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# Q3-24

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**GiG** | GiG Software PLC

Ticker: GIG SDB

**Q3 Report**

13 November 2024

# GiG in brief

Founded from **Scandinavian origins** in 2012.

Publicly listed on both the Nasdaq Stockholm and Oslo Børs, GiG is a global leader in iGaming Platform and Sportsbook for regulated markets, boasting licences in 30 jurisdictions worldwide.



Listed on Nasdaq First North Premier Growth market (Sweden), ticker: GIG SDB



70+ brands live worldwide

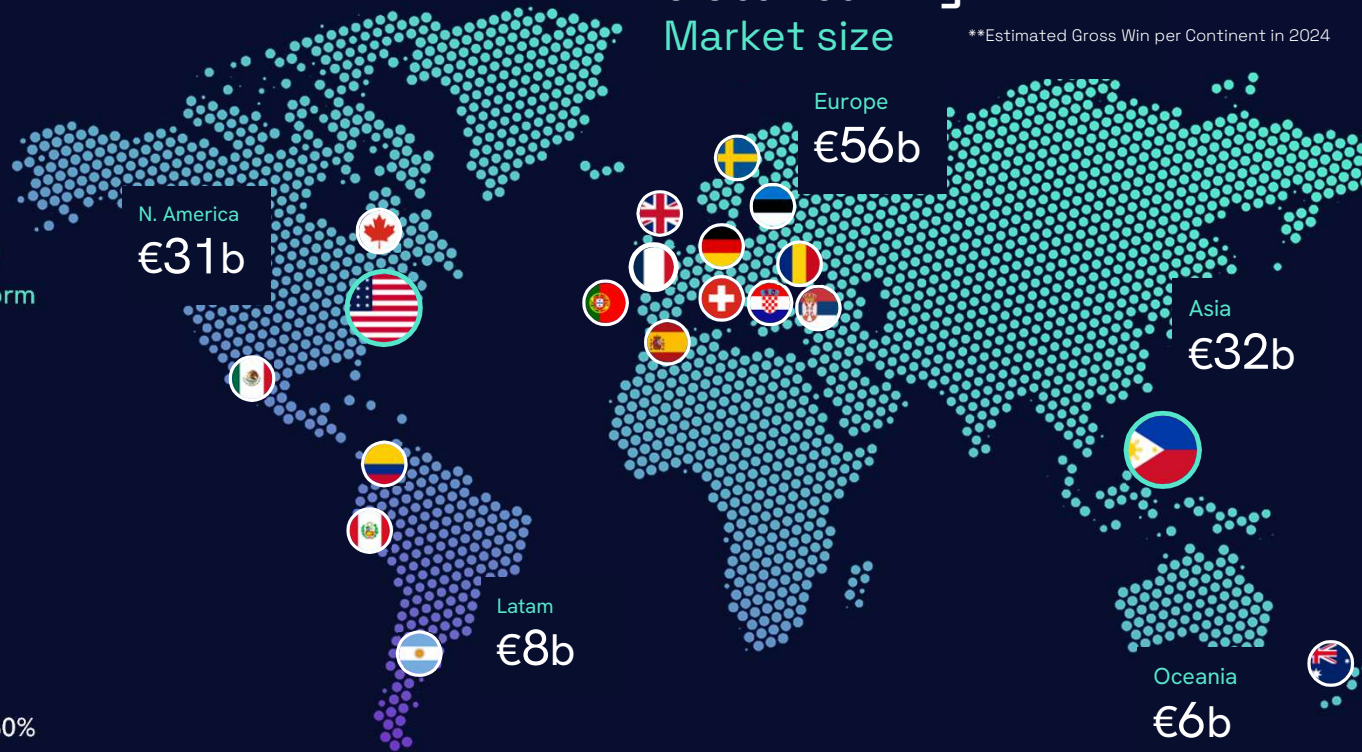


30+ global platform licenses, with over 80% GGR generated from regulated markets

ISO 27001:2013 certification for Platform, Data platform, Frontend development, CMS and Sportsbook.

