BRAGG

Third Quarter 2023 Results Presentation

November 2023

NASDAQ: BRAG | TSX: BRAG

Forward Looking Statements

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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").

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3Q23

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Operational Highlights

Company updates since July 1, 2023

Key Highlights



New CEO: Matevž Mazij
Shareholder, Chair of the Board

Bragg Strategy Overview
Key pillars to build value

BetCity / Entain PAM Extension
Inc. content & product delivery

Content Roadmap



Exclusive Content Output Growth
On track to launch 68 games FY23

Proprietary Content Expansion
Generating higher gross profit

Continued U.S. traction
With Devil's Lock & others

U.S. Rollout



BetMGM New Jersey
New content launches

FanDuel live
Michigan & Connecticut

Bespoke CZR Content Launch
Lady Luck Casino Egyptian Magic

Global Distribution



Italy
Live with Lottomatica & SNAI

Ontario, Canada
Content launch with bet365

United Kingdom
Live with key Kindred brand Unibet

Financials

Third Quarter 2023 Financial Results

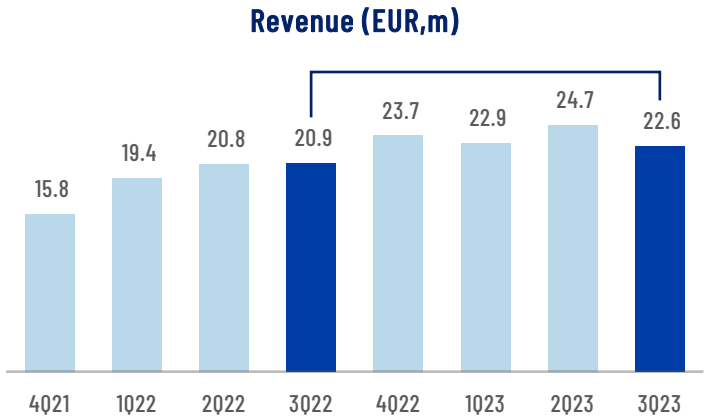
3Q23 Financial Highlights

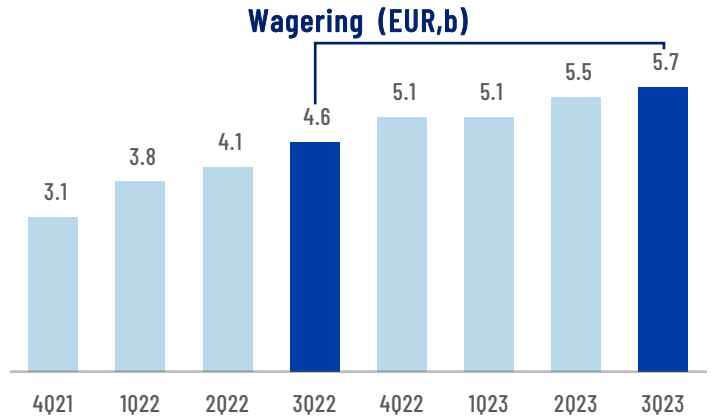
- Revenue increased by 8.0% year over year to EUR 22.6m with a slight sequential drop of 8.5% after reflecting BetCity.nl extended commercial terms
- Wagering[1] generated by Bragg's customers up by 24.6% to EUR 5.7b
- Gross profit increased by 13.5% to EUR 11.9m with margins increased year over year by 250 bps to 52.5%
- Adjusted EBITDA up by 70.5% to EUR 3.8m with margins increasing year over year by 620 bps to 16.9%
- Operating loss increased by EUR 0.5m to EUR 2.1m mainly as a result of one-off cost for employment contract termination and a loss from remeasurement of deferred consideration

