



RIVER iGAMING

1H report 2018

CEO Kent Staahle & CFO Shawn Bezzina

Agenda

Words from the CEO

River iGaming's strategy

River iGaming's business units

Group financials

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WORDS FROM THE CEO – An incredible beginning to a great adventure

A company in the making

“Approximately 8 months ago I was put to the task of building an innovative gaming company with a tech focus, backed by Norwegian investors and with a strategy to become a major player within the iGaming sector. Little did I know at that point what were to follow the next 8 months.

In January we made our first acquisition – VegasCasino. A great brand which our strategy is to build into an international cornerstone brand in River. VegasCasino has made great progress through this period, new launches in new exiting markets and of course heavily targeting on new and existing customers. We are also these days launching a brand new marketing concept. The numbers are boosting and from migration in March we have lifted the deposit monthly rate from 400 000 Euro per month (Feb.) close to 1 000 000 Euro in July.”

Acquisitions

“Our aim is to have ownership and entrepreneurial focus in all areas connected to the sector of iGaming. That led us to the next acquisition of Fire Media – a full-featured media company. This company gives us an edge within digital marketing, content, visual production and affiliate marketing. It is a company that shall support group companies as well as sell their services in the B2B market. And as with VegasCasino we can already see prosperous deals being made externally and more effective customer acquisitions being executed internally.

Since we have a buy and build strategy we also aim to deliver inhouse developed concepts. As a result we have gone into a Joint Venture with the aim to build an innovative and gamification oriented brand new Casino. In this process we have recruited one of the leading game developers in the market. I am really looking forward to show this Casino to the world in 2019. “

“This summer, after long negotiations, we closed our biggest deal so far. We acquired 4 B2C brands in on of the largest gambling markets in the world, namely UK. More to come on this acquisition later.”

A listed company

“In end of march we also listed River iGaming on the Norwegian market place –Merkur. The investor market has since listing shown their interest and now it is up to our highly competitive and knowledgeable staff to deliver the long term results.”

In general

“Within a short time frame we have established ourselves as a Maltese company with entities working out from Malta, UK and Norway. Our main hub will be in Malta which is a great environment towards the gaming sector and we aim to be an important part of the gaming family.”

“Looking towards the next couple of months, I see a lot of exciting things coming up, With a innovative and technological focus, the great RIVER teams will continue to build this company into the clouds!”



Kent Staahle
– CEO

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Bringing your ideas to life – River iGaming's strategy (I/II)



