BRAGG

First Quarter 2024 Results Presentation

May 2024

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.

Although Bragg believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Bragg is unable to guarantee future results, levels of activity, performance or achievements and investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Moreover, neither Bragg nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this presentation are beyond the control of Bragg. The risks and other factors include, but are not limited to: regulatory landscape and potential regulatory changes in significant jurisdictions in which Bragg operates or plans to operate; concentrated customer base accounts for significant portion of revenues of Bragg; competition and changes in the competitive landscape; reliance on top customers and key personnel and employees; the completion of strategic acquisitions by Bragg and management of growth; reliance on strategic alliances and relationships with third party network infrastructure developers, key suppliers, and service platform vendors; new business areas and geographic markets; legal status of real-money gaming and changes to and interpretations of laws and regulations; intrusion or other security breaches, cyberattacks, or cybercrime; the costs and potential impact of obtaining all necessary regulatory approvals, and complying with existing and proposed laws in a heavily regulated industry; the plans, costs, and timing for future research and development of Bragg's current and future technologies, including additional platforms; deriving revenue from players located in jurisdictions in which Bragg does not hold a license, and the impact of customers' operations in unregulated or prohibited jurisdictions; projections of market prices and costs; expected revenues and the ability to attain profitability; expectations regarding the ability to raise capital on acceptable terms; access to payment processors and currency, exchange and interest rates; Bragg's management and protection of intellectual property and other proprietary rights; changes in, or in the interpretation of, legislation with respect to Bragg's tax liabilities and changes in taxation regimes; prices and price volatility of Bragg's products; money laundering and fraudulent activity; disruptions to markets, economic activity, financing, and supply chains, and a deterioration of general economic conditions. Readers are cautioned that the foregoing list of such risks and factors is not exhaustive and that additional information on these and other factors that could affect the Company's operations or financial results are contained in Bragg's documents filed under its profile at www.sedarplus.ca, including Bragg's Annual Information Form for the year ended December 31, 2023 and Management's Discussion and Analysis for each of the year ended December 31, 2023 and the three-month period ended March 31, 2024 (the "Annual MD&A" and "Interim MD&A", respectively).

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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1Q24

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Special Committee Review Ongoing

Board-run process chaired by independent director Don Robertson

- Recent uptick in market activity, with corresponding increased interest in Bragg
- Special committee formed in 1Q24 to consider strategic alternatives that may include a sale, merger, acquisition or additional investment
- The special committee has retained Oakvale Capital LLP and Blakes LLP as financial and legal advisors, respectively, to assist with the process
- Recent short-term financing and senior management hires position the company to maximise shareholder value from a position of strength



GAMES GLOBAL	→	IPO
FANDUEL	→	BeyondPlay
DRAFTKINGS	→	Jackpocket
ESPN BET	→	wynnBET
Evolution	→	Livespins
allwyn	→	IMG

