



Second Quarter 2022 Results Presentation

August 2022

NASDAQ: BRAG | TSX: BRAG

Forward Looking Statements



This presentation contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") which are based upon Bragg Gaming Group Inc.'s (the "Bragg") current internal expectations, estimates, projections, assumptions and beliefs which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Bragg's control and many of which are subject to change. Such forward-looking information may include information regarding Bragg's financial position, business strategy, growth strategies, the status of currently planned acquisitions, addressable markets, budgets, operations, financial results, financial targets and expansion plans. In some cases, such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "would", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of historical fact.

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The forward-looking statements set forth herein reflect Bragg's expectations as at the date of this presentation and is subject to change after such date. Bragg disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Forward-looking information and other information contained herein concerning management's general expectations concerning the gaming industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, industry data is subject to change based on various factors.

Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures, including Adjusted EBITDA and EBITDA. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and metrics are used to provide investors with supplemental measures of Bragg's operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. Bragg also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures, including industry metrics, in the evaluation of companies in our industry. Management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. See related disclosure in Bragg's Annual MD&A (including under the heading "Limitations of Key Metrics and Other Data") and Interim MD&A (including under the headings "Management Discussion & Analysis", "Selected Interim Information" and "Limitations Of Key Metrics And Other Data").



2Q22

Table of Contents

- Quarterly Highlights
- Financials & Guidance
- Business & Operational Updates
- Outlook & Conclusion



Quarterly Highlights



Highlights: Second Quarter 2022



Continued strong financial performance driven by European growth and North American momentum



Second Quarter Financial Performance

- 2Q22 revenue rose 34.2% to EUR 20.8m (EUR 15.5m in 2Q21)
- 2Q22 Adjusted EBITDA rose 62.9% to EUR 3.1m (EUR 1.9m in 2Q21)
- Gross profit margins increased by 1060 bp to 55.9% (45.3% in 2Q21)



Second Quarter Business Highlights

- Completed acquisition of Spin Games, marking key milestone in U.S. strategy following Wild Streak Gaming acquisition in 2021
- Went live with proprietary content in Ontario on day one of the newly regulated market
- Market entry in Portugal; UK footprint expanded via new content agreements



Recent Developments

- Market entry in Connecticut with DraftKings and Mashantucket-Pequot Tribe
- Launched first dual deployment of Oryx and Spin Games technology and content with Rush Street Interactive in Ontario
- Yaniv Sherman appointed as CEO of Bragg, joining from 888 Holdings plc



Financials & Guidance



2Q22 Financial Results

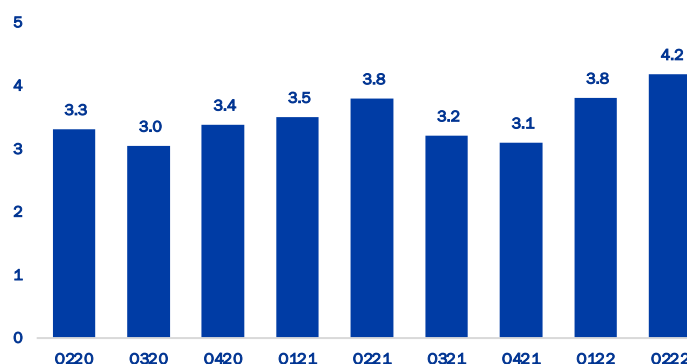


2022 Financial Highlights

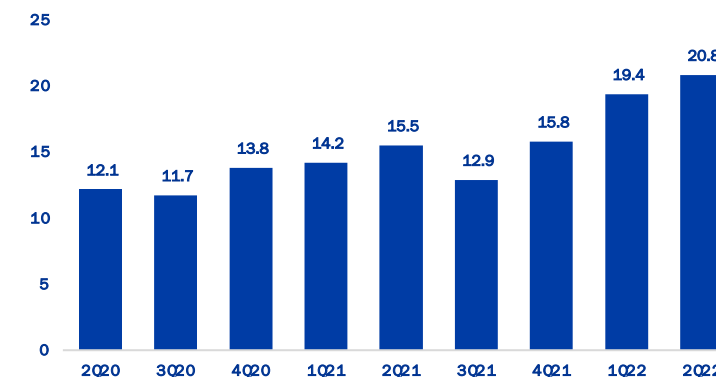
- ▶ Revenue increased by 34.2% to EUR 20.8m
- ▶ Wagering¹ generated by Group customers up by 9.0% to EUR 4.2b compared to the previous year and up 9.2% from 1Q22
- ▶ Gross profit increased by 65.5% to EUR 11.6m
- ▶ Gross profit margins increased by 1060 bps to 55.9%
- ▶ Adjusted EBITDA up by 62.9% to EUR 3.1m reaching 14.9% margin
- ▶ Completion of the acquisition of Spin Gaming
- ▶ Positive Net income reported of EUR 0.1m (2Q21-Net loss of-EUR 2.3m)
- ▶ Strong current trading; Updating FY22 guidance to:
 - ▶ Revenue: EUR 76-80m (previously EUR 68-72m)
 - ▶ Adjusted EBITDA: EUR 10-11m (previously EUR 9.5-10.5m)

