



GANTM

GameSTACKTM

iBridgeTM

iSIGHTTM
BACK OFFICE

COOLBET 

2022 SECOND QUARTER EARNINGS

August 15, 2022



FORWARD LOOKING STATEMENT & LEGAL DISCLAIMER

This presentation has been prepared by GAN Limited (the “Company”) solely for informational purposes based on its own information, as well as information from public sources. This presentation has been prepared to assist interested parties in making their own evaluation of the Company and does not propose to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in the presentation and any other information provided by or on behalf of the Company.

Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof.

Certain of the information contained herein may be derived from information provided by industry sources. The Company believes that such information is accurate and that the sources from which it has been obtained are reliable. The Company cannot guarantee the accuracy of such information and has not independently verified such information.

This presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “strive,” “projection,” “goal,” “target,” “outlook,” “aim,” “would,” and “annualized” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectation, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict including those risks detailed under “Risk Factors” in our Annual Report on Form 10-K and subsequent periodic reports. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

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

TABLE OF CONTENTS

.....

OPERATIONAL AND
STRATEGIC HIGHLIGHTS

FINANCIAL REVIEW

APPENDIX

.....

OPERATIONAL AND STRATEGIC HIGHLIGHTS

.....
2Q22 TAKEAWAYS

STRATEGY UPDATE

2H22 BUSINESS
CATALYSTS
.....

KEY 2Q22 TAKEAWAYS

KPI'S illustrate solid growth and underlying demand in both B2C & B2B

YOY REVENUE INCREASE DESPITE MACRO HEADWINDS & TOUGH COMP IN SPORTS CALENDAR



- + Total revenue increased 2% yr/yr, 10% on a constant currency basis; H1 revenue up 18% yr/yr and 25% on a constant currency basis
- + Record B2B revenue of \$14.2M increased 36% yr/yr with SaaS or recurring revenues increasing 13% yr/yr
- + B2C active customers increased 39% yr/yr to 260K with revenue impacted by FX and headwinds in certain European markets
- + AEBITDA positive \$1.4M; H1 AEBITDA of \$4.3M

MAKING PROGRESS ON EXECUTION OF B2B INVESTMENT STRATEGY

- + GAN Sports generating significant buzz/positive feedback – expecting robust live launch schedule in 2023
- + Recently launched *Soaring Eagle* was the highest-ranked app running on an end-to-end 3rd party tech stack⁽¹⁾
- + Awarded "Rising Star in Sports Betting" from SBC
- + Super RGS offering 2,540 games (vs 1,752 prior year) with growing library of exclusive 1st party content
- + B2C Segment/Coolbet reached milestone of one-millionth customer registered on its gaming platform August 7th



REVISING REVENUE GUIDANCE ON FX & EUROPEAN HEADWINDS



- + Revised 2022 revenue guidance of \$142.5M – \$152.5M; B2C Segment \$90 – \$95M; B2B Segment increased to \$52.5 - \$57.5M
- + Revised 2022 AEBITDA guidance of \$10M – \$15M; reduced flow through impact of 40% due to additional cost optimization
- + Extended share repurchase authorization and repurchased \$1M shares in the quarter (303K)
- + Ended quarter with cash of \$49M and expect to generate positive FCF in 4Q with no need to raise capital

(1) Eilers & Krejcik – U.S. Sports Betting Apps: Tested, Scored and Ranked - 2Q22

COST DISCIPLINE & SCALABILITY VIA GAME STACK 2.0

Bringing together best elements of new & existing tech to drive efficiencies and deliver superior product to B2B clients

- + Tangible \$10M in annualized cost savings reducing expense structure and driving AEBITDA generation
- + Leveraging best parts of Coolbet's technology with the best parts of our existing B2B offering
- + Ensuring delivery of a best-in-class PAM offering to B2B clients
- + Built on modern modular architecture that's easy to iterate, test, and deploy
- + Significantly reduced dependency on third party technology