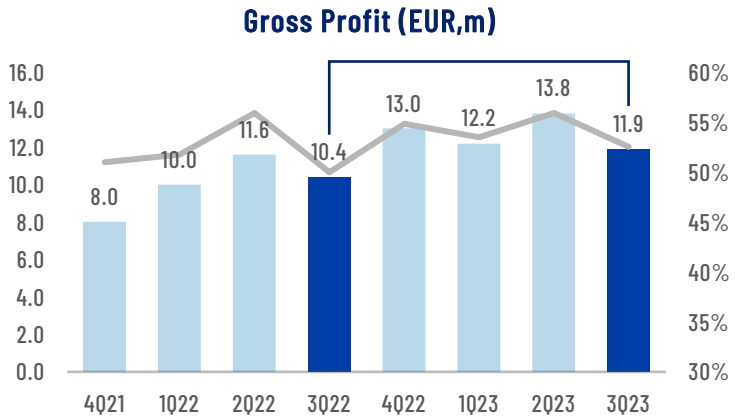
Reiterating 2023 guidance

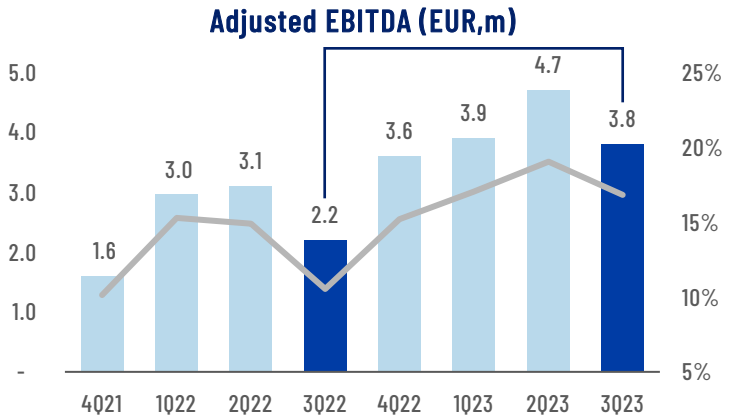
- EUR 95 - 97 million; midpoint implies 13.3% growth from 2022 levels
- EUR 15.5 – 16.5 million; midpoint implies 32% growth in AEBITDA from 2022 levels

