



# GAN<sup>TM</sup>

*Enterprise Software Platform for the Online Gaming Industry*

2<sup>nd</sup> Quarter Earnings Call

August 20, 2020

## Forward Looking Statement and Legal Disclaimer

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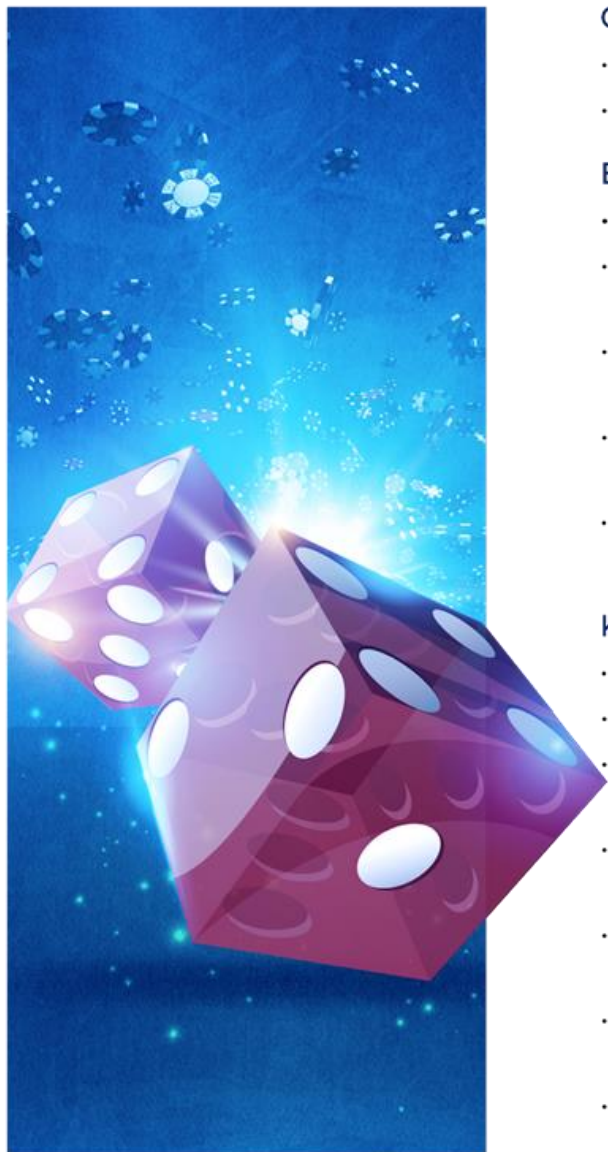
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This presentation includes certain non-IFRS financial measures intended to supplement, not substitute for, comparable IFRS measures. Reconciliations of certain non-IFRS financial measures are provided in the appendix to this presentation.

## Q2 2020 Business Update and Current Highlights



### Corporate Events

- Completed successful IPO listing on Nasdaq
- Added to the Russell 2000®, Russell 3000® and Russell Microcap® Indexes

### Executing on Growth Strategy

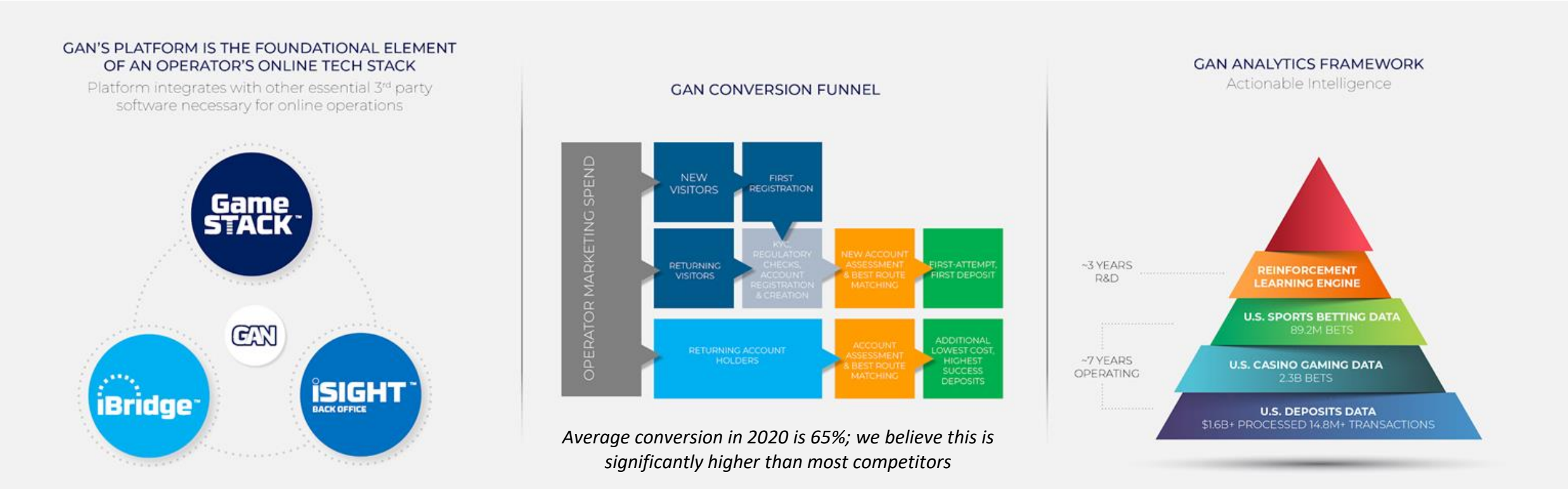
- Enhanced our executive management, engineering and delivery teams
- Anticipate successful multistate rollout of Tier 1 operator of RMiG and Sports as indicated on prior earnings call
- Signed Laguna Development Corporation to supply Simulated Gaming to the client's Route 66 Casino property in Albuquerque
- Launched Cordish Gaming Group's new PlayLive!® branded Internet gambling business in Pennsylvania and simulated gaming for Penn National Gaming in Pennsylvania and Snoqualmie in Washington
- Secured positioning for early activation of the Michigan market in the coming fourth quarter – prepared to launch three partners in the state (a Tier 1 Operator, FanDuel and a Sault Tribe Operator Partner)