## Global iGaming Market size

\*\*Estimated Gross Win per Continent in 2024



### Offices

in Malta, Spain & France

### ~450

Employees

### 30

Global platform licenses

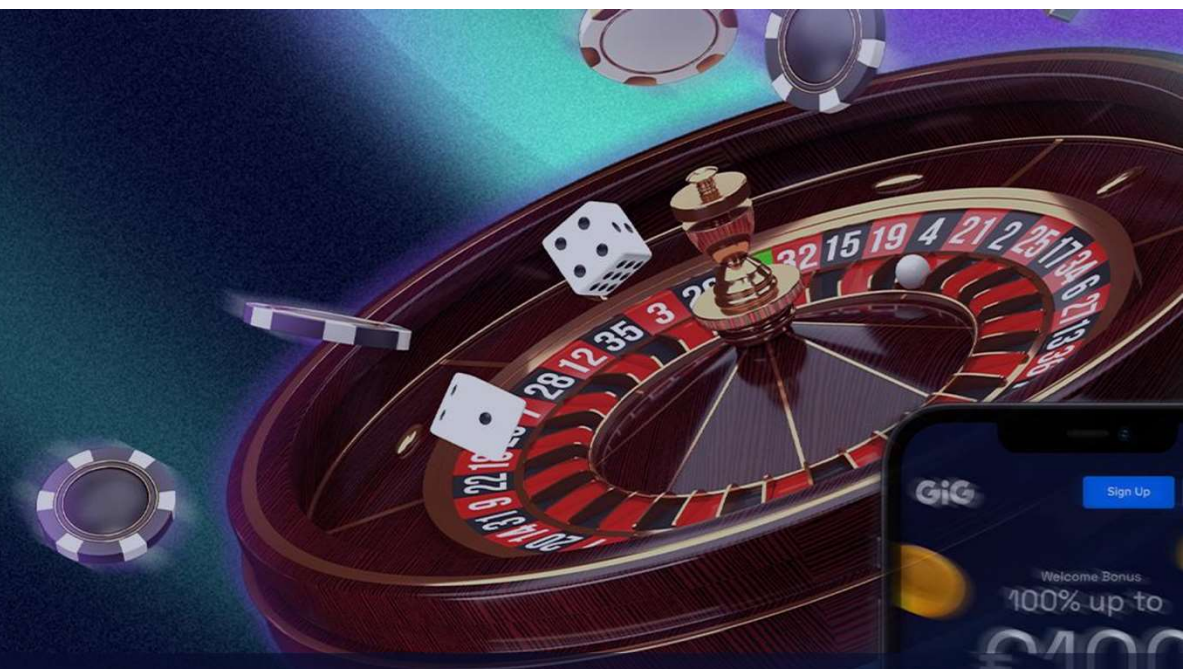
### \$30bn

Estimated Total Addressable Market

# Market-leading iGaming solutions

GiG is one of the leading end-to-end providers that can truly boast next-generation technology.

Our full turnkey suite of products and services are built to go beyond in powering iGaming and sports betting growth.



## CORE<sup>x</sup>

Powerful iGaming platform

Powerful, scalable and highly adaptable multi-jurisdictional platform technology, driving limitless growth for our partners.

## SPORT<sup>x</sup>

Revolutionary sportsbook

Revolutionary sportsbook specifically tailored and localised to your strategy, driving growth in the most complex regulated markets around the world.

## DATA<sup>x</sup> LOGIC<sup>x</sup>

Advanced AI and machine-learning tools

Innovative, real-time reporting and intelligent rules-based solutions, built to maximise your acquisition and retention, powering results.

## SWEEP<sup>x</sup>

Social casino sweepstakes

The most secure next-gen technology and iGaming platform, combined with the most entertaining social and gamification tools available for sweepstakes casinos.

# Q3 2024 Operational Highlights



- **Successfully listed on the Nasdaq First North Premier Growth Market** in Stockholm, Sweden, under the ticker GIG SDB, which will enable management to reinvigorate GiG's sales and marketing activities to help expand the Group's global client reach
- **Underlying revenue growth of 26%**, with underlying revenue of €7.3m in Q3 2024 excluding client exits and Enterprise revenue (Q3 2023: €5.8m)
- New SweepX product launch to target the fast-growing sweepstake market in the US
- Delivered multiple new customer launches, notably with Betsson via its Inkabet brand in Peru and LuckyDays in Mexico
- New contracts signed, including with Primero, a market-leading US developer of innovative skill-based games
- Significant new business pipeline building, with **€36m** at commercial stage and a total pipeline of over **€60m** at the end of September 2024

# Q3 2024

## Commercial Highlights

### New signings



- > GiG signed **three** new customers to its market leading suite of services
- > In addition GiG signed **five** binding Heads of Terms across the period
- > Extended footprint in the UK with a long-term agreement to power the Betzone brand with our revolutionary iGaming platform, CoreX, and powerful workflow automation tools LogicX and DataX
- > Significant increase in overall sales pipeline, which ended the quarter at a new high of over €60m in opportunities as at 30 September 2024
- > Over half of these are at advanced contractual or signed stage
- > **Post Q3 partnerships:** agreements signed with leading land-based casino and leisure brands both in the Philippines with Bloomberry Resorts Corporation under their market-leading Solaire brand, and one in the European market.