GameSTACK™



TRANSFORMATIONAL 2023 DRIVEN BY INVESTMENT STRATEGY

SUPER RGS/ NEW CONTENT

- + Offering a ~2,500-game content catalog with over 100 current leading exclusive Ainsworth titles
- + Original content library capturing favorable economics is growing
 - o Ainsworth game library is expected approximately double number of games in the next four-year period.
 - o Silverback studio rolling out leading content delivering 1 table game and 4 slot games
- + **Increased first party content & partner integrations expected**

GAN SPORTS + UNIFIED PLAYER ACCOUNT MANAGEMENT

- + GAN Sports has had tremendous momentum post last year's Global Gaming Expo
- + Red Rock Resorts deal is a landmark with a leading public gaming operator
- + **Expect a robust schedule of live launches throughout 2023**

“

Following an extensive competitive review process, we choose GAN as our sports betting partner given their proven technology platform, unique patented capabilities with integrating reward programs, reputation for integrity, and notably their exciting experience both with online sports and with retail devices. I'm extremely confident our customers in the Las Vegas Locals market are going to have truly the best-in-class sports wagering product across mobile and retail in GAN Sports. We look forward to working with the GAN team in anticipation of the upcoming technical field trial and the ultimate launch next year of a truly modern, award winning, and innovative sports betting experience.

– Tom Mikulich,
Senior Vice President
of Innovation at
Red Rock Resorts

”



HOW GAN WILL DRIVE PROFITABLE GROWTH

B2B focus in the U.S. broadens TAM and mitigates cost risk; B2C Int'l maximizes cash generation and operational learning

B2B SEGMENT

OPPORTUNITY IN ALL REGULATED STATES.

Revenue will accelerate as new states come online and grow.

BROAD CLIENT REACH. Adopted by major U.S. casino operators. Established in the U.S. after ~9-years of domestic B2B provision, now licensed in 16 U.S. States and Canada.

HIGHLY SCALABLE & RECURRING. High fixed cost base with major opex line items largely scalable. As revenue grows high degree of operating leverage.

ENTIRE END TO END SOLUTION. Uniquely positioned to offer social gaming, sports, iGAMING, and player account management. Enabling maximum share of economic value chain and a one-stop solution for clients.

B2C SEGMENT

LEADING BRAND. Established brand recognition of Coolbet.com & mascot Polar Bear coupled with a great product across sports & iGaming enables low customer acquisition costs. Rapid secular growth opportunities for new & existing markets in LatAM.

IT'S JUST ... COOL. Customers enjoy the differentiated 'social' betting experience and tell their friends, driving 'viral' customer acquisition. H1 2022 Month-on-month customer retention of 85% demonstrates 'stickiness' of the Coolbet.com mobile gambling experience.

TECH MATTERS. Social, transparent, real-time betting experience enabled by a modern technical architecture relatively rare in the Industry ... the #1 reason GAN acquired Coolbet.com.

IT'S OUR OYSTER TOO. We are live in 10 markets worldwide. Huge scope for International expansion; Mexico up next.

DELIVERING COMPLETE END TO END B2B SOLUTION

Scoping each opportunity with a focus on ROI and profitability from Day #1

GAN™ PAM + Loyalty Patent

Sports Retail



Trading



Marketing Strategy
UA/Retention

Sports Online



Trading



Marketing Strategy
UA/Retention



Customer
Service

iCasino



Marketing Strategy
UA/Retention



Customer
Service

SIM



Marketing Strategy
UA/Retention



Customer
Service

Client Services



Marketing Strategy
UA/Retention



Customer
Service

NEAR-TERM EXCITEMENT ON ORGANIC GROWTH CATALYSTS

Several operational and potential legislative catalysts in second half of 2022

LAUNCH OF GAN SPORTS

Retail launch of sports book at Island View Casino, MS
in next ~60 – 90 days subject to regulatory approval

New features added to be showcased at upcoming
Global Gaming Expo (G2E)

FIFA WORLD CUP

First ever winter FIFA World Cup

The last World Cup had an estimated ~\$150B worldwide wagers

Opportunity for revenue uplift & new customer acquisition

MEXICO LAUNCH

Launching OSB & iGaming with partner in 4Q

\$600MM TAM expected to grow to over \$1B by 2026

Limited upfront capital outlay

CALIFORNIA OPTIONALITY

Existing simulated gaming relationships in the state

Potential outsized GAN Sports opportunity contingent on passage of ballot initiative



FINANCIAL REVIEW

.....