Historical Financial Overview

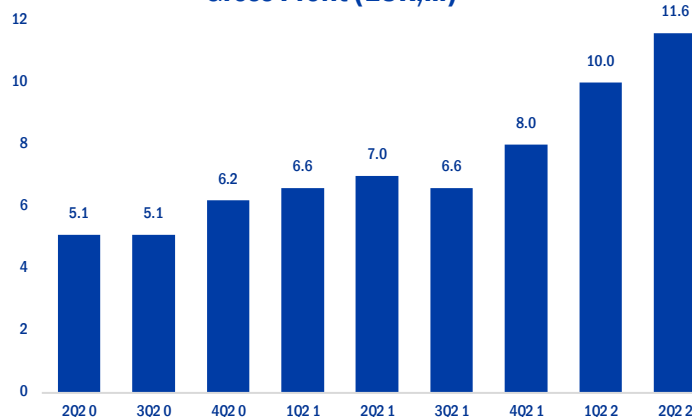
Wagering¹ (EUR,b)



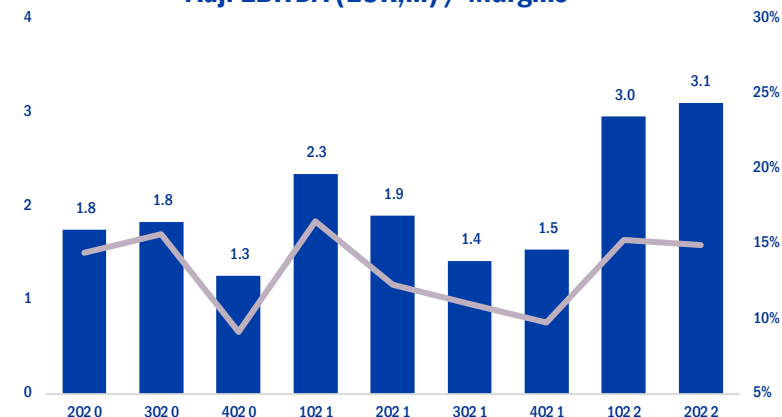
Revenue (EUR,m)



Gross Profit (EUR,m)