# Foundations continue to build for growth

Focus on enlarging the pipeline, increasing innovation and improving operational processes which are already starting to have a positive impact



## 1 Enhancing our technology & product offering

- Increased innovation and new product upgrade cycles
- Integrate and secure best-in-class 3rd parties to improve our offering

## 2 Improving our operational execution/focus

- Accelerate group wide data driven analytical culture
- Streamline delivery and development process
- Lower cost to serve both existing customers and delivering new customers
- Improve all commercial client touch points

## 3 Delivering new markets expansion with focus on profit

- Targeting high-growth, newly regulating and already licensed markets
- Key focus on Europe and LATAM
- Secure SweepX growth in US

## 4 Increasing focus on new business growth

- Re-structured sales team and improved quality of pipeline due to enhanced qualification process

## 2025 Guidance

- Revenue >€44m
- EBITDA >€10m

# Q3 2024 Financial Highlights



# Financial Summary

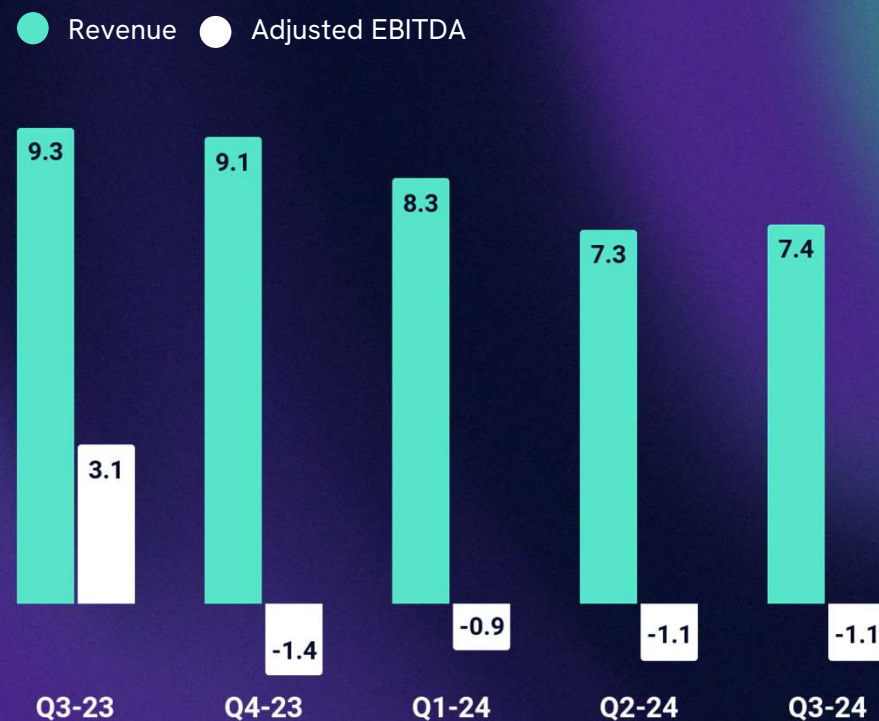
## Q3 2024 Breakdown

- Revenue\* of €7.4m (Q3 2023: €9.3m) for the third quarter of 2024 and €23.0m (2023: €28.7m) for the 9 months ended 30 September 2024
- Adjusted EBITDA\*\* for the third quarter of 2024 was a loss of €1.1m (Q3 2023: profit of €3.1m), at a margin of -14.8% (32.9%), and a loss of €3.0m (2023: profit of €10.0m), at a margin of -13.2% (34.8%), for the 9 months ended 30 September 2024
- Operating loss (EBIT) excluding exceptional items for the third quarter of 2024 was €9.7 m (Q3 2023: profit of €9.4m) and a loss of €22.1 m (2023 profit of €8.5m) for the 9 months ended 30 September 2024
- Cash balance at 30 September 2024: €10.0m

\*YTD 2023 results contain €6.8m one-off revenue related to GiG Enterprise Solution Sale (YTD 2024: €1.3m)

