

GiG

Q4 2018



11 February 2019

GiG

“Opening up
iGaming, to make it
fair and fun for all”

**Today's
presenter**



Robin Reed

CEO

Outline

- Overview
- Highlights
- Strategic & Business Update
- Summary & Outlook
- Q/A

GiG overview

iGaming solutions based on innovative technology



2012

GiG founded



2015

Listed on the Oslo Stock exchange



Present

Moving to Nasdaq Stockholm



~710

No of **Employees**



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

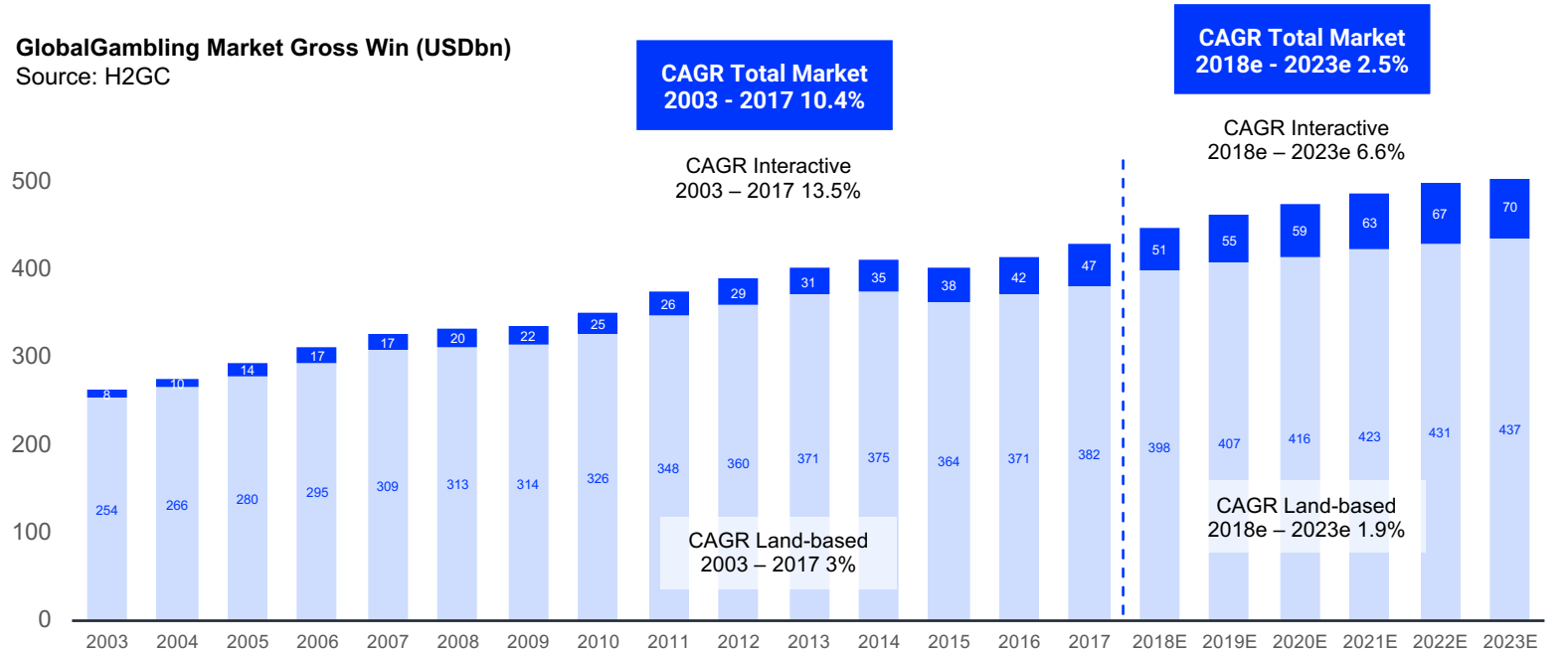


Licences in Malta, UK, New Jersey, Germany S-H, Sweden, Spain pending, (Denmark)

Underlying market growth & offline to online growth

Global Gambling Market Gross Win (USDbn)

Source: H2GC



The Digital Gambling Lifecycle

Our goal is to pursue digital perfection and leadership, supporting our customers growing their business through a partnership model

