



# Third Quarter Earnings 2020

November 16, 2020



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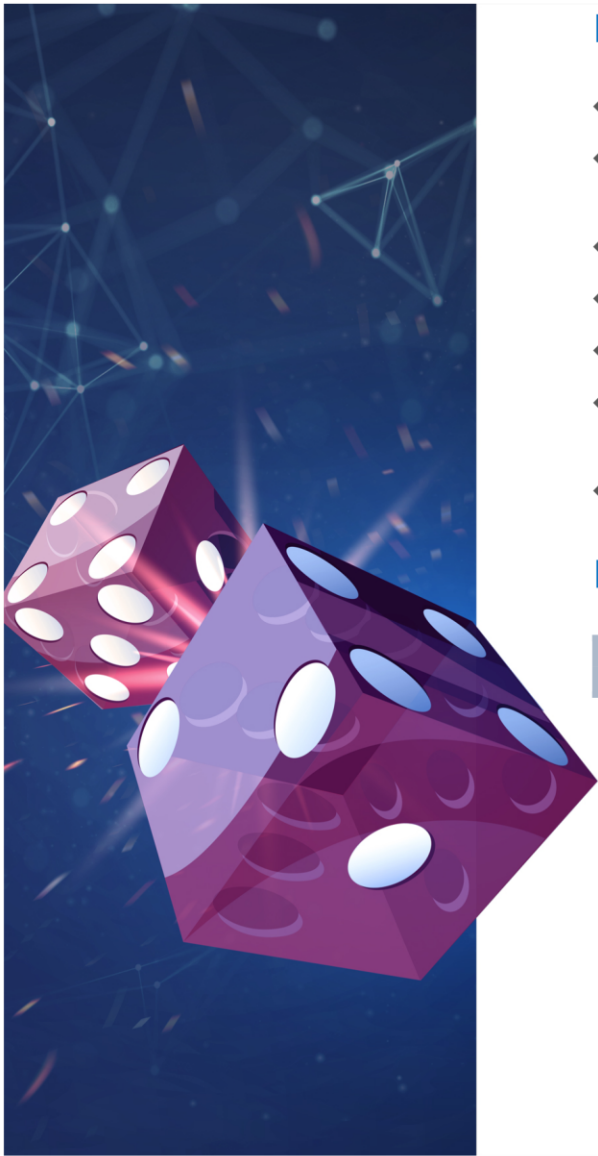
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# Key Takeaways



## Key Highlights

- ◆ Continued momentum with revenue of \$10.3M in Q3'20 up \$4.8M or 86% year-over-year
- ◆ Signing of definitive agreement to acquire Vincent Group plc ("Coolbet"), which is anticipated to be immediately accretive and to unlock U.S. B2B sports betting opportunity
- ◆ Launched Penn National for Simulated & Cordish Live! RMiG in-quarter; on target for 10+ launches this year
- ◆ Multiple new customer wins in-quarter, with launches occurring over the next 2 quarters
- ◆ Announcement of Wynn Resorts 10-year deal in Michigan with potential expansion opportunity in other States
- ◆ Strong operational execution focused on content, including Simulated Sports betting, 'Super RGS' launch in NJ and PA, activation of rapid game development framework 'TITAN'; and signing of High5 Games' RGS content
- ◆ Continued to invest for growth, through organizational expansion and strengthening of corporate infrastructure

## Executing Against Growth Strategy

17 AUG	19 AUG	20 AUG	27 AUG	5 OCT	12 OCT	22 OCT	04 NOV
LAUNCHED	ANNOUNCED	LAUNCHED	ANNOUNCED	ANNOUNCED	LAUNCHED	LAUNCHED	EXPANDED
Real Money Gaming in Pennsylvania for Cordish Gaming Group	New Simulated Gaming Client Route 66 Hotel & Casino	Penn Interactive	New tier one client Churchill Downs	10 year agreement with Wynn in Michigan	Simulated sports betting for Jack Entertainment in Ohio, in anticipation of the state legalizing real-money sports wagering	Play Agua® social casino site and app for the Agua Caliente Casinos	Content Library with High5 Games brings the total content library GAN offers to over 800 games

## Coolbet Acquisition: Expected to Close in Q1 2021

*International, best-in-class sportsbook engine technology provider with double-digit year-over-year revenue growth and European and LatAm footprint*



### HISTORY

Launched May 2016  
Recognized as a top sports betting tech provider with multiple awards

Former NordicBet team members led by founder Jan Svendsen



### FOOTPRINT

Licensed operations in: Malta, Sweden and Estonia

175+ developers, sports traders, risk managers and other employees principally located in Talinn, Estonia



### PRODUCT

Proprietary Sportsbook technology, capable of serving both B2B and B2C

Strong range of retention features developed for Sports enthusiasts

Modular micro-services architecture permits rapid integration and deployment into the U.S. market

Market-leading mobile 'Front End' product with superior UI/UX



### AWARDS

Mobile Sports Product of the Year 2019  
(by International Gaming Awards)

Best Bookmaker in the World 2018 & 2019  
(by TIPS Magazine)

2019 Start-Up/SME of Year  
(by International Gaming Awards)





# GAN Announces Signing of Definitive Agreement to Acquire Coolbet: Transaction Overview

*Creating a full solution to real money gaming in both U.S. and foreign markets with a combined GAN & Coolbet*

