

Gaming Innovation Group Inc.



Company Presentation
2019

www.gig.com

GiG

Outline

- GiG overview
- Financials
- GiG driving forward
- Sustainability
- Market dynamics
- Appendix

We are GiG

*We connect **suppliers, operators** and **end users** in a flexible and scalable iGaming ecosystem*

B2B Solutions and B2C Operators

- GiG is a technology company operating in the global iGaming industry, offering B2B cloud-based services and performance marketing plus its own B2C brands

Full Service

- Through its operational experience, GiG is positioned as a full service and turnkey provider offering platform, gaming and marketing services to a network of operators

Leverage

- GiG is accelerating the network with its own operators and marketing services in order to leverage on the advantage of scale at a competitive cost base

Experience

- Experienced management team and board, strong diverse and dedicated workforce overseeing a targeted and managed growth

GiG in brief



650+
Employees



€50m Approx.
Market cap



Offices in Malta,
Denmark, Gibraltar,
Norway, Spain, USA



Dual-listed
on Oslo Børs and at
Nasdaq Stockholm

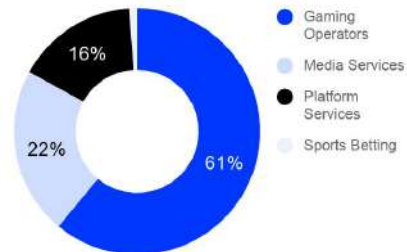


Licences in Malta, UK,
New Jersey, Sweden,
Germany S-H, Spain,
and Romania

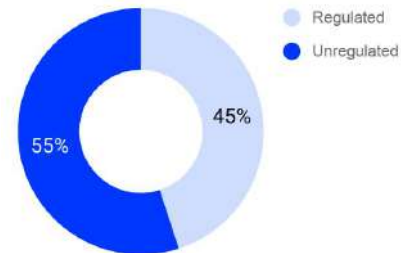


4 own brands and
35 customers
on the platform

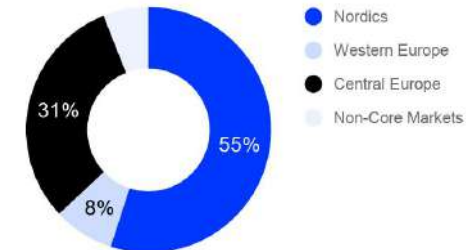
Revenue by Segment (Group)



Revenue by Type of Market (B2C)



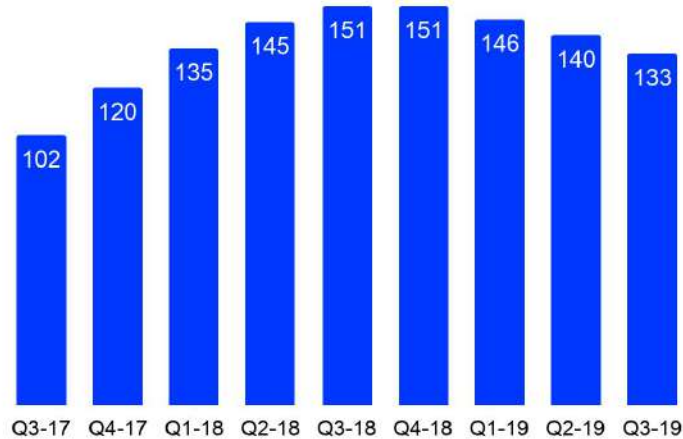
Revenue by Geography (B2C)



Head figures **development**

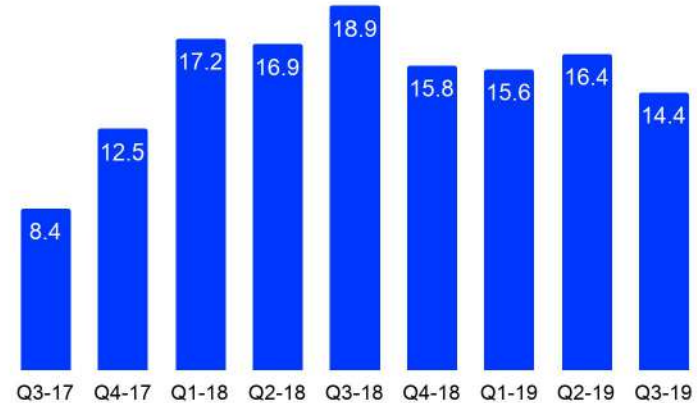
12 months rolling revenues EUR million

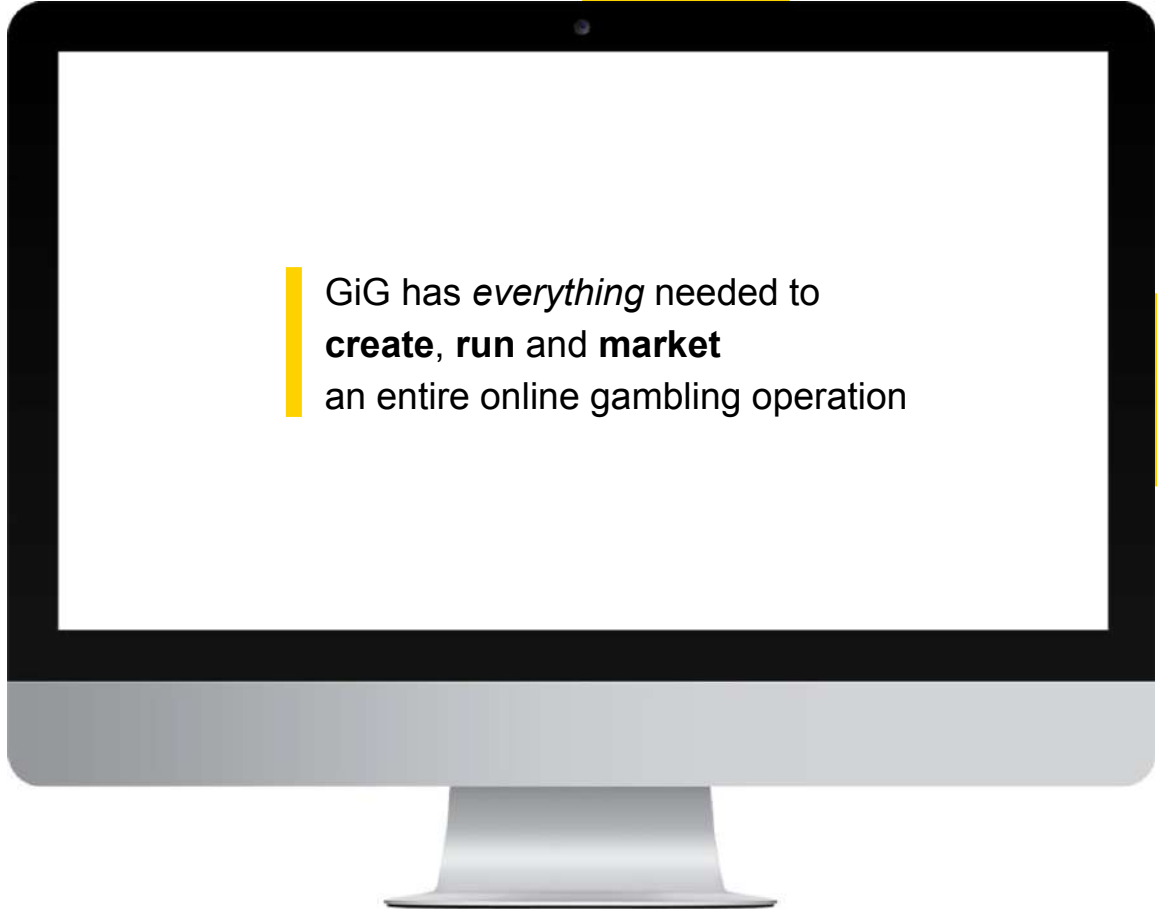
Revenues LTM (MEUR)