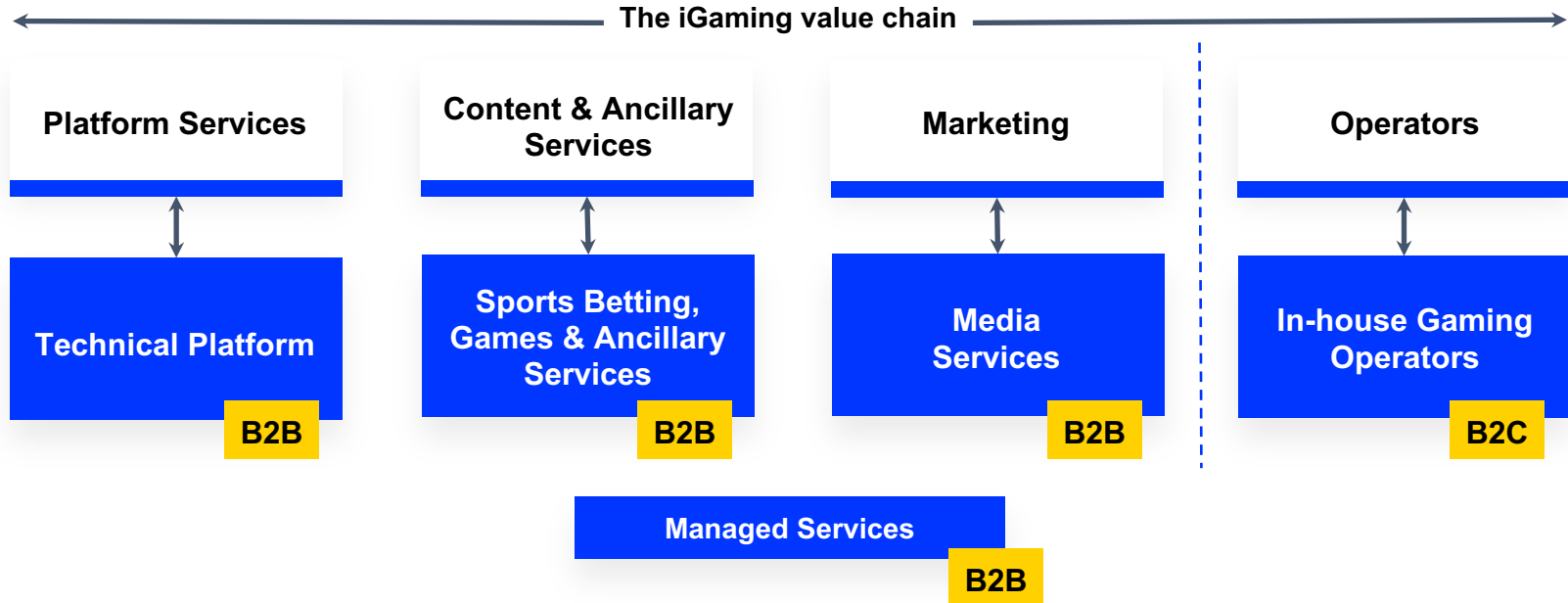


GiG SWEETSPOT



GiG: iGaming solutions based on innovative technology

Products & services throughout the entire iGaming value chain



“The **Global Partner** for
strong brands in **iGaming**”



