

2018 FULL YEAR RESULTS

GAN plc

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Conference Call Script

Good day, everyone. Welcome to GAN's Full Year 2018 Earnings Conference Call. With me today is Dermot Smurfit, our CEO. We posted a slide presentation and issued a press release reviewing our key operational and financial highlights for the Full Year 2018. This information can also be found on our website at GAN.com. Now I will quickly cover our Safe Harbor.

Today's call is to provide you with information regarding our Full Year 2018 performance in addition to our general business outlook for 2019. This conference call includes forward-looking statements. Any statement that refers to expectations, projections, or other characterizations of future events including financial projections or future market conditions, is a forward-looking statement based on assumptions today. Actual results may differ materially from those expressed in these forward-looking statements. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events.

Our commentary today will also include non-GAAP financial measures, such as clean EBITDA. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These measures should not be considered in isolation from, or as a substitute for, the financial information prepared in accordance with IFRS. Please refer to our Full Year Results publications for more information. And now, I'll turn it over to our CEO Dermot Smurfit

[RICHARD HANDS OFF TO DERMOT]

Thank you Richard.

Turning now to page 5 of the presentation.

PAGE 5

I'll now take the opportunity, on behalf of our Board of Directors, to thank all of our employees for their contributions throughout both the full year 2018 and the first quarter of this year, a quarter in which Internet sports betting in America has dominated press headlines, the political

agendas of over thirty States and our own internal strategic agenda, a subject which I will return to later in this presentation. I'll also take this opportunity to thank Roger Kendrick, a member of our Board of Directors since 2008 whose retirement was announced today as he approaches his 74th birthday. I wish to thank Roger for his extended service and wish him the best for the future.

[pause]

We offer here for your consideration the clear evidence of a rapid ramp up in revenues by setting out our first quarter 2019 forecast of four point four million pounds in revenue which is an increase of more than one hundred and ten per cent on the first quarter of 2018.

I'll now offer an additional insight by confirming that we are debt free and that we have more than seven million pounds cash in the bank, a substantial increase over the five point five million pounds as on December 31st 2018. To be clear to all listeners, 2019 is the year we generate cash for you, our shareholders, as well as positive EBITDA, both of which are not subject to regulatory approvals. These are key points I believe I must make clear to this audience in light of the market's reaction earlier today to diverse regulatory announcements, which I will address fully later on in this presentation.

Today, GAN is a market leading software-as-a-service provider of Internet gambling solutions to the traditional 'bricks & mortar' casino Industry in the United States with a focus on developing highly quality recurring revenues which in 2018 comprised eighty-eight per cent of total revenues, up from eighty-two per cent in the full calendar year 2017.

Two thirds of our revenues originated in the US, a natural consequence of our multi-year commitment to building a client base coast-to-coast in America and we expect this proportion to substantially grow in 2019.

We now have more than one hundred and thirty employees worldwide, up from just one hundred a year ago, who are located across multiple time zones ranging from Israel in the Middle East to Bulgaria on the Eastern border of Europe, the UK in Western Europe and on both coasts of the United States. This is a highly specialized team of people, who together deliver our diverse clients' requirements for technical development and operational support. For me, it's incredibly important to acknowledge the value of our people, not just our technology. Our software may have taken more than a decade to develop at the cost of tens of millions of dollars, but it's nothing without the motivated team of specialists who drive our business forwards each and every day. Experience counts, and in the challenging regulated

Internet gambling markets of America our collective experience represents a truly scarce and valuable asset.

Please now turn to page 6

PAGE 6

The biggest among many highlights of 2018 was the integration of sports betting applications into our enterprise software platform. We integrated not only IGT Sports but also KAMBI sports, and today we offer our clients a choice between two market leading sports applications as well as the open flexibility to integrate additional sports applications, over time.

The integration of sports was a first for GAN and required significant architectural development as well as massive operational optimizations which simply cannot be guessed at. If you want to operate a platform at serious levels of scale, at Super Bowl levels of scale, you need to have actually done it in America. Experience is everything, and the experience we have at GAN, now imbued within our technology system, is a scarce differentiator against competing B2B platform providers in the US. No other B2B provider has operated at scale through the NFL playoffs, the NFL Super Bowl or the NCAA March Madness tournament taking place right now. GAN has. This capability cannot be taken away from us and represents a massive competitive advantage as well as comforting current and future clients that we can handle the massive utilization spikes which occur throughout these major US sporting events, while still registering new players, accepting deposits, permitting players to login and wager on sports events or gamble in the casino. In 2018 and into early 2019, GAN transcended the B2B competition in the United States and our achievements will continue to echo within the US market for many years to come.