\*\*EBITDA adjusted for share based payments, one-off spin-off related costs and one-time asset impairments

## GiG Revenue & Adjusted EBITDA (MEUR)



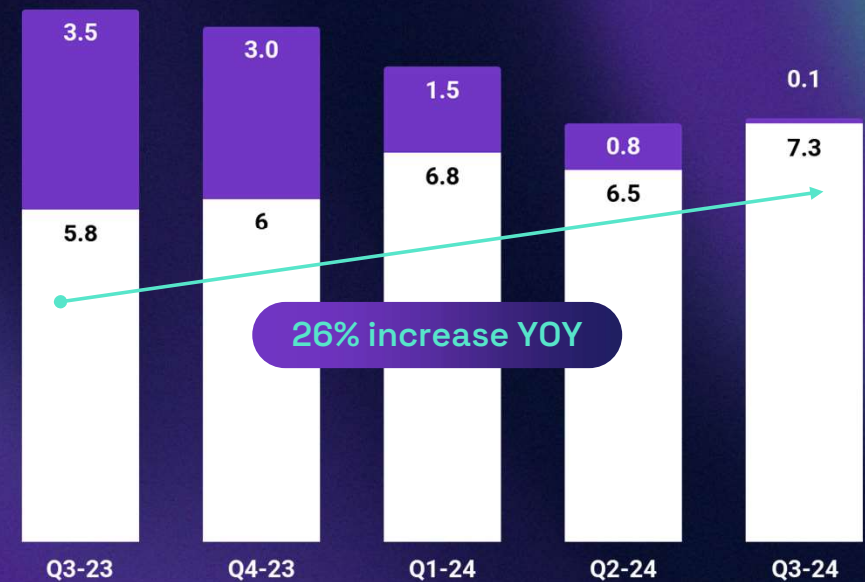


## Revenue Q3 2024

- Q3 2024 revenue decreased by 21% year on year to €7.4 m (Q3 2023: €9.3m)
- Within the €9.3m revenue in Q3 2023, €1.8m related to the sale of the GiG Enterprise Solution, and an additional €1.8m derived from clients exiting the business (2024: €nil and €0.1m respectively)
- Without the impact of both, underlying revenue grew 26% to €7.3m (€5.8m)
- Revenue growth was driven predominantly from new customers signed during the year
- For the nine months to September 2024, underlying revenue amounted to €20.7m (€17.5m), an 18% increase year-on-year, without impact of Enterprise Solution and customer exits

### Revenue (MEUR)

● Enterprise and client exits    ● Underlying Revenue



# Revenue Bridge

Q3 2024

- **GiG Enterprise Solution -€1.8m YoY**
  - ◆ Enil recognised Q3 2024 (Q3 2023: €1.8m)
- **Client exits -€1.7m YoY**
  - ◆ €0.1m revenue from clients leaving the platform in Q3 2024 (Q3 2023: €1.8m)
- **New 2024 launches +€0.4m YoY**
  - ◆ Significant number of new launches through 2024 contribution to increase in underlying revenue in Q3 2024
- **Set-up fees & other +€0.6m YoY**
  - ◆ 4 new HoTs signed resulting in additional setup fees during the quarter (2023: €0.1m)

Revenue Bridge (MEUR) Q3 2024



# Adjusted EBITDA Bridge Q3 2024

- Q3 Adjusted EBITDA amounted to a loss of €1.1m (profit of €3.1m)
- Decrease driven by both reduction in revenue due to one-off revenue recognised in Q3 2023 and increase in costs through investment in operations to drive future growth
- EBITDA adjusted for:
  - Share based payments (€0.4m)
  - Bad debt write-offs (€1.8m)
  - Spin-off costs (€0.4m)
- QOQ Adjusted EBITDA in line with Q2 2024