Build an attractive ecosystem within the iGaming industry



Emphasized focus on technological innovation



Investments contribute to synergies & profitability within the ecosystem



Buy and Build strategy – Equal focus



Rigged for rapid organic growth and industry consolidation

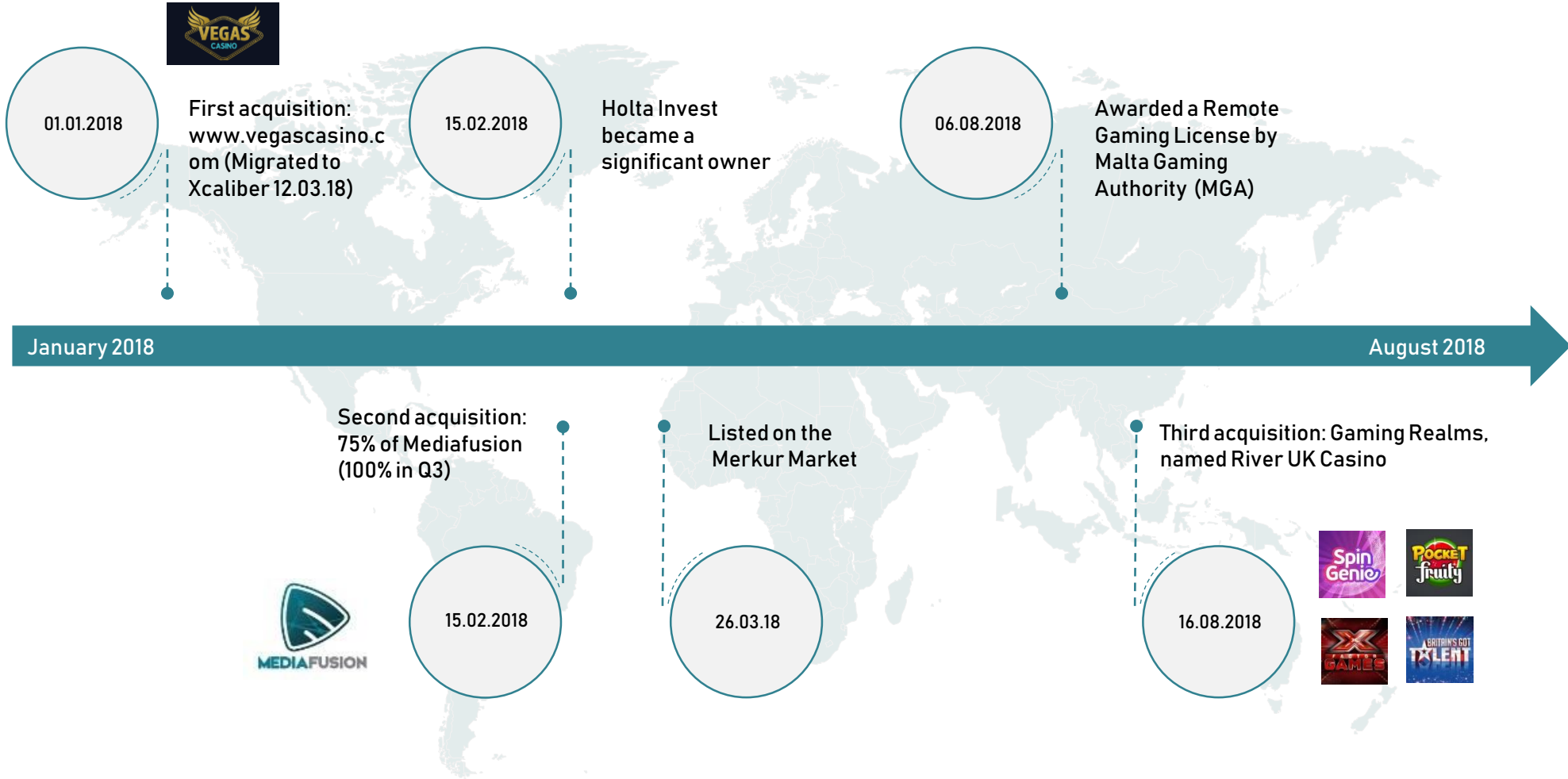
Bringing your ideas to life – River iGaming’s strategy (II/II)

Initial focus has been operational business & customer acquisitions through digital marketing



Going forward River iGaming will expand the business by taking ownership and development within the igaming value chain

Milestones – first half of 2018



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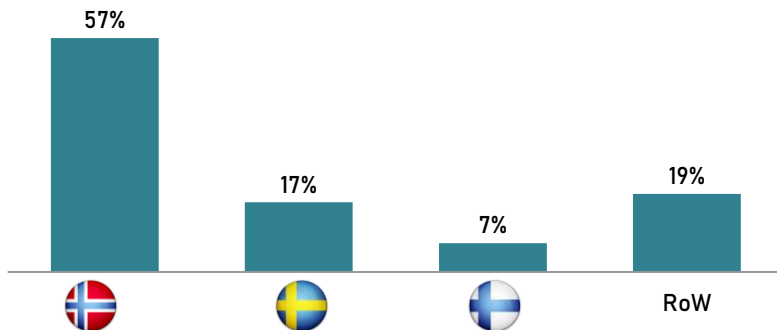
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River Game Operations – Vegas Casino (I/II)

From migration on to Xcalibur in March we have lifted the deposit monthly rate from 400 000 Euro per month (Feb.) to 1 000 000 Euro per month in July