### Key Financial Takeaways

- 2020 full year revenue guidance reiterated at \$37 – 39M
- Revenues nearly doubled compared to the prior year quarter to \$8.3 million
- Continued secular shift, combined with tailwinds from COVID, has resulted in strong performance of RMiG and Simulated to offset declines in Sports Betting
- 110% increase in real money Internet gaming ("RMiG") revenue to \$5.7 million compared to the prior year quarter, with an increase in U.S. concentration to 85% of revenue
- Adjusted EBITDA increased to \$1.9 million in the current quarter compared to a loss of \$0.2 million in the prior year quarter
- Record Average Revenue per Daily Active User ("ARPDau") of \$23.02 increased 98% compared to the prior year quarter
- Debt free with Cash and cash equivalents balance of \$63.8 million at June 30, 2020, compared to \$10.1 million at December 31, 2019

## GAN's Technology: Best-in-Class

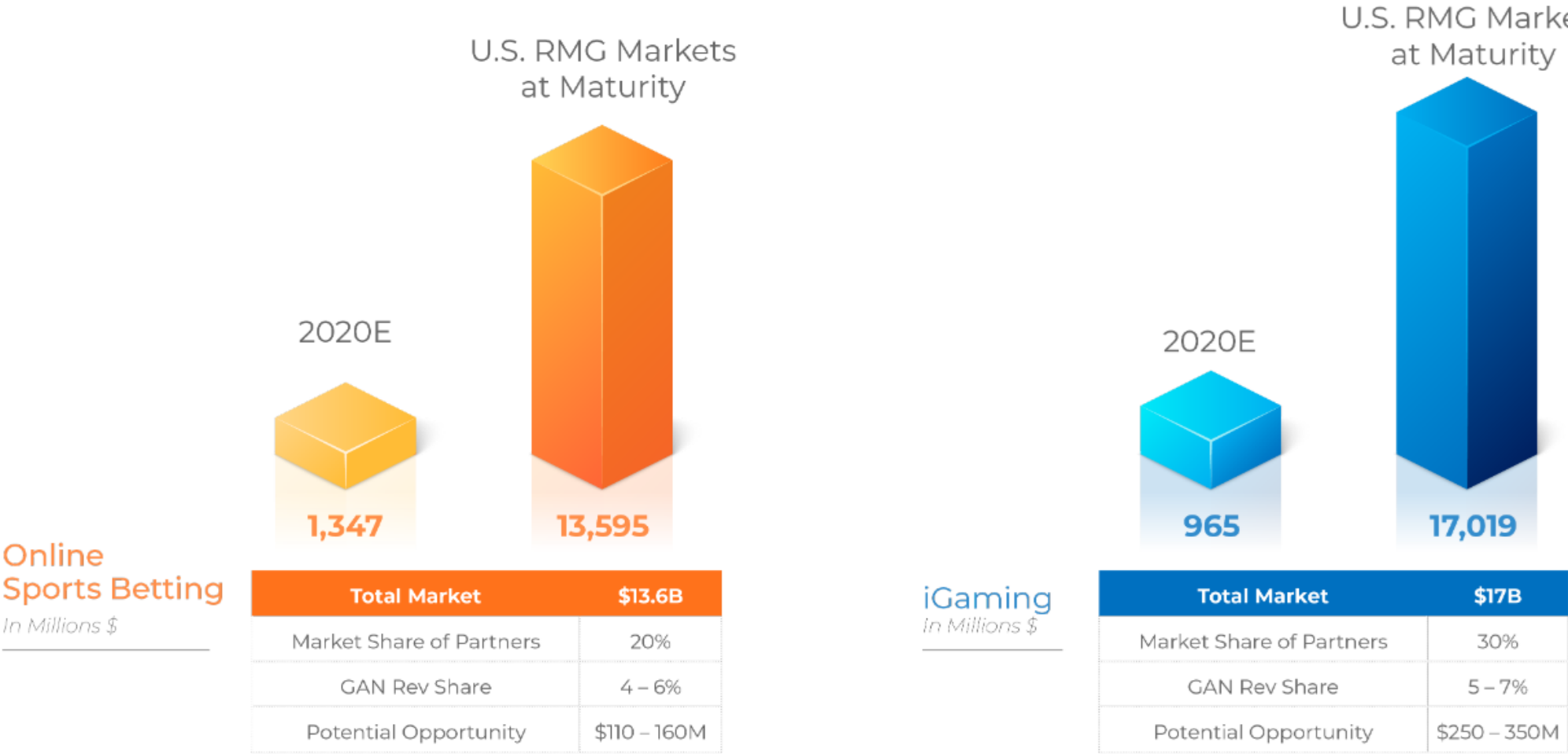
*Superior end-to-end solution for an operator's online gaming operations: our modular platform, IP, conversion funnel and analytics framework provide a competitive advantage*



IP: the company owns a key patent for the integration framework to integrate land-based and online casino rewards programs (expires 2034)

