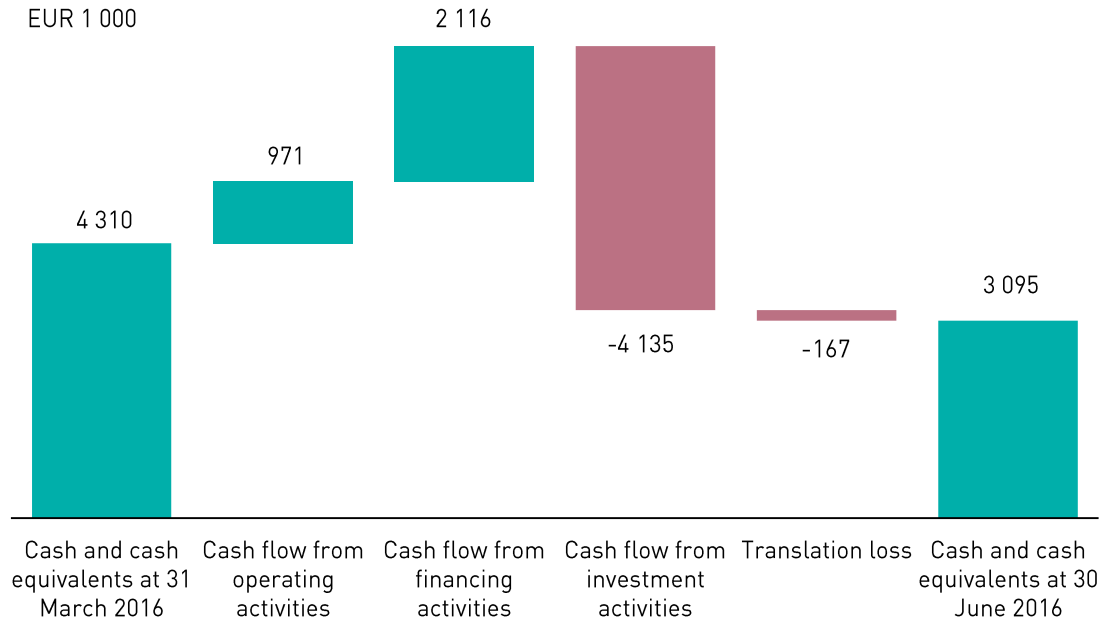


EBITDA



- All time high revenues of EUR 9.7 million
- Positive EBITDA of EUR 1.0 million
- Marketing costs of EUR 3.6 million

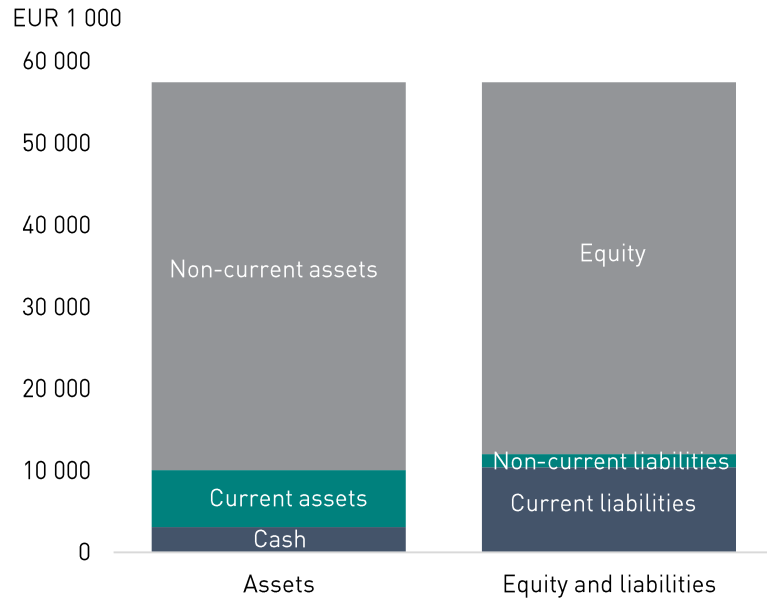
Cash Flow development



- Positive cash flow from operations due to pre tax profit
- Financing activities mainly proceeds from new loan
- Cash flow from investment activities mainly driven by affiliate acquisitions
- Strong cash balance maintained

Balance sheet highlights

Balance sheet composition



- Equity ratio of 79%
- Cash covering upcoming obligations
- Acquisitions funded through share issues

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Outlook: Positioned for continued growth

- EBIT to exceed EUR 5 million for 2016, strong revenue and earnings growth into 2017
- Positive earnings contribution from recent acquisitions
- GIG to exceed goal of 20 signed iGC clients by year end
- GIG will selectively evaluate further acquisition opportunities

