

# GiG

## Q3 2018

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6 November 2018

# GiG

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

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## TODAY'S PRESENTER



**Robin Reed**

CEO

# OUTLINE

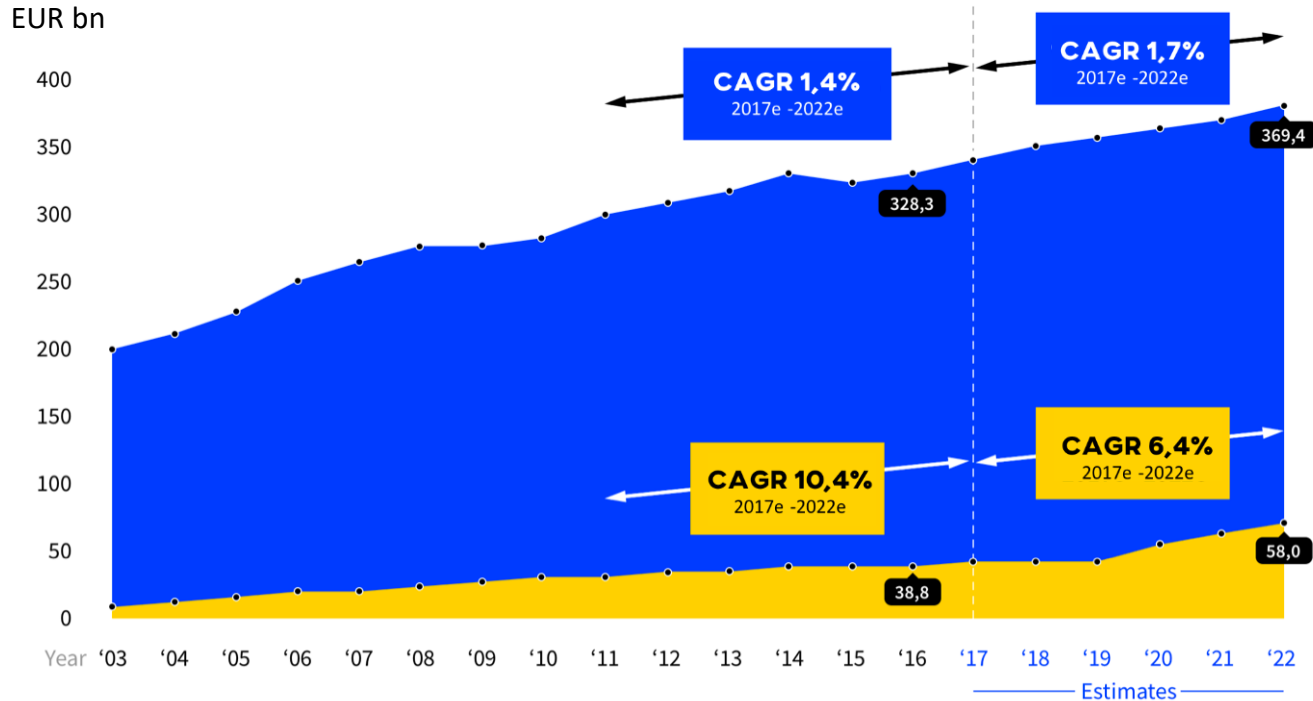
- Overview
- Highlights
- Strategic & Business Update
- Summary & Outlook
- Q/A

# OVERVIEW

- Technology company providing products, services and solutions across the entire iGaming value chain
- Founded in 2012
- ~740 GiGsters looking to disrupt the iGaming industry
- HQ in Malta, offices in Denmark, Norway, Spain, Gibraltar and the US
- Listed on Oslo Stock Exchange with the ticker symbol “GIG”



# DIGITAL TRANSFORMATION FROM OFFLINE TO ONLINE



- H2GC Global Gambling Data - Total Global Gross Win Development - Interactive
- H2GC Global Gambling Data - Total Global Gross Win Development - Landbased