Historical Financial Overview









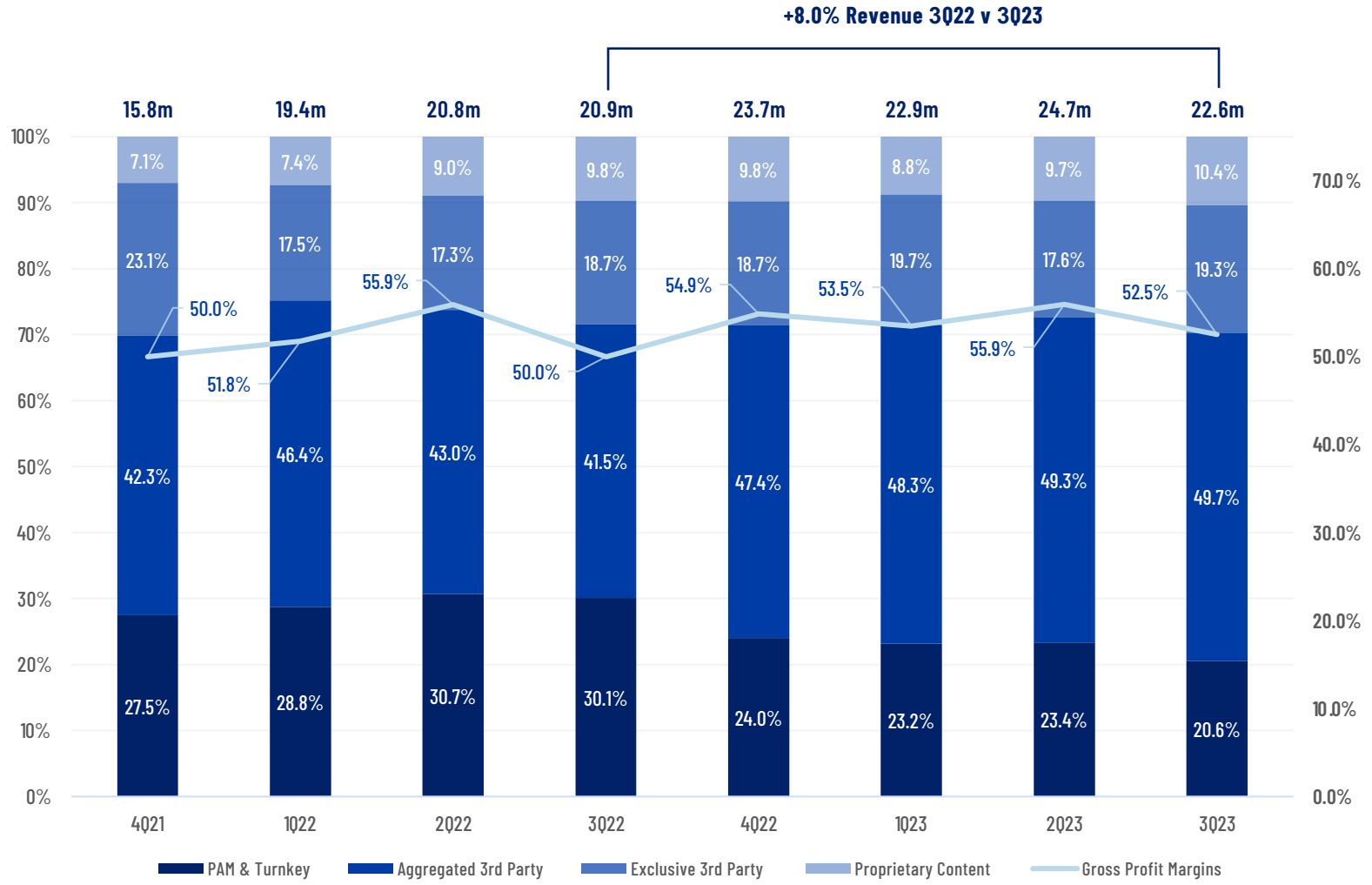
1. Wagering generated via Bragg's proprietary, third party and aggregated content

Third Quarter 2023 Product Mix

3Q23 Gross Profit Margins

- Gross profit growth momentum since 4Q21 as a result of changes in Bragg's revenue product mix
- Gross profit increased by 13.5% to EUR 11.9m with margins increasing from previous year by 250 bps to 52.5%
- The 3Q23 revenue growth year over year was driven mainly by the Dutch PAM and turn-key customers outperformance together with the improvement of our content offering
- In 3Q23 content revenue segment offering (aggregated 3rd party, exclusive 3rd party and proprietary content) increased to EUR 17.9m and represented 79.4% of total revenue (3Q22: EUR 14.6m and 69.9%) highlighting Bragg's execution of the content strategy.
- Committing to our long-term strategy of **exceeding 60% Gross Profit** margin by FY25

Product Mix Continues to Evolve



Third Quarter 2023 Adjusted EBITDA Reconciliation

Reconciliation Operating Loss to Adjusted EBITDA

	Three Months Ended September 30,		Nine Months Ended September 30,	
EUR 000	**2023**	**2022**	**2023**	**2022**
Operating Loss	(2,137)	(1,638)	(346)	(990)
[(1)] Depreciation and amortization	3,346	2,475	9,309	5,934
EBITDA	1,209	837	8,963	4,944
Depreciation of right-of-use assets	(107)	(65)	(273)	(154)
Lease interest expense	(10)	(5)	(30)	(13)
[(2)] Share based compensation	999	843	2,283	2,940
Transaction and acquisition costs	(32)	362	–	708
[(3)] Exceptional costs	806	216	1,291	407
Loss on remeasurement of derivative liability	82	101	261	101
Gain on settlement of convertible debt	(231)	–	(435)	–
[(4)] (Gain) loss on remeasurement of deferred consideration	1,095	(52)	387	(521)
Adjusted EBITDA*	**3,814**	**2,237**	**12,450**	**8,412**

(1) **Depreciation and amortization:** the increase results from Spin Games acquisition in June 2022, increased level of investment in software development and a change in useful life of customer relationship

(2) **Share based compensation:** the charge for awards granted to senior management during the period composed of Deferred Stock Units (DSUs), Restricted Stock Units (RSUs) and options. During the period, a one-off charge of EUR 0.5m relating to discontinued contractual relationship of employees was incurred.