12 months rolling EBITDA EUR million

EBITDA LTM (MEUR)

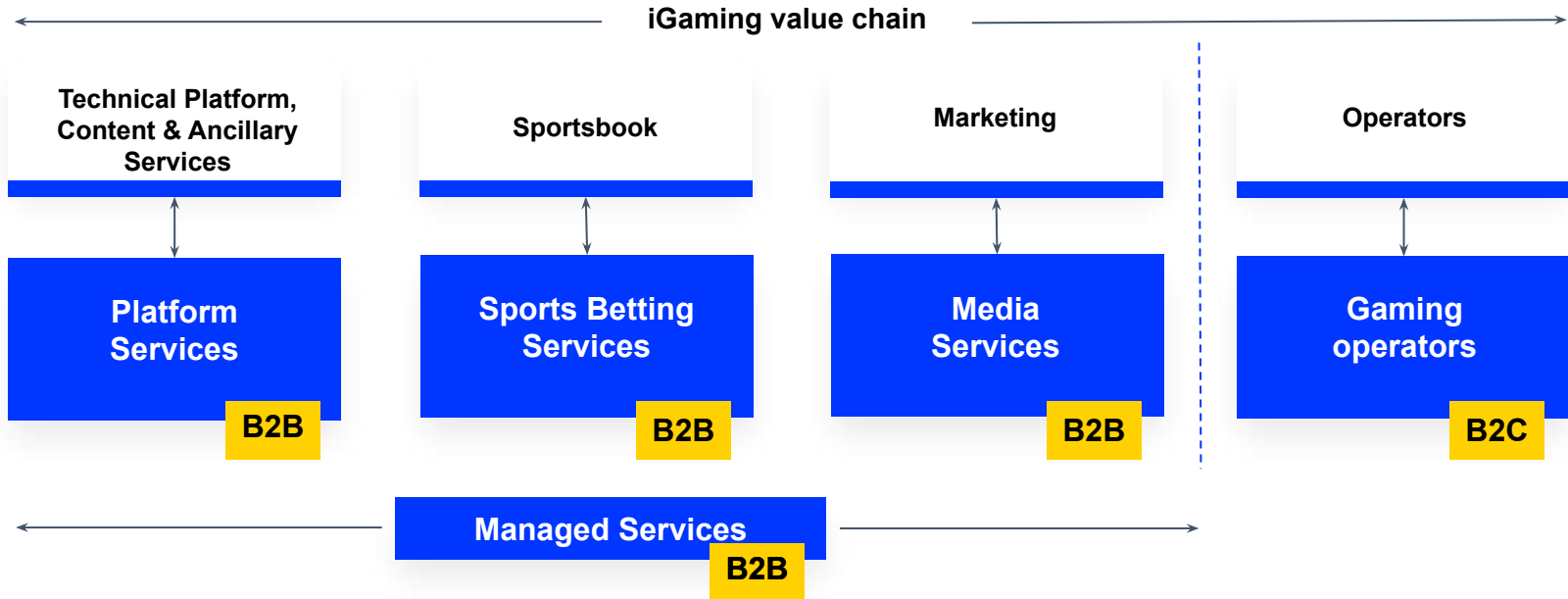




GiG has *everything* needed to
create, run and market
an entire online gambling operation

iGaming solutions based on innovative technology

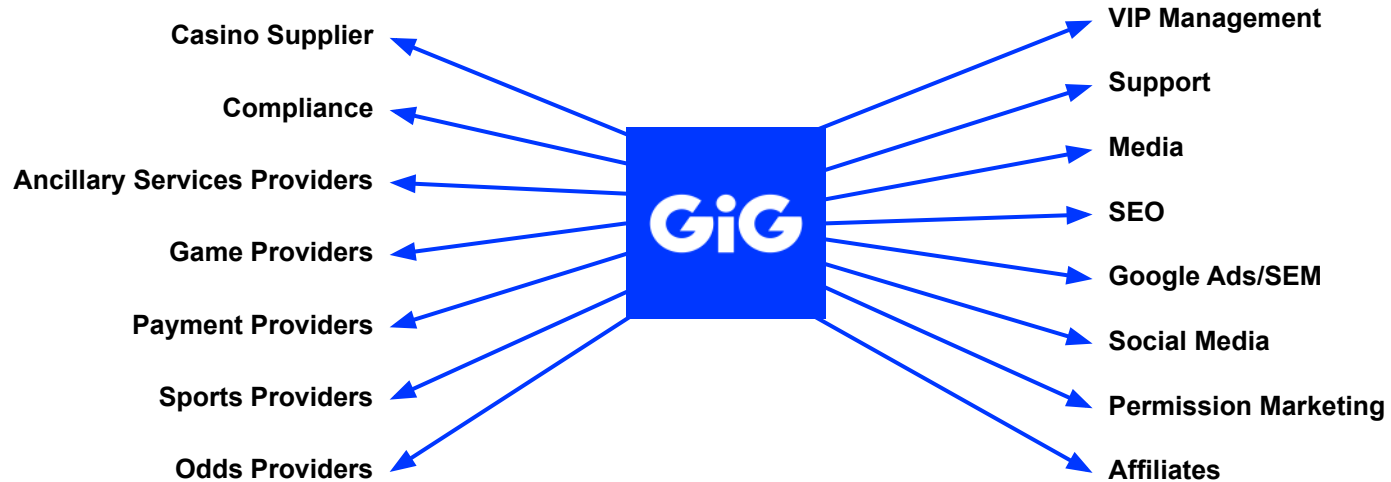
Products and services throughout the entire iGaming value chain