## STRATEGIC ACQUISITION

- ◆ Coolbet has a proprietary, award winning, sportsbetting technology which can be readily adapted to enter the U.S. RMiG market
- ◆ GAN and Coolbet technology platforms are highly compatible with similar code base and integration capabilities
- ◆ Companies operate in distinct geographies, providing ample opportunity for synergies and cross-selling

## COMMERCIAL HIGHLIGHTS

- ◆ 2021 rollout of Coolbet technology in U.S. RMiG market as RMiG sports engine technology
- ◆ TTM Revenue of €23.7 million (\$28.0 million) and Net Operating Loss of €3.1 million (\$3.7 million)
- ◆ 46% revenue CAGR from 2018 – 2020 and over 84,000 active customers in the third quarter

## DEAL CONSIDERATION

- ◆ €149.1 million in cash and stock; portion of cash to be funded through new capital
- ◆ GAN to assume full control

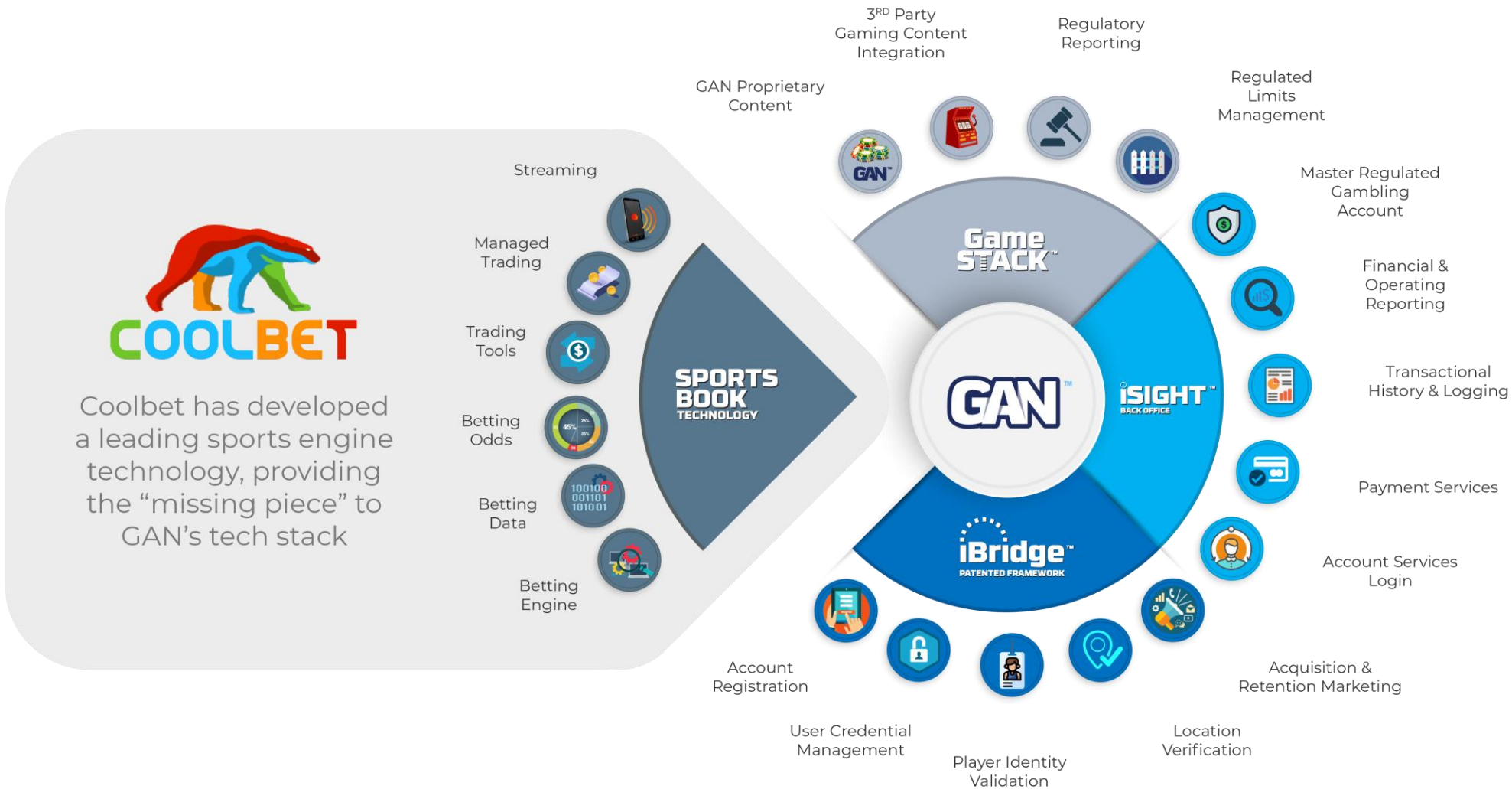
## APPROVALS AND TIMING

- ◆ All necessary approvals from regulators are underway and expected to move forward
- ◆ Deal anticipated to close in early 2021

\* "TTM" denotes "trailing twelve months;" TTM revenue is calculated as of 9/30/20 for both companies, in the case of Coolbet, an exchange rate of 1.18 Euro to USD was used (as of 11/12/2020)

