

GiG

Q1 2019



6 Feb 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
- Outlook
- Q/A

GiG overview

iGaming solutions based on innovative technology



2012

GiG founded



2015

Listed on the Oslo Stock exchange



Present

Dual-listing on Nasdaq Stockholm



~700

No of **Employees**

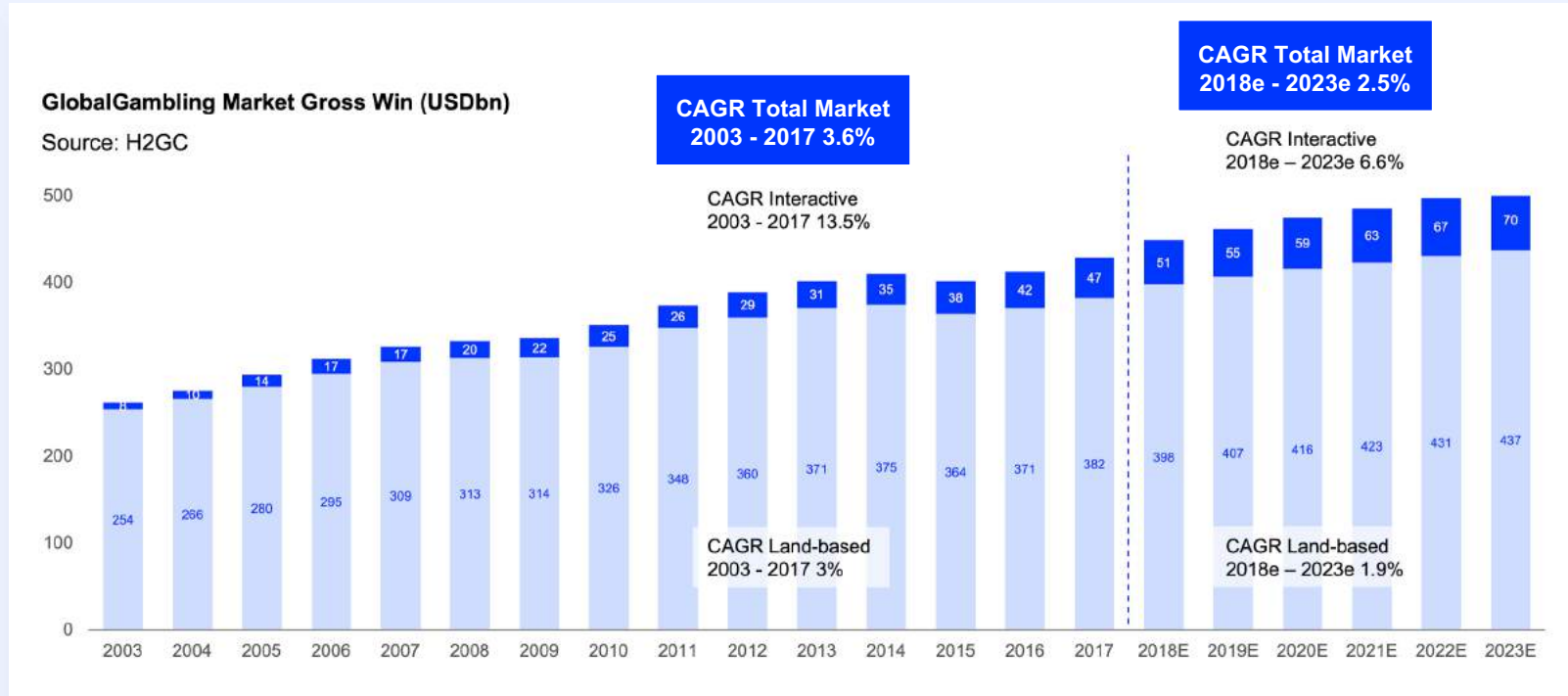