Please join me on the next page.

PAGE 7

Here we have sought to visualize and further explain the Key Performance Indicators GAN first started publishing in early 2017, providing a straightforward account of our clients' revenues and therefore offering a read-through to our own recurring revenues.

Demonstrable progress has been made since the launch of Sports betting in the second half of 2018 with the cross-sell from sports betting into the online casino delivering significant growth of Internet gaming revenues as well as sports betting revenues. With the final days of 'March Madness' basketball tournament still to play out, we also provide here a preview of our

first quarter 2019 Key Performance Indicators, illustrating the continued rapid growth emerging from New Jersey's fast-growing Internet gambling market together with continued growth in Simulated Gaming and our Overseas Internet Casino Win Star Dot Com.

For the avoidance of any doubt, our first quarter key performance indicators will be published next week once the calendar first quarter has completed.

Turning over the page, to page eight ...

PAGE 8

... here we re-state our strategy executed on in 2018. To expand engineering resources in order to stop turning away new clients who we simply could not accommodate in the first half of 2018. To strengthen our balance sheet to remove a significant competitive disadvantage. To raise our profile in America, which continues to represent the core geography of our opportunity. To capitalize on our early mover advantage hard-earned these past six years and (of course) to deliver multiple options for integrated sports betting to our clients.

This strategy is the product of our deep understanding of the US casino Industry, the needs of our clients and our relentless commitment to building out the fundamental technical infrastructures required by all of our clients in order to conduct Internet gambling in some of the most highly regulated and therefore challenging markets such as the State of New Jersey and, in due course, the State of Pennsylvania and the State of West Virginia.

PAGE 9

Turning to page 9 is a swift summary of our largest client, which represented fourteen per cent of GAN's revenues in 2018. Way back in 2013 Betfair nominated GAN as their Platform for an adventure in America starting in New Jersey with the launch of Betfair Casino Dot Com. Skipping forwards in time, Betfair merged with PaddyPower and nominated GAN to bring their market leading Daily Fantasy Sports brand 'Fan Duel' to market for regulated sports betting in New Jersey which launch in September of 2018.

The results to date have been phenomenal, particularly the propensity for sports bettors to cross sell into the casino, and proves the potential for Internet sports betting in America, a nation of avid sports fans who can now legitimately bet on sports online with trusted operators instead of engaging with the murky world of offshore gambling companies. We will return to the subject of Internet sports betting later in the presentation.

Please join me on the next page.

PAGE 10

Much has been made of the Overseas Internet Casino, first announced in September of 2016 and technically launched online in late 2017. Throughout 2018 we assembled a specialized team of Israeli digital marketers in Tel Aviv, and commenced the employment of our client's ten million dollars in marketing capital in September of 2018.

To date, the results have been impressive, targeting initially the UK market and more recently localizing the product experience for other European countries. GAN Digital, our multi-client in-house digital marketing agency, has now delivered more than ten thousand first time depositors to Win Star Dot Com who have deposited nearly five million pounds and staked over fifty five million pounds at an average bet of two pounds, leaving behind two point three million pounds in gaming revenue to date, with plenty more to come from players already acquired.

More importantly, the cost of acquisition of each depositing player has been below two hundred pounds, an excellent result for a pure play Internet casino in a mature and competitive European market and provides early evidence that this new business unit could contribute substantially to GAN's business in the remainder of 2019 and beyond.

More product optimizations are underway including the launch of more casino gaming content, additional live dealer options and a tighter cross-sell to the US casino property in order to send VIP casino players from European markets to visit our client's magnificent casino resort property deep in the heartlands of America which is also the largest casino in the world offering several thousand slot machines across a 1mile long gaming floor.

On a related point to address potential queries from analysts in the audience, in late 2017 we exited our B2C MoneyGaming.com business activities and related intellectual property assets, migrating the same to benefit our newly-launched Win Star Dot Com business unit delivered to our client the Chickasaw Nation throughout 2018. This should help inform this audience as to the year-on-year fall in 2018 revenues geographically derived from the UK & Channel Islands and is therefore not comparable year-on-year in the context of our overall growth.

(pause)

I will now hand back to our Chief Financial Officer, who will take us through the full year financial highlights starting on page 12. Richard.