EBITDA Bridge (MEUR) Q3-24 Adjusted

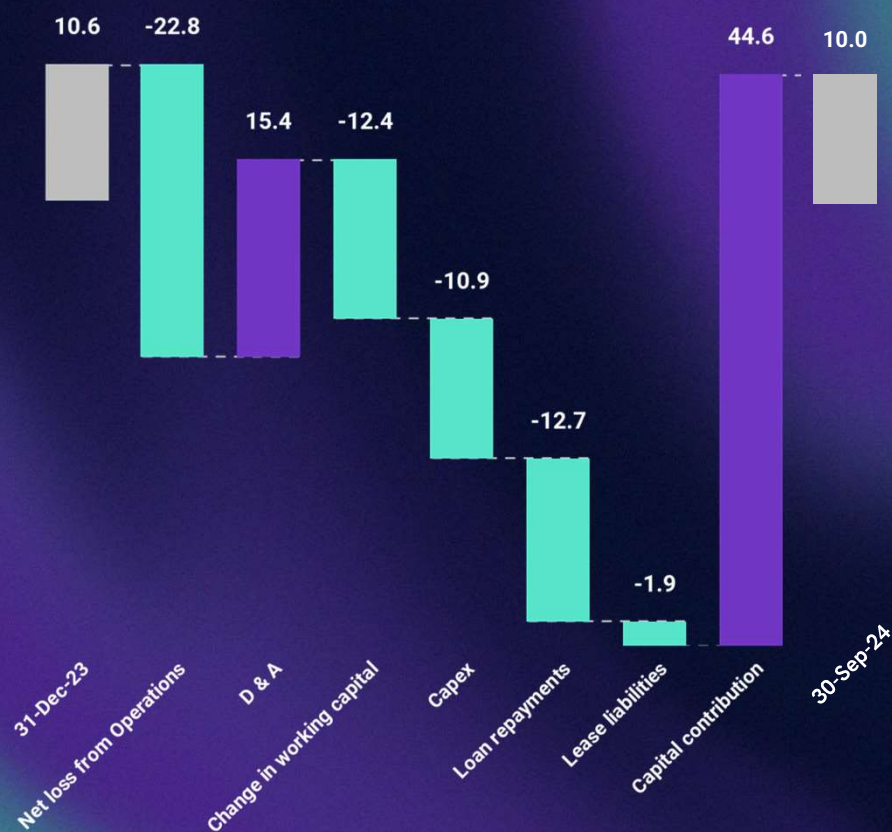


# Cashflow Waterfall

## Q3 2024

- Cash balance at 30 September 2024: €10.0m (31 December 2023: €10.6m)
- All bank debt paid by end of Q3 2024 except one loan of €0.5m
- Significant one-off movements in working capital relating to intangible and tangible asset impairments
- Reduction in cash outflow from Q4 and beyond with the target of positive net cash inflow from Q3 2025