# Strategic Rationale

*Coolbet’s sportsbook technology provides the missing piece of GAN’s technology stack for a fully-integrated offering, customizable at client discretion – with zero overlap in current market penetration between companies*



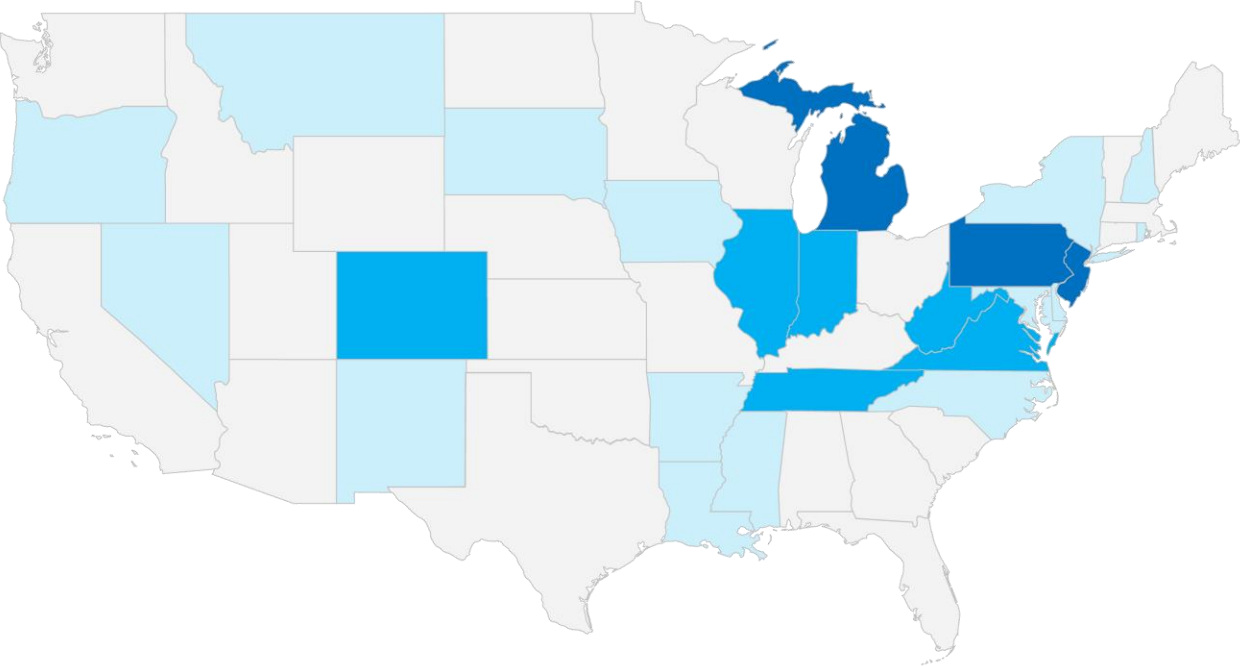
# The iGaming Ecosystem

*How GAN Serves the entire gaming environment, and is a natural long-term, full-service partner to operators*



## November election results indicate potential acceleration of legislation in 2021

*Regulation continues to advance in the U.S. online gaming markets, and GAN is well-positioned to capitalize on the expanding group of states regulating real money gaming in both sports and casino*