FINANCIAL OVERVIEW

OUTLOOK

WRAP UP

.....

2Q22 FINANCIAL OVERVIEW

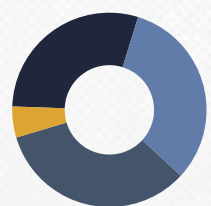
Growth in B2B partially offset by B2C headwinds

Q2 CONSOLIDATED FINANCIAL METRICS

		Y/Y	Y/Y CC Growth ²
Revenue	\$35.0M	2%	10%
Net Loss ¹	(\$38.3M)	N/A	N/A
Adjusted EBITDA	\$1.3M	(62%)	N/A
EPS ¹	(\$0.91)	N/A	N/A

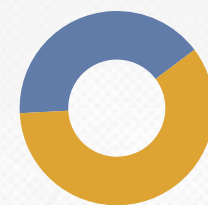
Q2 REVENUE

BY GEOGRAPHY



		Y/Y
● Europe	\$10.2M	(28%)
● Latin America	\$11.2M	9%
● United States	\$11.7M	41%
● Rest of the World	\$1.9M	18%
Total Revenue	\$35.0M	2%

BY SEGMENT



		Y/Y
● B2B	\$14.2M	36%
● B2C	\$20.8M	(13%)
Total Revenue	\$35.0M	2%

(1) Inclusive of \$28.9 million impairment charge

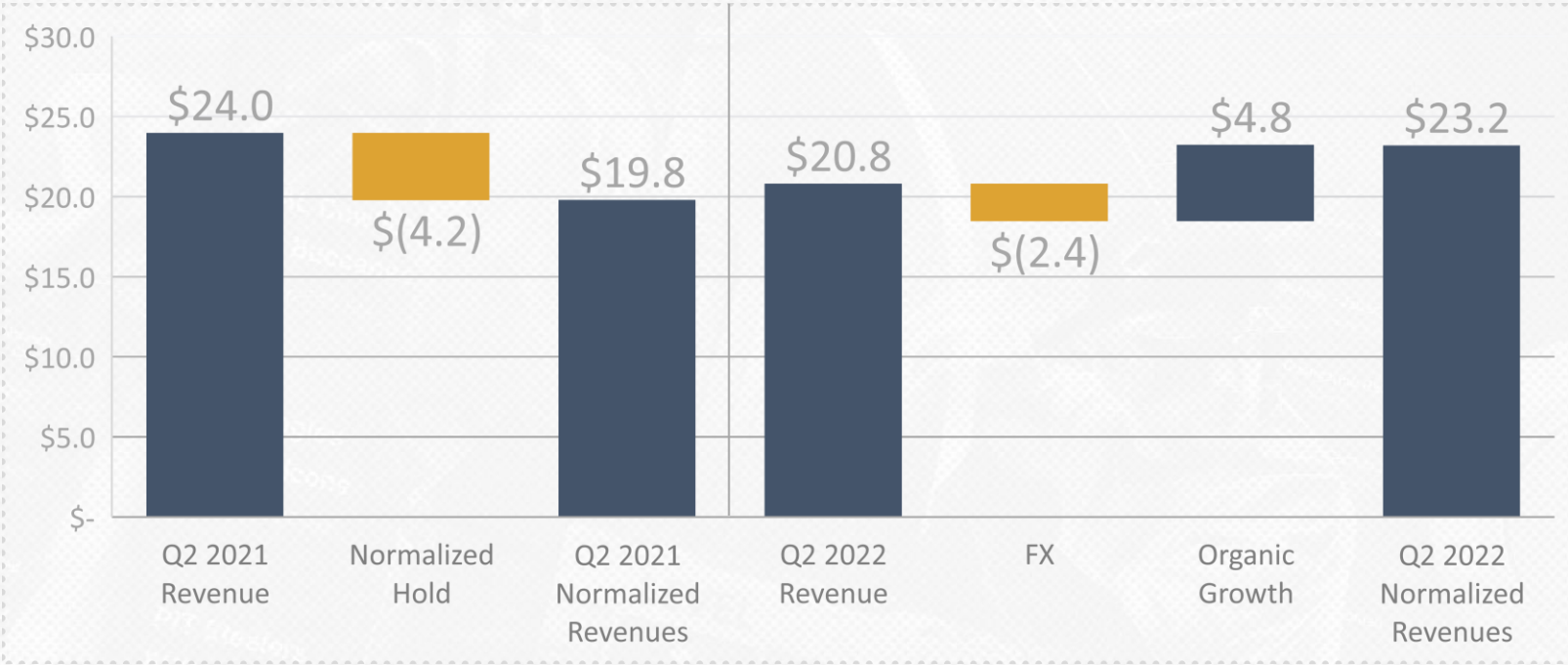
(2) Constant currency basis is non-GAAP to show underlying strength holding currency fluctuations constant