Offices in Malta, Denmark, Gibraltar, Norway, Spain, USA



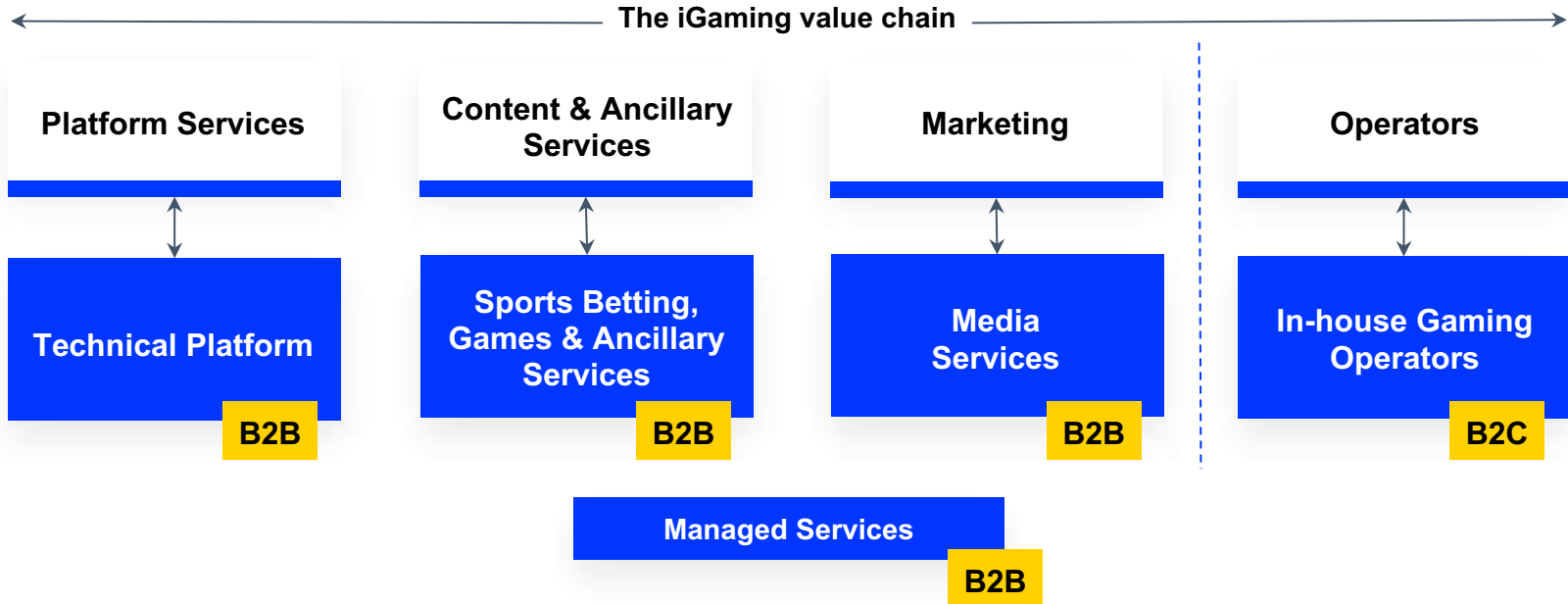
Licences in Malta, UK, New Jersey, Germany S-H, Sweden, Spain (pending)

Underlying market growth & offline to online growth



GiG: iGaming solutions based on innovative technology

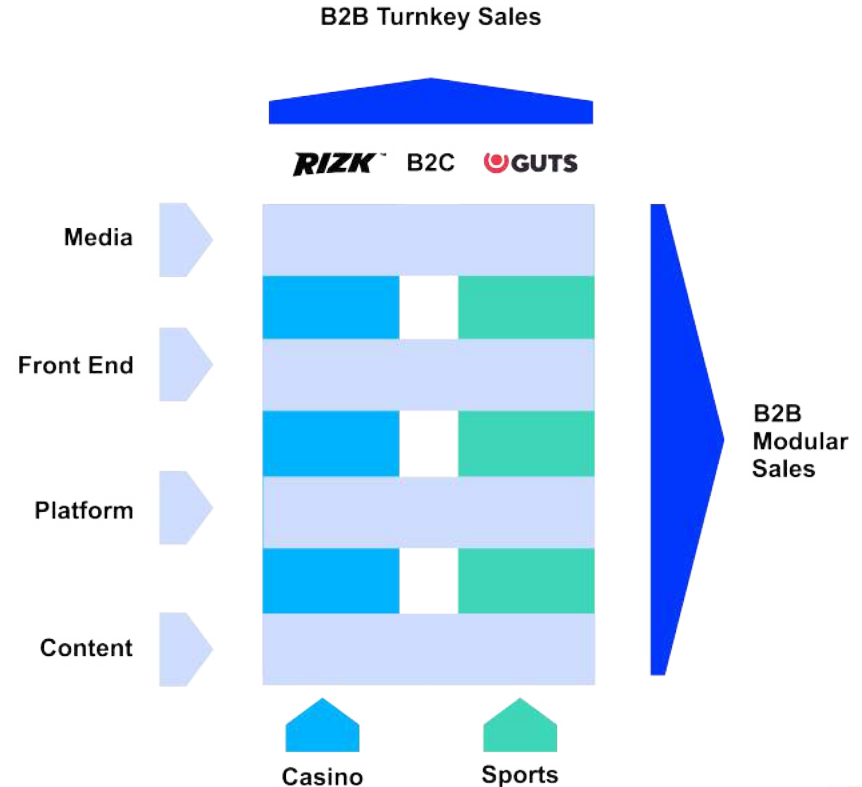
Products & services throughout the entire iGaming value chain