Depositing split per main market

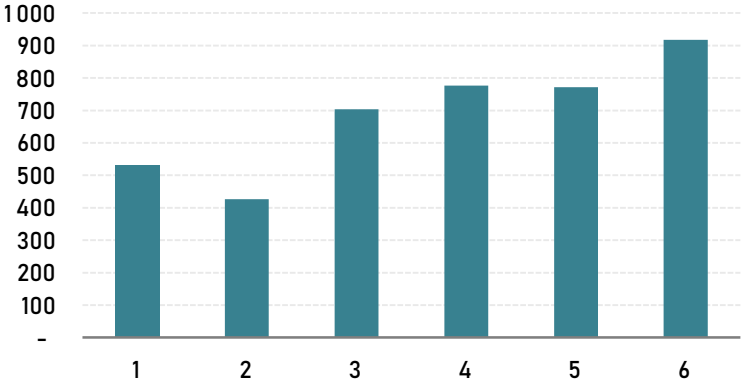


Deposit	€ 3.816.671
Withdrawals	€ 4.472.420
HOLD	€ 1.344.251
HOLD %	35%

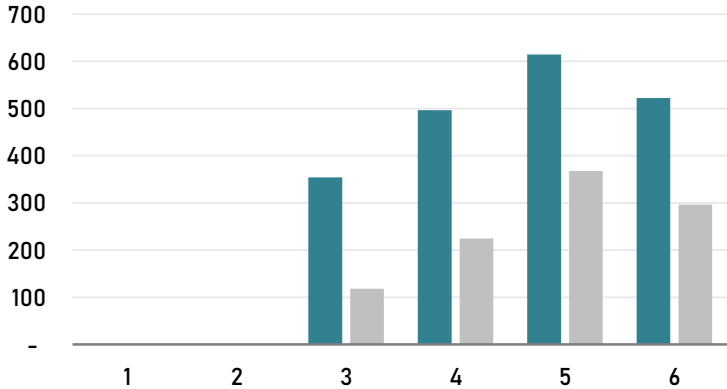
- We have only been operational for half a year, during this time we have accomplished a large number of tasks, as well as building the operational infrastructure
- The first task was to relaunch Vegas Casino; when obtaining control of the brand mid-February, the casino was experiencing a rapid decline on all parameters
 - We started to implement a full design re-vamp, platform migration, the creation of new marketing material (including TVC and digital)
 - Launching the new site in record-breaking 5 weeks, March 12th with a full marketing push in our initial core market - Norway, supported by a solid CRM/VIP plan.
- The site also caters to Swedish, Finnish, German and English speaking customers and this segment was part of the CRM push from the start. In the secondary markets, we moved into affiliation and the digital marketplace in early April.
- On the personnel side, we have only signed top shelf key candidates, filling all central functions to complete a strong and knowledgeable team. The structure we have created will enable us not just to efficiently run and grow VC, but also to easily take operational responsibility for new brands coming into the RGO sphere.

River Game Operations - Vegas Casino (II/II)

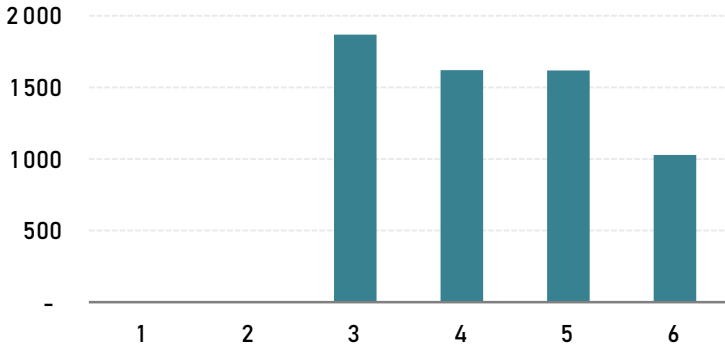
Deposits (EUR 000)



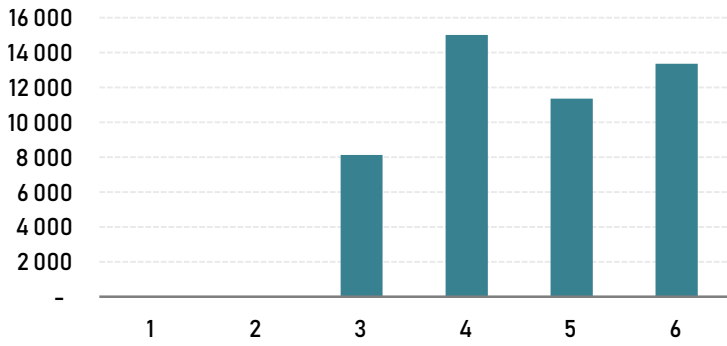
GGR vs NGR (EUR 000)



NDC (#)

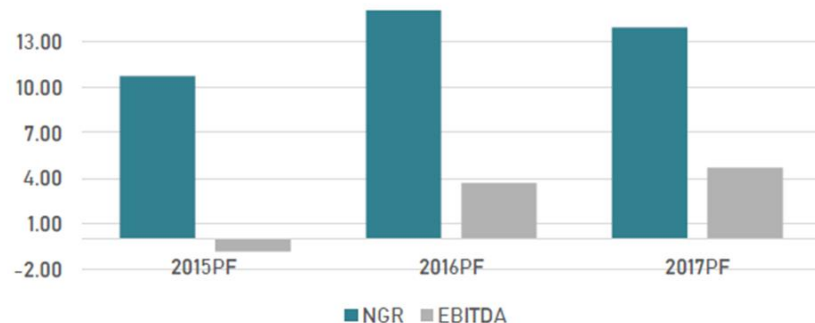


BETS (EUR 000)