Adj. EBITDA (EUR,m) / Margins



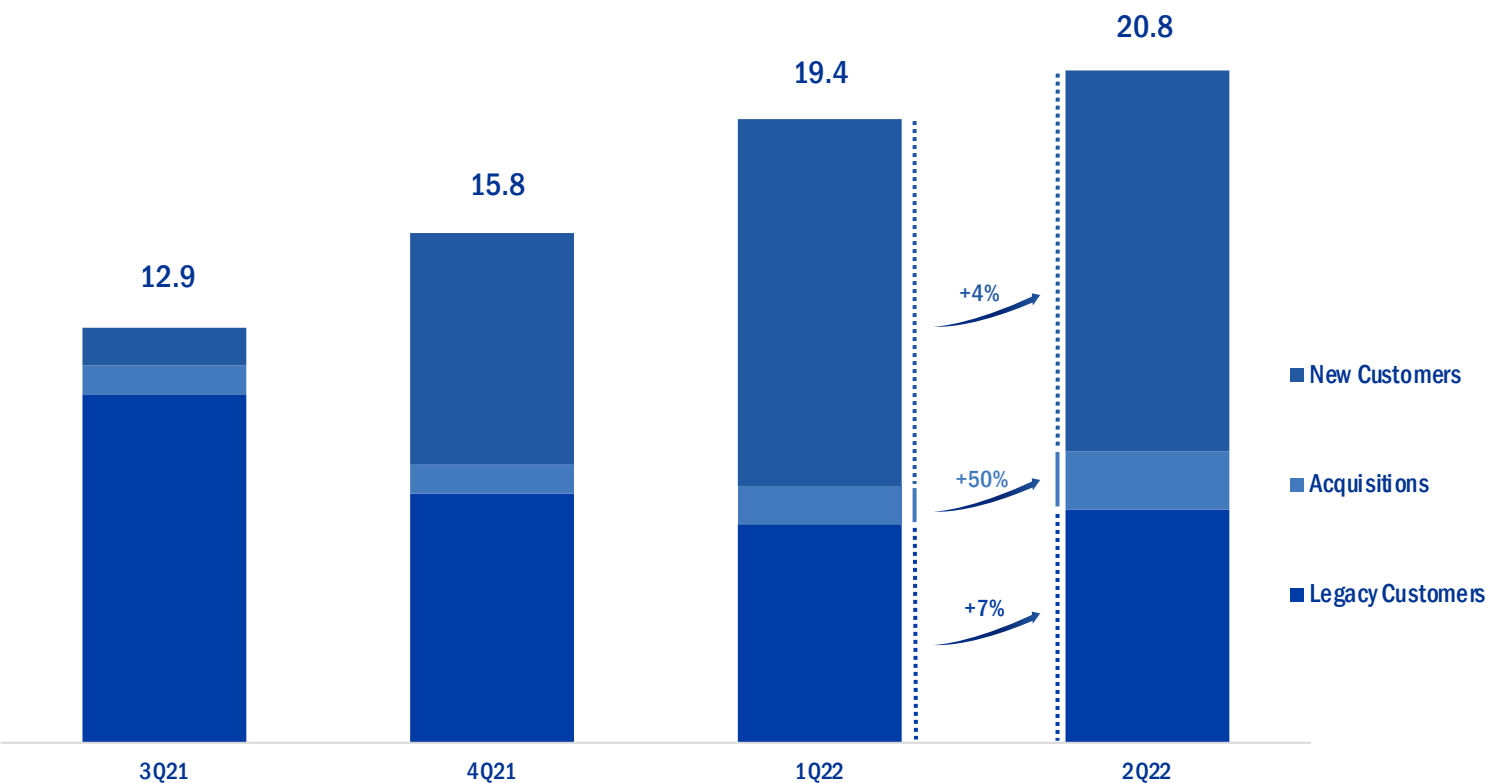
Underlying Business Performance by Cohort During 2Q22



Revenue Mix Highlights

- Strong revenue performance from new customers launched in FY21-FY22 (up 3.9% from 1Q22) driven by the Dutch market
- Revenue from legacy customers has demonstrated consistent growth, rising 6.8% from 1Q22
- Total Wild Streak and Spin revenue was up 50.0% from the previous quarter as a result of strong performance of proprietary games.
- Underlying recurring group revenue including licenced Germany increased 7.4% quarter-over-quarter
- **New business pipeline, new market entry and more focused sales underpin FY22 revenue targets**

Bragg Quarterly Revenue Split (EUR,m)