COMMITTEE TO SEEK STRATEGIC ALTERNATIVES TO MAXIMISE SHAREHOLDER VALUE

Operational Highlights

Key Company Developments since January 1, 2024

Recent News



Financing Secured
Delivers working capital flexibility

CCO Appointment
Neill Whyte new commercial lead

CFO Departure
Recruitment process underway

Developing Content



19 Exclusive Games Released
In 1Q24, compared to 11 in 1Q23

King Show Games in the U.S.
Popular brand roll-out

Boardwalk Slots Bankers & Cash
Latest custom title launch

Growing Markets



B2B License Award in Peru
Content Aggregation Opportunity

North American Growth
For exclusive Bragg content

Regulating Market Opportunity
Bragg well positioned to succeed

Expanding Distribution



Golden Nugget Michigan
New Content Launch

Light & Wonder Agreement
Unlocks new distribution

SISAL Italy
Growth in US $3 bn Italian market

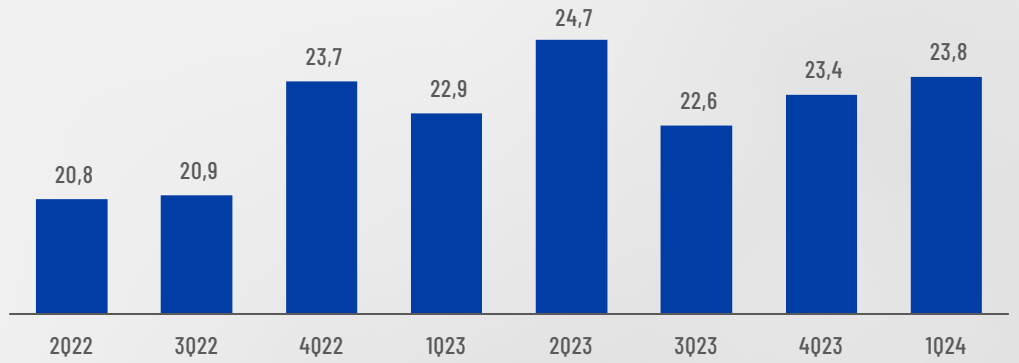
Financials

First Quarter 2024 Financial Results

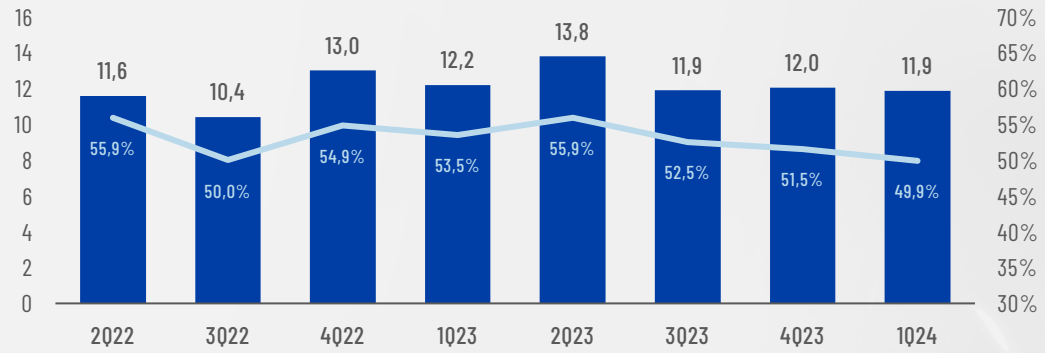
1Q24 Financial Highlights

- Revenue increased by 4.2% to EUR 23.8m
- Gross profit decreased by 2.8% to EUR 11.9m with margins decreased to 49.9%
- Adjusted EBITDA decreased by 12.4% to EUR 3.4m with margins decreased to 14.3%
- Cash balance of EUR 7.7m with a positive net working capital position
- Cash flow from operations for the period ended at EUR 2.7m
- Financing deal post period end securing USD 7.0m, improving working capital position
- Full year revenue and AEBITDA guidance reiterated at EUR 102-109 million and EUR 15.2 – 18.5 million respectively

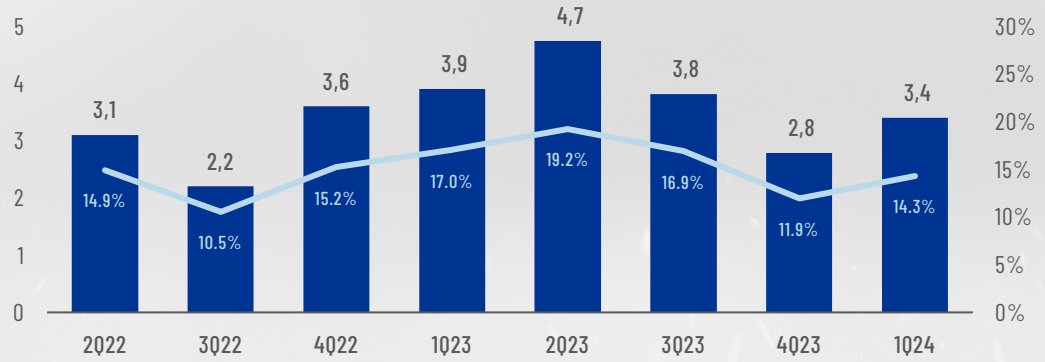
Revenue (EUR,m)



Gross Profit (EUR,m)



Adjusted EBITDA (EUR,m)