(3) **Exceptional costs:** costs mainly associated with the discontinued contractual relationship of employee in the total value of EUR 0.6m

(4) **(Gain) loss on remeasurement of deferred consideration:** mainly associated with the acquisition of Spin in June 2022 on the total outstanding deferred liability that was adjusted to reflect the change in the current share value.

* 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 September 30, 2023	As at December 31, 2022
Cash and cash equivalents	7,876	11,287
Trade and other receivables	17,826	16,628
Prepaid expenses and other assets	2,628	1,823
Current liabilities excluding deferred consideration and convertible debt	(22,012)	(23,131)
Net working capital	**6,318**	**6,607**
Convertible debt – current	(3,588)	-
Deferred consideration	(1,511)	(1,176)
Net current assets	**1,219**	**5,431**

Balance Sheet and Cash Position

- Balance sheet with EUR 7.9m cash and USD 5.5 m convertible debt facility at end of the period. (As of November 9, 2023, total outstanding liability is further reduced to USD 4.5m)
- Projected positive free cash flow from operational activities with no financing or further debt requirements
- No capex or technology debt needs
- Stable net working capital position from improvement in free cash and cash collection while reducing debt facility liability.

Cash Flow and Financial Resources

EUR 000	Nine Months Ended September 30, 2023	2022
Operating activities	6,194	7,705
Investing activities	(6,617)	(14,376)
Financing activities	(2,603)	7,372
Effect of foreign exchange	(385)	476
Net cash flow	**(3,411)**	**1,177**

Operating Activities

- Total cash generated from operations of EUR 6.2m (3Q22: EUR 7.7m) with an underlying performance reaching EUR 10.2m (3Q22: EUR 5.9m) and a movement in working capital and income taxes of negative EUR 4.0m (3Q22: positive EUR 1.8m)

Investment Activity

- EUR 6.4 (3Q22: EUR 5.2m) investment in intangible assets related to the capitalisation of software development costs in the period. 3Q22 also included a total of EUR 9.1m relating to the consideration paid for Spin Games upon business combination .

Financing Activities

- EUR 2.3m for the repayment of convertible debt and EUR 0.5m (3Q22: EUR 0.9m) for other loan, leases and related interest and financing charges. 3Q22 also included proceeds from convertible debt of EUR 8.3m.

Business & Operational Commentary

Bragg Gaming

Award-winning global supplier of casino games, technology and services to the iGaming industry

iGaming is the **multi-billion dollar** online gambling industry

Product verticals for iGaming consumers include **online sports betting** and **online casino**