Product categories & services

- In GiG we operate within two product categories: Casino and Sports.
- We produce our own content such as Odds and Games, we build our own backend, we develop our own front end and we have a media network for distribution.
- These are built as products for Rizk, our casino, and Guts our sportsbook.
- We build our products with B2B sales in mind and once proven by our brands we sell as standardised products, either as a full turnkey solution or as bolt-on modules.

Our aim is to achieve digital perfection across the whole value chain for Casino and Sports, evidence it B2C and sell it B2B.



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

A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right.

Highlights

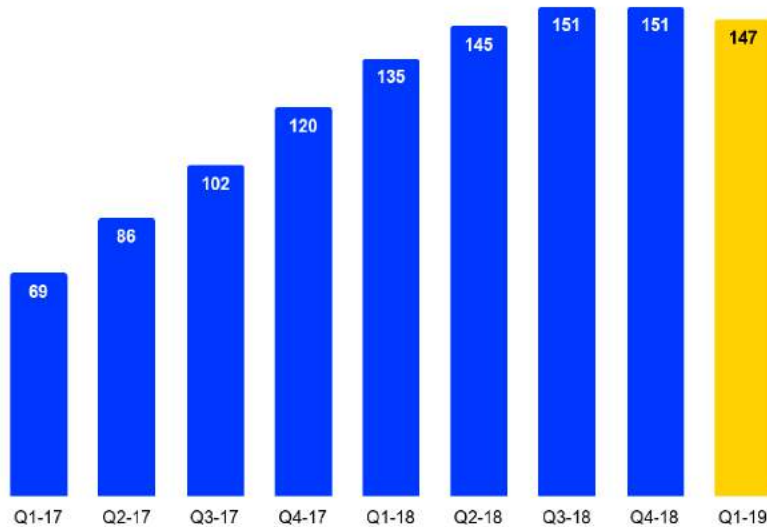
Transformational quarter with increased regulation and taxation, positive outlook and many opportunities

- All-Time-High revenues in Media, continued solid and stable growth trend and largest contribution to group profits
- Initial revenue impact from Sweden absorbed by March
- Omni-channel sportsbook launched with Hard Rock in New Jersey
- Supporting Megalotto to enter the Lottery vertical
- Strong traction for new marketing compliance tool 'Comply'
- Dual-listing on Nasdaq Stockholm 26 March 2019
- The process of reaching an agreement with a new major land-based customer, as indicated in the Q4 report, is on track