## Total Addressable Market at Maturity

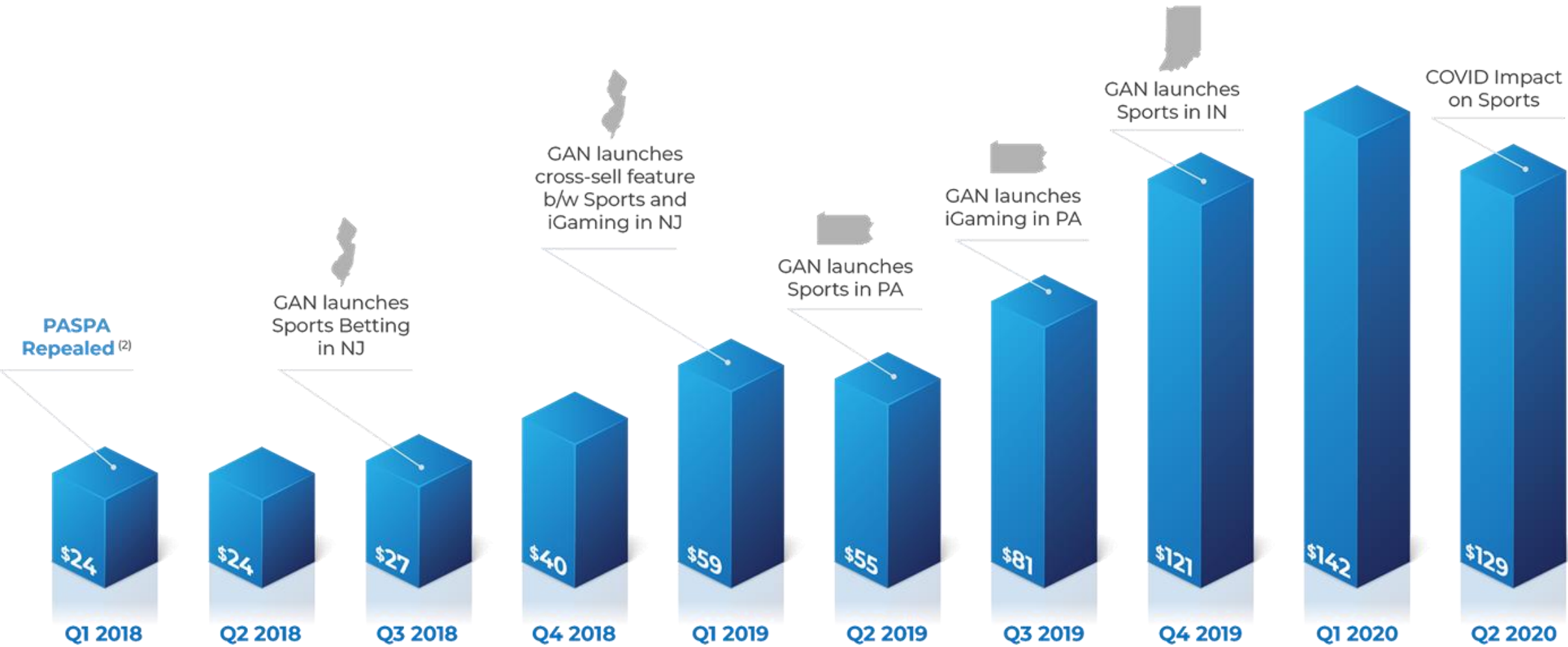
*iGaming TAM will surpass Sports Betting at maturity by 25%; 2020 market size is 5.7% of total potential. The opportunity for GAN, as an iGaming-first company, exceeds \$500M+ combined*



<sup>1</sup> Long-term TAM estimates of markets at maturity are combined from Eilers & Krejcik (“E&K”) as well as Macquarie, again on a simple average basis. Both indicate iGaming markets will be larger than sports betting. The major difference is Macquarie estimates maturity at 2030, whereas, E&K estimates maturity at 2025.

# GAN Gross Operator Revenue<sup>(1)</sup>: Leading Supplier Market Share

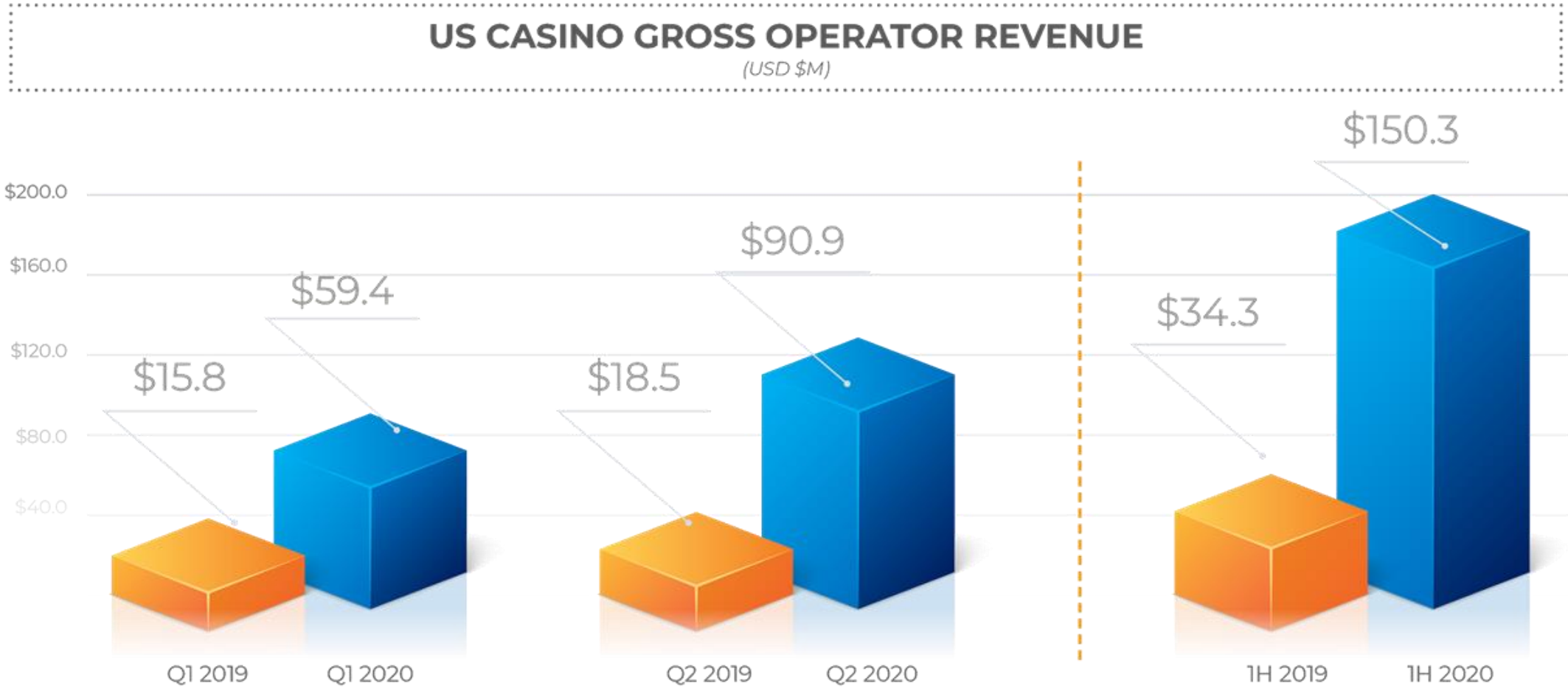
*July-YTD Gross Operator Revenue has exceeded the 2019 total of \$316M*