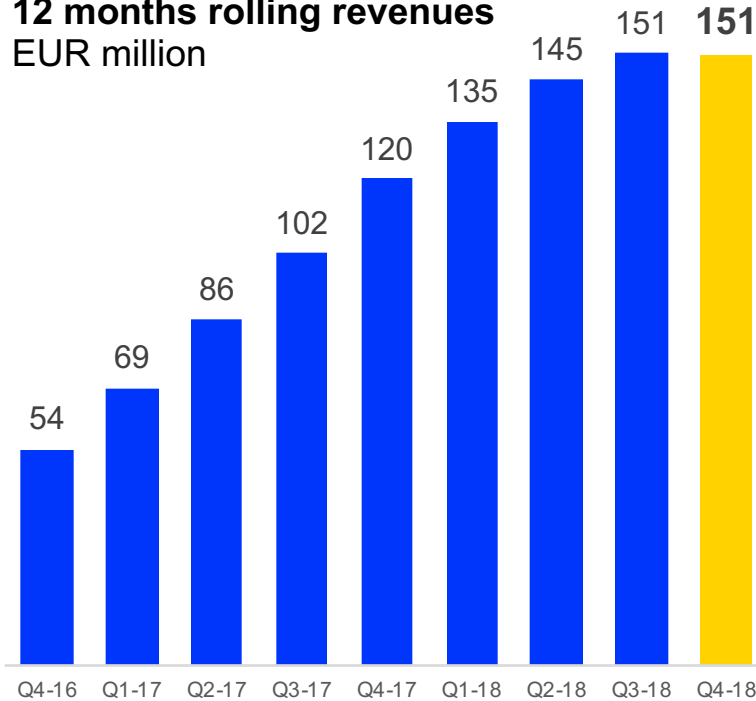
Highlights

- Strategy evolving: The global partner for strong brands in iGaming
- Products and services now covering the entire value chain in iGaming
- Full year revenue and EBITDA guidance met
- All-Time-High revenues in B2C and Media
- Entering the US market for sports betting with the launch of omni-channel sportsbook with Hard Rock, in New Jersey
- New Board and reversed stock split 10:1
- Applied for listing at Nasdaq Stockholm, expected March 2019