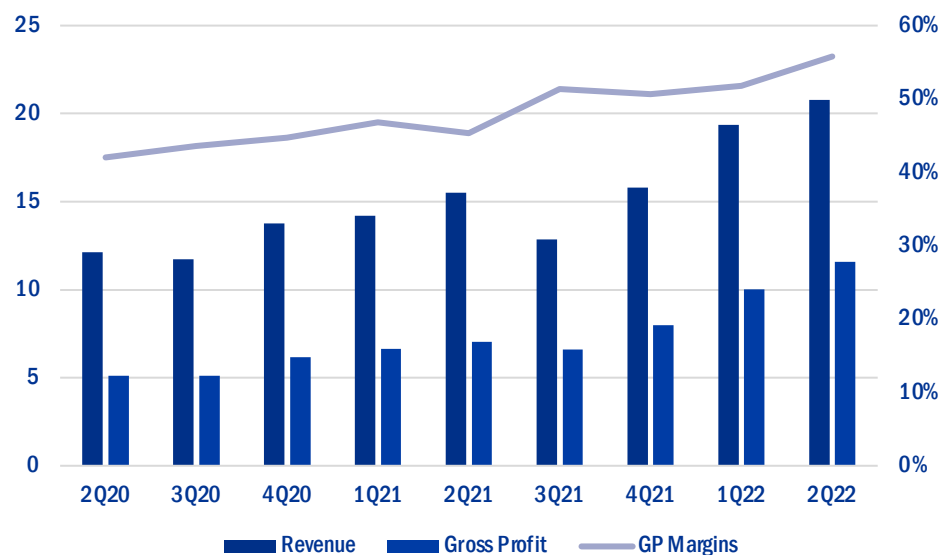
2Q22 Gross Profit Expansion



2Q22 Gross Profit Highlights

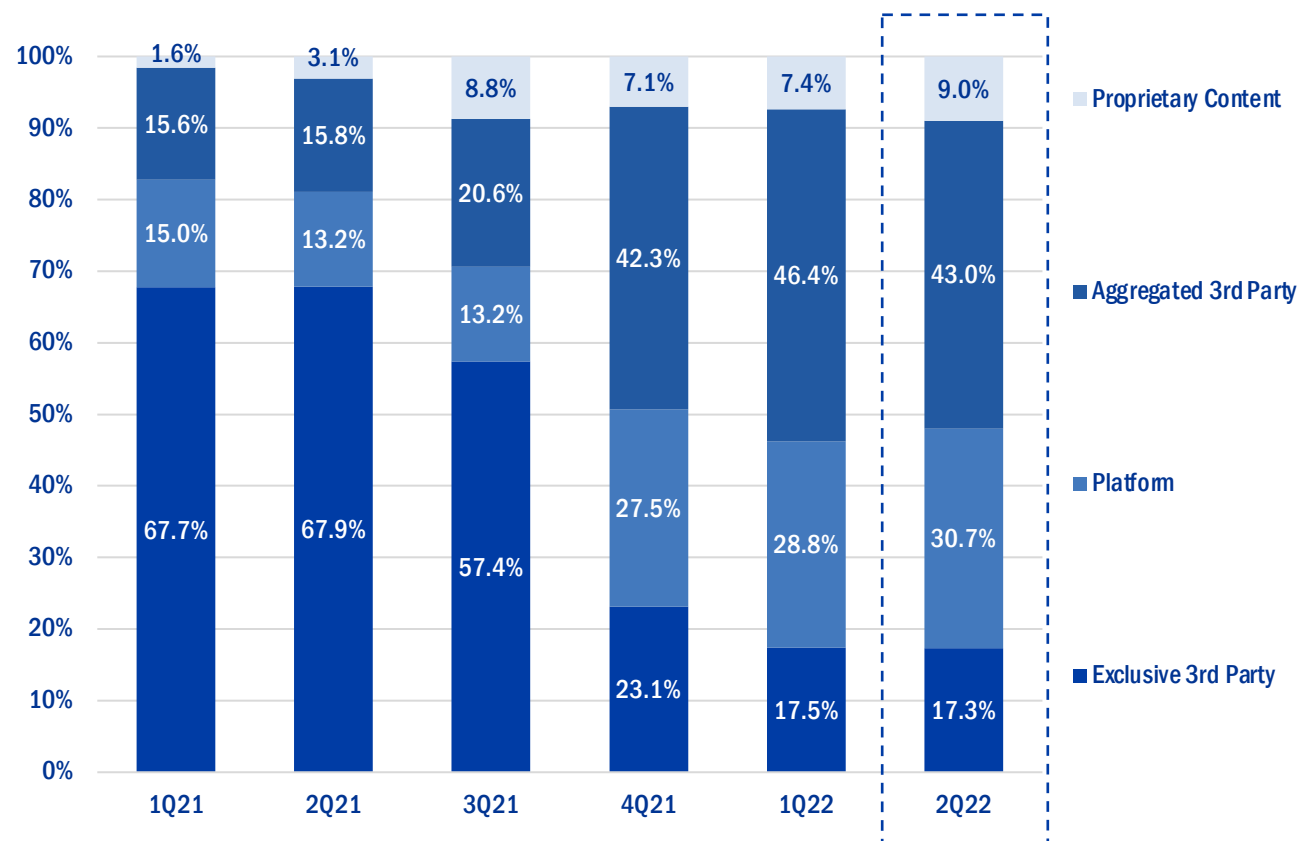
- Gross profit margins growing since 2Q20 and scaling in line with the changes of the product mix. 2Q22 is up 1060 bps from 2Q21
- PAM, turnkey solutions and proprietary content products are free of third party cost, scaling up gross profit margins
- Targeted gross profit margins to increase to 60% by FY24