It might seem *simple...*



...but reality is far more complex

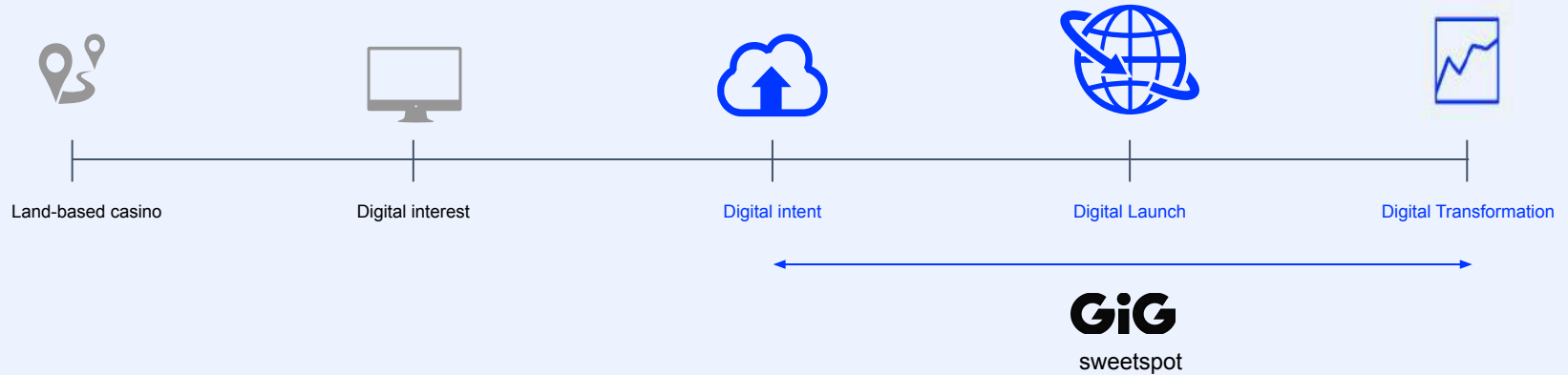


So what does this actually mean?



GiG supports operators in every step

From digital intent to digital transformation



A global partner

For brands entering into or developing its iGaming business, providing:



Modern tech stack



Dedicated team



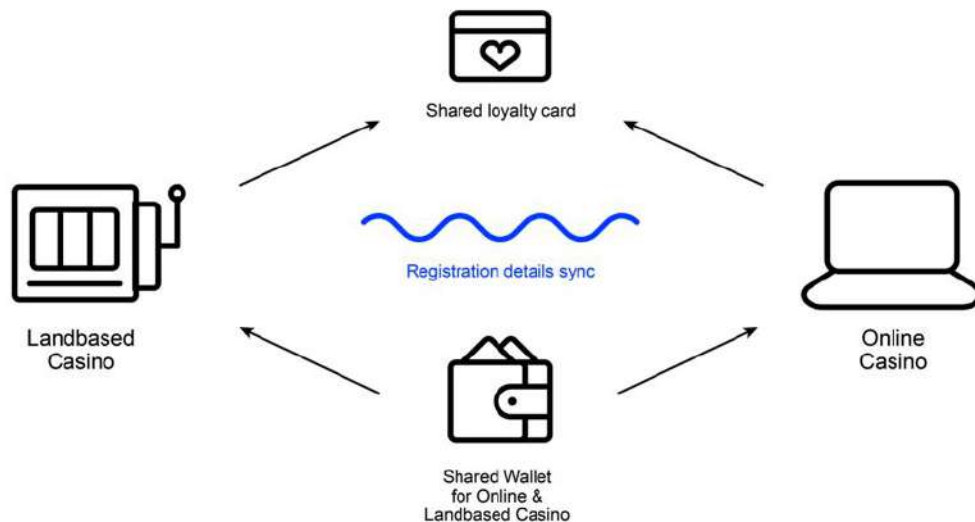
Scalable platform
to increase margins,
cost efficiency



New features to
drive revenue

One account, multiple opportunities

The full omnichannel solution from GiG offers a seamless integration between offline and online



Flexible solutions empowering the build of a unique offering

We empower our partners to build their brands by creating the tools to be unique. Whether they need an integrated service portfolio, Managed Services or products, with GiG there is only one contact the customer needs to have.

Financials



Gaming operators (B2C)

Repositioning from multi-brand strategy in 2018 yielding positive results

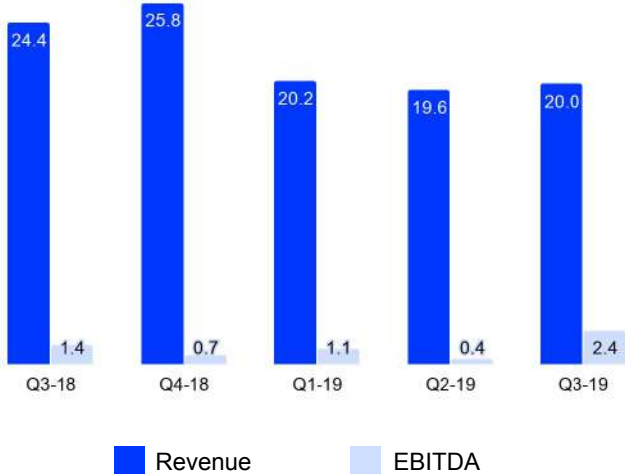
- EBITDA reached an all-time-high of €2.4m despite the continued market challenges in Sweden affecting revenues
- Rizk was the main growth driver and represented 75% of B2C revenues with a YoY growth of 2% and an EBITDA margin of 17.3%
- Marketing costs reduced by 10.5% YoY, represented 24% (29%) of the B2C revenue

Healthy margins and earnings quality to be achieved through

- Expansion in less mature and high-potential markets such as Spain, Croatia and other emerging markets
- Key focus on a sustainability model for regulated markets by focusing on player safety and UX



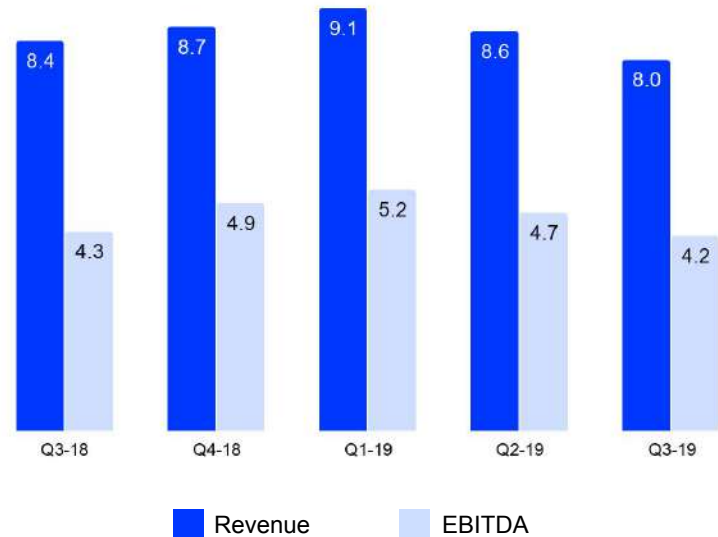
EUR million
GiG Gaming - Revenue & EBITDA (MEUR)