B2C REVENUE EXHIBIT HEALTHY UNDERLYING TRENDS

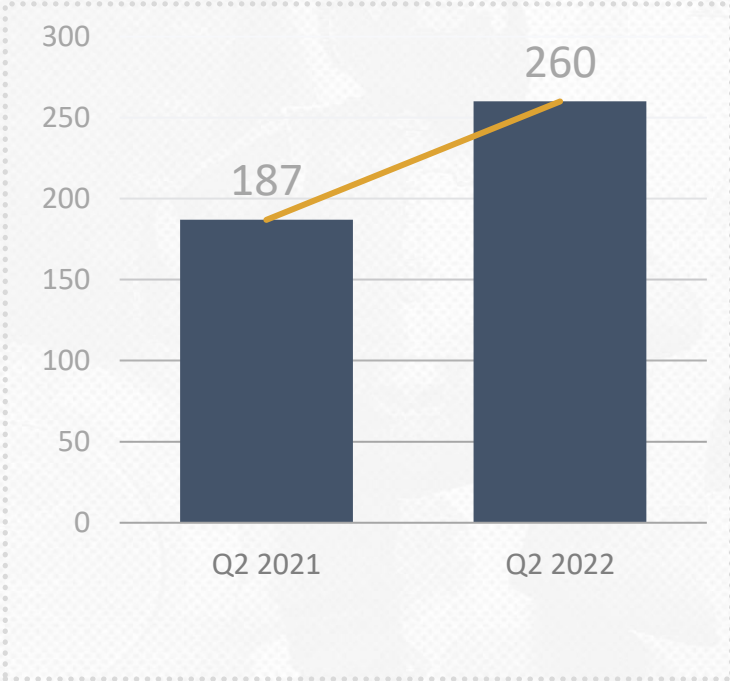
Revenue decreased 13% yr/yr due to FX & hold headwinds; **excluding these factors revenue increased 25%**
Active customers increased 39% yr/yr while cost per acquisition (CPA) remained stable and well below peers

NORMALIZED REVENUES ⁽¹⁾

\$ in millions



ACTIVE CUSTOMERS in thousands



(1) Normalized Revenues are non-GAAP adjusting for impact of sports margin & foreign currency