Revenue (EUR,m) and Gross Profit Margins



Product Mix

- Product mix changed since 3Q21: trending towards platform (including managed services) & proprietary content, while improving gross profit margins and profitability



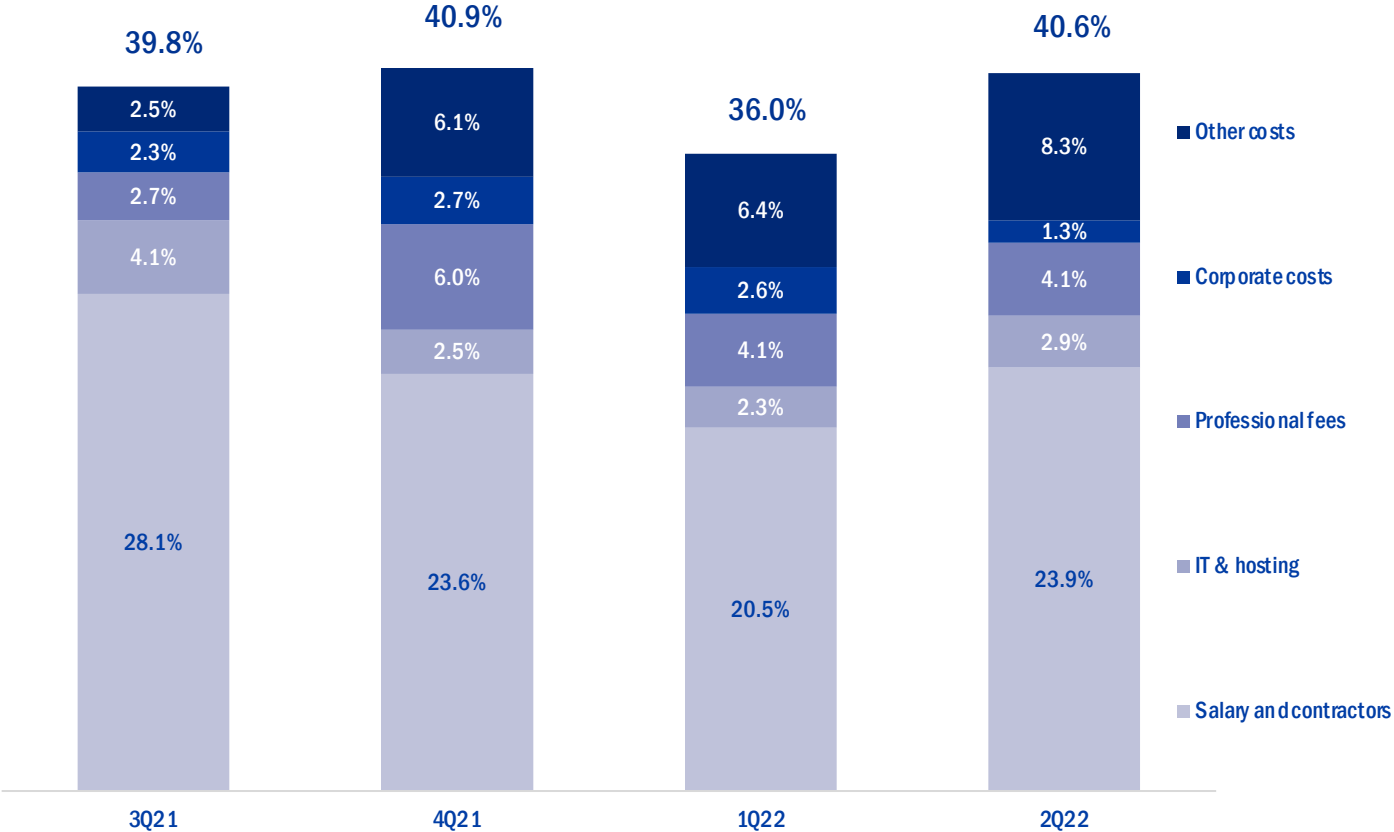
Cost Structure – Growth-focused with Margin Control