Cashflow Bridge YTD (MEUR) Q3-24

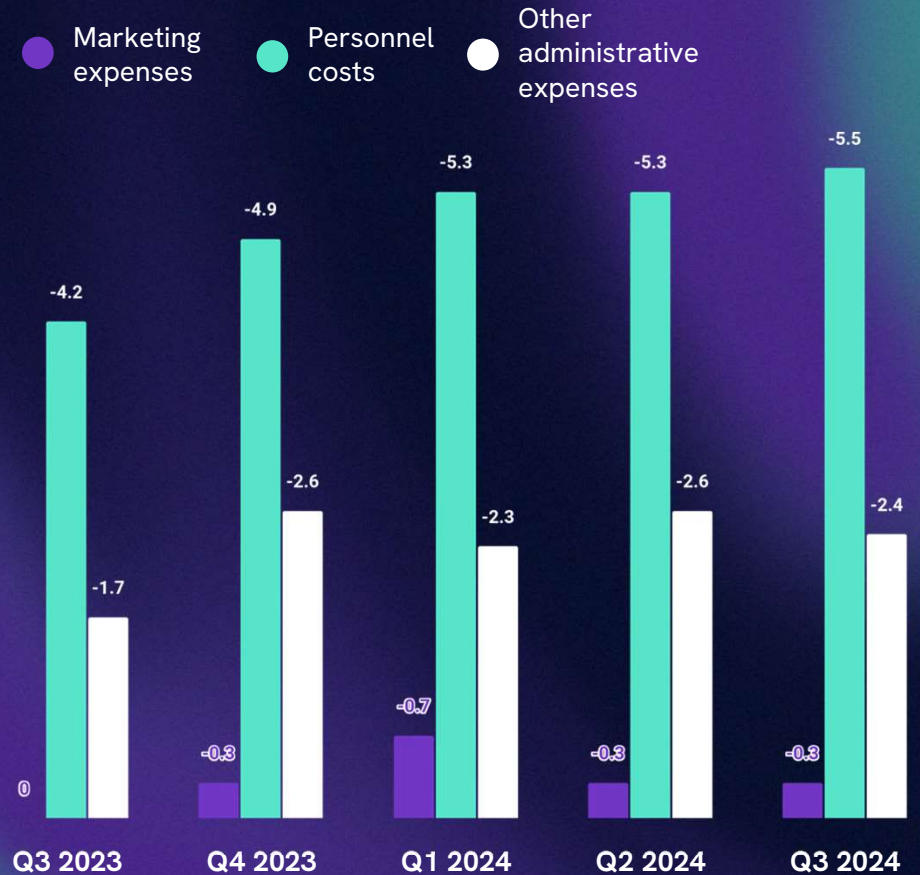


# Operating Expenses

## Q3 2024 Breakdown

- Operating expenses for Q3 2024 amounted to €8.2m (Q3 2023: €6.0m)
- Increase is predominantly due to additional headcount investments made during 2024, in conjunction with the implementation of management's strategic objectives relating to the standalone GiG business
- This included the addition of a new C-level team from the end of 2023 through 2024, and additional investment in software development and marketing
- For the first nine months of 2024, underlying operating expenditure amounted to €24.7m (€17.8m), with the increase being driven by additional investment in software development, marketing and personnel costs
- Operational expenses have remained steady through the year

## Operating Expenses Q3 2024 (MEUR)

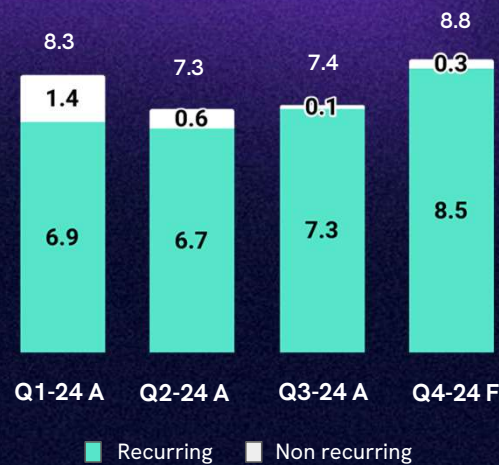


# 2024 Revenue and EBITDA guidance

## Q4 2024 Revenue and EBITDA expected to inflect

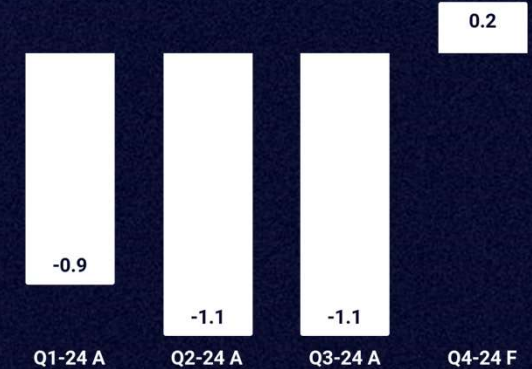
- 2024 GiG revenue expected to be in the range of €30m - €33m (midpoint €32m)
- 2024 GiG adjusted EBITDA\* expected to be in the range of -€3.5m to -€2.5m (midpoint -€3.0m)

## 2024 Q3 & Q4 mid-point revenue guidance



## 2024 Revenue guidance

## 2024 Q3 & Q4 EBITDA adj. guidance



## 2024 EBITDA adj.\* guidance

\*Adjusted for share options expense and non-recurring bad debt write downs and spin-off related costs

# 2025 Revenue and EBITDA guidance

## Significant Revenue and EBITDA growth projected in 2025

- 2025 GiG revenue is expected to be at least €44m implying +38 YoY growth
- As of today >80% of 2025 revenue is already contracted (90% by YE)
- 2025 GiG EBITDA is expected to be at least €10m
- Implied 2025 EBITDA margin at 23%; versus negative EBITDA margins projected for 2024
- Cashflow breakeven by Q3 2025

FY 2025 revenue guidance:

**€44m**

FY 2025 EBITDA guidance:

**>€10m**

# Summary

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- ✓ Listed structure enabling us to shape strategic intent
- ✓ Substantial contract momentum with new signings and launches through the quarter and beyond
- ✓ Underlying revenue increase demonstrating strong foundations for future growth
- ✓ Ongoing increase in client activity
- ✓ Strong balance sheet supports growth initiatives
- ✓ Significant growth potential through into 2025 and beyond