Media services (B2B)

- Revenues temporarily impacted by declining player values mainly in Sweden and Norway and lower Google rankings in mature markets, this is expected to revert to previous high rankings and growth in new markets
- Underlying growth in new markets - a revenue decline of 23% YoY from Sweden offset by growth in new markets
- FTDs from new markets/projects increased by 49% QoQ to appr. 15% of total FTDs
- US: GiG has launched in New Jersey and Pennsylvania with its affiliate sports betting site wsn.com and is positioning itself to enter other states as they regulate with further investment

EUR million
Media Services & EBITDA (MEUR)



Platform services (B2B) Transition to SaaS from White Label model

- Revenues declined mainly due to the termination of a major customer in 2018 impacting YoY revenues by €2.7m together with the impact from the Swedish market affecting white label customers
- Investment initiated into sales capacity to target a growing addressable and more complex land-based to online market
- EBITDA further impacted by development costs for build up for managed services offering
- To reduce burn rate and increase focus on core offering GiG Games was closed down during Q3
- 34 brands are operating on the platform with 3 in the integration pipeline

EUR million
Platform Services - Revenue & EBITDA (MEUR)



EUR million
Platform Services - Adjusted for terminated customer Revenue & EBITDA (MEUR)



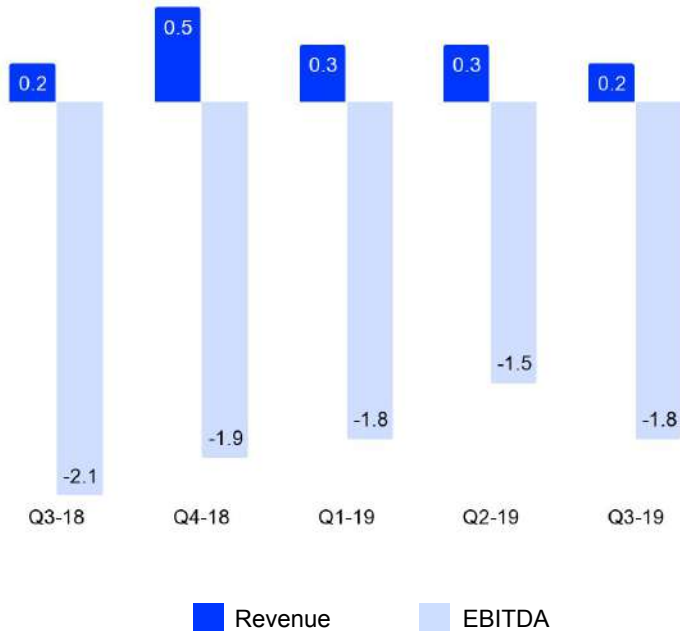
■ Revenue ■ EBITDA



Sports betting services (B2B)

- New leadership group in sportsbook with definite target to breakeven (incl. contribution from B2C NGR) in H1 2020 driven by the Guts brand
- Focused market approach, initially on smaller markets where GiG has specific expertise such as in Norway and Finland
- Quarterly increase in B2C actives and turnover by 25% and 22% respectively
- Key priority of development is to build a standout pricing model
- Launch of sportsbook in second US state with HardRock (Iowa)
- 4 external customers live with GiG's Sports Betting Services and 2 internal brands

EUR million
Sports Betting Services - Revenue & EBITDA (MEUR)



Bond structure & loans

Gaming Innovation Group Plc. issued a new SEK400 million senior secured bond with a SEK1,000 million borrowing limit on 28 June 2019. The bond matures in June 2022 and will be listed on Nasdaq Stockholm in H2 2019.

SEK350 million of the new bond issued in June, was used to refinance part of the existing GIGLTD01 bond, reducing the amount to SEK300 million. The balance was used to pay down the parent company's working capital facility and short term loans. This bond will be listed at Nasdaq Stockholm during November 2019.

ABG Sundal Collier and Pareto Securities appointed to facilitate the remaining SEK300m to refinance the 2017 bond.

As at 30 September 2019, net interest bearing debt was EUR 53.8 million.

Driving Forward



A sustainable strategy

The global partner for strong brands in iGaming



Unique, complete and scalable offering enables a **virtuous circle of growth**

By owning the value chain we improve margins and decrease price points for all



2019 Highlights & developments

- Launched omnichannel sportsbook with partner Hard Rock International in New Jersey and Iowa, USA
- Signed and launched with SKYCITY Entertainment Group in New Zealand for a fully managed casino solution
- Granted affiliate vendor registration in New Jersey, US and in Romania
- Granted two online gambling licences in Spain
- GiG Comply sold to a number of T1 operators globally
- B2C brand Highroller divested to Ellmount Gaming Ltd.
- Strengthened cash flow by closing down games studio
- Changes in leadership, Richard Brown CEO as from 6 November

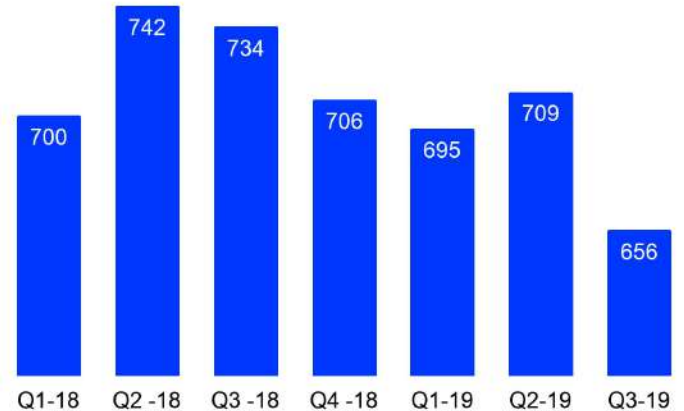
Cost savings & initiatives

Actions taken over the last year have led to a YTD reduction in reported other operating expenses of €5.2m

Initiatives:

- Strengthened cash flow by appr. €250K per month from November by halting investments in GiG Games
- A new tech infrastructure model initiated - will generate yearly cost savings of approximately €3.5m from 2021, with positive effect from 2020
- Lower levels of capex and decommissioning of legacy software
- Further optimisation and change of channel marketing mix
- Further increased efficiency across the organisation to lead to additional cost savings

Headcount – end of quarter





What's next?