US MARKET ACCESS

■ GAN Active Markets   ■ 2021 New Markets   ■ GAN Potential Future Markets

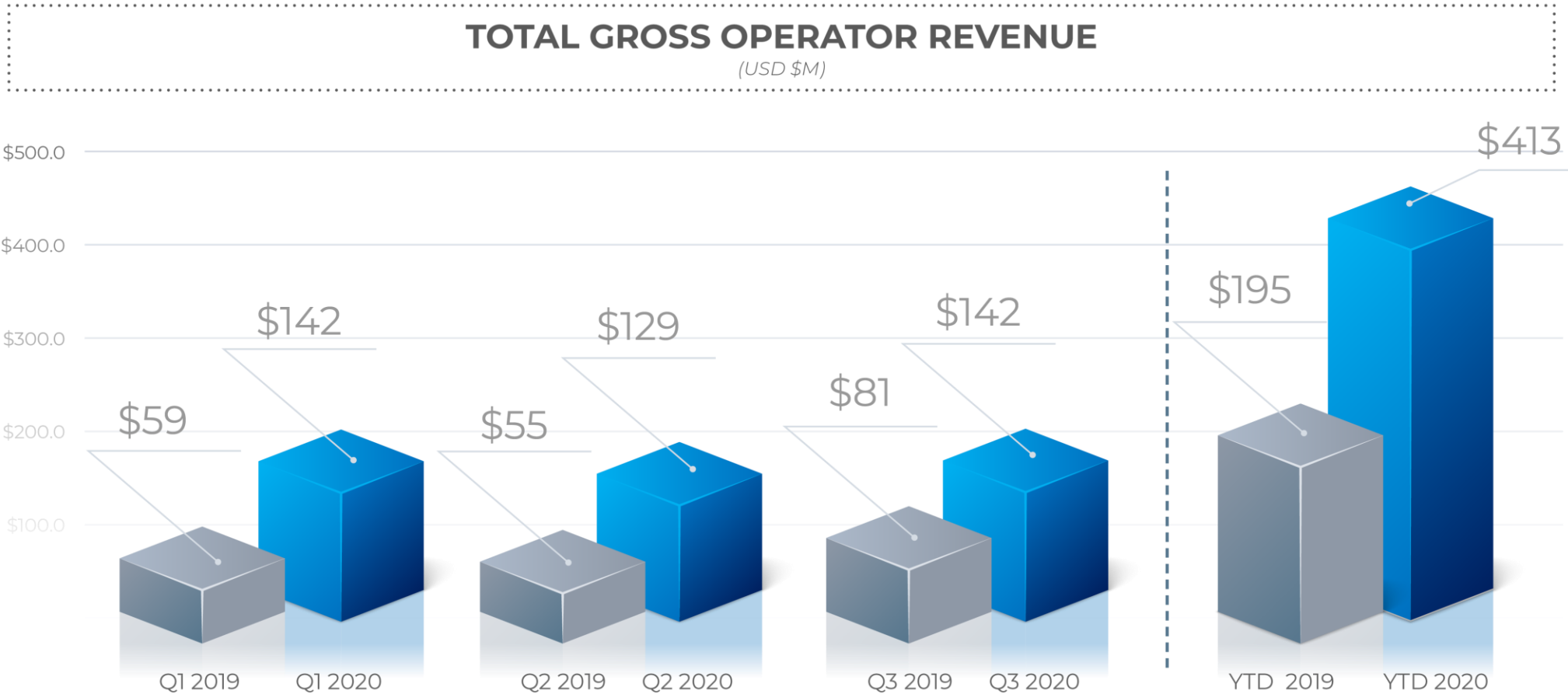
### NEW SPORTSBETTING LEGISLATION

- Joint Committee hearing anticipated first week of December to approve rules in Michigan
- Clean sweep on election day of Sports betting and Casino initiatives with Louisiana, Maryland, and South Dakota passing legislation
- By end of 2021, estimated 50% of all states will have passed sports betting legislation