# Thank you

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Q&A

This presentation includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as “anticipate,” “expect,” “plan,” “could,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project,” and other words of similar meaning. These forward-looking statements address various matters including information relating to the future of GiG Platform, its key strategic priorities and commercial goals, its operating plans, objectives and prospects, including, its future financial or business performance, conditions, or strategy, including expectations regarding 2025, its future product demand trends, its partnerships, its ability to deliver a competitive product, the global market opportunities, and key upcoming milestones. Each forward-looking statement contained in this presentation is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. GiG Platform cautions investors not to place considerable reliance on the forward-looking statements contained in this presentation. Investors are encouraged to read GiG Platform's filings with NASDAQ Stockholm, and on our website at [www.gig.com](http://www.gig.com). The forward-looking statements in this presentation speak only as of the date of this presentation, and we undertake no obligation to update or revise any of these statements. Our business is subject to substantial risks and uncertainties as elaborated on in the Company Description published on the 27th September 2024. Investors, potential investors, and others should give careful consideration to these risks and uncertainties

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# Appendix

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# Post Q3 Events

Q3-2024

- **Successful Market Debut:** On October 1, GiG began trading on Sweden's Nasdaq First North Premier Growth Market under the ticker GIG SDB, signifying a promising new chapter in our growth journey
- **Enhanced Growth Focus:** The strategic split allows GiG to sharpen its focus on growth and delivery, enhancing our agility and autonomy in seizing market opportunities
- **Maximised Shareholder Value:** This spin out, now completed sets the stage to drive increased shareholder value through strategic resource alignment and market-focused initiatives
- **New High-Profile Partnerships:** GiG has entered into long-term agreements with leading land-based casino and leisure brands both in the Philippines with Bloomberry Resorts Corporation under their market-leading Solaire brand, and one in the European market.
- **Expansion into New Markets:** We have successfully executed five Heads of Terms in both new and existing markets, further broadening our global footprint and revenue potential

# Income Statement

EUR millions (Unaudited)

|                                      | Q3 2024       | Q3 2023      | YTD 2024      | YTD 2023      |
|--------------------------------------|---------------|--------------|---------------|---------------|
| <b>Revenue</b>                       | <b>7.4</b>    | <b>9.3</b>   | <b>23.0</b>   | <b>28.7</b>   |
| Cost of sales                        | (0.3)         | (0.3)        | (1.3)         | (0.8)         |
| <b>Gross profit</b>                  | <b>7.1</b>    | <b>9.0</b>   | <b>21.6</b>   | <b>27.8</b>   |
| Gross profit margin                  | 1.0           | 1.0          | 0.9           | 1.0           |
| Marketing expenses                   | (0.3)         | (0.0)        | (1.3)         | (0.5)         |
| Personnel costs                      | (5.5)         | (4.2)        | (16.2)        | (12.2)        |
| Other administrative expenses        | (2.4)         | (1.7)        | (7.2)         | (5.2)         |
| <b>Total Operating Expenditure</b>   | <b>(8.2)</b>  | <b>(6.0)</b> | <b>(24.7)</b> | <b>(17.8)</b> |
| <b>Adjusted EBITDA</b>               | <b>(1.1)</b>  | <b>3.1</b>   | <b>(3.1)</b>  | <b>10.0</b>   |
| Spin-off Costs                       | (0.4)         | -            | (1.0)         | -             |
| Bad debt write-offs                  | (1.7)         | -            | (1.7)         | -             |
| Share Based Compensation             | (0.4)         | (0.4)        | (1.0)         | (1.1)         |
| Reversal of contingent consideration | -             | 10.0         | -             | 10.4          |
| <b>EBITDA</b>                        | <b>(3.7)</b>  | <b>12.7</b>  | <b>(6.8)</b>  | <b>19.3</b>   |
| Depreciation & Amortisation          | (6.0)         | (3.3)        | (15.3)        | (10.7)        |
| Intangible Asset/Goodwill impairment | (50.8)        | -            | (50.8)        | -             |
| <b>EBIT</b>                          | <b>(60.5)</b> | <b>9.4</b>   | <b>(72.9)</b> | <b>8.5</b>    |
| Finance income/(Expense)             | 1.3           | (0.5)        | (0.7)         | (1.6)         |
| Tax                                  | (0.4)         | (0.3)        | (0.5)         | (0.2)         |
| <b>Profit/(loss) after Tax</b>       | <b>(59.6)</b> | <b>8.6</b>   | <b>(74.1)</b> | <b>6.7</b>    |