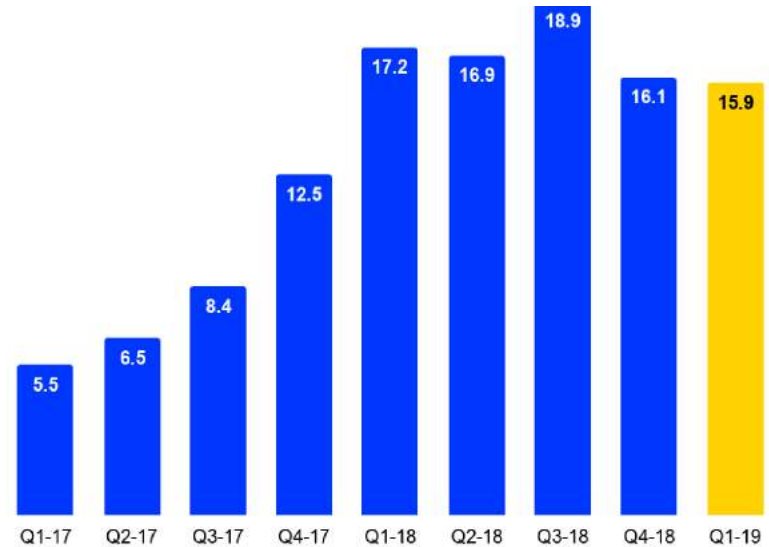


Stable development

12 months rolling revenues
EUR million



12 months rolling EBITDA
EUR million



Q1 Financial Highlights

€32.4m

Revenues
-13% Y/Y

€6.4m

Cost of sales
-6% Y/Y

€8.6m

Marketing
-28% Y/Y

€13.3m

Other opex
-7% Y/Y

€4.1m

EBITDA
-5% Y/Y



Strategic Update





Strategic focus areas

Strategic intent and development:

- Stable growth in high margin media business
- Expansion into high margin, low entry barrier markets with B2C operators
- Long-term sustainability through increased share of regulated markets
- Accelerate growth and reach through B2B turnkey partnerships and modular sales
- Acquire and train the best management and leadership
- Develop product positioning and tech scalability
- Increased operational efficiency

B2C update

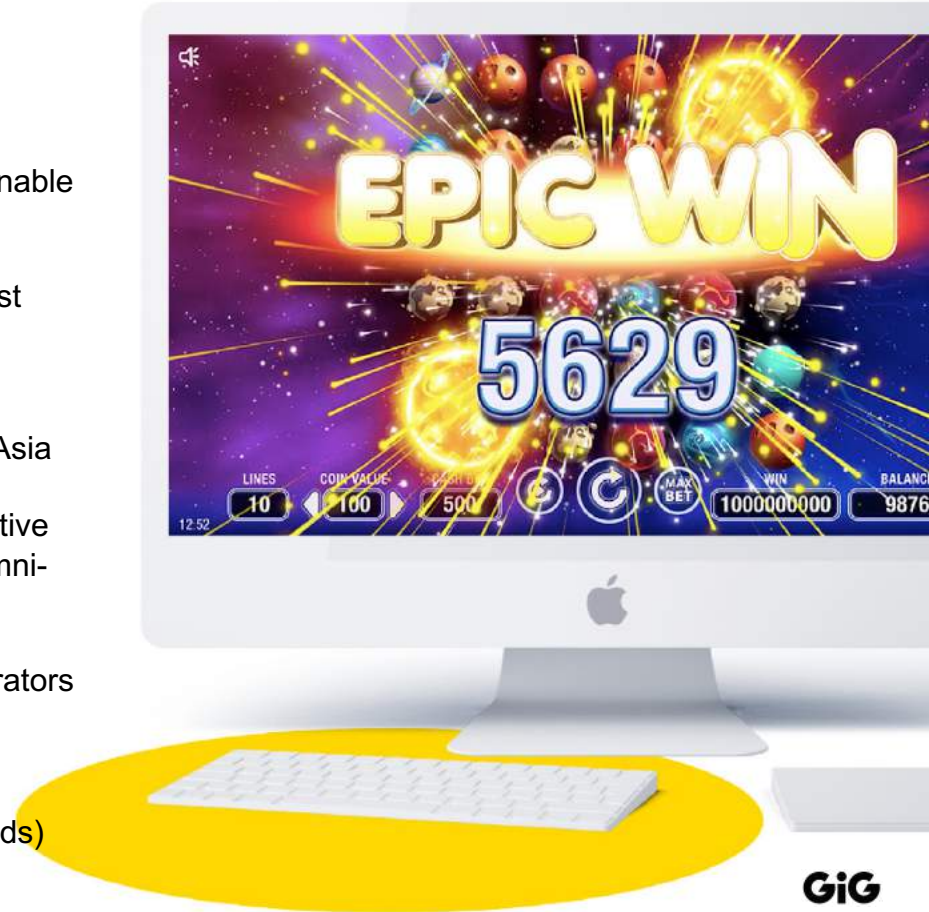
Strategic review in 2018 yielding positive results