<sup>1</sup> Gross operator revenue is defined as the sum of our corporate customers’ gross revenue from Simulated Gaming, gross gaming revenue from real money iGaming, and gross sports win from real money Sports betting  
<sup>2</sup> “Professional and Amateur Sports Protection Act” was overturned allowing all U.S. states (i.e., not just NV, DE and OR) to engage in the regulation and taxation of sports betting activities at the intrastate level

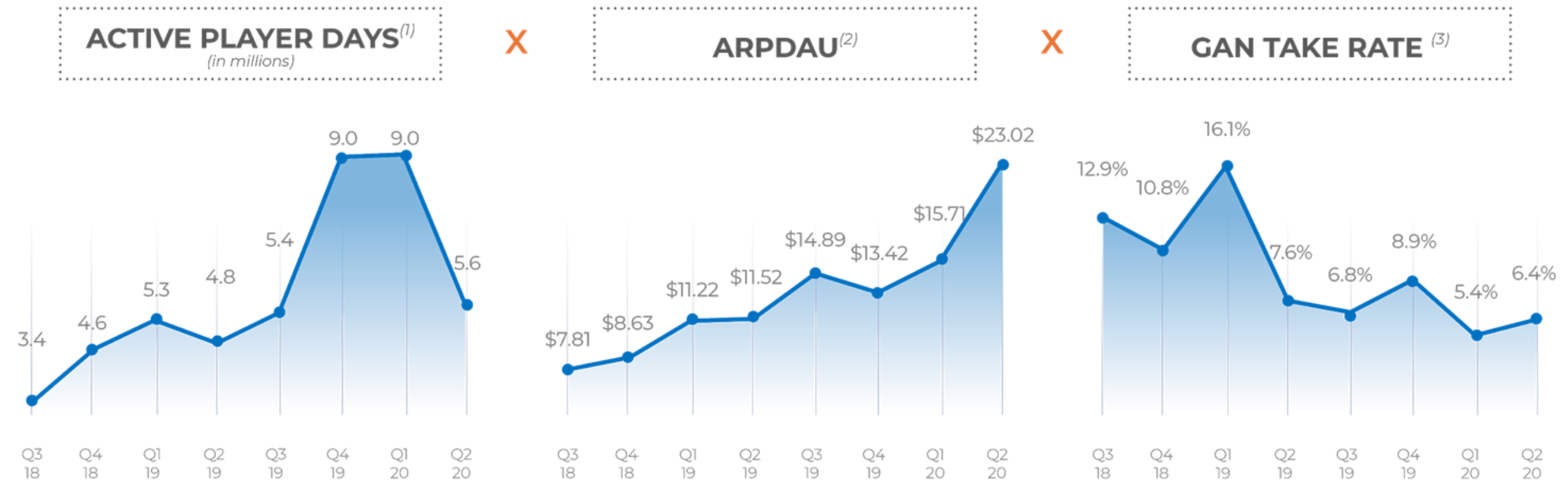
# Real Money iGaming: US Casino Spotlight

392% YoY Growth in Gross Operator Revenue for US Casino in Q2 (53% QoQ)



## Revenue Drivers and KPIs

*High Average Revenue Per Daily Active User was key driver of Gross Operator Revenue; GAN Take Rate rose in Q2 as a result of growth in Real Money Casino and Simulated Gaming Segments*



<sup>1</sup> GAN defines Active Player-Days as unique individuals who log on and wager each day (either wagering with real money or playing with virtual credits used in Simulated Gaming), aggregated during the calendar period

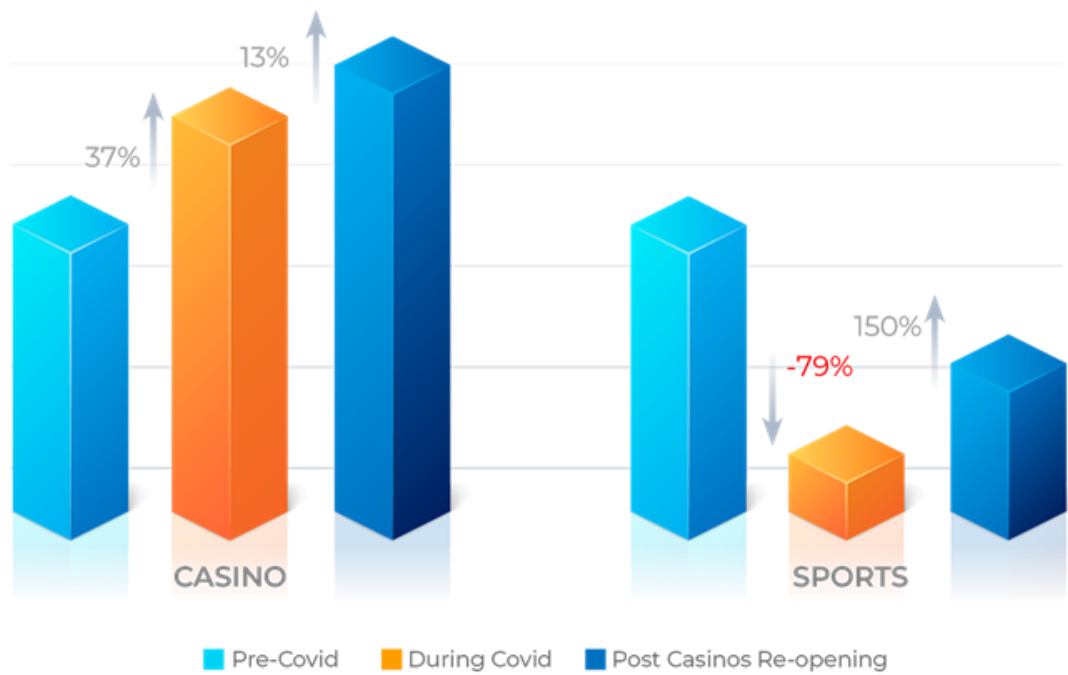
<sup>2</sup> GAN defines ARPDau as Gross Operator Revenue divided by the identified number of Active Player-Days