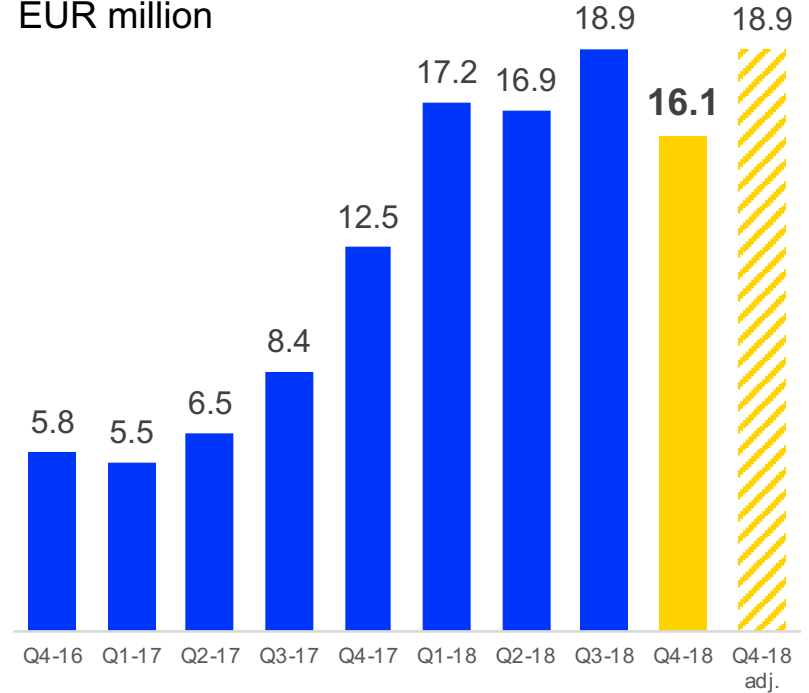


Continued stable and positive development

12 months rolling revenues
EUR million



12 months rolling EBITDA
EUR million



Q4 Financial Highlights

€39.9m

Revenues
0% Y/Y

€7.8m

Cost of sales
+20% Y/Y

€11.6m

Marketing
-12% Y/Y

€15.4m

Other opex
+24% Y/Y

€5.0m

EBITDA
-36% Y/Y
Adj EBITDA €6.9m



Strategic Update



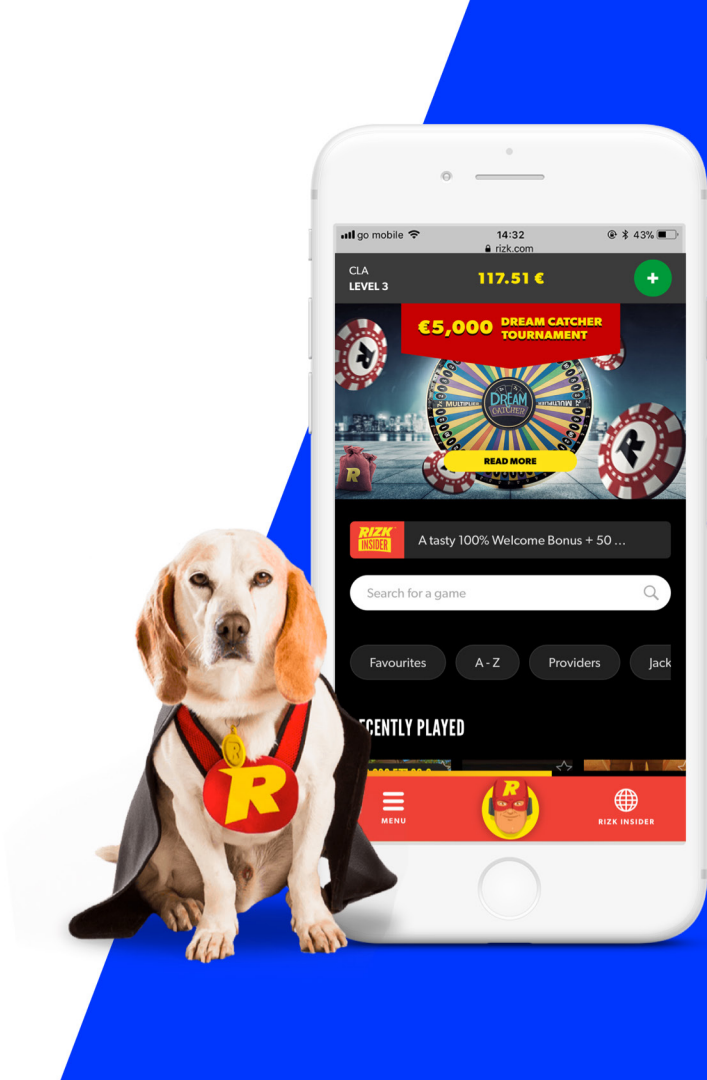
B2B update

- The Global Partner for strong brands in iGaming
- Certified platform for Casino and Sports in New Jersey and supporting Swedish licences
- Online and Retail sportsbook platform launched
- GiG Comply sold to 2nd operator
- Proprietary games sold to first external customers
- Termination of major customer on core
- All-Time-High revenues as Media accelerates organic growth



B2C update

- Why B2C? Proof of pudding, dogfooding, scale
- Strategic review in H1 yielding strong results
 - Fewer but larger brands
 - Shift from TV to performance marketing
 - Grow emerging markets to compete in regulated markets
 - Immense focus on data driven User Experience
 - Develop a major casino brand with Rizk.com
- All-Time-High revenues in Q4
- Full year EBITDA in Gaming improved from €-8.9m in 2017 to €-0.5m in 2018
- Going forward: Key focus on improving sustainability model for regulated markets