- Fewer and larger brands
 - Improved EBITDA despite reduced revenues
 - Growth in major brand Rizk (71% of B2C revenues)
- Focus on Rizk for Casino and Guts under development for Sports Betting
 - Re-investing marketing spend in core and new markets in Q2 to boost performance in H2-19
 - B2C strategy evolving: expansion in less mature markets such as Spain, LatAm and parts of Asia
 - Going forward: key focus on developing sustainability model for regulated markets



B2B update

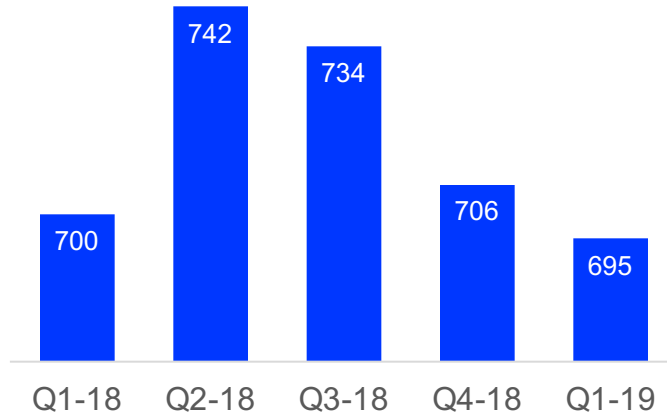
- Media Services' stable profit generation continues to enable investments for growth
- Awarded the top 5 position at EGR's Power Affiliates list (up 7 places from 2018)
- Opportunity to grow both Paid media and Publishing in current and new markets such as North & LatAm and Asia
- Sports Betting Services focusing on developing innovative trading tools, improved front end and to build on the omni-channel sportsbook
- Marketing compliance tool GiG Comply sold to 10 operators
- 4 proprietary games launched (2 in Q1)
- 1 new brand signed to Platform Services (total 39 brands)



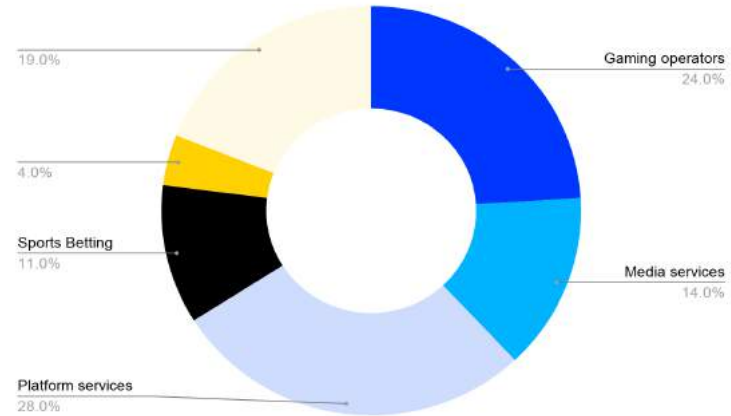
Operations

Continued strong focus on recruiting, training and empowering the best leadership

Headcount – end of quarter



Headcount distribution



Sustainability

“GiG builds a sustainable business to provide a fair and fun gambling environment for all stakeholders.”

Initiatives in Q1 2019:

- GiG formed a trade body in Norway in collaboration with the industry to combine efforts in order to improve the regulatory standing, and reduce the social impact of the industry
- GiG trained over 75 employees in RG-related roles via an extensive responsible gambling course led by professional trainers from the leading provider of training and treatment problem gambling, UK based independent charity, GamCare.

Full Sustainability Report available on gig.com/ir

In April, GiG published its inaugural Sustainability Report covering the Company’s key focus areas:





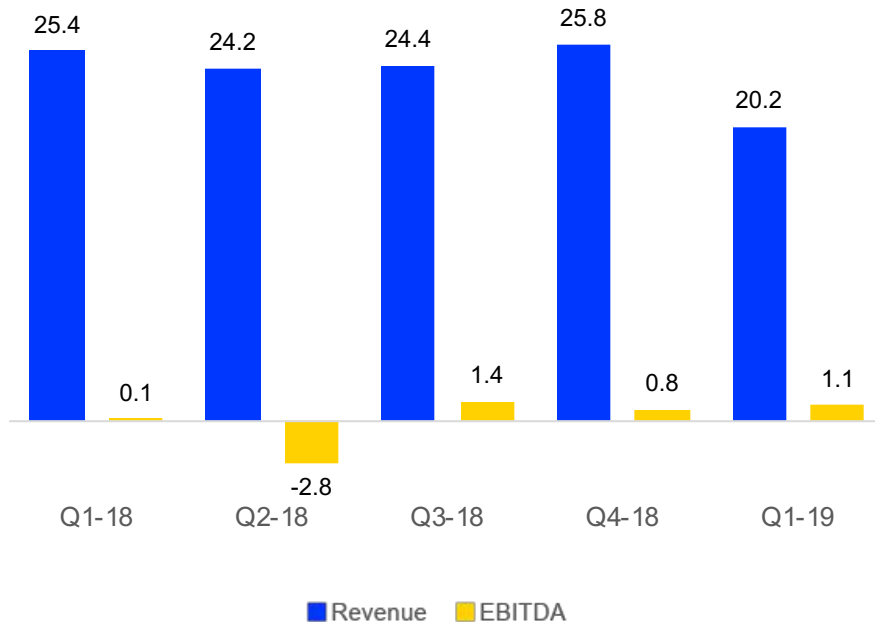
Business Update



Gaming operators (B2C)



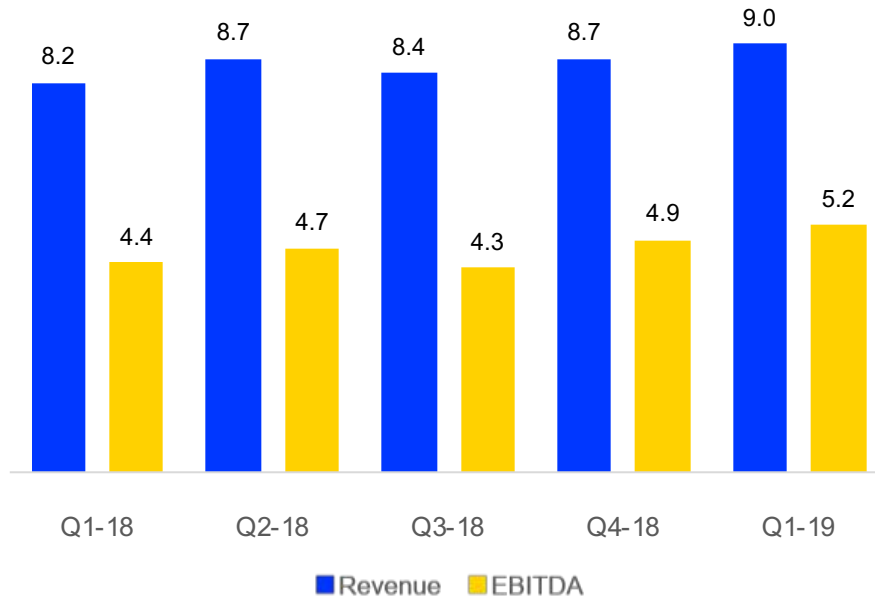
EUR million



- Transformational regulatory and market conditions
- EBITDA improved from €0.1m to €1.1m YoY
- Rizk represents 71% of B2C revenues with a growth of 34% from Q1 2018
- Marketing costs decreased by 28% from Q1 2018 and represented 39% of the B2C revenue, compared to 46% in Q1 2018
- 42% of revenues generated from regulated or near-regulated markets

Media services (B2B)