CFO SECTION

Thanks Dermot. Slides 12-15 in the presentation and the 2018 Results announcement provide the comprehensive operational summary. Our 2018 Annual Report will also be available in a couple of weeks and posted to the Investor section of the GAN website. Before we get into the numbers, I would like to provide a brief business overview.

Our business activity in 2018 has been executed with the sole purpose of setting the foundation to maximize long term growth for 2019 and beyond and to become a long term profitable company.

Our goal is to be the top independent tech, integration, content, and services platform for both Simulated Gaming and Real Money Gaming by having the most robust technology and best in class value added services. Our goal is to prioritize what's best for our partners and players.

With the recent capital raise and continued tech resources growth on Sofia and Las Vegas, we will be well positioned to realize this vision for the company.

As we enter 2019, we are in a great position to drive additional growth from our two core product verticals: Simulated Gaming in the US market, and regulated real money gaming for both the US and Italian markets. First let's talk about Simulated Gaming.

Sim Gaming:

In December of 2018, we launched Simulated Gaming for Pearl River Resort for the Mississippi Band of Choctaw Indians. Simulated Gaming has proven effective in reinforcing customer engagement and property visits. It also provides a clear inroad to Real Money Gaming opportunities in states before they actually regulate. We have a solid sales pipeline and will continue to focus on opportunities in states that have the highest probability of regulating in the future. Now on to Real Money Gaming.

RMG Gaming:

Real Money Gaming, which includes Casino gaming and Sports, is projected to be our #1 growth engine for 2019 and beyond given the current sales pipeline, early momentum on Sports Betting in NJ and upcoming launches of FanDuel in West Virginia and Pennsylvania, and Parx Casino in NJ and PA, who has the #1 market share in PA today. Most of these propositions will be launching mid-year 2019. Additionally, the Italian market continues to outperform our expectations as revenues have grown 39% Year over Year. The growth opportunity in the Italian market remains significant and we expect continued success for 2019.

Additionally, as we complete the ramp of our tech resources in cost friendly Sofia, Bulgaria, and Las Vegas, NV in 2018, we expect to start seeing the economies of scale impact in 2019 as rev share and service revenues start to become realized, as our new real money gaming partners launch in new states and begin to scale.

OK, I am going to quickly run through the financials starting with Slide 12

PAGE 12

As Dermot touched upon earlier, the Group continues to make progress against our stated goal to build our recurring revenue base in each of our key markets: the US and Italy. Recurring revenues in these markets have grown by 23% Year on Year and now make up 88% of overall Group revenue. Recurring revenues are important as they are contractually bound, while non- recurring revenues such as dev costs for custom work is less predictable and more ad hoc in nature.

PAGE 13

Real Money Gaming (RMG) revenues have increased £1.3m, or 26%, to £6.3m reflecting £5.1m of revenue share and £1.2m of development fees.

Simulated Gaming revenue share is up 10% YoY to £4.2m from £3.8m in 2017. Associated game and platform development fees are down £0.2m to £0.1m. We had some development fees that were realized in 2017 that were not realized in 2018 given 5 new Simulated Gaming launches in the first half of 2017.

The US remains the primary market but Italian revenues remain strong at 38% of Total Net Revenues with a 41% year over year growth rate.

Turning to slide 14, we will review overall financials.

PAGE 14

Gross income for the year 2018 came in at £49.2m, up by 20% YoY. Net revenue also saw an increase, growing to £10.6m, or 16% vs. 2017, primarily driven by the growth of Italy and Sport Betting in the US.

We posted a Clean EBITDA loss of £1.5m compared a gain of £0.5m for the prior year as we made a conscious decision to invest in technology resources in preparation for continued

growth, and given the one-time event of the sale of moneygaming.com and associated website in 2017.

Net Assets grew year over year by £1.8m driven by the oversubscribed capital raise and pay down of existing debt. We also doubled our cash and cash equivalent balance as of December 31 to £5.5m.

Moving now to slide 15, which will highlight certain Distribution and Administrative Expenses

PAGE 15

The Group's overall cost base has increased to £16.9m compared to £13.2m for the prior year.

Distribution costs (excluding depreciation and amortisation) have increased year-on-year by £1.2m to £5.0m in 2018. The primary drivers are twofold:

Royalty expense related to distribution of third party content providers was £0.9m higher than the prior year due to the higher revenues in Italy.

Increases in bandwidth costs related to growth of Italy and regulatory testing in New Jersey for the launch of Ocean Resort Casino have driven a £0.3m increase in distribution.