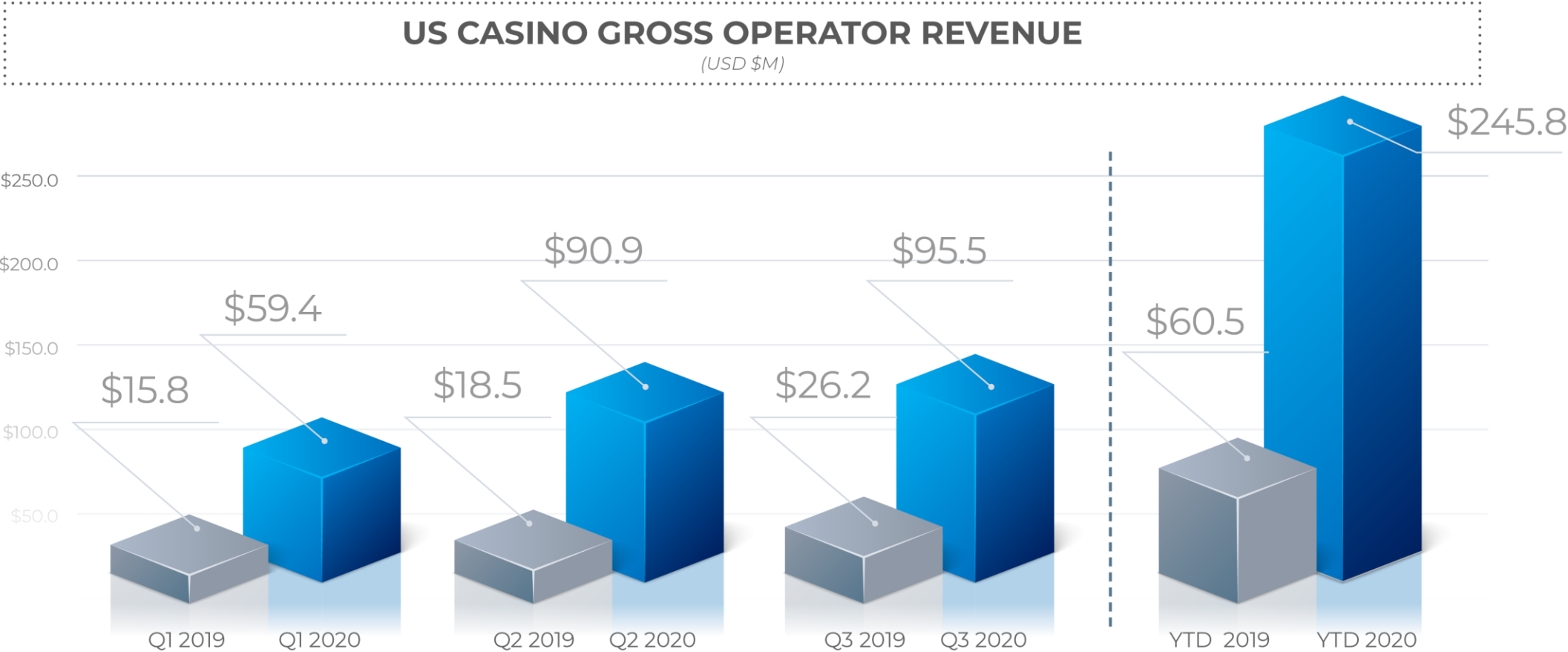
# Total Gross Operator Revenue Growth

*Year-to-date Total GOR up 112% comparatively, 10% sequentially*



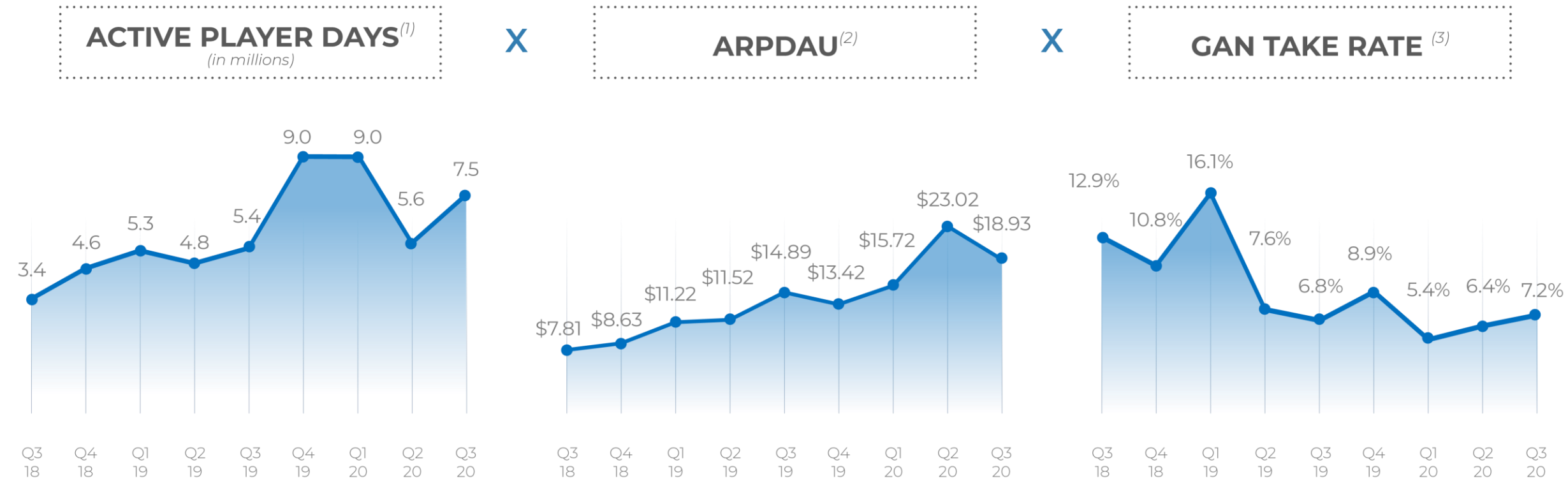
## Casino Gross Operator Revenue Growth

*306% YoY Growth in YTD Gross Operator Revenue for US Casino, 265% YoY for Q3 comparatively*



## Revenue Drivers and KPIs

*GAN Take Rate increased on revenue mix shift related to RMiG deployments for Michigan readiness*



<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 ARPPDAU 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 Revenue Growth

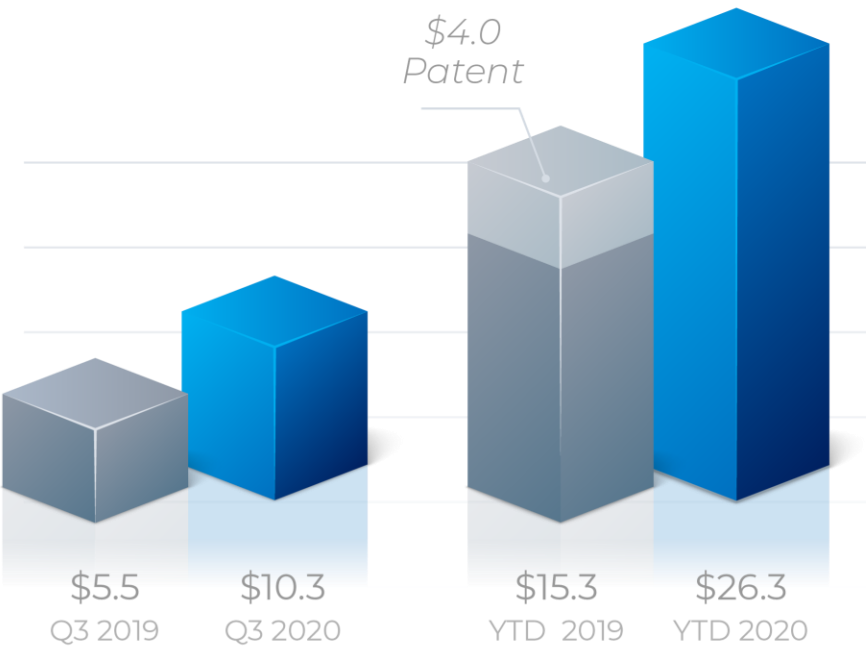
*GAN Revenue is up 23% QoQ from Q2 2020*

### QUARTER OVER QUARTER DRIVERS

- QoQ increase driven by RMiG as related to Michigan readiness and rebound of sports revenue through 8/31 FanDuel migration
- YTD revenue is up 11.5% YoY, or 34% excluding patent revenue of \$4 million in Q1 2019

### REVENUE

(USD \$M)