# Balance Sheet

EUR millions (unaudited)

|   | 30 Sep 2024 | 31 Dec 2023  |
|---|-------------|--------------|
| <b>Assets</b>                               |             |              |
| <b>Non-current assets:</b>                  |             |              |
| Goodwill                                    | 12.7        | 59.0         |
| Intangibles assets                          | 33.1        | 41.9         |
| Property, plant and equipment               | 2.6         | 3.1          |
| Right-of-use assets                         | 1.0         | 1.0          |
| Trade and other receivables                 | 5.3         | 3.2          |
| <b>Total non-current assets</b>             | <b>54.7</b> | <b>108.2</b> |
| <b>Current assets:</b>                      |             |              |
| Trade and other receivables                 | 16.6        | 14.9         |
| Cash and cash equivalents                   | 10.0        | 10.6         |
| <b>Total current assets</b>                 | <b>26.6</b> | <b>25.5</b>  |
| <b>Total assets</b>                         | <b>81.3</b> | <b>133.6</b> |
| <b>Liabilities and Shareholders' Equity</b> |             |              |
| Equity                                      | 59.8        | 80.2         |
| <b>Total Equity</b>                         | <b>59.8</b> | <b>80.2</b>  |
| <b>Liabilities</b>                          |             |              |
| <b>Non-current liabilities:</b>             |             | -            |
| Lease liabilities                           | 1.3         | 1.5          |
| Other payables                              | 2.6         | 2.0          |
| Long term loans                             | 0.2         | 7.1          |
| Deferred income tax liabilities             | 1.2         | 1.2          |
| <b>Total non-current liabilities</b>        | <b>5.3</b>  | <b>11.8</b>  |
| <b>Current liabilities:</b>                 |             |              |
| Trade payables and accrued expenses         | 13.7        | 24.5         |
| Lease liabilities                           | 2.2         | 1.1          |
| Short term loan                             | 0.3         | 16.0         |
| <b>Total current liabilities</b>            | <b>16.2</b> | <b>41.7</b>  |
| <b>Total liabilities</b>                    | <b>21.5</b> | <b>53.5</b>  |
| <b>Total equity and liabilities</b>         | <b>81.3</b> | <b>133.6</b> |

## Cash Flow

In EUR 1000

|   | Q3 2024        | 9M 2024         | FY 2023         |
|---|----------------|-----------------|-----------------|
| <b>Cash flow from operating activities</b>                    |                |                 |                 |
| Profit/(loss) from operations                                 | (59 157)       | (73 589)        | 634             |
| Depreciation & Amortization                                   | 6 213          | 15 388          | 15 688          |
| Impairment of intangible assets                               | 50 789         | 50 789          | -               |
| Shared based compensation                                     | 425            | 990             | 883             |
| Bad Debt write-offs   | 1 604          | 1 604           | -               |
| Provision for impairment of trade receivables                 | -              | -               | 3 079           |
| Income taxes paid   | (52)           | (79)            | (272)           |
| Change in trade and other receivables                         | (5 833)        | (5 526)         | (7 160)         |
| Change in trade and other payables                            | (3 604)        | (10 137)        | 11 044          |
| <b>Net cash (used in)/generated from operating activities</b> | <b>(9 614)</b> | <b>(20 560)</b> | <b>23 896</b>   |
| <b>Cash flows from investing activities:</b>                  |                |                 |                 |
| Development costs of intangible assets                        | (3 130)        | (10 340)        | (14 803)        |
| Purchases of property, plant and equipment                    | (366)          | (618)           | (781)           |
| Movement in contingent consideration                          | -              | -               | -               |
| Acquisition of subsidiary                                     |                |                 |                 |
| <b>Net cash used in investing activities</b>                  | <b>(3 496)</b> | <b>(10 958)</b> | <b>(30 374)</b> |
| <b>Cash flows from financing activities:</b>                  |                |                 |                 |
| Repayment of loans  | (6 376)        | (12 177)        | (3 829)         |
| Proceeds from loans   | -              | -               | 3 795           |
| Interest paid   | (139)          | (506)           | (1 053)         |
| Lease liability principal payments                            | (627)          | (1 869)         | (1 196)         |
| Capital contribution from previous Group                      | 26 863         | 45 428          | 10 332          |
| <b>Net cash generated from financing activities</b>           | <b>19 721</b>  | <b>30 876</b>   | <b>8 049</b>    |
| <b>Net movement in cash and cash equivalents</b>              | <b>6 610</b>   | <b>(641)</b>    | <b>1 571</b>    |
| Cash and cash equivalents at the beginning of period          | 3 358          | 10 609          | 9 038           |
| <b>Cash and cash equivalents at the end of period</b>         | <b>9 968</b>   | <b>9 968</b>    | <b>10 609</b>   |