Innovation in RNG Casino Software 2023

Industry Innovation of the Year 2023

Technology Provider/ Supplier of the Year 2023

Technology Provider/ Supplier of the Year 2022

Casino Product of the Year 2022

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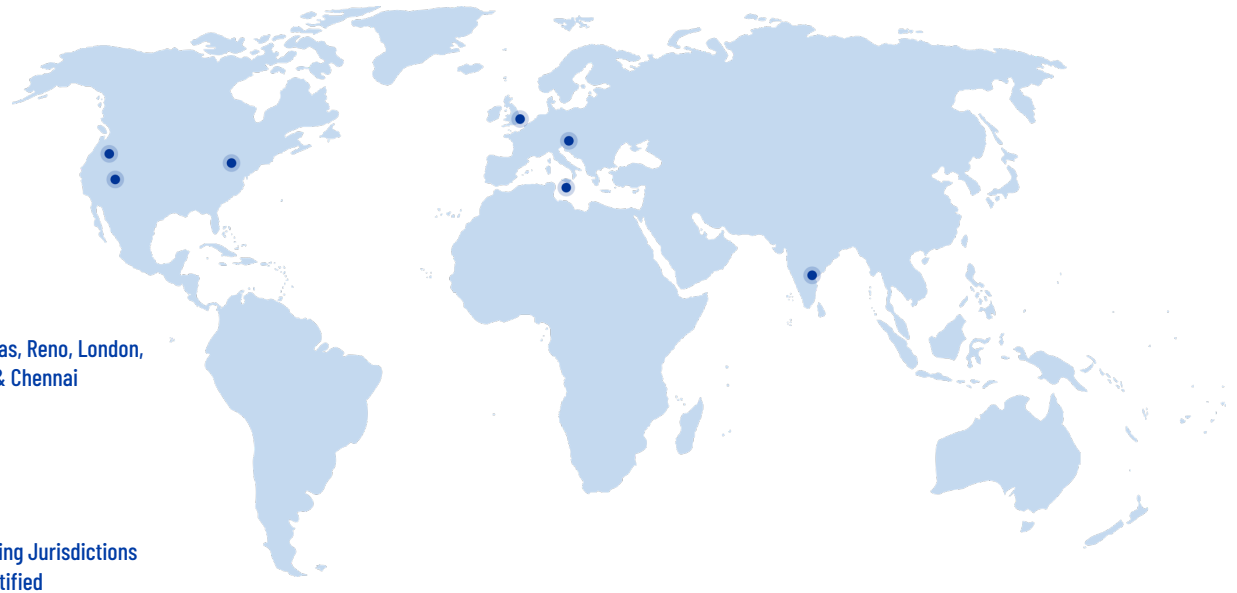


450+
Employees

Offices
Toronto, Las Vegas, Reno, London, Ljubljana, Malta & Chennai

25+
Regulated iGaming Jurisdictions Licenced or Certified

Bragg's **200+ Customers** include

United States

BETMGM DRAFTKINGS FANDUEL

Europe

Entain SUPERBET Flutter

Bragg Strategy Overview

Key strategic pillars to drive revenue growth, improve profit margins and generate value

Proprietary & Exclusive Games Roadmap

- Scaling up production & launch of proprietary **Bragg Studios** and exclusive **Powered by Bragg** content
- Build brand recognition in **North America**, **Europe** & **Latam**
- Leverage production capabilities to offer **custom & exclusive** games

Regulated Market Distribution Growth

- Focus on Tier 1 & 2 online casino operator relationships offering **scale in multiple regulated markets**
- Growth in large regulated markets where Bragg is under-represented like **UK**, **Switzerland** & **Italy**
- Prepare for markets undergoing regulatory reform, including in **Latam** & **Europe**

Differentiated Proprietary Product Proposition

- Leverage multi award-winning promotional platform to create **differentiated proprietary products**
- Roll out **Fuze™ promotions with selected key customers**
- Sell **Fuze™** as a **stand-alone product** (as well as with existing PAM customers)

Full Product Suite Opportunities

- **Cross-sell and up-sell** Bragg's full product suite including PAM, aggregation and managed services
- Closer partnerships with sportsbook platforms to **create compelling new PAM propositions**
- Continue to **refine** products & **explore** new product verticals

Recurring Profitability Expansion

- Develop culture for **continuous improvement**
- Leverage opportunities to improve automation and **lower cost-to-serve**
- Focus on **expanding profit pools** and **profit margins**