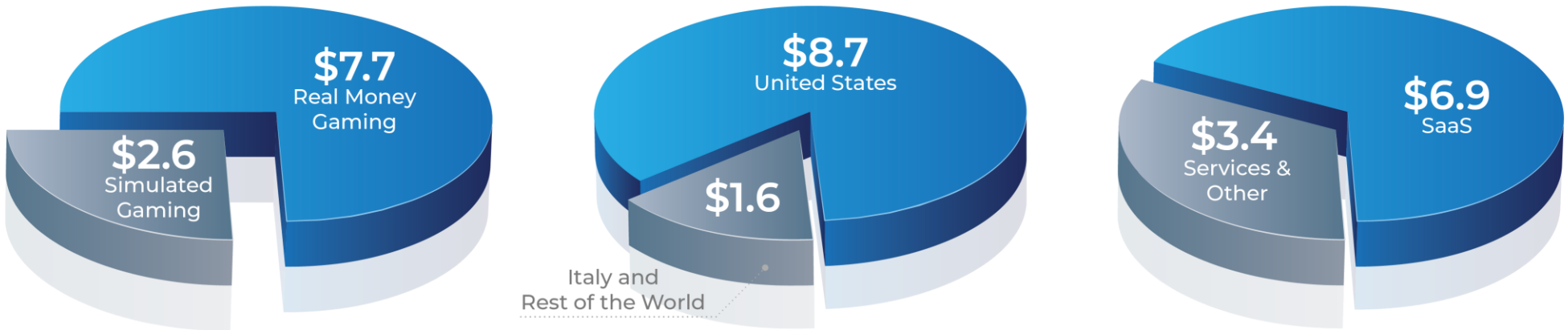




## Q3 2020 Revenue Composition

Current quarter includes \$1.5M in platform deployments; 79% SaaS revenue mix excluding this

FISCAL 2020 Q3 MIX<sup>(1)</sup>

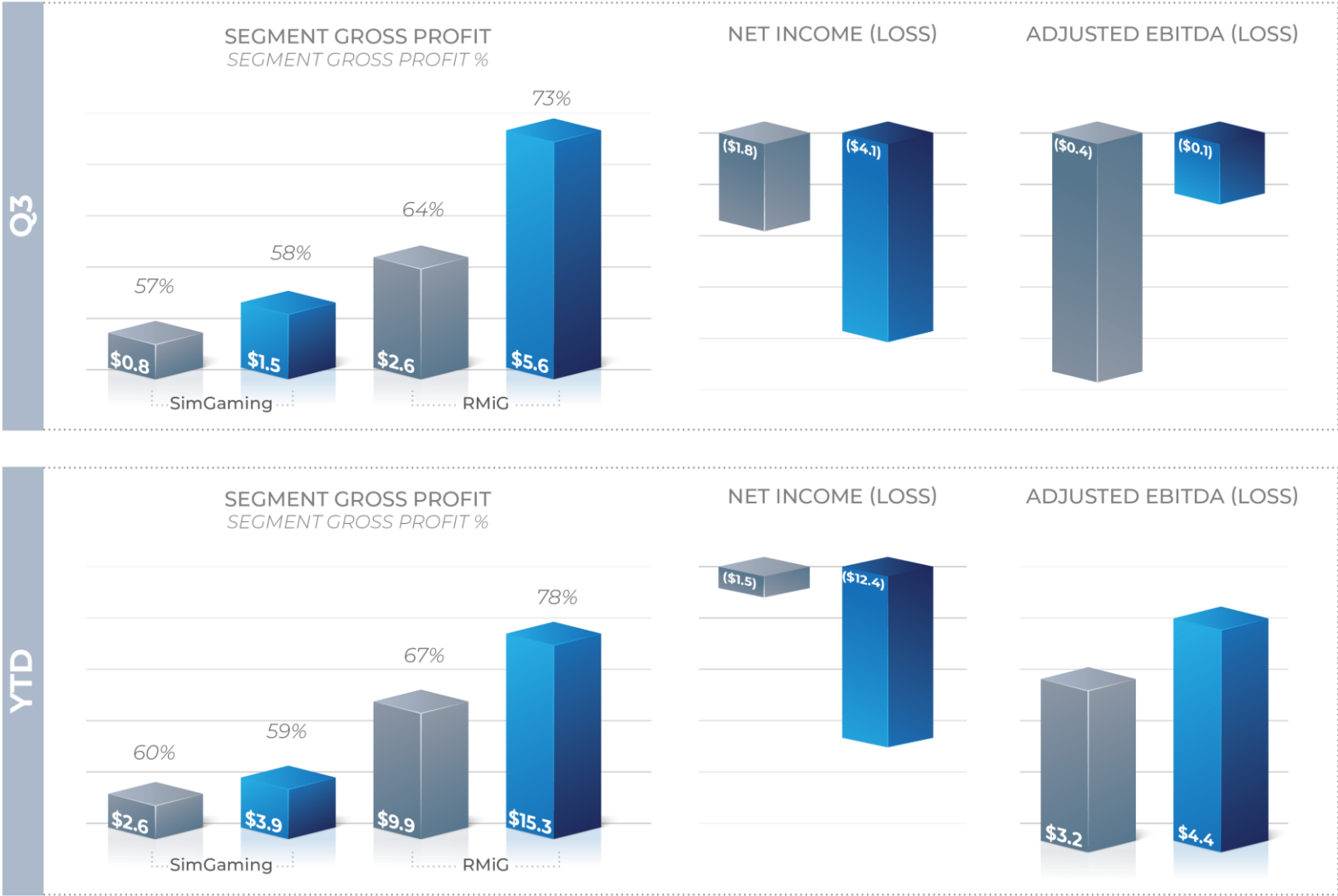


(\$M)	Q3 '20	Q3 '19
Simulated Gaming	23.9%	25.2%
Real Money Casino	66.3%	61.1%
Real Money Sports	9.8%	7.8%