# THE DIGITAL GAMBLING LIFECYCLE

GiG accelerates operators from brick and mortar excellence to digital stardom

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

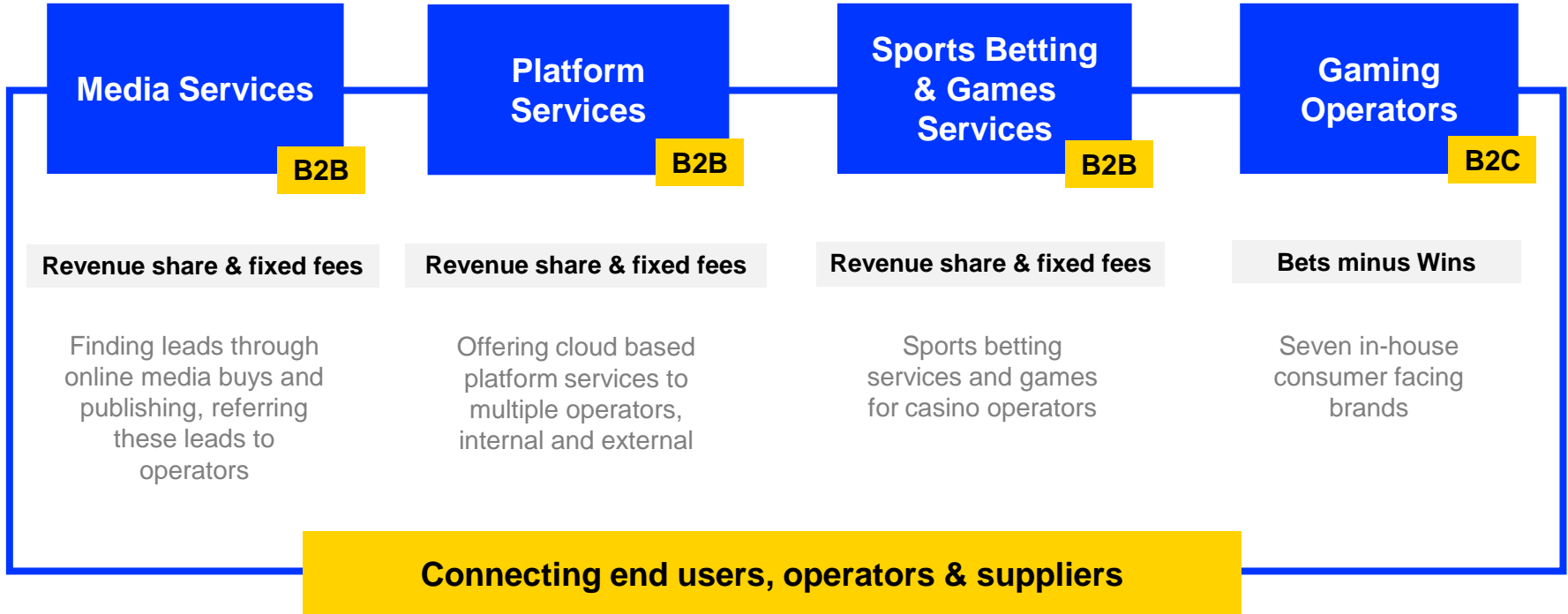


**GiG** SWEETSPOT



# THE GIG ECOSYSTEM

A full service offering for any company serious about its iGaming business



**“We are becoming the **one stop shop for** every company serious about its **iGaming Business**”**

A large yellow triangle is positioned in the bottom right corner of the slide, pointing upwards and to the left.