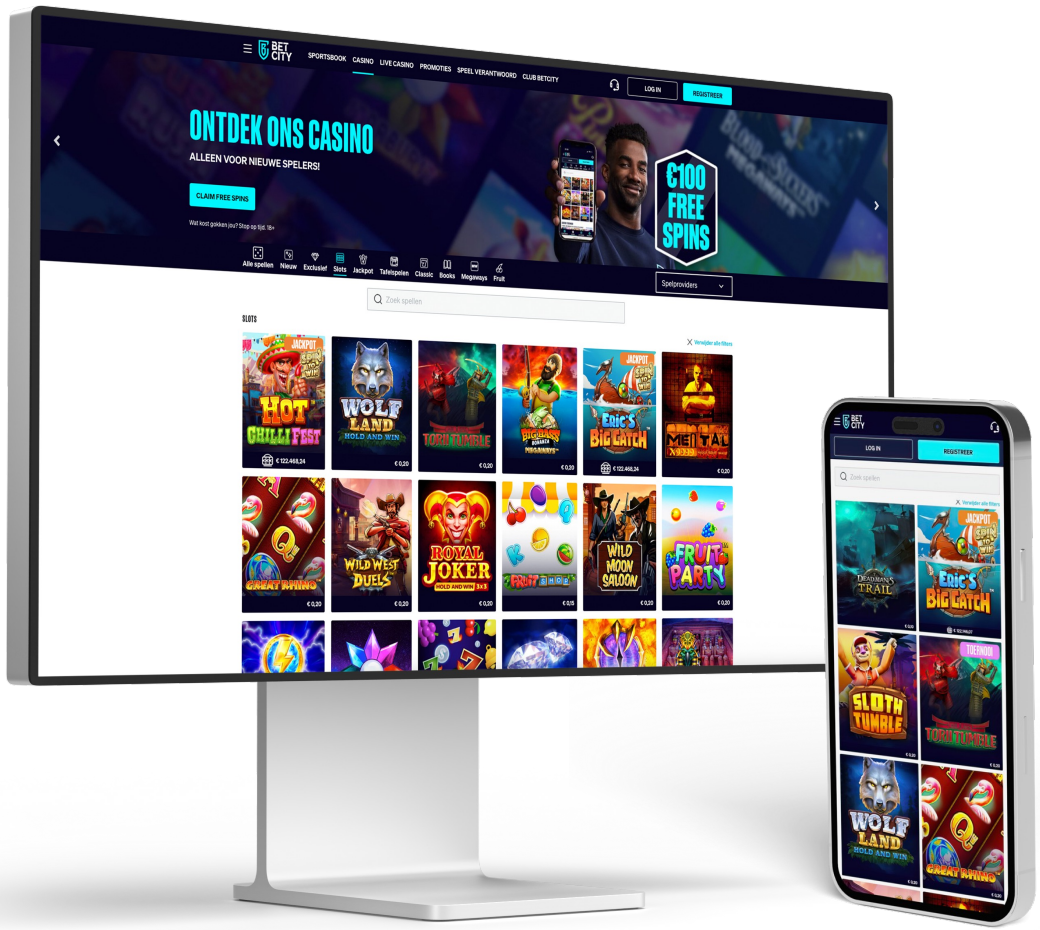
BRAGG'S LONG-TERM AMBITION IS TO MAXIMISE SHAREHOLDER VALUE BY BECOMING A PREMIER iGAMING CONTENT AND TECHNOLOGY PROVIDER

BetCity.nl PAM Agreement Extended

Including continued content and product delivery

- BetCity.nl PAM agreement **extended until 2025**
- Bragg to continue as the **exclusive delivery partner** for casino content and betting products
- Bragg to integrate several new content suppliers as part of **continued aggregation provision** to BetCity.nl

BETCITY



Increased Cadence of Content Releases

On track to release 68 distinct exclusive online content titles in FY23, including 30 from Bragg Studios



* Scheduled to launch in 4Q23 after Nov 9

Outlook & Summary

1. Third quarter revenue rises 8.0% year over year to €22.6 million (USD $24.0 million)
2. Gross Profit rises 13.5% year over year to €11.9 million (USD $12.6 million)
3. Adjusted EBITDA rises 70.5% year over year to €3.8 million (USD $4 million)
4. BetCity.nl PAM agreement extended; strategic pillars in place to drive shareholder value
5. Exclusive content development ramp-up on track with 68 titles in FY 2023
6. Trading in line with expectations; full year 2023 guidance ranges reiterated

Thank you

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