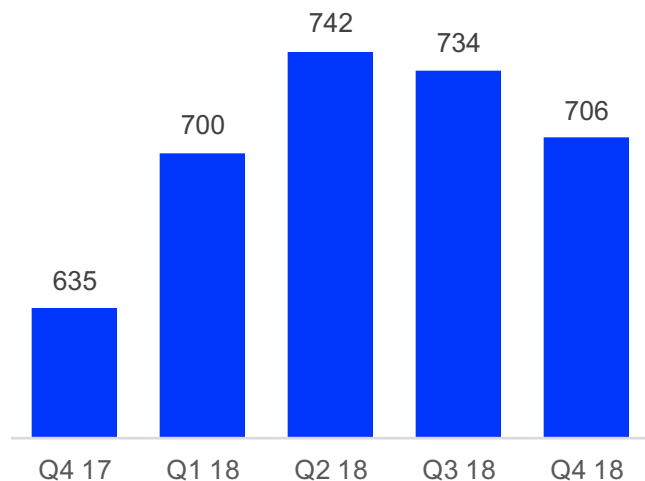


Business Update

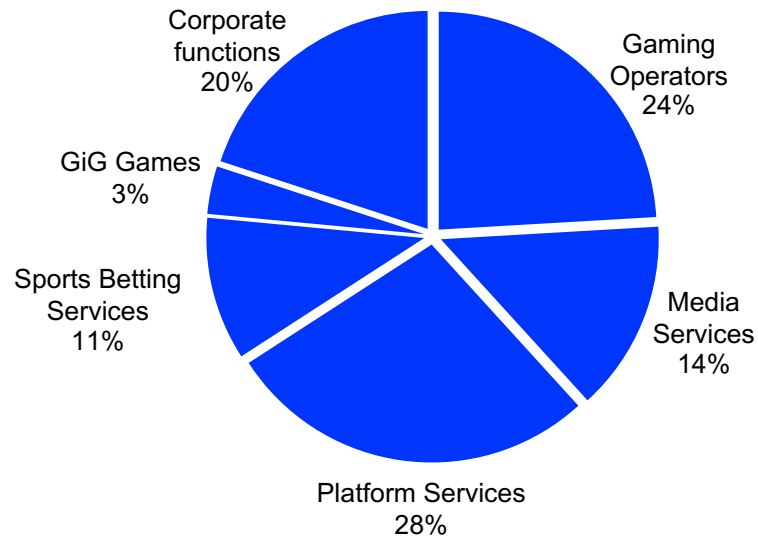


Operations

Headcount – end of quarter

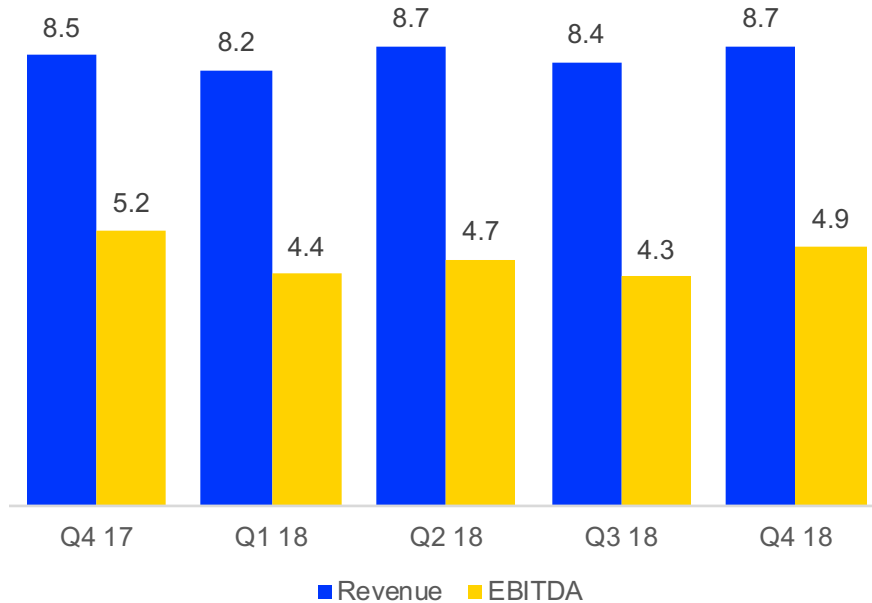


Headcount distribution



Media services (B2B)

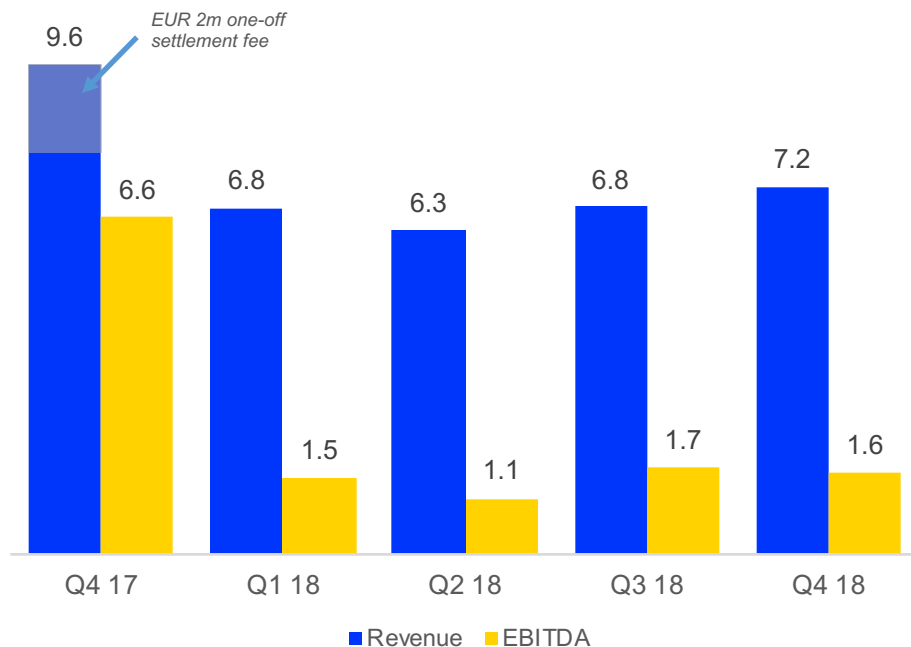
EUR million



- ATH revenues increased by 3% compared to Q4 2017, all organic growth driven by Publishing (85% of Media revenues)
- The paid model, representing 15% of Media revenues, was impacted by lower revenues from key customers
- 29,741 (35,203) FTD's referred, 7% was represented by in-house brands
- 64% of revenues from revenue share agreements, 18% from CPA and 18% from listing fees