## Q3 HIGHLIGHTS

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- Gaming Operators: strategic measures led to positive EBITDA
- Strong start in New Jersey with Hard Rock
- First external Sportsbook agreement signed with 11.lv
- First external contract for GiG Comply signed with Mr Green



# EVENTS AFTER Q3

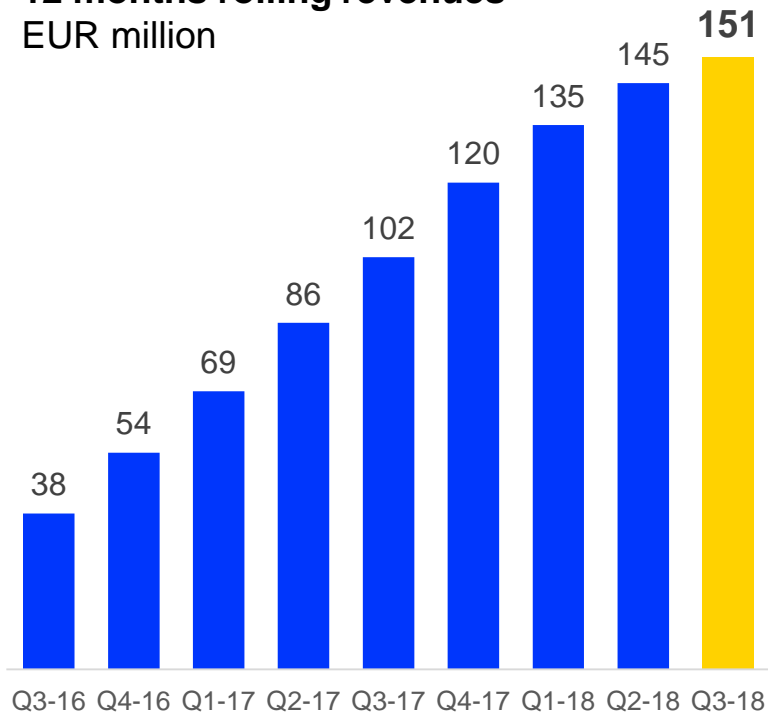
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- Hard Rock signed a letter of intent for omni-channel Sportsbook solution
- GiG Games launched its first game and signed with game studio Jade Rabbit and reseller Join Games
- Sportsbook agreement signed with MetalCasino
- Thrills relaunched as a 'Pay N Play' brand