B2B TRAILING QUARTERLY VIEW

Revenues increased sequentially for past 4 consecutive quarters

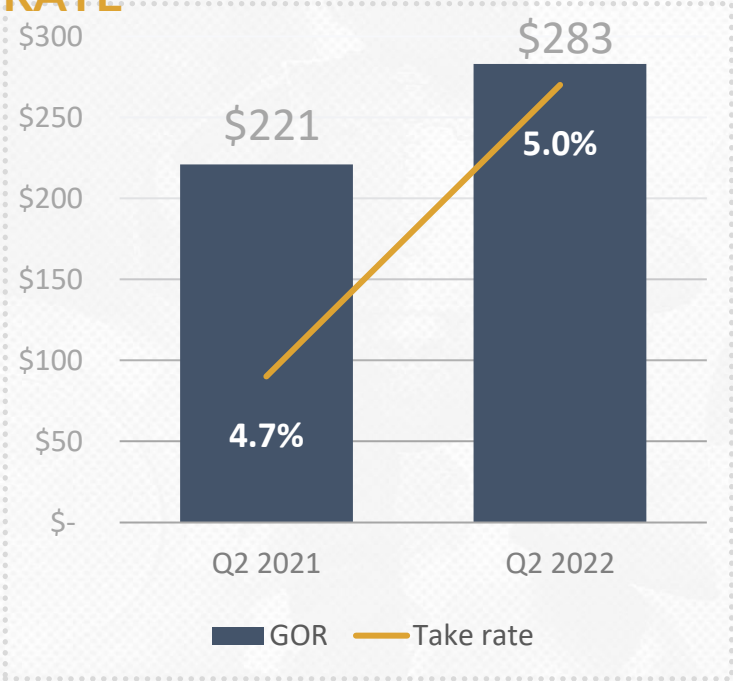
2Q22 revenues increased 36% yr/yr to \$14.2M representing a quarterly record

QUARTERLY REVENUES

\$ in millions



GOR AND TAKE RATE



2022 OUTLOOK

Revising revenue and AEBITDA guidance; cost mitigation measures will continue through end of year

B2C REVENUES IMPACTED BY 3 MAIN FACTORS

Strengthening US Dollar drives down the reported revenue in USD

Headwinds in certain European markets

Ontario B2C ramp slower than expected

MITIGATION STRATEGY

Laser focus on all expense line items, slowing hiring ramp

Strategically focusing marketing spend on high growth Latin America countries

Monitor ROAS⁽¹⁾ in Ontario post-launch of native app

(1) ROAS stands for return on advertising spend

WRAP UP

Positive AEBITDA despite FX impact; upcoming catalysts and accelerating product momentum

STRONG GROWTH IN B2B REVENUES

Momentum in B2B revenues driven by new launches and product momentum

SEVERAL UPCOMING CATALYSTS

FIFA World Cup, launch of GAN Sports, Mexico and California ballot opportunity

B2C FX HEADWINDS

Currency headwinds impacting B2C working to offset overall profitability change

INVESTMENT STRATEGY MOMENTUM

Robust sales pipeline for all aspects of enterprise solution, with increasing demand as we near imminent launch of GAN Sports





APPENDIX

.....

KEY PERFORMANCE
HIGHLIGHTS

STATEMENT OF OPERATIONS

GAAP TO NON-GAAP
RECONCILIATION

HISTORICAL NORMALIZED
REVENUE

.....

KEY PERFORMANCE HIGHLIGHTS

Strong growth sequentially and comparatively in key metrics

Year over Year

All Figures in \$ USD Millions

		2Q22	2Q21	Chg.
SPORTS BETTING	Turnover / Handle	\$175.1	\$166.8	+5%
	Gross Win %	7.1%	9.7%	-260 bps
	Gross Win	\$12.5m	\$16.2m	-23%
	Promo Allowances	(3.4m)	(3.5m)	—
	Net Win	\$9.1m	\$12.8m	-29%
iGAMING	Turnover / Handle	\$382.1	\$349.8	+9%
	Gross Win %	3.7%	3.5%	20 bps
	Net Win	\$11.2m	\$10.5m	+7%
Active Customers (in thousands)		260	187	+39%

B2C

B2B

GOR	\$283.0	\$221.4	+28%
-----	---------	---------	------

STATEMENT OF OPERATIONS

(Unaudited, in thousands of US\$)