Summary

- All time high revenues and EBITDA, improvement expected to continue
- BetIt acquisition making GIG a top five Nordic operator within iGaming
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Q&A



Next event:
3rd quarter 2016 presentation
02 November 2016

www.gaminginnovationgroup.com

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Largest shareholders as of 16 August 2016

Shareholder	# shares	%
Bryggen Holding AS	61 661 927	10.1 %
Super Innovative Limited (Robin Reed)	61 134 881	10.0 %
Hans Michael Hansen	45 937 414	7.5 %
Frode Fagerli	40 575 785	6.7 %
Bolshoy AS	36 615 856	6.0 %
J.P. Morgan Chase Bank	35 543 240	5.8 %
DNB Luxembourg nom.	22 276 692	3.7 %
GIG Share Options Ltd.	21 803 490	3.6 %
Anders Berntsen	21 210 772	3.5 %
CMM Invest AS	16 684 063	2.7 %
Nordnet Bank AB	14 865 010	2.4 %
Flaxvatn Holding AS	14 727 435	2.4 %
Svenska Handelsbanken	9 941 322	1.6 %
Avanza Bank AB	8 770 246	1.4 %
Jussi Hietalahti	8 200 149	1.3 %
Mikko Halmela	8 197 684	1.3 %
Nordea Bank AB	7 941 479	1.3 %
Nordea Bank Danmark S/A	7 725 756	1.3 %
Skabo Offshore AS	6 900 000	1.1 %
Foo Holding Ltd.	5 000 000	0.8 %
Lasse Rantala	4 761 637	0.8 %
Other	148 081 428	24.3 %
Total issued shares	608 556 266	100.0 %

Income statement

Condensed Statements of Operations in 1000 EUROS (Unaudited)	Q2 2016	Q2 2015	6M 2016	6M 2015	2015
Revenues	9 691	3 711	17 577	6 523	17 749
Cost of sales	1 444	915	2 738	1 839	4 042
Gross profit	8 247	2 796	14 839	4 684	13 707
Gross profit margin	85%	75%	84%	72%	77%
Marketing expenses	3 598	1 092	6 937	2 012	7 670
Other operating expenses	3 691	1 632	7 016	2 653	8 099
Total operating expenses	7 289	2 724	13 953	4 665	15 769
EBITDA	958	72	886	19	-2 062
Depreciation & amortization	178	47	282	81	333
EBIT	780	26	604	-62	-2 395
Other income (expenses)	26	850	-131	658	337
Results before income taxes	806	875	472	596	-2 058
Marketing in % of revenue:	37%	29%	39%	31%	43%
Other operating in % of revenue:	38%	44%	40%	41%	46%
EBITDA in % of revenue:	10%	2%	5%	0%	-12%

Cash flow

In EUR 1 000	Q2 2016	Q2 2015	6M 2016	6M 2015	2015
Cash flow from operating activities	971	246	-748	567	-1 189
Cash flow from investment activities	-4 135	-849	-4 208	-964	-1 604
Cash flow from financing activities	2 116	815	6 162	865	3 753
Translation loss	-167	-55	-203	-55	-150
Net change in cash and cash equivalents	-1 215	157	1 003	413	810
Cash and cash equivalents at start of period	4 310	994	2 092	738	1 282
Cash and cash equivalents at end of period	3 095	1 151	3 095	1 151	2 092

Balance sheet

Condensed Balance Sheet in 1000 EUROS (Unaudited)	Q2 2016	Q2 2015	2015
Assets			
Goodwill	8 565	22 252	22 230
Intangibles and other non-current assets	38 801	5 648	7 334
Total non-current assets	47 366	27 900	29 564
Other current assets	6 973	2 909	3 634
Cash and cash equivalents	3 095	1 151	2 092
Total current assets	10 068	4 060	5 726
Total assets	57 434	31 960	35 290
Liabilities and shareholders' equity			
Total shareholders' equity	45 435	26 996	27 070
Short term loans	3 581	2 285	2 031
Other current liabilities	6 822	2 220	4 648
Total current liabilities	10 403	4 505	6 679
Long term loans	1 596	459	1 541
Total liabilities	11 999	4 964	8 220
Total liabilities and shareholders' equity	57 434	31 960	35 290

GAMING INNOVATION GROUP INC.
DELAWARE

AFFILIATE MARKETING
Innovation Labs Ltd.
(Malta)



INNOVATION
Labs

CLOUD SERVICES
iGaming Cloud Ltd. (Malta 90%)



iGAMING CLOUD

**GAMING INNOVATION
GROUP LTD.**
MALTA



OPERATORS

Candid Gaming Ltd.
(Malta)



MT Secure Trade Ltd.
(Malta 99%)



Zecure Gaming Ltd.
(Malta)



SPORTS BETTING
Gridmanager Ltd.
(Malta)