<sup>3</sup> Take Rate is a measure of all GAN revenue over Gross Operating Revenue generated on GAN's Platform

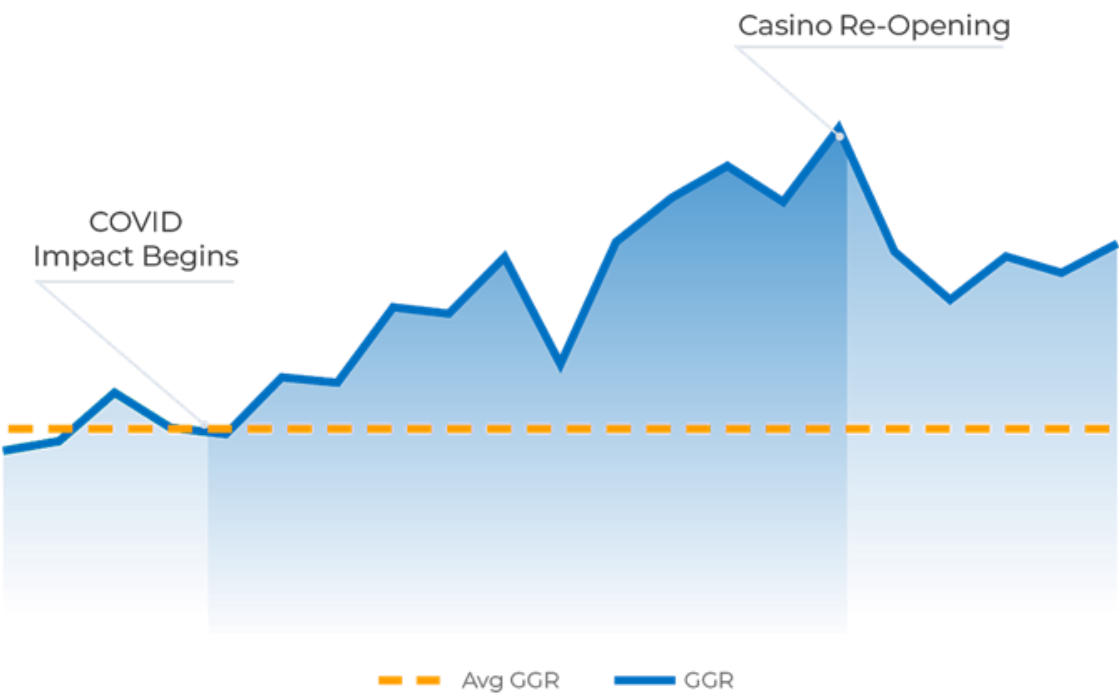
## GAN Gross Operator Revenue: COVID Update

*Continued secular shift, combined with tailwinds from COVID, has resulted in strong performance of RMiG and Simulated Gaming to offset declines in Sports Betting*