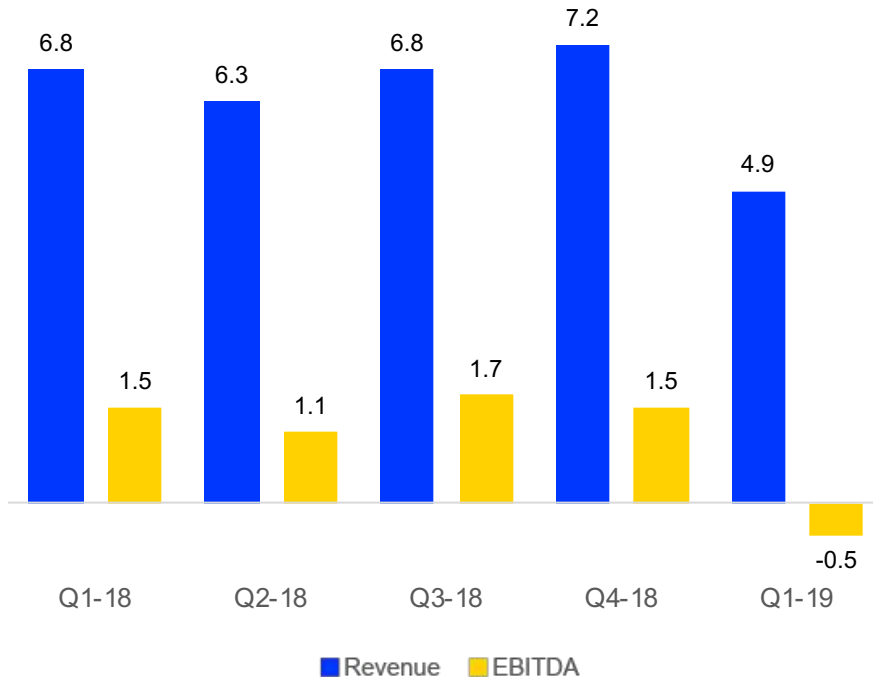
EUR million



- ATH revenues increased by 10% compared to Q1 2018 – all organic
- 34,408 (32,382) FTD's referred, 13% to own brands and platform clients
- The paid model, representing 15% of Media revenues, regained profitability in Q1
- 57% of revenues from revenue share agreements, 19% from CPA and 22% from listing fees. 2% from other

Platform services (B2B)

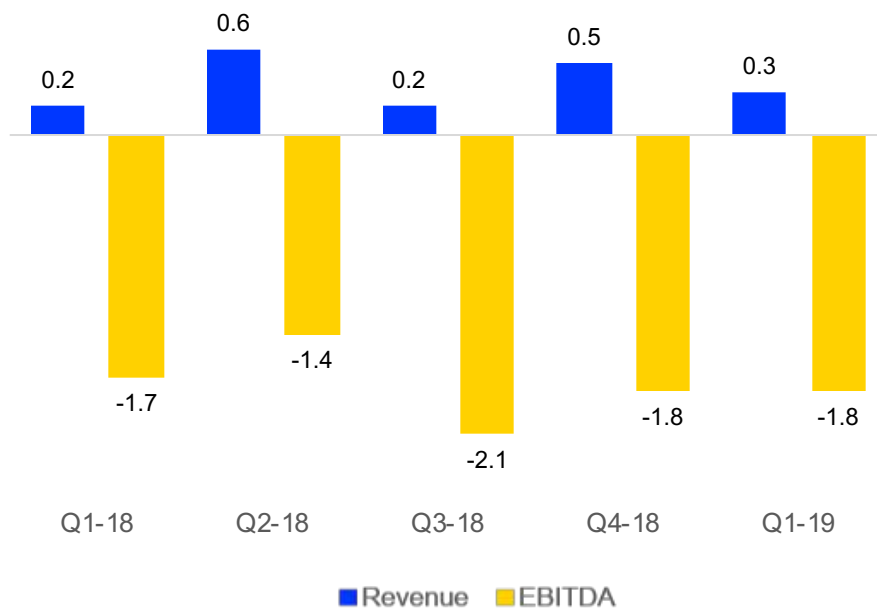
EUR million



- Agreement signed with Megalotto to support its entry and growth in the Lottery vertical
- Revenues decreased mainly due to the termination of a major customer negatively impacting revenues in Q1 by ca €2 million
- EBITDA impacted by negative contribution of €0.8m from Games and Magic
- A total of 39 brands are operating on the platform, 1 new brand signed and 4 ceased operations in Q1
- 1 brand launched in April and 4 brands are in the pipeline for launch
- Total database transactions was 4.3bn (4.7)

Sports betting services (B2B)

EUR million



- Full omni-channel product launched in New Jersey with partner Hard Rock in February
- Current burn-rate to be reduced throughout 2019
- Profitability expected from H1 2020 driven by promoting the Guts brand on sports betting, further developing the sportsbook and a focused B2B partnership model
- 2 external and 1 internal customers live with GiG's Sports Betting Services, 3 in pipeline