		Three Months Ended		
		June 30, 2022	March 31, 2022	June 30, 2021
	Total Revenue	\$34,967	\$37,494	\$34,350
B2B	Revenue	\$14,150	\$13,070	\$10,368
	Cost of revenue ⁽¹⁾	2,939	3,903	2,307
	B2B segment gross profit ⁽¹⁾	\$11,211	\$9,167	\$8,061
	Segment gross profit margin ⁽¹⁾	79%	70%	78%
B2C	Revenue	\$20,817	\$24,424	\$23,982
	Cost of revenue ⁽¹⁾	7,524	7,797	8,049
	B2C segment gross profit ⁽¹⁾	13,293	\$16,627	15,933
	Segment gross profit margin ⁽¹⁾	64%	68%	66%
	Total segment gross profit ⁽¹⁾	\$24,504	\$25,794	\$23,994
	Segment gross profit margin ⁽¹⁾	70%	69%	70%
	Sales and marketing	7,267	6,098	5,480
	Product and technology	5,188	8,954	4,829
	General and administrative ⁽¹⁾	13,688	9,392	12,320
	Impairment	28,861	—	—
	Restructuring	712	1,059	—
	Depreciation and amortization	6,556	4,413	4,132
	Total operating expenses (excluding cost of revenues)	62,272	29,916	26,761
	Operating loss	(37,768)	(4,122)	(2,767)
	Interest expense (income), net	1,080	(9)	—
	Other income	(270)	—	—
	Loss before income taxes	(38,578)	(4,113)	(2,767)
	Income tax (benefit) expense	(229)	386	992
	Net loss	\$(38,349)	\$(4,499)	\$(3,759)

⁽¹⁾ Excludes depreciation and amortization expense

GAAP TO NON-GAAP RECONCILIATION

(Unaudited, in thousands of US\$)

Three Months Ended

	June 30, 2022	March 31, 2022	June 30, 2021
Net loss	\$(38,349)	\$(4,499)	\$(3,759)
Income tax (benefit) expense	(229)	386	992
Interest expense (income), net	1,080	(9)	—
Depreciation and amortization	6,556	4,413	4,132
Share-based compensation and related expense	2,715	1,621	2,174
Impairment	28,861	—	—
Restructuring	712	1,059	—
Adjusted EBITDA ⁽¹⁾	\$1,346	\$2,971	\$3,539
Adjusted EBITDA margin	3.8%	7.9%	10.3%

- 1) Adjusted EBITDA is defined as net income (loss) before interest expense (income), net, income tax (benefit) expense, depreciation and amortization, impairments, share-based compensation expense and related expense, restructuring costs, and other items we deem infrequent or unusual in nature. Because Adjusted EBITDA is not a GAAP measure, the way we define Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in the industry.

HISTORICAL NORMALIZED REVENUE⁽¹⁾

(Unaudited, in thousands of US\$)

		3Q21	4Q21	1Q22	2Q22
REVENUE	Revenue	\$32,268	\$30,427	\$37,494	\$34,967
	Normalized adjustments ⁽²⁾	36	4,237	(837)	(81)
	Normalized Revenue	\$32,304	\$34,664	\$36,657	\$34,886
SPORTS MARGIN	Actual sports margin	6.8%	4.6%	7.2%	7.1%
	Normalized sports margin	6.9%	6.9%	7.0%	7.0%
REVENUE TO GROSS GAMING REVENUE (GGR) RATIO	Actual revenue to GGR ratio	74.8%	67.0%	78.8%	72.7%
	Normalized revenue to GGR ratio	74.7%	74.7%	75.7%	73.9%

(1) This schedule presents normalized revenue, which is non-GAAP financial measures and should be considered supplementary to the corresponding financial measures prepared in accordance with U.S. GAAP.

(2) The adjustments are based on the effects of a normalized sports margin of 7.0% and 6.9% for quarters in years 2022 and 2021, respectively. Normalized revenue to gross gaming revenue ratios are based upon a rolling four-quarter average for each quarter within the B2C segment. Sports margin is the ratio of GGR to total amount wagered, which allows management to measure sportsbook performance against the expected outcome. The revenue to GGR ratio is driven by customer incentives, including free bets, sign-up and retention bonuses, and allows management to measure the impact of bonus spend on net revenue. The revenue to GGR ratio may fluctuate based on the number of new users acquired during the period.



GAN.com

IR@GAN.com



GAN LIMITED

©2022 GAN Ltd. (NASDAQ: GAN)