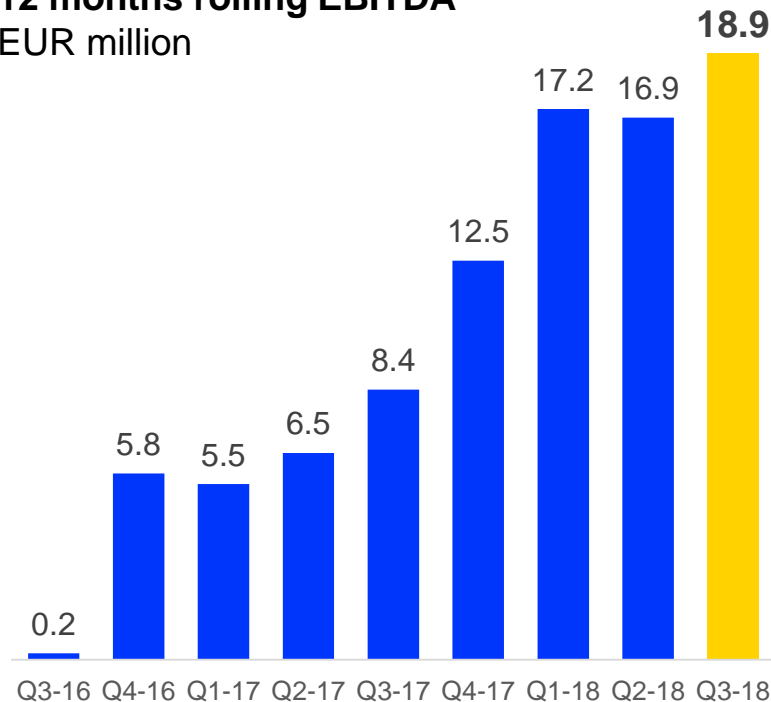


# CONTINUED STABLE AND POSITIVE DEVELOPMENT

12 months rolling revenues  
EUR million



12 months rolling EBITDA  
EUR million



# Q3 FINANCIAL HIGHLIGHTS

**€37.3m**

**Revenues**

+ 21% Y/Y

**€6.3m**

**Cost of sales**

+ 28% Y/Y

**€10.6m**

**Marketing**

- 11% Y/Y

**€15.3m**

**Other opex**

+ 40% Y/Y

**€5.0m**

**EBITDA**

+ 66% Y/Y



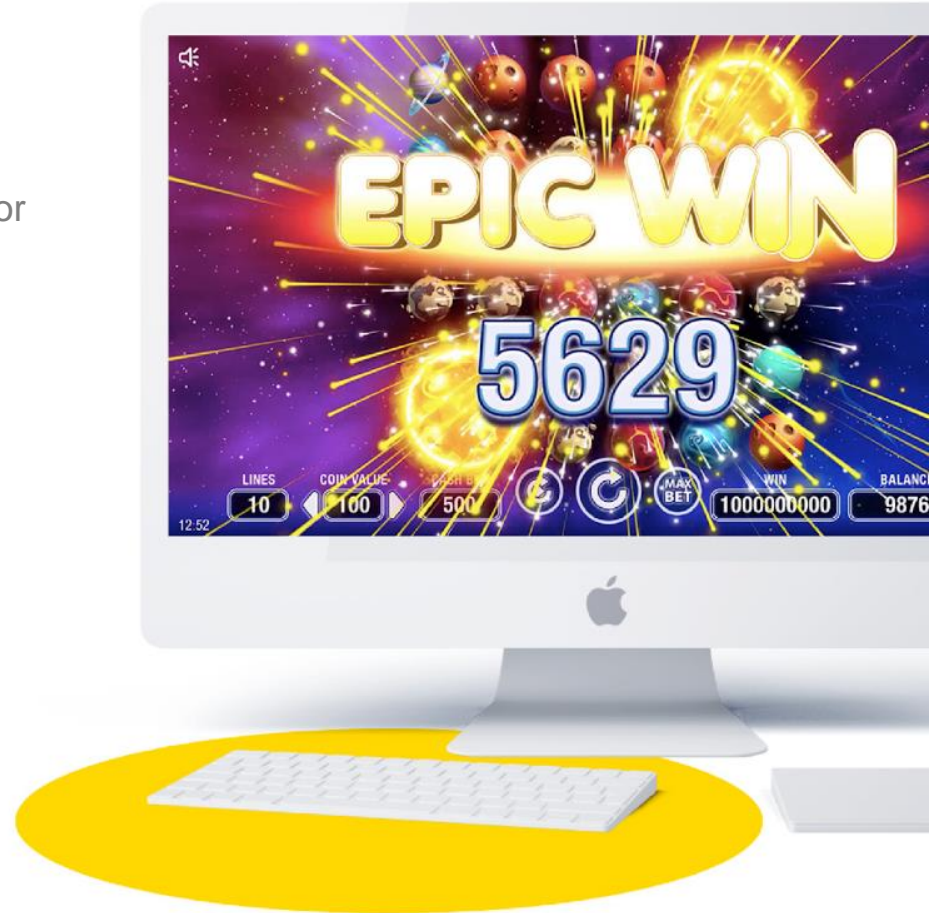
# Strategic Update



# B2B UPDATE

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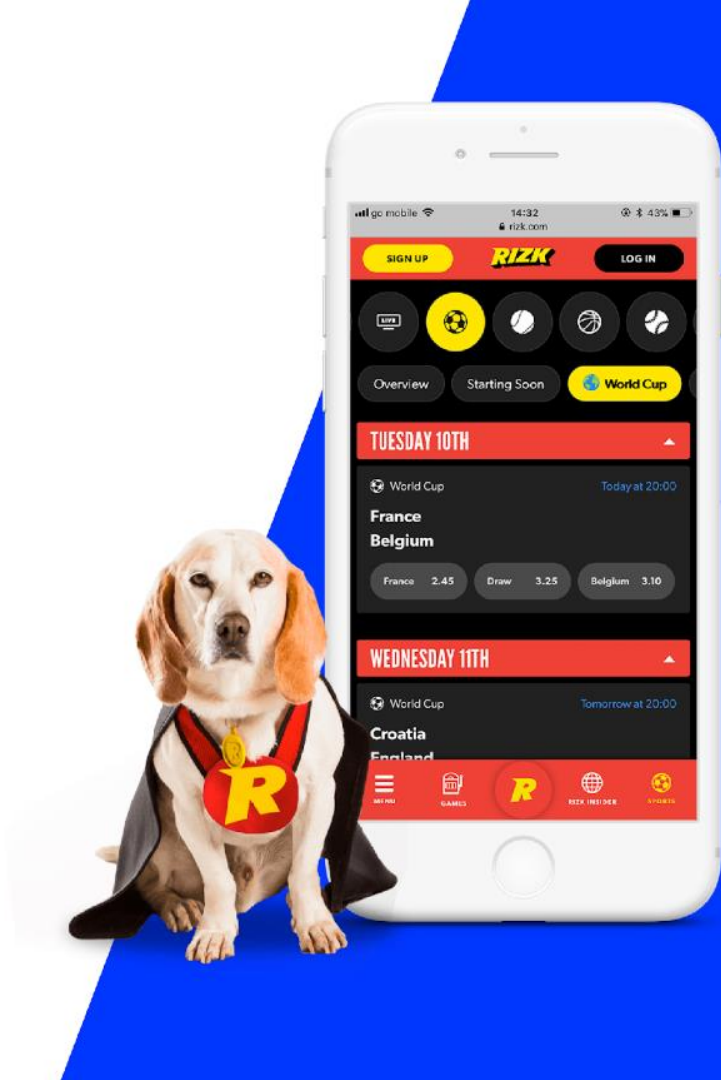
- GiG offering a full turnkey gambling solution for the whole iGaming value chain
- GiG offering omni-channel solution (retail and online)
- GiG Games launched its first in-house developed game
- GiG granted permission to offer its sports and games services under the B2B licence to UK operators
- GiG awarded ISO 27001 certification



# B2C UPDATE

Strategic review of the Gaming Operator vertical resulted in:

- Positive EBITDA of €1.4m compared to a loss of €2.8m in Q2 2018
- Lower marketing cost to revenues of 42% (57%), goal around 40%
- Tim Parker (previously MD of Rizk) promoted to Chief Marketing Officer of GiG





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**Play**  
 The more you play the more rewards you earn! From Freespins, to Cash money and even great Hard Rock items.