Platform services (B2B)

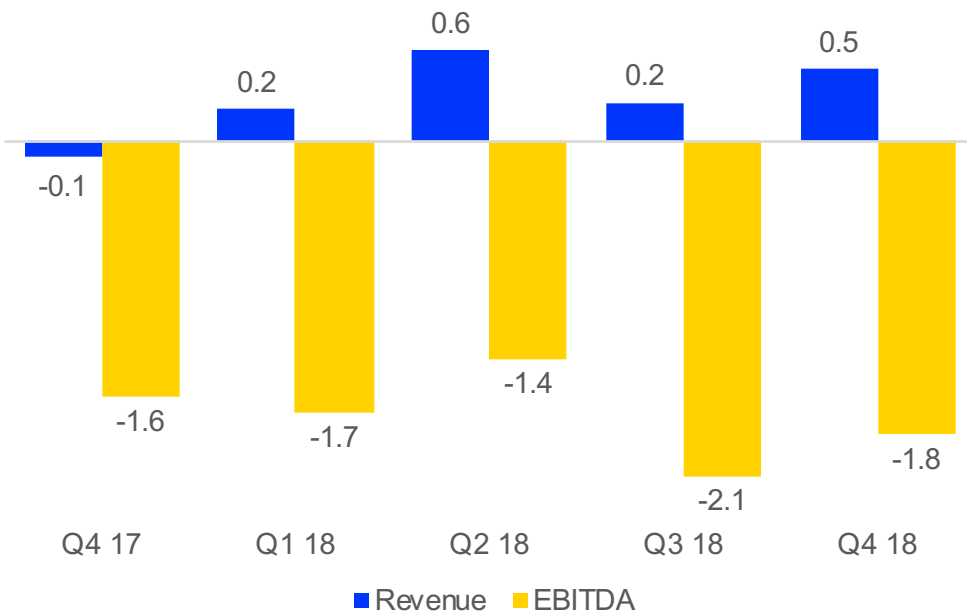
EUR million



- 4 new brands live, 2 ceased operations in Q4, a total of 39 brands operating on the platform
- Total database transactions increased by 27% to 5.1bn (4.0) compared to Q4 2017
- Revenues decreased by 25% compared to Q4 2017, mainly due to the €2m one-off settlement fee in Q4 2017
- GiG Magic's part of Platform revenue was €0.5 million, EBITDA of €-0.4 million
- Termination of major customer to impact revenues and EBITDA in 2019

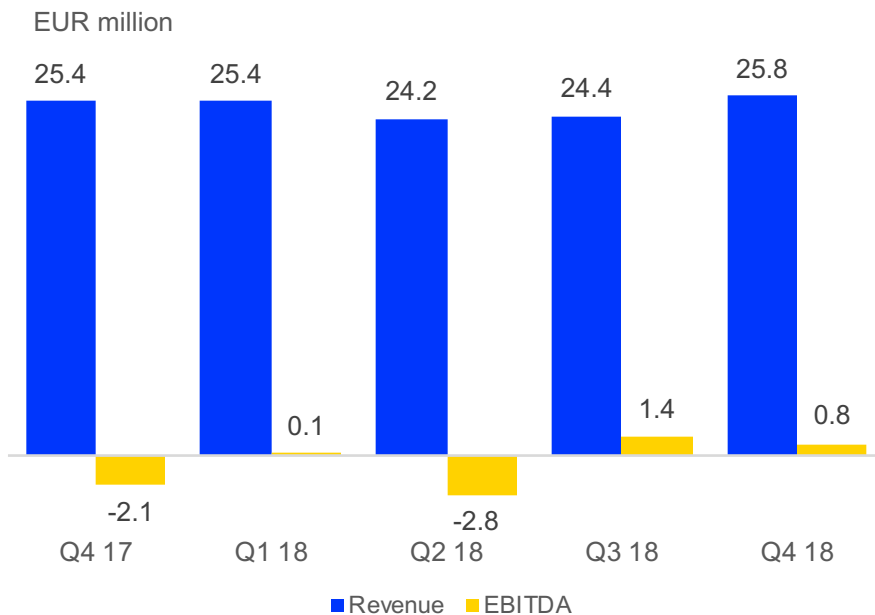
Sports betting services (B2B)