2022 Operational Cost Structure

- Total operational costs (excluding COGS) continue to scale down since 3Q21 and amounted to 40.6% (3Q21: 39.8%) as a proportion of the total revenue.
- Salary & contractors: the Corporation continued to invest in expanding its technology and product and games development . Total costs as as proportion of revenue scaled since 3Q21 to 23.9% (3Q21 28.1%) and targeted to scale further with future growth
- Professional fees amounted to 4.1% (3Q21: 3.3%) of total revenue and were mainly related to entering new jurisdictions, licencing, legal and audit costs
- IT & hosting costs scaled up as part of the U.S. expansion and organic revenue growth
- All other costs¹ are targeted to scale in line with future growth

Bragg Cost Structure



BRAGG IS INVESTING IN ASSETS AND IP TO ACCELERATE FUTURE REVENUE STREAMS

1. Other costs include sales and marketing, bad debts and other operational costs

2Q22 EBITDA Reconciliation



Reconciliation Operating Loss (Income) to Adj. EBITDA

EUR 000	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating income (loss)	752	(1,825)	524	(2,324)
(1) Depreciation and amortization	1,883	1,051	3,459	1,887
EBITDA	2,635	(774)	3,983	(437)
Depreciation of right-of-use assets	(48)	(37)	(89)	(75)
Lease interest expense	(4)	(5)	(8)	(10)
(2) Share based compensation	797	891	2,097	2,200
(3) Transaction and acquisition costs	146	573	346	1,136
Exceptional costs	39	1,252	191	1,428
(4) Gain on remeasurement of contingent consideration	(469)	-	(469)	-
Adjusted EBITDA¹	3,096	1,900	6,051	4,242

- (1) **Depreciation and amortization:** an increase in intangibles amortization as part of the Wild Steak and Spin acquisition in June 2021 and June 2022 respectively
- (2) **Share based payments:** new awards granted to senior management in 1Q22 composed of DSUs and RSUs
- (3) **Transaction and acquisition costs:** costs associated with the Corporation's M&A strategy and mainly attributed to the acquisition of Wild Streak and Spin acquisition in June 2021 and June 2022 respectively.
- (4) **Gain on remeasurement of contingent consideration:** related to the share consideration element of the Spin Games acquisition

1. Adjusted EBITDA excludes income or expenses that relate to exceptional items and non-cash share-based charges and includes deductions for lease expenses that are recognized as part of depreciation and finance charges under IFRS 16.

Working Capital and Balance Sheet



Balance Sheet and Net Working Capital

EUR 000	As at June 30, 2022	As at December 31, 2021
Cash and cash equivalents	11,046	16,006
Trade and other receivables	10,455	8,454
Prepaid expenses and other assets	1,764	2,442
Consideration receivable	-	56
Current liabilities excluding deferred consideration	(22,321)	(15,317)
Net working capital	944	11,641
Deferred consideration	(1,378)	-
Net current (liabilities) assets	(434)	11,641

Balance Sheet and Cash Position

- Balance sheet with EUR 11.0m cash with no debt facilities
- Projected positive free cash flow from operations
- No capex or technology debt requirements
- Narrow working capital post Spin Games acquisition with the option of debt financing.

Cash Flow and Financial Resources

EUR 000	Six Months Ended June 30, 2022	2021
Operating activities	7,463	2,149
Investing activities	(11,873)	(21,004)
Financing activities	(835)	12,590
Effect of foreign exchange	285	1,129
Net cash flow from operations	(4,960)	(5,136)

Investment Activity

- EUR 2.5m intangible assets related to the capitalisation of software development costs in six month ended June 2022.
- EUR 9.1m investment in the consideration paid upon Spin gaming acquisition in six month ended June 2022.
- EUR 11.5m payments for the Oryx cash earn-out during 1Q21 and EUR 8.2m for the consideration paid upon Wild Streak Gaming acquisition in six month ended June 2021.

Financing Activities

- EUR 0.7m repayment of loans as part of the Spin gaming acquisition in the six month ended June 2022.
- EUR 10.8m proceeds from exercise of warrants and broker warrants in six month ended June 2021
- No other material financing activities during 2Q22 period.