# HARD ROCK

Letter of intent signed for omni-channel Sportsbook, retail and online

Expecting to go live in Q4 2018

Positive start in Casino since launch



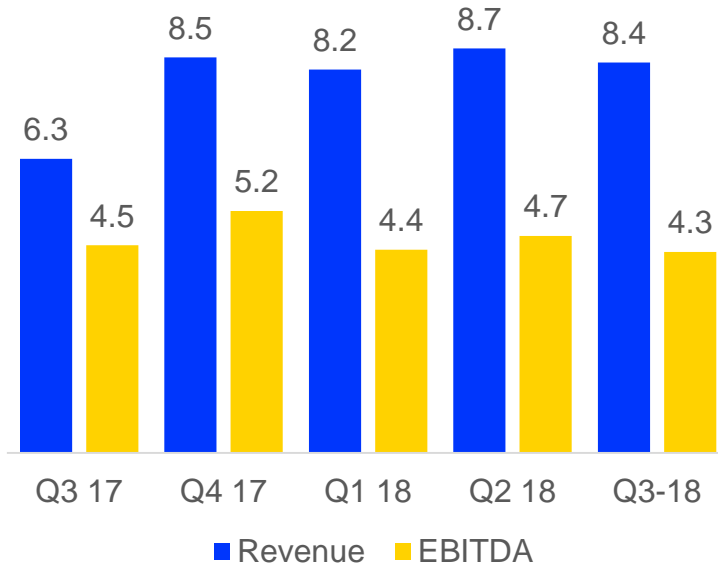


# Business Update



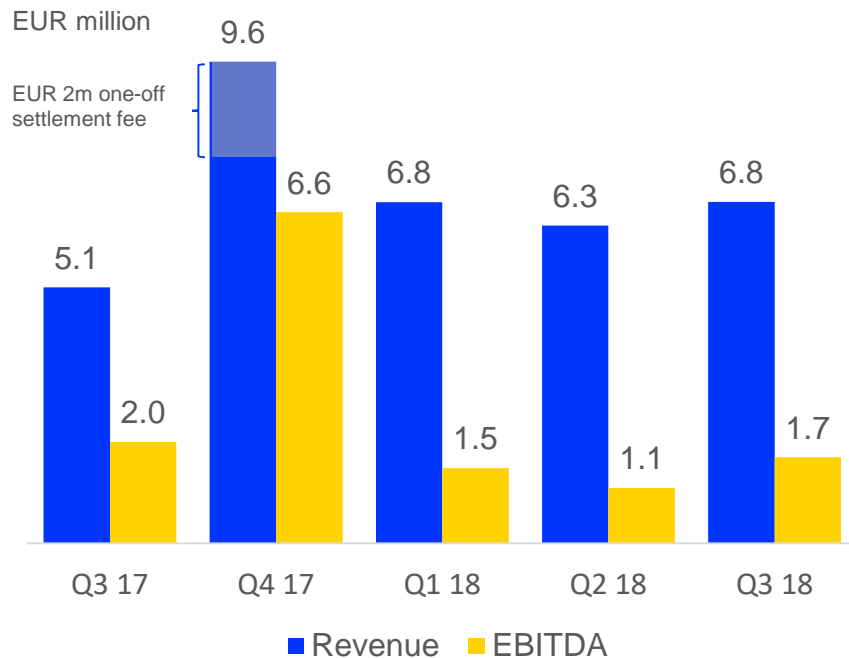
# MEDIA SERVICES (B2B)

EUR million



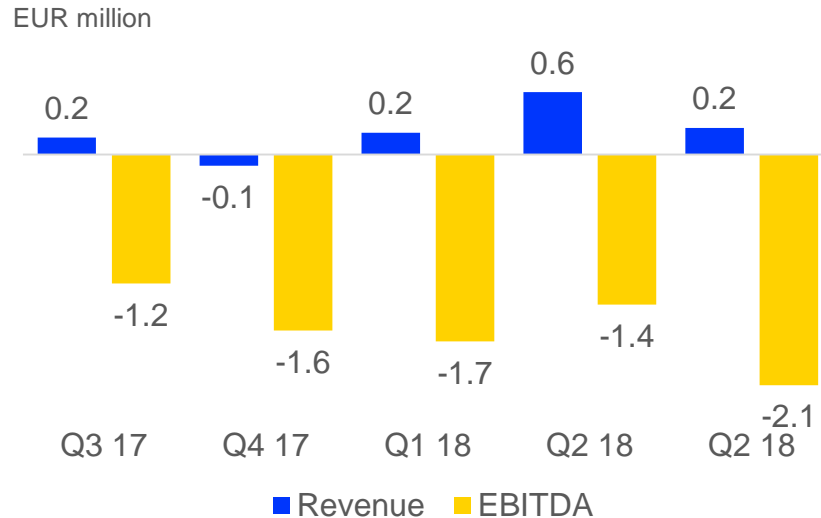
- Revenues increased by 33% compared to Q3 2017 with 11% organic growth
- 29,288 (29,029) FTD's referred in Q3 2018
  - 12% of FTD's referred to operators in GiG's ecosystem
- 72% of revenues from revenue share agreements, 13% from CPA and 15% from listing fees