EUR million



- Full omni-channel product launched in New Jersey ahead of Superbowl
- Live with HardRock, 11.Lv, and Rizk.com
- Signed with GLHF.Com, MetalCasino and Guts
- Currently competing in two major tenders
- Current burn-rate of €0.7–0.8m per month to remain in 2019
- Profitability expected from H1 2020

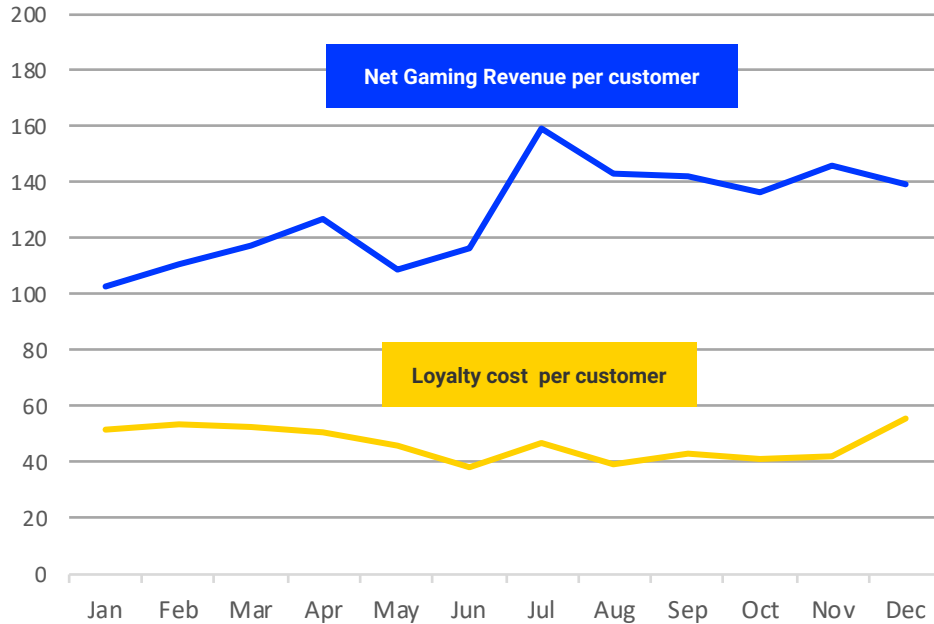
Gaming operators (B2C)



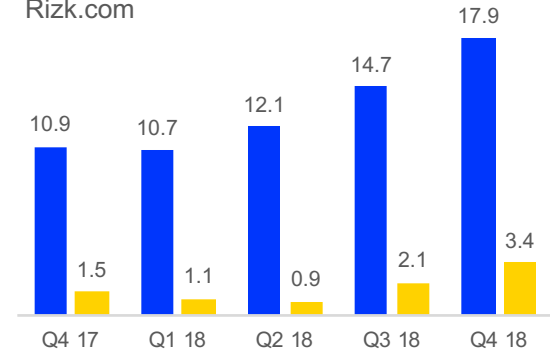
- ATH revenues increased by 2% from Q4 17. The Rizk brand represent ~70% of the B2C revenues
- Marketing costs represented 42% of the B2C revenue, compared to 54% in Q4 17
- Active real money players decreased to 176,044 (182,565), gross deposits increased by 6%
- 96% of revenues generated from core markets
- Challenging regulatory and market conditions in the UK and Sweden

Gaming Operators KPIs

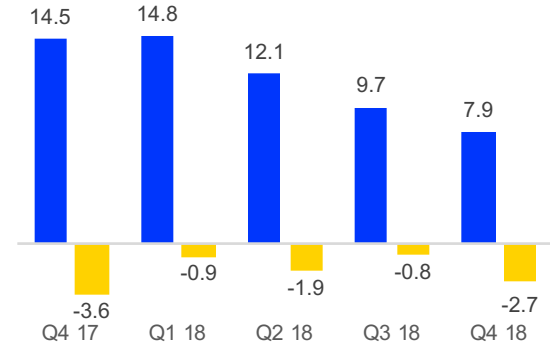
Rizk.com 2018 (EUR)



Rizk.com



Other brands combined



■ Revenue ■ EBITDA

Summary & outlook

- GiG closed the circle of being a full service provider with the launch of proprietary games, now covering all verticals in iGaming
- Focus evolved from developing new products to selling, marketing and improving products and technology on current investment level short and mid term
- Entering the US market with an omni-channel sportsbook solution, further opportunities on a customer-led basis
- Gaming Operators to grow in near-regulating markets, and developing sustainability model to win in regulated markets