- Enable **cost** and **scale** advantages for the industry by *connecting* operators, suppliers and end users through the GiG platform
- Develop the **technology** and product to enable *full business* potential
- *Scale the network* through growing our **own operators** and the high-margin **media business** in strategically aligned markets
- Attract and train the **best staff** to manage growth and execution

Focus going forward

- **Unleash underlying value in the business**
- **Adjust into a new reality with regulation**
- **Focus on ROI in our capital allocation**

Operational focus points

B2C

- Focusing on building B2C with fewer and larger brands and more efficient marketing channels
- Expanding in less mature and high-potential market
- Key focus on a sustainability model for regulated markets by focusing on *player safety and UX*

B2B

- Accelerating B2B sales, both turnkey and modular sales
- Building the new sportsbook and selling to external operators
- Growing Paid media and Publishing in current and new markets
- Launching the new Data platform in 2020, leading to cost savings and a more efficient platform

Group

- Reducing non-marketing related OPEX through strong focus on execution and bottom line earnings



Sustainability



A sustainable business for customers, end users and employees

Three priority areas in GiG's social responsibility with reporting built on regulation and international standards



A sustainable business for customers, end users and employees

Three priority areas in GiG's social responsibility with reporting built on regulation and international standards

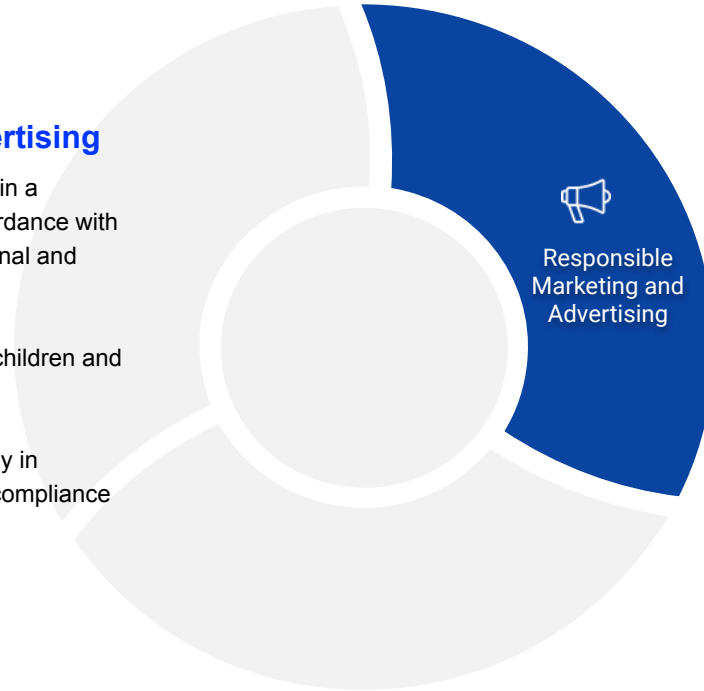


A sustainable business for customers, end users and employees

Three priority areas in GiG's social responsibility with reporting built on regulation and international standards

Responsible Marketing & Advertising

- GiG conducts marketing and advertising in a responsible and transparent way in accordance with regulation and requirements on promotional and marketing communications
- Prevention of advertising with appeal to children and young persons
- Built a compliance tool called GiG Comply in response to operators' need to improve compliance oversight and responsible gambling



A sustainable business for customers, end users and employees

Three priority areas in GiG's social responsibility with reporting built on regulation and international standards

Encourage Employees to Thrive

- Invest in creating inspiring office environments where employees can collaborate as a team and grow as individuals
- GiG Academy, an online training portal providing a wealth of interactive online courses and learning modules, including the Responsible Gambling module, Anti-Money Laundering module and Information Security training



Encourage Employees
to Thrive

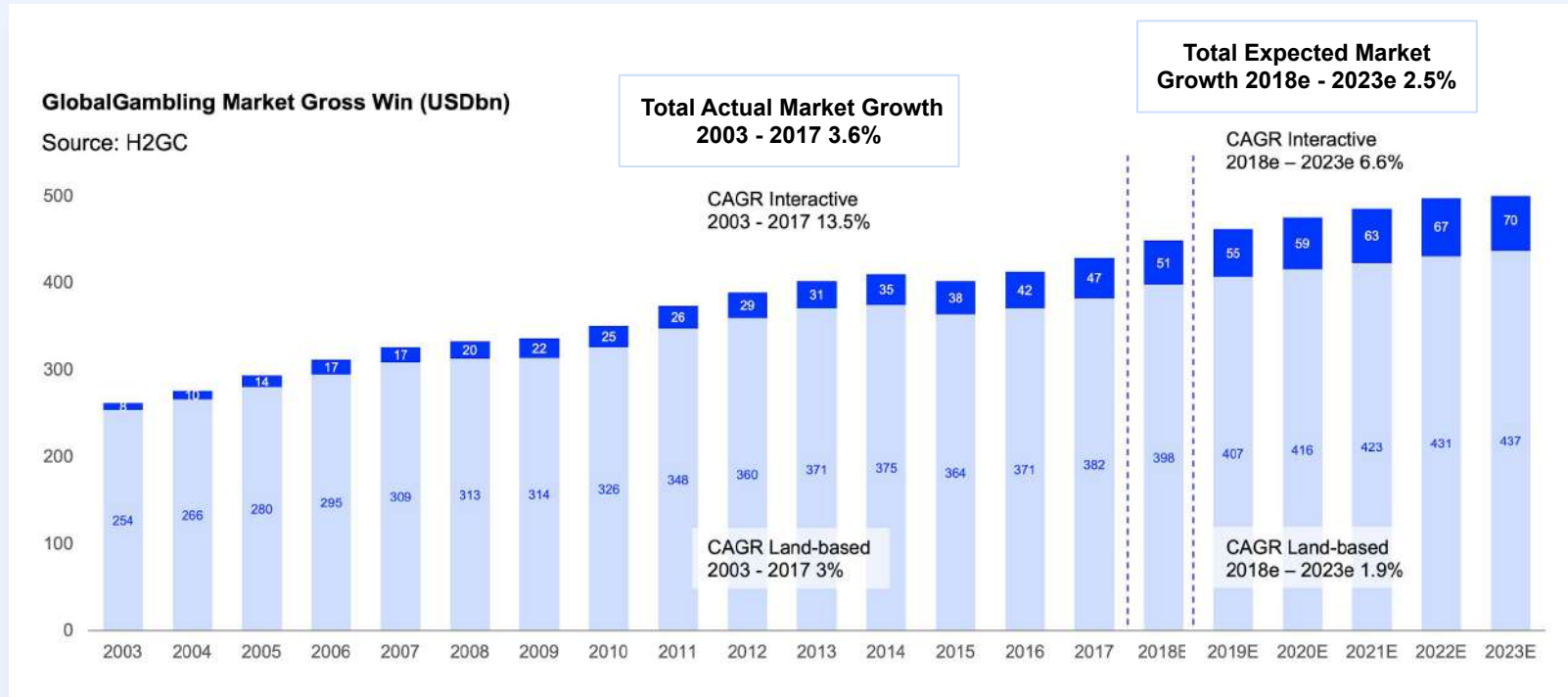
A sustainable business for customers, end users and employees