# PLATFORM SERVICES (B2B)



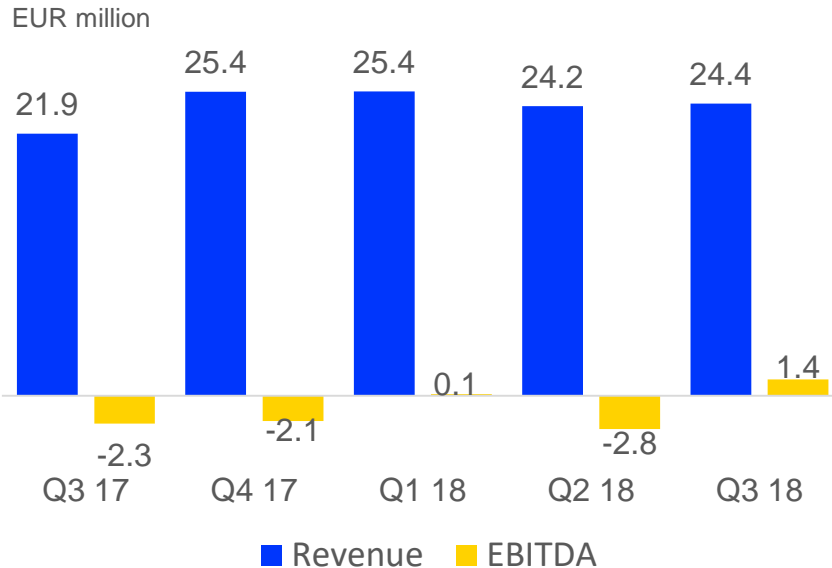
- Total database transactions increased by 50% to 4.8 (3.2) bn compared to Q3 2017
- Revenues increased by 33% compared to Q3 2017, with 86% from external operators
- First external poker agreement signed with OneTimePoker
- 4 new brands live in Q3, a total of 37 brands operating on the platform in the quarter

# SPORTS BETTING SERVICES (B2B)



- Successful launch of new sportsbook with Rizk.com
- Sold to external B2B operators, together with a letter on intent with Hard Rock
- Negative impact from trading, these activities have ceased from October 2018

# GAMING OPERATORS (B2C)



- Revenues increased by 11% from Q3 17
  - Marketing costs was 42% of GIG Gaming revenue, compared to 54% in Q2 18
  - Active real money players increased to 190,875 (169,791), gross deposits increased by 18%
- 95% of revenues generated from core markets in Q3 18
- Challenging regulatory conditions in the UK and competition from Pay N Play in Sweden have offset growth YTD



# SUMMARY

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- Investments in building an ecosystem of iGaming products and solutions covering the whole iGaming value chain continued in Q3, with all products and solutions live and sold externally
- Strong EBITDA development of 66% compared to Q3 2017
- New Sportsbook sold to external operators and a letter of intent for omni-channel Sportsbook signed with Hard Rock
- Proprietary Games launched
- Operational improvement within own brands

# OUTLOOK

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- Ready to leverage on our complete ecosystem and key strengths driving revenue and market share for our partners
- Attracting new customers converting from offline to online
- Geographical expansion focusing on regulated and soon-to-be regulated markets
- Guidance update for the full year 2018:  
GiG expects revenues between €149 - 152m and an EBITDA between €16 - 18m



**Listing at NASDAQ Stockholm (main list)  
planned for Q1 2019 pending market conditions**







**Q/A**





# 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	83 000 000	9.3 %
Super Innovative Limited	64 464 272	7.2 %
Hans Michael Hansen	43 604 272	4.9 %
Frode Fagerli	36 032 671	4.0 %
Avanza Bank AB nom.	23 871 839	2.7 %
Nordnet Bank AB nom.	18 903 542	2.1 %
Ben Clemes	18 821 468	2.1 %
CMM Invest AS	17 524 671	2.0 %
Anders Berntsen	17 142 713	1.9 %
Digeelva Invest AS	16 140 292	1.8 %
Fondita Nordic Micro Cap	15 000 000	1.7 %
Stenshagen Invest AS	14 835 000	1.7 %
Skandinaviska Enskilda Banken nom.	14 398 005	1.6 %
G.F. Invest AS	14 000 000	1.6 %
Svenska Handelsbanken nom.	11 474 808	1.3 %
Saxo Bank A/S nom.	10 634 801	1.2 %
Myrlid AS	10 000 000	1.1 %
Carnegie Investment nom.	9 141 883	1.0 %
Other	235 114 883	26.3 %
<b>Total issued shares</b>	<b>895 656 266</b>	<b>100.0 %</b>