**Applied for listing at NASDAQ Stockholm (main list)
- planned for March 2019**





Q/A





Appendix



Largest shareholders

Shareholder	# shares	%
Bryggen Holding AS	11 817 839	13.1 %
Swedbank Robur Ny Teknik	8 300 000	9.2 %
Super Innovative Limited	6 446 427	7.2 %
Henrik Persson Ekdahl	4 522 582	5.0 %
Andre Lavold	4 522 582	5.0 %
Hans Michael Hansen	4 360 445	4.8 %
Frode Fagerli	3 603 266	4.0 %
Avanza Bank AB nom.	2 613 094	2.9 %
Nordnet Bank AB nom.	2 154 145	2.4 %
Ben Clemes	1 882 146	2.1 %
CMM Invest AS	1 752 467	2.0 %
Anders Berntsen	1 714 271	1.9 %
Digeelva Invest AS	1 586 573	1.8 %
Fondita Nordic Micro Cap	1 500 000	1.7 %
Stenshagen Invest AS	1 483 500	1.7 %
G.F. Invest AS	1 400 000	1.6 %
Mikael Rises Harstad	1 292 166	1.4 %
Saxo Bank A/S nom.	1 167 401	1.3 %
Carnegie Investment nom.	1 116 670	1.2 %
Svenska Handelsbanken nom.	1 113 339	1.2 %
Other	25 656 713	28.5 %
Total issued shares	90 005 626	100.0 %

Income statement

Condensed Statements of Operations in EUR 1 000 (Unaudited)	Q4 2018	Q4 2017	2018	2017
Revenues	39 864	39 929	151 372	120 423
Cost of sales	7 795	6 516	27 358	20 521
Gross profit	32 069	33 413	124 014	99 902
Gross profit margin	80%	84%	82%	83%
Marketing expenses	11 593	13 102	47 247	47 093
One-off expenses	1 839	-	2 819	47 093
Other operating expenses	13 598	12 418	57 866	40 288
Total operating expenses	27 030	25 520	107 932	87 381
EBITDA	5 039	7 893	16 082	12 521
Depreciation & amortization	5 414	4 334	19 973	10 912
Impairment of intangibles	13 726	-	13 726	-
EBIT	-14 101	3 559	-17 617	1 609
Financial income (expense)	-1 982	193	-4 209	-1 054
Other income (expense)	3	-74	-113	-
Result before income taxes	-16 080	3 678	-21 939	555
Income tax refund (expense)	-491	-891	-815	-973
Net result	-16 571	2 787	-22 754	-418
Marketing in % of revenue:	29%	33%	31%	39%
Other operating in % of revenue:	34%	31%	38%	33%
EBITDA in % of revenue:	13%	20%	11%	10%

Cash flow

In EUR 1 000	Q4 2018	Q4 2017	2018	2017
Cash flow from operating activities	2 656	1 993	12 896	13 046
Cash flow from investment activities	-3 252	-15 820	-12 896	-67 616
Cash flow from financing activities	1 564	1 016	2 003	61 904
Translation loss	-157	-846	133	-2 571
Fair value movements	-15	-11	-15	1 281
Net change in cash and cash equivalents	796	-13 668	2 590	6 044
Cash and cash equivalents at start of period	13 873	25 747	12 079	6 035
Cash and cash equivalents at end of period	14 669	12 079	14 669	12 079

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)

	31 December 2018	31 December 2017
Assets		
Goodwill	69 253	69 444
Intangibles assets	69 570	91 997
Deposits and other non-current assets	7 963	7 179
Total non-current assets	146 786	168 620
Prepaid and other current assets	5	194
Trade and other receivables	28 602	24 769
Cash and cash equivalents	14 669	12 079
Total current assets	43 276	37 042
Total assets	190 062	205 662
Liabilities and shareholders' equity		
Total shareholders' equity	88 073	108 783
Trade payables and accrued expenses	34 193	28 568
Short term loans	617	-
Total current liabilities	34 810	28 568
Bond payable	64 230	66 466
Deferred tax liability	996	829
Long term loans	1 953	1 016
Total long term liabilities	67 179	68 311
Total liabilities	101 989	96 879
Total liabilities and shareholders' equity	190 062	205 662

Strong cash position