REAL MONEY GAMING

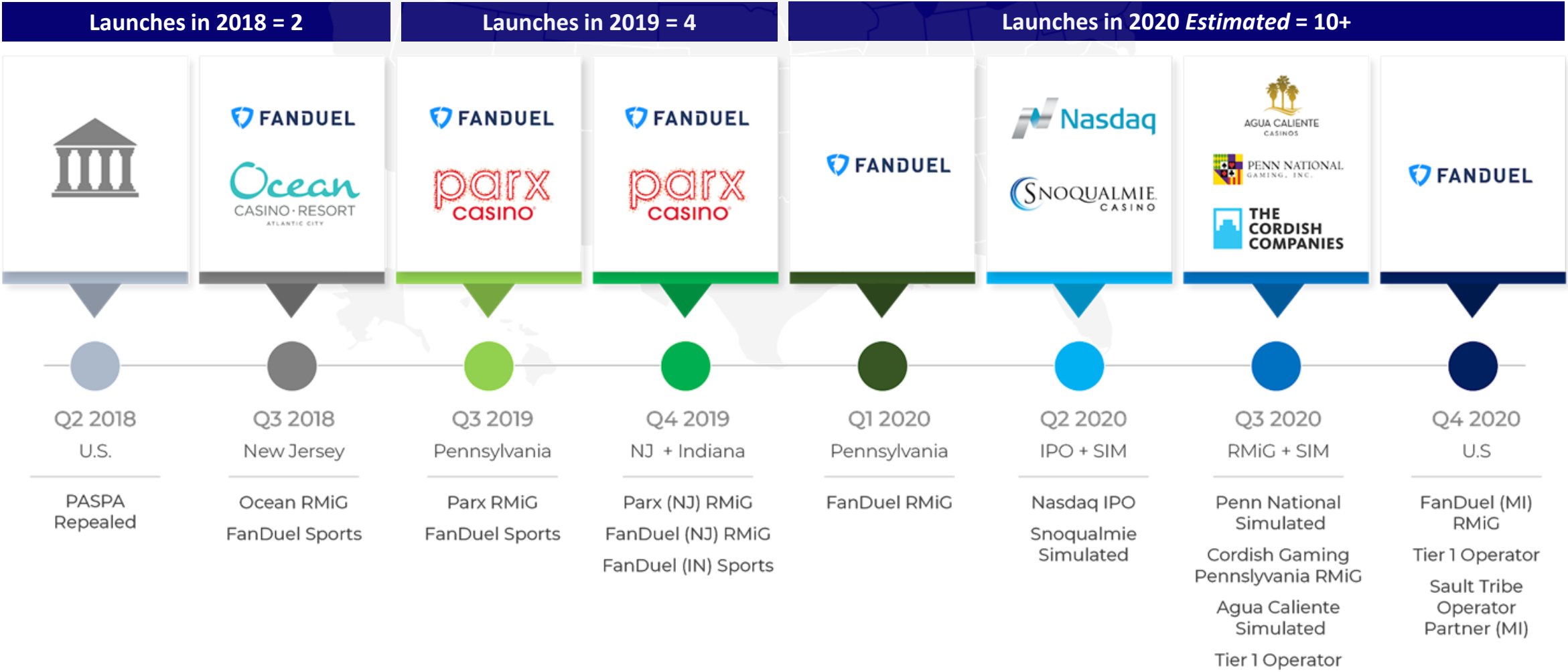


SIMULATED GAMING

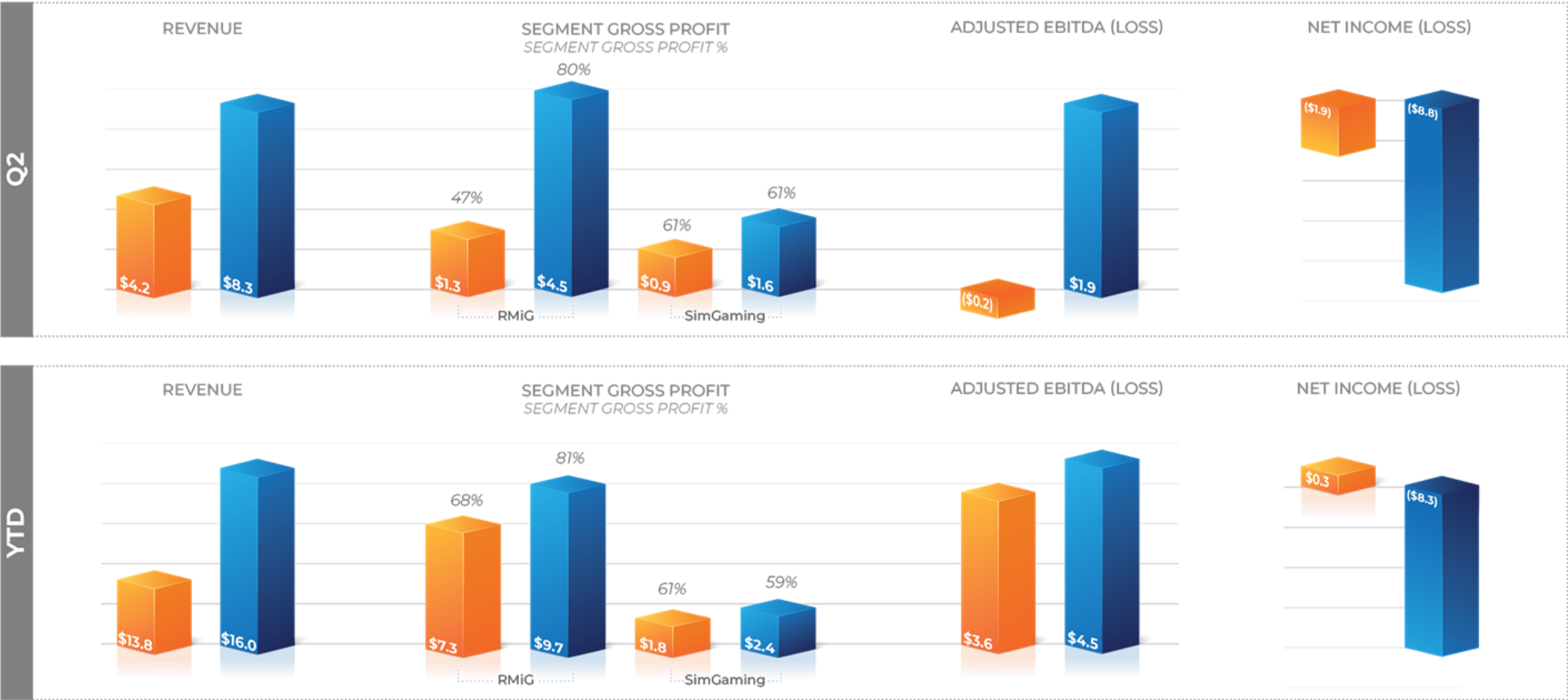


## Deal Velocity

*Superior technology, regulatory expertise and proven speed to market in the U.S. drives anticipated 10+ launches in 2020*