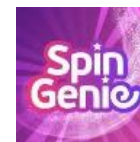


River Game Operations - Gaming Realms

Target Business (100%) (GBPm)	2015PF	2016PF	2017PF	Q1 2017	Q1 2018
GGR	18.2	21.6	17.6	4.0	2.5
NGR	10.7	15.3	13.9	3.1	2.2
Marketing	6.3	4.8	3.5	0.8	0.3
Other costs	5.2	6.8	5.7	1.3	0.9
EBITDA	-0.8	3.7	4.7	1.0	1.0
<i>EBITDA %</i>	neg.	17 %	27 %	25%	40%
<i>Marketing / NGR</i>	59 %	31 %	25 %	26%	14%
<i>Other expenses / NGR</i>	49%	45 %	41 %	42%	41%



- In June we signed an asset purchase agreement on the vast majority of the B2C online casino from the UK-based company Gaming Realms Plc. The acquisition will create significant synergies with the Company's existing business.
- The Target Business features well-recognized UK casino brands * including Pocket Fruity, Britain's Got Talent, Spin Genie and X Factor Games.
- This deal will open a whole new market for us in the UK, containing both the expertise and knowledge in one of the world's largest gaming markets.
- Under the deal, River UK Casino, a subsidiary of River iGaming, will buy the B2C business for a total cash consideration of up to £23.1m (€26.2m/\$30.1m).
- In 2017, the Target Business had net gaming revenue of GBP 13,9 million and EBITDA of GBP 4,7 million in total for the acquired brands.



River Game Intelligence – Mediafusion

Mediafusion is River groups major strategy towards efficient and cost reducing customer acquisitions

The Company has made progress in establishing B2B relationships as well as providing the Group with an innovative service

Mediafusion delivers digital marketing, content, campaign production and affiliation

- Mediafusion are delivering parallel operations internally on behalf of River iGaming.
 - We have implemented a full scale GDPR solution on behalf of VegasCasino.com and launched “The last bookmaker” – a media product for one of our clients.
 - Mediafusion delivers content and professional services to the client
 - We also launched a new marketing concept for VegasCasino – a public figure called Vegas Robert. The goal is to create new customers and strengthen the brand awareness
- Straight after the launch of VegasCasino.com we started with digital marketing – targeting the Norwegian market. Since then River Game Operations has increased this into other countries and we are now hosting programmatic advertising in Finland, Germany, Sweden and Norway.
- We have a lot of exciting projects on the agenda, and we are happy that we can already see prosperous deals being made externally and more effective customer acquiring being executed internally



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Group P&L

Condensed Consolidated Statement of Comprehensive income (EUR)		
	01.01.2018- 30.06.2018	01.01.2017- 30.06.2017
Revenue	582,966	-
Direct cost	-1,067,426	-
Operating Loss	-484,460	-
Indirect cost	-2,017,925	-
Loss for the period before tax	-2,502,385	-
Tax expenses	-	-
Loss for the period	-2,502,385	-
Total comprehensive loss for the period	-2,502,385	-

- The Group registered a loss for the period before tax of €2.5M.
- Revenue refers to share of profit generated from the operations of Vegas Casino.
- Direct Costs refer to marketing costs incurred by the Group to promote Vegas Casino and build the brand.
- Indirect costs include legal and professional fees incurred in relation to listing and acquisitions made.
- Indirect costs also include personnel costs. Equity-settled share based payment transactions expensed during 2018 are also included within the same expense.

Group balance sheet

Condensed Consolidated Statement of Financial Position (EUR)		
	30.06.2018	31.12.2017
Property, Plant and Equipment	99,268	-
Non Current Assets	99,268	-
Trade and Other Receivables	3,111,506	
Cash at bank	1,087,923	138,342
Current Assets	4,199,429	138,342
Total Assets	4,298,697	138,342
Capital and reserve	-655,115	9,608
Equity	-655,115	9,608
Interest-bearing borrowing	3,618,467	-
Trade and other payables	1,335,345	128,734
Total current liabilities	4,953,812	128,734
Total Equity and Liabilities	4,298,697	138,342

- The trade and other receivables includes the instalment paid to acquire Vegas Casino as well as the profit share attributable to date.
- Following the completion of the acquisition, the amounts will be reclassified as per IFRS standards.
- Negative equity is attributable to the current performance recognised by the Group during the startup stage of the business. This will be offset by capital increases which were not completed by the end of the reporting period.
- Interest-bearing borrowings relate to interim financing provided by a related party.
- Trade and other payables consist of accruals as well as outstanding creditors.

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Going forward – second half of 2018