Three priority areas in GiG's social responsibility with reporting built on regulation and international standards

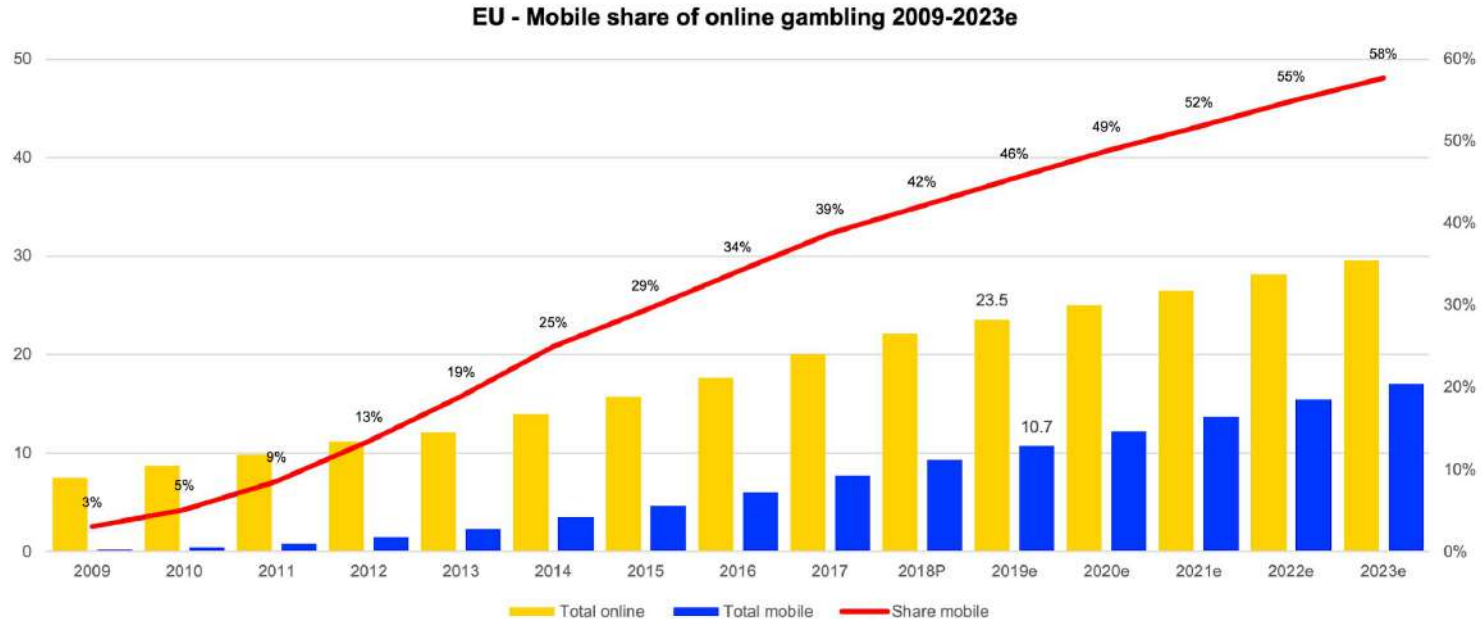
Other initiatives

- GiG has formed a trade body in Norway in collaboration with the industry to coordinate efforts to reduce social impacts of the industry
- 75 of GiG's employees have received extensive responsible gambling courses in the last year
- The proprietary marketing surveillance software GiG Comply has been sold to Tier 1 operators and others
- GiG terminated an agreement with a platform operator in Q4'18, who decided to continue operations in a market where such activities were unregulated

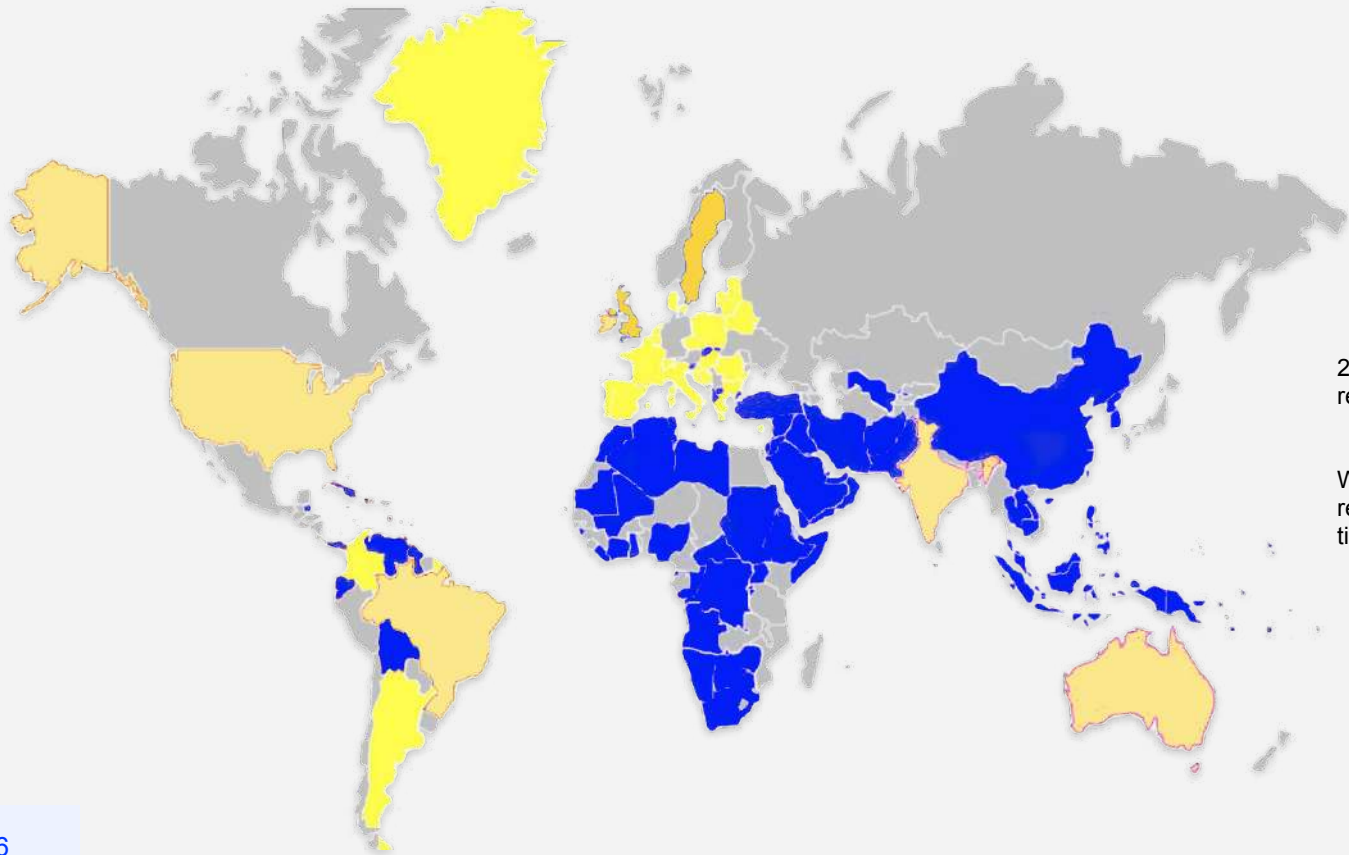
The strongest driver for growth is the transition from offline to online gambling