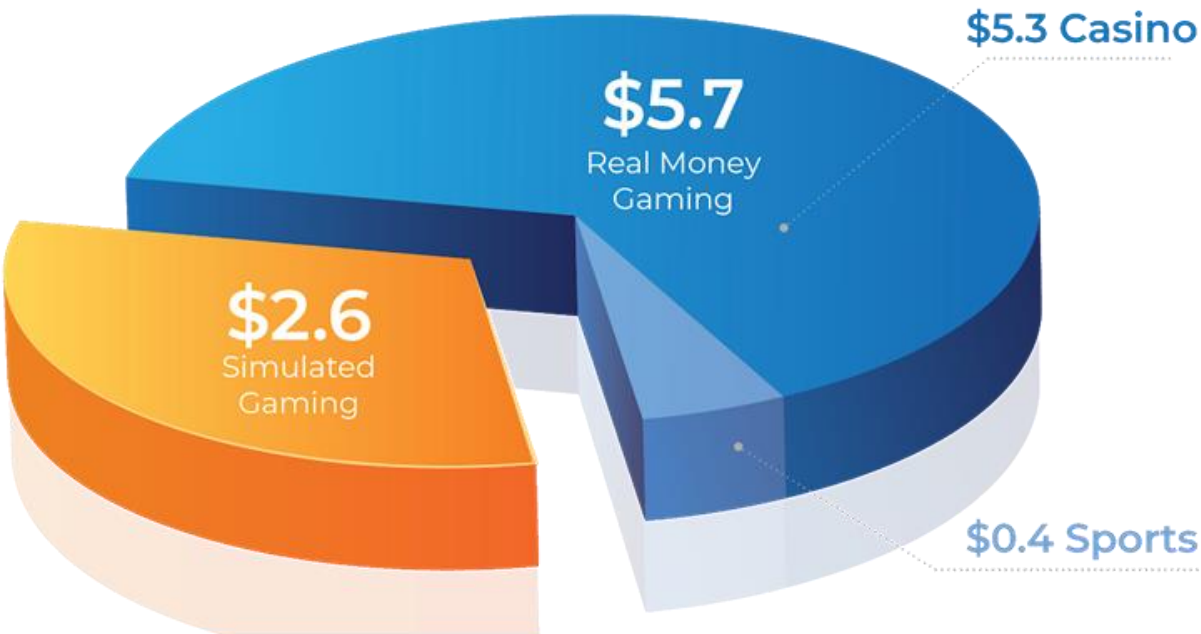
# Summary Financial Performance - Q2 and YTD



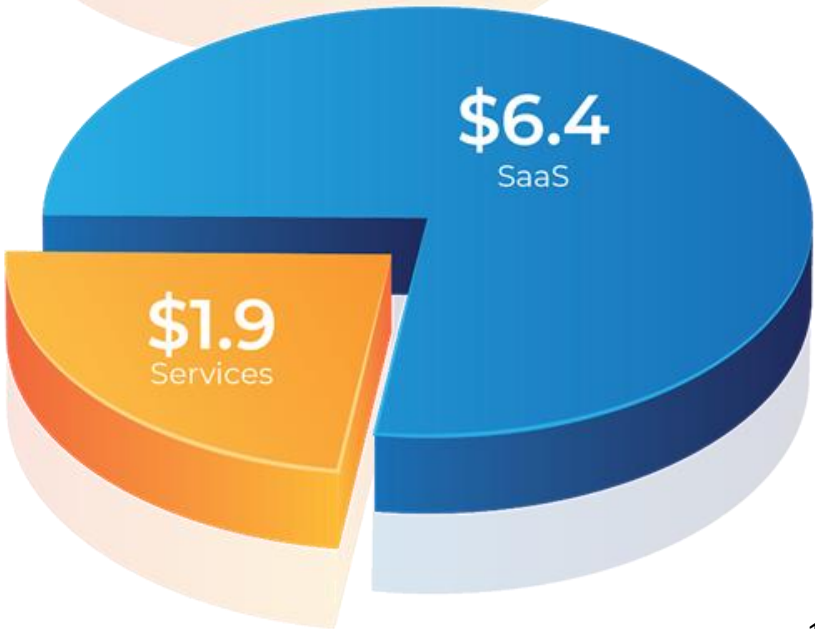
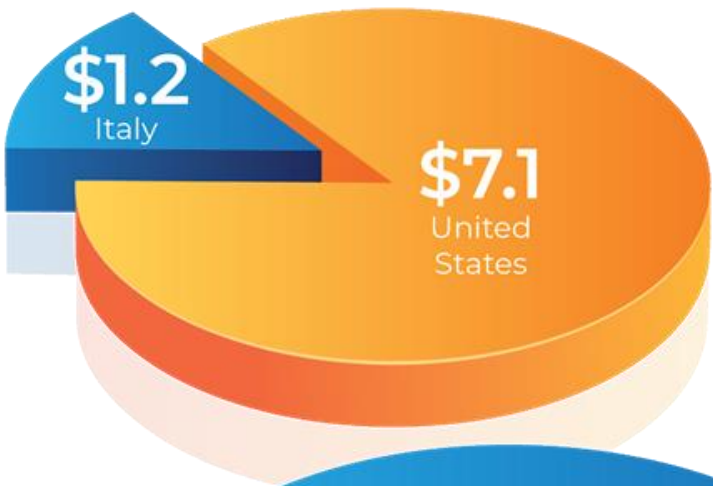
USD \$M 2019 2020

## Q2-20 Revenue Composition

FISCAL 2020 Q2 MIX<sup>(1)</sup>



(\$M)	Q2 '20	Q2 '19	B/(W)	Q1 '20	B/(W)
Simulated Gaming	31.7%	35.3%	(3.6%)	18.4%	13.3%
Real Money Casino	63.2%	55.2%	8.0%	65.0%	(1.8%)
Real Money Sports	5.1%	9.5%	(4.5%)	16.6%	(11.5%)



<sup>1</sup> Revenue breakouts assign patent license revenue to Real Money Casino.

## Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

(in thousands of US\$, except per share data)

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Revenue	8,323	4,174	15,993	13,764
Cost of revenue	2,865	3,198	5,444	7,078
<b>Gross profit</b>	<b>5,458</b>	<b>976</b>	<b>10,549</b>	<b>6,686</b>
Administrative expenses	13,731	2,727	18,110	6,067
<b>Total administrative expenses</b>	<b>13,731</b>	<b>2,727</b>	<b>18,110</b>	<b>6,067</b>
<b>(Loss) profit from operations</b>	<b>(8,273)</b>	<b>(1,751)</b>	<b>(7,561)</b>	<b>619</b>
Finance costs	341	30	429	62
<b>Net (loss) income before taxes</b>	<b>(8,614)</b>	<b>(1,781)</b>	<b>(7,990)</b>	<b>557</b>
Income tax expense	(172)	(122)	(317)	(268)
<b>(Loss) income for the period attributable to equity holders of the parent</b>	<b>(8,786)</b>	<b>(1,903)</b>	<b>(8,307)</b>	<b>289</b>
<b>Net (loss) income per share attributable to ordinary shareholders</b>				
Basic earnings per share (\$)	(0.33)	(0.09)	(0.32)	0.01
Diluted earnings per share (\$)	(0.33)	(0.09)	(0.32)	0.01

## Interim Condensed Consolidated Statement of Financial Position (Unaudited)

(in thousands of US\$)

As of

ASSETS	June 30, 2020	December 30, 2019
<b>Non-current assets</b>		
Intangible assets	5,367	5,164
Property, plant and equipment	551	190
Right-of-use assets	942	1,334
Lease deposits	113	115
Contract costs	80	57
<b>Total non-current assets</b>	<b>7,053</b>	<b>6,860</b>
<b>Current assets</b>		
Cash and cash equivalents	63,849	10,098
Trade and other receivables	7,570	5,974
R&D tax credit receivable	-	1,127
Inventory	829	883
Prepayments	466	1,061
Lease deposits	77	80
Contract costs	28	29
<b>Total current assets</b>	<b>72,819</b>	<b>19,252</b>
<b>Total assets</b>	<b>79,872</b>	<b>26,112</b>

(in thousands of US\$)

As of

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 2020	December 30, 2019
<b>Current liabilities</b>		
Trade and other payables	12,887	6,760
Contract liabilities	1,865	3,023
Current portion of lease liabilities	472	692
<b>Total current liabilities</b>	<b>15,224</b>	<b>10,475</b>
<b>Non-current liabilities</b>		
Lease liabilities	396	535
<b>Total liabilities</b>	<b>15,620</b>	<b>11,010</b>
<b>Total stockholders' equity</b>	<b>64,252</b>	<b>15,102</b>
<b>Total liabilities and stockholders' equity</b>	<b>79,872</b>	<b>26,112</b>

## Leadership Team: Execution of Growth Strategy

*GAN’s newly expanded management team provides deep bench strength in gaming, technology and M&A*



**Dermot Smurfit**  
CEO

17+ years as Chief Executive Officer at GAN  
  
Qualified UK Attorney (Corporate Finance)  
  
Experience in European Investment Banking



**Karen Flores**  
CFO

15+ years of senior finance experience  
  
17 years in technology focused entertainment companies, including Napster, MySpace and Maker Studios  
  
Key executive in sale of Maker Studios to The Walt Disney Company in 2015



**Don Ryan**  
COO

20 years of senior management experience  
  
15 years at Microsoft (Xbox and Windows)  
  
SVP Gaming at Betfair US and Parx  
  
CEO at Sports Information Group



**Jeff Berman**  
CCO

20+ years of senior management experience  
  
10+ years in entertainment & sports technology  
  
VP at StubHub (Internet Retail)  
  
VP at Ticketmaster (Movies & Entertainment)



**Simon Knock**  
CIO

10+ years as GAN’s CIO & COO  
  
6+ years at William Hill



**Todd McTavish**  
CLO

20+ years experience as a corporate attorney  
  
12+ years in gaming industry  
  
Expertise in business strategy, corporate law, M&A, regulatory compliance and licensing  
  
Led sale of 3 publicly-traded gaming companies

# Appendix

## Reconciliation of Segment Gross Profit to Total Gross Profit (Unaudited)

(in thousands of US\$)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
<b>RMiG</b>				
Revenue	5,688	2,703	11,943	10,810
Cost of sales (excl. depreciation and amortization)	(1,145)	(1,434)	(2,260)	(3,504)
<b>RMiG Segment Gross Profit</b>	<b>4,543</b>	<b>1,269</b>	<b>9,683</b>	<b>7,306</b>
Segment gross profit margin %	80%	47%	81%	68%
<b>Simulated Gaming</b>				
Revenue	2,635	1,471	4,050	2,954
Cost of sales (excl. depreciation and amortization)	(1,026)	(579)	(1,653)	(1,146)
<b>Simulated Gaming Segment Gross Profit</b>	<b>1,609</b>	<b>892</b>	<b>2,397</b>	<b>1,808</b>
Segment gross profit margin %	61%	61%	59%	61%
Depreciation and amortization cost of sales	(694)	(1,185)	(1,531)	(2,428)
<b>Total Gross Profit</b>	<b>5,458</b>	<b>976</b>	<b>10,549</b>	<b>6,686</b>
Gross profit margin %	66%	23%	66%	49%

## Reconciliation of Net Income (Loss) to Adjusted EBITDA (loss) (Unaudited)

(in thousands of US\$)	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
(Loss) income for the period attributable to equity holders of the parent	(8,786)	(1,903)	(8,307)	289
Income tax expense	172	122	317	268
Net (loss) income before taxes	(8,614)	(1,781)	(7,990)	557
Non-operating expense, net				
Finance costs	341	30	429	62
Depreciation expense	179	251	341	432
Amortization expense	656	1,146	1,450	2,303
	1,176	1,427	2,220	2,797
EBITDA (Loss)	(7,438)	(354)	(5,770)	3,354
Share-based payment and related expense	6,728	128	7,483	258
Exceptional costs – IPO transaction related	2,591	-	2,831	-
Adjusted EBITDA (loss)	1,881	(226)	4,544	3,612
Net income (loss) margin %	(106%)	(46%)	(52%)	2%
Adjusted EBITDA (loss) margin %	23%	(5%)	28%	26%

**Thank you**