Business & Operational Updates



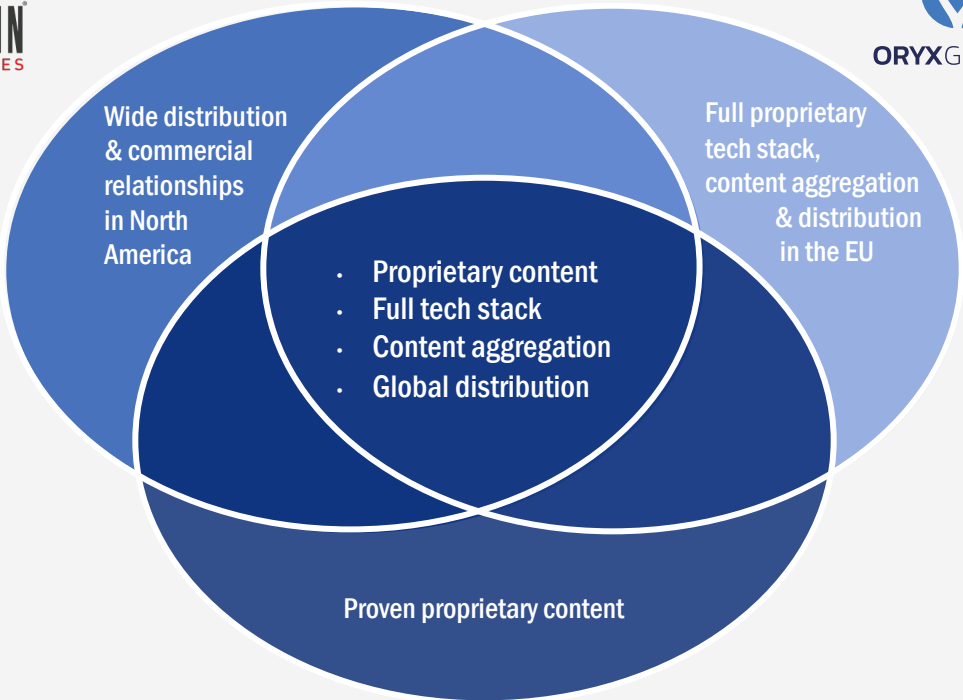
Integration of Spin, Wild Streak and Oryx

Spin, Wild Streak & Oryx combine for a global, vertically integrated and content-led iGaming solution provider: BRAGG

Rapid Integration Progress

- Technical integration between Spin and Oryx platforms complete
- New proprietary studio – Atomic Slot Lab – launched under revamped global content strategy
- Initial batch of exclusive games, including Atomic Slot Lab, certified for North American market
- First successful dual launch of Spin & Oryx – the model for U.S. rollout – complete, in Ontario