## Summary Financial Performance – Q3 and YTD

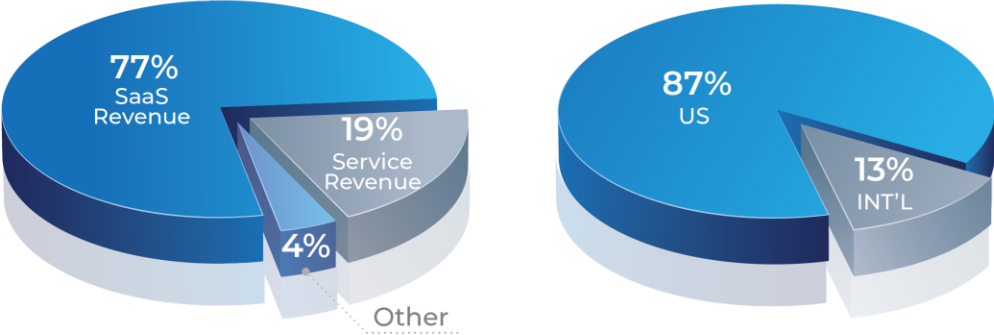
### Q3 2020 VS Q3 2019 DRIVERS

- Gross profit increased 166%, driven by achieving greater scale and operating leverage through new customer launches and organic growth in both segments.
- Net loss attributable to equity holders was (\$4.1) million, or (\$0.14) per diluted share, compared to net loss attributable to equity holders of (\$1.8) million, or (\$0.09) per diluted share.
- Adjusted EBITDA increased slightly to (\$0.1) million from (\$0.4) million, driven by higher gross profit margins, offset by investments in strengthening the corporate enterprise in the areas of product, technology, infrastructure and U.S. public company compliance



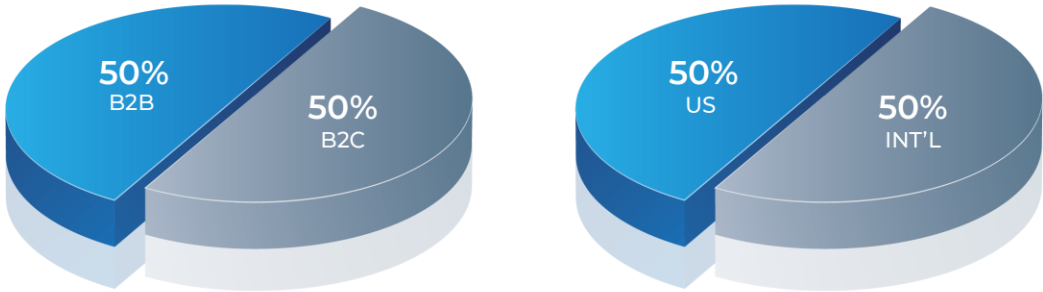
# High Growth, High Margin Profile Remains the Same, with New Scale and Geographic Reach

GAN TODAY



Total Employees:	215
TTM Revenue*:	\$37.0
Growth Profile:	U.S. B2B
Margin Profile:	Asset-Light
Profitability Profile:	Long-term Operating Leverage

GAN + COOLBET POST CLOSE



Total Employees:	390
TTM Revenue*:	\$65.0
Growth Profile:	U.S. B2B, LatAm/Euro B2B and Non-U.S. B2C
Margin Profile:	Asset-Light
Profitability Profile:	Long-term Operating Leverage

\* "TTM" denotes "trailing twelve months;" TTM revenue is calculated as of 9/30/20 for both companies, in the case of Coolbet, an exchange rate of 1.18 Euro to USD was used (as of 11/12/2020)

## Looking Forward: GAN's Near-Term Execution Priorities

POSITION FOR GROWTH IN 2021	LAUNCH B2B SPORTSBOOK OFFERING	MAINTAIN CURRENT U.S. MOMENTUM	BROADEN FOCUS TO INTERNATIONAL EXPANSION
<p>Increase U.S. penetration by launching new states:</p> <ul style="list-style-type: none"> <li>• Michigan in December</li> <li>• WV, VA, TN, IN, CO, IL</li> </ul> <p>Scale revenue with new partners signed in 2020:</p> <ul style="list-style-type: none"> <li>• Wynn</li> <li>• Churchill Downs</li> <li>• Penn Interactive</li> <li>• Cordish</li> <li>• Agua Caliente</li> <li>• Snoqualmie</li> <li>• Laguna Development (Route66)</li> </ul>	<p>Close Coolbet transaction early 2021, executing on core strategy to enhance platform capabilities and provide a best-in-class 360 B2B offering</p> <p>Launch GAN B2B Sports betting offering in 2H 2021</p>	<p>Execute against RMiG pipeline to continue stacking future recurring revenue streams</p> <p>Identify and close new Simulated Gaming customers to build long-term relationships with expansion opportunities</p> <p>Prepare for Louisiana, Maryland, and South Dakota opportunities, legalized through the November election</p> <p>Continue to augment and enhance platform and solution set through original content and partnerships</p>	<p>Integrate and onboard Coolbet team.</p> <p>Maintain focus on executing B2C International growth strategy</p> <p>Explore acceleration of new International B2B and content distribution opportunities as a result of Coolbet acquisition</p>