Underlying drivers: internet connectivity, increased usage of mobile devices and availability of online payment methods



The world is regulating. Then What?



20+ markets have been 'online' regulated in the past 5 years.

We believe all markets will be regulated within 15-20 years time.

Increased regulation is changing the dynamics

	Margin	Marketing	Taxation
Unregulated	Uncertainty regarding future legislation	Advertising prohibited, however occurring through various channels Many jurisdictions allow advertising through offshore TV broadcasters	No tax for offshore operators
Regulated	More stable revenue as end users can be able to sustain activity over time	Licensed operators generally allowed to advertise through all channels, with some restrictions Generally, officially illegal to operate and advertise without licence	Tax ranging from ~10 to 40% of Gross Gaming Revenue (GGR) depending on jurisdiction and type of gaming product



Consolidation is happening



5th September

NETENT ACQUIRES RED TIGER FOR INITIAL £197M FEE

NetEnt has signed an agreement to acquire slot provider Red Tiger Gaming in an all-cash deal with an initial value of...



- Limited number of country licences leads to new co-operations
- Consolidation is happening across all verticals globally
- This is a result of increased pressure on margin due to regulation and compliance
- Industry giants are scaling up by merging or acquiring each other
- Smaller operators under pressure may be acquired or cease business

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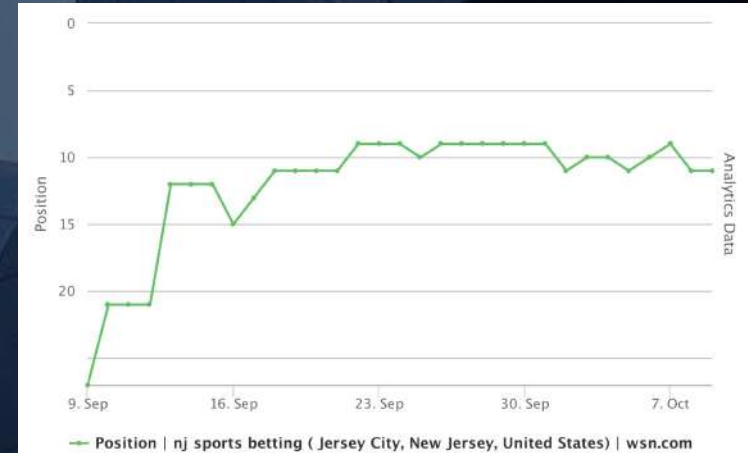
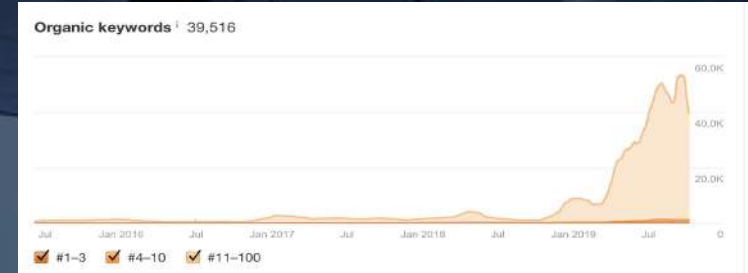
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WSN organic keywords

A screenshot of a Google search for "betting in the usa". The search bar contains the text "betting in the usa" and is highlighted with a red box. Below the search bar, the results show several advertisements and organic search results. One prominent result is from "Sports betting USA" with a red box around the text: "Real money fantasy sports betting is now available in every US state except Washington, Idaho, Montana, Nevada, Arizona, Iowa, Louisiana and Alabama." Below this, there is a link to "Where is Online Sports Betting Legal in the USA? [2019]" with the URL "https://www.wsn.com/sports-betting-usa". Other search results include "Unibet™ New Customer Offer", "Bet on Soccer", "Bet on Ice Hockey & NHL", "Legal Betting In USA | Risk Free Bet Up To \$1000", "Taking 1 Million Bets Daily | Bet With William Hill®", "Best NJ Online Sportsbooks | \$500 Risk-Free Bet w/ Deposit", and "US Sports Betting Sites - Legal USA Online Sports Betting in ...".







Summary

1. Robust underlying global gambling **market growth**, driven by technology, online and mobile gambling
2. **Regulation** enables sustainable growth, protecting end users with a **safe and responsible** environment
3. Industry consolidation opens up **global opportunities**
4. GiG has positioned itself for the future, driving the **offline to online transition**
5. GiG empowers its **partners** to drive **revenue** in their online operations
6. GiG has been built in 7 years with a **stable growth**



Thank You!



Appendix



Largest shareholders 30 September 2019

GAMING INNOVATION GROUP INC.