Spin’s U.S. Customers



New Content Deployment in the United States

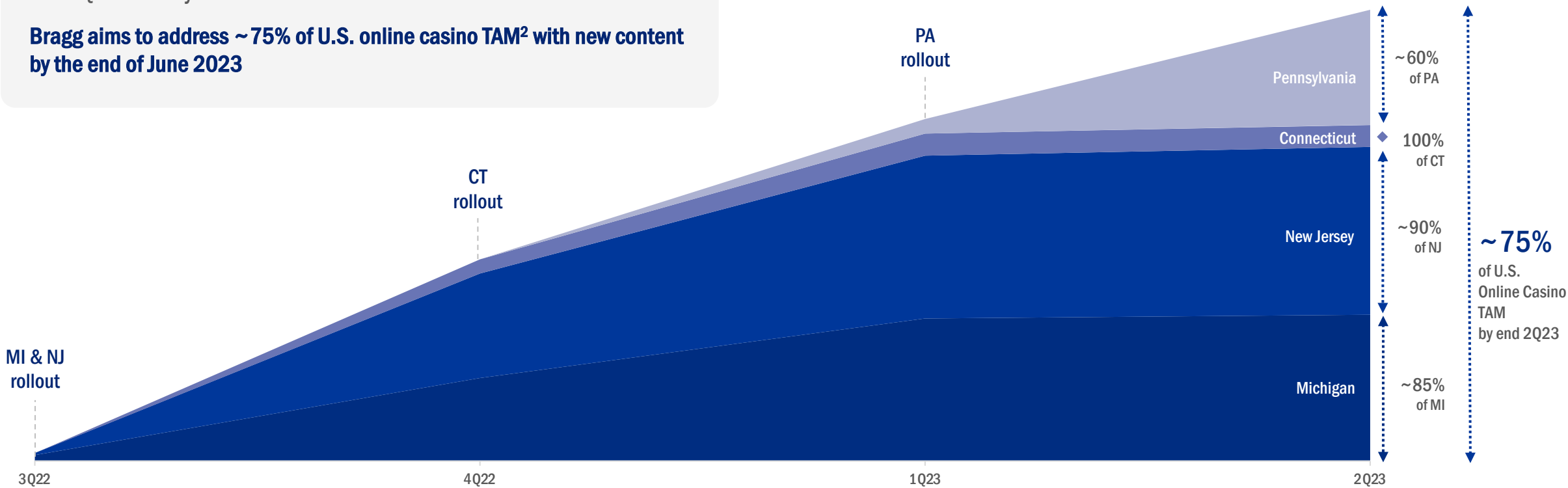


Bragg to leverage the combined strengths of Oryx tech, Wild Streak Gaming content know-how and Spin distribution for unique offering in U.S.

Rollout of new portfolio of proprietary & exclusive content¹:

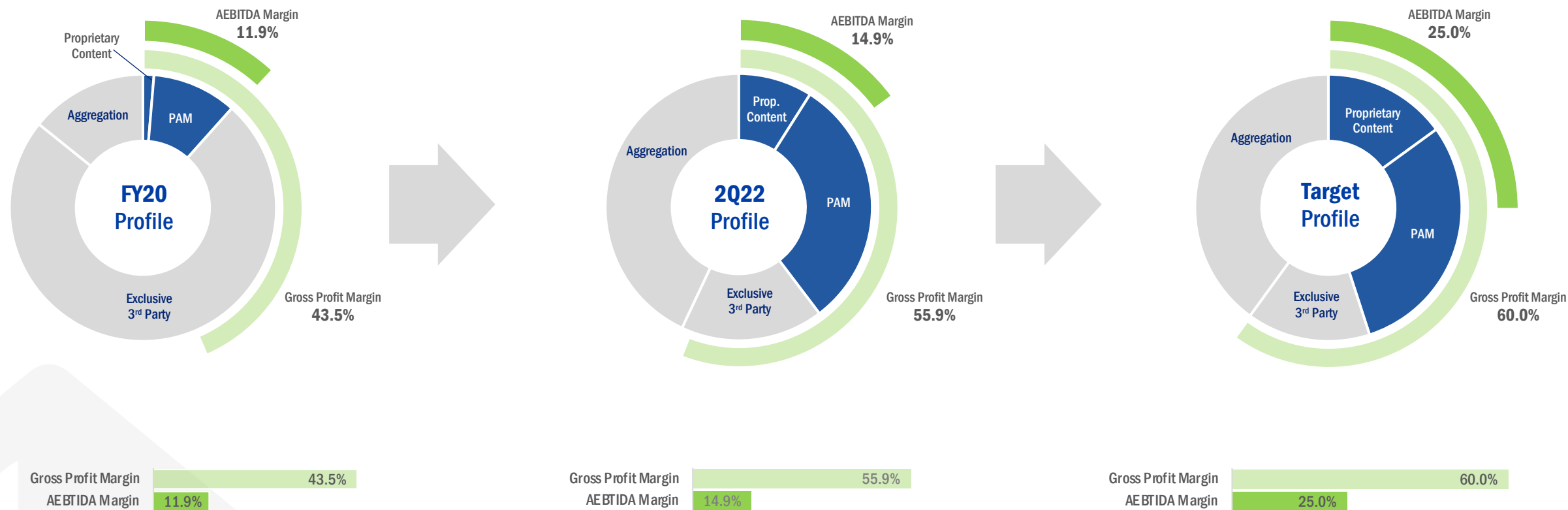
- 3Q22: Michigan & New Jersey
- 4Q22: Connecticut
- 2Q23: Pennsylvania

Bragg aims to address ~75% of U.S. online casino TAM² with new content by the end of June 2023



1. Subject to regulatory approvals,
2. Total Addressable Market ("TAM")

Growth and Margin Goals



PROPRIETARY CONTENT COUPLED WITH COST CONTROL DRIVE INCREASED OPERATING MARGIN

1. Target margins and product mix are not projections, and are subject to change based on a variety of factors, including, but not limited to, our changing business strategy, and general industry and economic conditions



Outlook & Conclusion



Outlook & Summary



1

2Q22 marks Bragg's eighth consecutive quarter of revenue growth

2

Spin and Wild Streak operational and technical integrations into Bragg well underway

3

Continued regulated market rollout, with launches in Ontario and Portugal

4

Strong management team with operational track record; growth and cost-control focused

5

Strong current trading



Thank you