**Game  
STACK™**



**iSIGHT™**  
BACK OFFICE



**iBridge™**  
PATENTED FRAMEWORK



# Appendix

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

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Revenue	10,266	5,516	26,259	19,280
Cost of revenue	3,894	3,099	9,338	10,177
<b>Gross profit</b>	<b>6,372</b>	<b>2,417</b>	<b>16,921</b>	<b>9,103</b>
Administrative expenses	10,430	4,079	28,540	10,146
<b>Operating loss</b>	<b>(4,058)</b>	<b>(1,662)</b>	<b>(11,619)</b>	<b>(1,043)</b>
Finance costs	25	31	454	93
<b>Net (loss) income before taxes</b>	<b>(4,083)</b>	<b>(1,693)</b>	<b>(12,073)</b>	<b>(1,136)</b>
Income tax expense	5	(141)	(312)	(409)
<b>Net loss attributable to equity holders</b>	<b>(4,078)</b>	<b>(1,834)</b>	<b>(12,385)</b>	<b>(1,545)</b>
Loss per share attributable to ordinary shareholders, basic and diluted	(0.14)	(0.09)	(0.48)	(0.07)
Weighted average shares outstanding, basic and diluted	29,571,905	21,362,133	25,782,776	21,349,572

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

(in thousands of US\$)

As of

ASSETS	September 30, 2020	December 30, 2019
<b>Non-current assets</b>		
Intangible assets	6,008	5,164
Property, plant and equipment	655	190
Right-of-use assets	782	1,334
Lease deposits	68	115
Contract costs	291	57
<b>Total non-current assets</b>	<b>7,804</b>	<b>6,860</b>
<b>Current assets</b>		
Cash and cash equivalents	57,489	10,098
Trade and other receivables	9,079	5,974
R&D tax credit receivable	-	1,127
Inventory	416	883
Prepayments	3,099	1,061
Lease deposits	77	80
Contract costs	55	29
<b>Total current assets</b>	<b>70,215</b>	<b>19,252</b>
<b>Total assets</b>	<b>78,019</b>	<b>26,112</b>

(in thousands of US\$)

As of

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30, 2020	December 30, 2019
<b>Current liabilities</b>		
Trade and other payables	13,358	6,760
Contract liabilities	1,561	3,023
Current portion of lease liabilities	299	692
<b>Total current liabilities</b>	<b>15,218</b>	<b>10,475</b>
<b>Non-current liabilities</b>		
Lease liabilities	355	535
<b>Total liabilities</b>	<b>15,573</b>	<b>11,010</b>
<b>Total stockholders' equity</b>	<b>62,446</b>	<b>15,102</b>
<b>Total liabilities and stockholders' equity</b>	<b>78,019</b>	<b>26,112</b>



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

(in thousands of US\$)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
<b>RMiG</b>				
Revenue	7,689	4,127	19,632	14,937
Cost of sales (excl. depreciation and amortization)	(2,062)	(1,484)	(4,322)	(4,988)
<b>RMiG Segment Gross Profit</b>	<b>5,627</b>	<b>2,643</b>	<b>15,310</b>	<b>9,949</b>
Segment gross profit margin %	73%	64%	78%	67%
<b>Simulated Gaming</b>				
Revenue	2,577	1,389	6,627	4,343
Cost of sales (excl. depreciation and amortization)	(1,074)	(598)	(2,727)	(1,744)
<b>Simulated Gaming Segment Gross Profit</b>	<b>1,503</b>	<b>791</b>	<b>3,900</b>	<b>2,599</b>
Segment gross profit margin %	58%	57%	59%	60%
Depreciation and amortization cost of sales	(758)	(1,017)	(2,289)	(3,445)
<b>Total Gross Profit</b>	<b>6,372</b>	<b>2,417</b>	<b>16,921</b>	<b>9,103</b>
Gross profit margin %	62%	44%	64%	47%

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

(in thousands of US\$)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Net loss attributable to equity holders	(4,078)	(1,834)	(12,385)	(1,545)
Income tax (benefit) expense	(5)	141	312	409
Loss before income tax	(4,083)	(1,693)	(12,073)	(1,136)
Non-operating expense				
Net finance costs	25	31	454	93
Depreciation expense	269	195	610	627
Amortization expense	716	961	2,166	3,264
	1,010	1,187	3,230	3,984
EBITDA	(3,073)	(506)	(8,843)	2,848
Share-based payment and related expense	2,020	134	9,503	392
Initial public offering transaction related	-	-	2,831	-
Tax related provisions	939	-	939	-
Adjusted EBITDA	(114)	(372)	4,430	3,240
Adjusted EBITDA margin %	-1%	-7%	17%	17%

**Thank you**