1	8,300,000	9.2 %	Swedbank Robur Ny Teknik
2	6,446,427	7.2 %	Super Innovative Ltd.
3	5,150,687	5.7 %	Andre Lavold
4	4,696,125	5.2 %	Henrik Persson Ek Dahl
5	4,360,445	4.8 %	Hans Mikael Hansen
6	4,215,022	4.7 %	Myrlid AS
7	3,880,999	4.3 %	Morten Hillestad Holding AS
8	3,638,266	4.0 %	Frode Fagerli
9	2,478,585	2.8 %	Stenshagen Invest AS
10	2,093,639	2.3 %	Saxo Bank A/S nom.
11	2,009,437	2.2 %	PG JR AS
12	1,882,146	2.1 %	Ben Clemes
13	1,752,467	1.9 %	CMM Invest I AS
14	1,653,571	1.8 %	Anders Berntsen
15	1,602,213	1.8 %	Digeelva Invest I AS
16	1,500,000	1.7 %	Fondita Nordic Micro Cap
17	1,400,000	1.6 %	G.F. Invest AS
18	1,342,136	1.5 %	Mikael Riese Harstad
19	1,077,625	1.2 %	Skandinaviska Enskilda Banken LUX nom.
20	1,000,000	1.1 %	Symmetry Invest A/S
Top 20	60,479,790	67.2 %	
Other	29,525,836	32.8 %	
TOTAL	90,005,626	100.0 %	

Income statement

Q3 2019 - Quarterly Results

Condensed Statements of Operations in EUR 1 000

(Unaudited)	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Revenues	30 226	37 283	93 621	111 507	151 372
Cost of sales	6 672	6 348	19 693	19 562	27 358
Gross profit	23 554	30 935	73 928	91 945	124 014
Gross profit margin	78%	83%	79%	82%	82%
Marketing expenses	7 103	10 635	24 595	35 654	47 247
One-off expenses	-	-	-	-	2 619
Other operating expenses	13 730	15 252	40 020	45 248	58 066
Total operating expenses	20 833	25 887	64 415	80 902	107 932
EBITDA	2 721	5 048	9 313	11 043	16 082
Depreciation & amortization	6 550	4 969	19 626	14 559	19 973
Impairment of intangibles	2 911	-	2 911	-	13 726
EBIT	-6 740	79	-13 224	-3 516	-17 617
Financial income (expense)	-1 496	-2 502	-3 790	-2 149	-4 210
Other income (expense)	-9	-50	-42	-194	-113
Result before income taxes	-8 245	-2 473	-17 056	-5 859	-21 940
Income tax refund (expense)	-105	-144	-302	-324	-815
Net result	-8 350	-2 617	-17 358	-6 183	-22 755
Marketing in % of revenue:	24%	29%	26%	32%	31%
Other operating in % of revenue:	45%	41%	43%	41%	38%
EBITDA in % of revenue:	9%	14%	10%	10%	11%

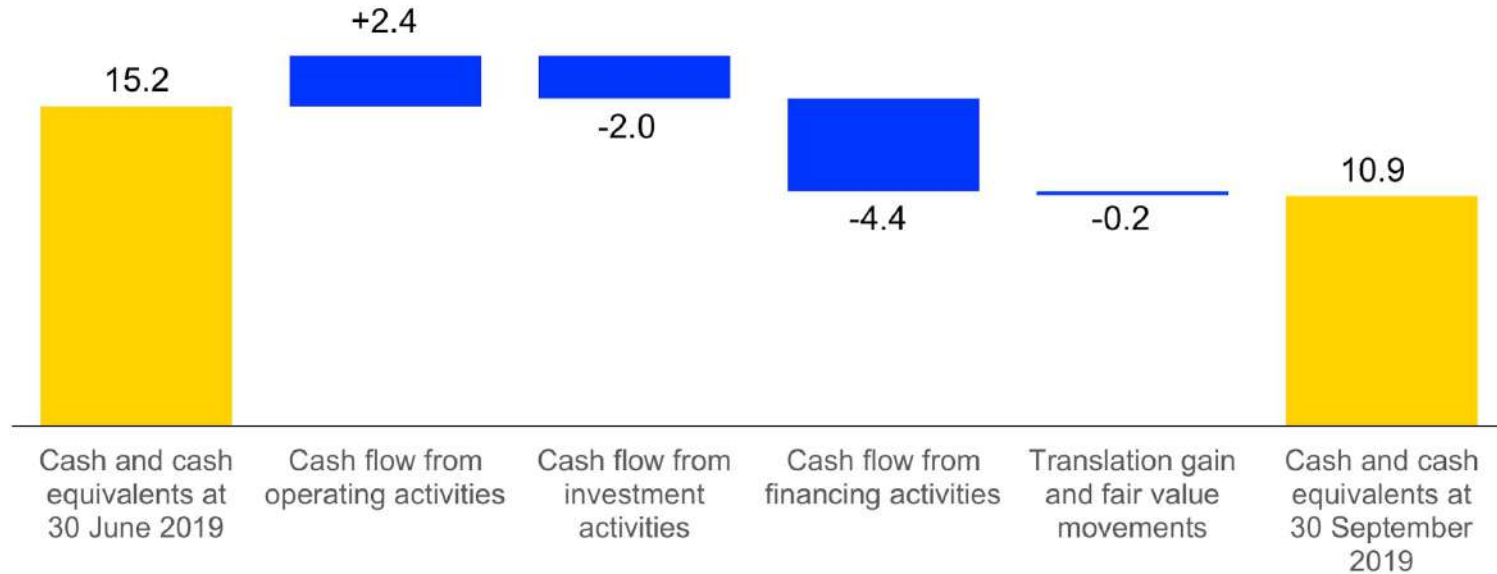
Cash flow

In EUR 1 000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Cash flow from operating activities	2 351	422	10 339	10 680	12 484
Cash flow from investment activities	-2 027	-2 618	-9 676	-9 176	-12 386
Cash flow from financing activities	-4 424	-	-4 148	-	2 374
Translation (loss)/gain	-178	48	-258	290	133
Fair value movements	26	-3	18	-	-15
Net change in cash and cash equivalents	-4 252	-2 151	-3 725	1 794	2 590
Cash and cash equivalents at start of period	15 196	16 024	14 669	12 079	12,079
Cash and cash equivalents at end of period	10 944	13 873	10 944	13 873	14 669

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)	30 September 2019	30 September 2018	31 Dec 2018
Assets			
Goodwill	69 396	69 681	69 570
Intangibles assets	57 084	85 580	69 253
Deposits and other non-current assets	22 265	8 385	8 061
Total non-current assets	148 745	163 646	146 884
Prepaid and other current assets	24	25	5
Trade and other receivables	20 442	20 305	28 473
Cash and cash equivalents	10 944	13 873	14 669
Total current assets	31 410	34 203	43 147
Total assets	180 155	197 849	190 031
Liabilities and shareholders' equity			
Total shareholders' equity	69 530	104 192	88 072
Trade payables and accrued expenses	32 606	28 686	34 204
Short term loans	-	-	617
Bond payable	31 462	-	-
Total current liabilities	64 068	28 686	34 821
Bond payable	33 277	62 684	64 230
Deferred tax liability	1 135	1 230	955
Other long term liabilities	12 145	1 057	1 953
Total long term liabilities	46 557	64 971	67 138
Total liabilities	110 625	93 657	101 959
Total liabilities and shareholders' equity	180 155	197 849	190 031

Cash position



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.