Outlook



- Launch Rizk in Spain in Q3, initiating marketing in Q4
- Launch and market Rizk in selected Asian markets from Q2 and LatAm in H2
- Stable development and high margins for Media
- Sign and launch one large B2B Turnkey contract in H1
- Launch sportsbook portfolio on Guts to position for growth in key markets
- Accelerate sales of GiG Comply
- Launch strong titles and accelerate growth of Games in Q2 and Q3
- Complete target architecture by year end to migrate entire business to highly scalable tech throughout 2020
- Continue to improve delta for other operating expenses to revenues
- Expect Turnkey Contracts with larger operators and Modular sales to replace and exceed WL model over time



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 %
Andre Lavold	4 672 582	5.0 %
Henrik Persson Ekdahl	4 522 582	5.0 %
Hans Michael Hansen	4 360 445	4.8 %
Skandinaviska Enskilda Banken nom.	4 091 472	4.5 %
Frode Fagerli	3 628 266	4.0 %
Stenshagen Invest AS	2 478 585	2.8 %
Avanza Bank AB nom.	2 190 013	2.4 %
Ben Clemes	1 882 146	2.1 %
Nordnet Bank AB nom.	1 879 236	2.1 %
CMM Invest AS	1 752 467	1.9 %
Ander Berntsen	1 714 271	1.9 %
Saxo Bank A/S nom.	1 619 265	1.8 %
Digeelva Invest AS	1 586 575	1.8 %
Fondita Nordic Micro Cap	1 500 000	1.7 %
G.F. Invest AS	1 400 000	1.6 %
Mikael Riese Harstad	1 292 166	1.4 %
Carnegie Investment nom.	970 545	1.1 %
Other	21 900 744	24.3 %
Total issued shares	90 005 626	100.0 %

Income statement

Condensed Statements of Operations in EUR 1 000 (Unaudited)	Q1 2019	Q1 2018	2018
Revenues	32 423	37 339	151 372
Cost of sales	6 447	6 850	27 358
Gross profit	25 976	30 489	124 014
Gross profit margin	80%	82%	82%
Marketing expenses	8 582	11 863	47 247
One-off expenses	-	-	2 619
Other operating expenses	13 284	14 293	58 066
Total operating expenses	21 866	26 156	107 932
EBITDA	4 110	4 333	16 082
Depreciation & amortization	6 566	4 700	19 973
Impairment of intangibles	-	-	13 726
EBIT	-2 456	-367	-17 617
Financial income (expense)	-255	1,324	-4 210
Other income (expense)	-30	-95	-113
Result before income taxes	-2 741	862	-21 940
Income tax refund (expense)	-135	22	-815
Net result	-2 876	884	-22 755
Marketing in % of revenue:	27%	32%	31%
Other operating in % of revenue:	41%	38%	38%
EBITDA in % of revenue:	13%	12%	11%

Cash flow

In EUR 1 000	Q1 2019	Q1 2018	2018
Cash flow from operating activities	2 629	2 010	12 484
Cash flow from investment activities	-4 180	-3 490	-12 386
Cash flow from financing activities	-	-	2 374
Translation (loss)/gain	-32	86	133
Fair value movements	40	26	-15
Net change in cash and cash equivalents	-1 543	-1 368	2 590
Cash and cash equivalents at start of period	14 669	12 079	12,079
Cash and cash equivalents at end of period	13 126	10 711	14 669

Balance sheet

Condensed Balance Sheet in EUR 1 000 (Unaudited)

	31 March 2019	31 March 2018	31 Dec 2018
Assets			
Goodwill	69 547	69 543	69 570
Intangibles assets	66 163	90 216	69 253
Deposits and other non-current assets	15 141	7 940	8 061
Total non-current assets	150 851	167 699	146 884
Prepaid and other current assets	44	67	5
Trade and other receivables	19 970	25 882	28 473
Cash and cash equivalents	13 126	10 711	14 669
Total current assets	33 140	36 660	43 147
Total assets	183 991	204 359	190 031
Liabilities and shareholders' equity			
Total shareholders' equity	84 724	110 212	88 072
Trade payables and accrued expenses	27 937	30 025	34 204
Short term loans	620	-	617
Total current liabilities	28 557	30 025	34 821
Bond payable	62 367	62 260	64 230
Deferred tax liability	5 325	-	-
Deferred tax liability	1 056	829	955
Long term loans	1 962	1 033	1 953
Total long term liabilities	70 710	64 122	67 138
Total liabilities	99 267	94 147	101 959
Total liabilities and shareholders' equity	183 991	204 359	190 031

Strong cash position