# INCOME STATEMENT

Condensed Statements of Operations in EUR 1 000 (Unaudited)	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
<b>Revenues</b>	<b>37 283</b>	<b>30 841</b>	<b>111 507</b>	<b>80 494</b>	<b>120 423</b>
Cost of sales	6 348	4 959	19 562	14 005	20 521
<b>Gross profit</b>	<b>30 935</b>	<b>25 882</b>	<b>91 945</b>	<b>66 489</b>	<b>99 902</b>
Gross profit margin	83%	84%	82%	83%	83%
Marketing expenses	10 635	11 948	35 653	33 991	47 093
Other operating expenses	15 252	10 886	45 249	27 870	40 288
Total operating expenses	25 887	22 834	80 902	61 861	87 381
<b>EBITDA</b>	<b>5 048</b>	<b>3 048</b>	<b>11 043</b>	<b>4 628</b>	<b>12 521</b>
Depreciation & amortization	4 969	3 186	14 559	6 578	10 912
<b>EBIT</b>	<b>79</b>	<b>-138</b>	<b>-3 516</b>	<b>-1 950</b>	<b>1 609</b>
Financial income (expense)	-2 502	-491	-2 149	-1 766	-1 054
Other income (expense)	-50	184	-194	593	-
<b>Result before income taxes</b>	<b>-2 473</b>	<b>-445</b>	<b>-5 589</b>	<b>-3 123</b>	<b>555</b>
Income tax refund (expense)	-144	-55	-324	-82	-973
<b>Net result</b>	<b>-2 617</b>	<b>-500</b>	<b>-6 183</b>	<b>-3 205</b>	<b>-418</b>
Marketing in % of revenue:	29%	39%	32%	42%	39%
Other operating in % of revenue:	41%	35%	41%	35%	33%
EBITDA in % of revenue:	14%	10%	10%	6%	10%

# CASH FLOW

In EUR 1 000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Cash flow from operating activities	422	2 203	10 680	11 420	13 046
Cash flow from investment activities	-2 618	-26 428	-9 176	-50 894	-67 616
Cash flow from financing activities	-	24 671	-	59 619	61 904
Translation loss	48	110	290	-1 725	-2 571
Fair value movements	-3	-4	-	1 292	1 281
Net change in cash and cash equivalents	-2 151	552	1 794	19 712	6 044
Cash and cash equivalents at start of period	16 024	25 195	12 079	6 035	6 035
Cash and cash equivalents at end of period	13 873	25 747	13 873	25 747	12 079

# BALANCE SHEET

Condensed Balance Sheet in EUR 1 000 (Unaudited)

	30 September 2018	30 September 2017	31 December 2017
<b>Assets</b>			
Goodwill	69 681	69 186	69 444
Intangibles assets	85 580	93 927	91 997
Deposits and other non-current assets	8 385	6 165	7 179
Total non-current assets	163 646	169 278	168 620
Prepaid and other current assets	25	137	194
Trade and other receivables	20 305	16 915	24 769
Cash and cash equivalents	13 873	25 747	12 079
Total current assets	34 203	42 799	37 042
<b>Total assets</b>	<b>197 849</b>	<b>212 077</b>	<b>205 662</b>
<b>Liabilities and shareholders' equity</b>			
Total shareholders' equity	104 192	106 330	108 783
Trade payables and accrued expenses	28 686	38 431	28 568
Short term loans	-	-	-
Total current liabilities	28 686	38 431	28 568
Bond payable	62 684	66 526	66 466
Deferred tax liability	1 230	790	829
Long term loans	1 057	-	1 016
Total long term liabilities	64 971	67 316	68 311
Total liabilities	93 657	105 747	96 879
<b>Total liabilities and shareholders' equity</b>	<b>197 849</b>	<b>212 077</b>	<b>205 662</b>