Administrative expenses have increased by £1.8m to £7.3m in 2018

Personnel and related expenditures have increased by £1.8m. This is due to increased staff levels in the Las Vegas, Tel Aviv and Sofia offices to support the growth of new and existing contracts

As Dermot stated at the beginning of the call, we continue to be bullish for 2019 as the analyst consensus is projecting 65%-75% revenue growth with significantly positive EBITDA. This positive improvement is consistent with the guidance we gave on the January 2019 trading statement. So far we are off to a good start as revenues came in at £3.3m for January and February, which represents a 148% growth year over year for the same period (1.345M in 2017). Q1 is expected to come in at 110%-120% growth.

The company remains focused on growing CLEAN EBITDA, primarily from the higher margin US market in addition to expected future growth from Italy, in order to organically fund the Group through to expected positive EBITDA in 2019. This will allow us to be in the best possible position to capitalize on the immediate opportunities open to the Group. For further

details on all of the above, please refer to the 2018 Financial Results announcement that was recent posted on Gan.com for the investor materials.

I will now hand you back to Dermot who will walk you through the rest of the presentation.

CEO RESUMES:

PAGE 17

Thank you, Richard. I'll take it as read that our investors largely understand what we do for our clients, so I'll not spend time on the appendices and will concentrate on our 2019 Outlook starting on page 17, which I'll ask you all to turn to now.

There are more than thirty US States which are locked in the legislative cycle, with a broad Industry expectation that more States will regulate Internet gambling and regulate it swiftly. The drivers appear to be the politically palatable nature of Sports betting, unlike casino gaming, although it's worth noting how casino gaming appears to be capable of riding the coat tails of sports regulation, as we have just seen two days ago when West Virginia passed legislation for Internet casino gaming, several months after regulating Internet sports betting.

PAGE 18

Turning over the page, we can now discuss in summary the components of our 2019 Outlook.

For real money Internet gambling in America, we see evidence of continued rapid growth year-on-year, driven by New Jersey and, in the second half, both Pennsylvania and West Virginia. In Europe we see accelerating growth in Win Star Dot Com as the business is further optimized for our client. In Italy we can continued growth over the full year as the retail Italian gambler continues to inexorably migrate online.

Simulated Gaming grew strongly in the first quarter, led by two large Native American tribal clients in California and Oklahoma, and we expect additional client wins in key strategic States throughout the balance of this year targeting key states which are likely to regulate real money Internet gambling late this year or next.

On the cost front we do not foresee any need for an aggressive increase in our headcount following the near-completion of our recruitment cycle year-to-date. The expansionary cycle to bring more engineering resources into GAN is now substantially completed, will be complete in the first half of this year and will not continue through the second half of 2019.

With record levels of revenue, EBITDA and the attainment of positive cash flow, the Board of Directors has determined to commence a review of strategic alternatives for the business to identify the best path for maximizing shareholder value.

There are multiple options to consider and we're delighted to announce the appointment of Union Gaming, headquartered in Las Vegas with satellite operations in both New York and Hong Kong, to lead GAN in conducting this review to see which, if any, is the appropriate path to take at this critical juncture.

PAGE 20

I'll skip across the self-evident contents of page 19 to page 20, which presents the primary three options we are investigating with Union Gaming, each of which has different merits. Let me take the opportunity to be entirely clear: This review is elective. We do not need to sell GAN. We believe there may be strategic alternatives available to GAN to maximize shareholder value following a number of unsolicited enquiries we have received year-to-date from various Industry stakeholders including private equity interests. This appears to be an opportune time to investigate our options and perhaps find a strategic investor to acquire existing shares, or perhaps to exit the business in full or perhaps set in motion the complex mechanics to procure a listing for our shares in the US, where appetite for GAN's equity story remains particularly strong. There is of course no guarantee that any of these outcomes will be achieved, or achieved on terms acceptable to all shareholders. And that's entirely OK.

So we have today openly invited the Industry, and private equity interests, to engage directly with Union Gaming should they wish to better understand the merits of our business, our US market position and the opportunity for US Internet gambling in future years.

In closing, I think it's worth reflecting on the extraordinary commitment, in capital and time, required to position GAN to enjoy the benefits of delivering more US casinos online as real money Internet gambling continues to regulate in what will surely be the largest and most lucrative market anywhere in the World.

(pause)

Thank you everybody for listening to our presentation today. Operator, we are now happy to take any questions.

- **Q&A**
- **Closing Comments**