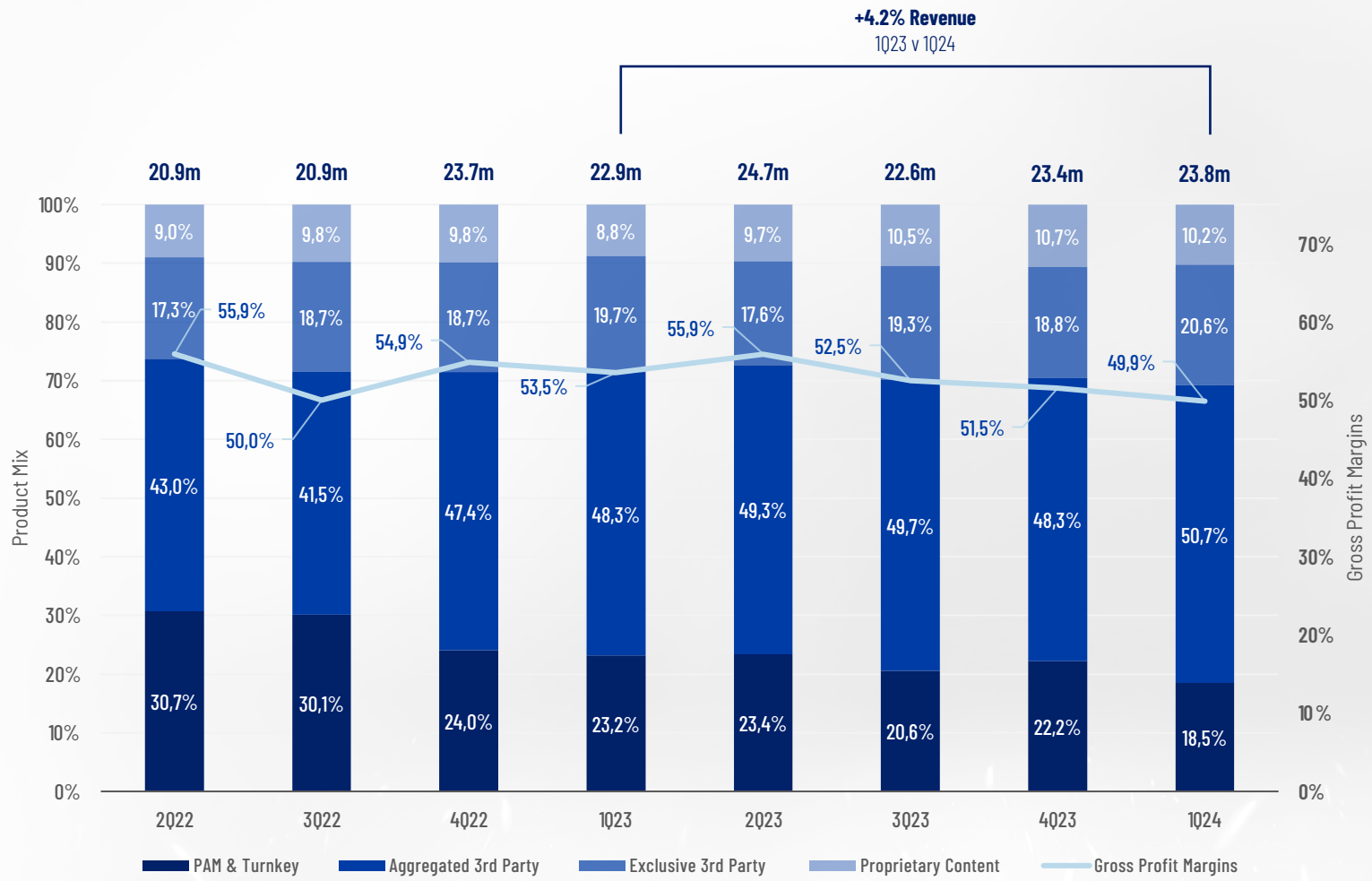


First Quarter 2024 Product Mix

1Q24 Gross Profit Margins

- Gross profit decreased by 2.8% to EUR 11.9m with margins dropping by 360bps to 49.9%
- 1Q24 seen a decline both in gross profit and margins due to revised commercial terms agreed with key strategic partner derived from the managed services and aggregation products.
- In 1Q24, total games and content revenue segment amounted to EUR 19.4m and represented 81.5% of total revenue (1Q23: EUR 17.6m and 76.8%)
- Exclusive 3rd party and Proprietary content total revenue increased by 12.5%quarter over quarter to EUR 7.3m (1Q23: EUR 6.5m) demonstrating a positive momentum
- Proprietary content deployment is positively progressing both in U.S. and EU markets by increasing distribution and games performance constantly
- Bragg is expecting an improvement in gross profit margin to take place in FY25 by increasing its higher margins revenue portion of its proprietary content, PAM and turnkey solutions

Product Mix Continues to Evolve



First Quarter 2024 Adjusted EBITDA Reconciliation

Reconciliation of Operating Income (Loss) to Adjusted EBITDA

EUR 000	Three months ended March 31, 2024	2023
Operating (Loss) Income	(1,268)	520
[1] Depreciation and amortization	3,877	2,709
EBITDA	2,609	3,229
Depreciation of right-of-use assets	(226)	(82)
Lease interest expense	(34)	(9)
Share based compensation	184	758
Transaction and acquisition costs	-	37
[2] Exceptional costs	120	167
Loss on remeasurement of derivative liability	178	64
Gain on settlement of convertible debt	(65)	-
[3] Loss (gain) on remeasurement of deferred consideration	645	(270)
Adjusted EBITDA*	**3,411**	**3,894**

(1) **Depreciation and amortization:** the increase was as a result of the additional level of investment in software development costs.

(2) **Exceptional costs:** relating to legal and professional costs incurred associated to non-recurring corporate and regulatory matters.

(3) **(Gain) loss on remeasurement of deferred consideration:** 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 fair 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 March 31, 2024	As at December 31, 2023
Cash and cash equivalents	7,747	8,796
Trade and other receivables	18,211	18,641
Prepaid expenses and other assets	1,630	1,655
Current liabilities excluding deferred consideration and convertible debt	(23,745)	(23,943)
Net working capital	**3,843**	**5,149**
Convertible debt – current	(1,445)	(2,445)
Deferred consideration	(1,970)	(1,513)
Net current assets	**428**	**1,191**

Balance Sheet and Cash Position

- Balance sheet with EUR 7.7m cash and USD 2.5m convertible debt facility at end of the period. (As of May 9, 2024, total outstanding liability is further reduced to USD 2.0m)
- Projected positive free cash flow from operational activities
- Post period end secured USD 7.0m debt facility with a related party to improve net working capital position to provide further flexibility to the company needs
- No capex or technology debt needs

Cash Flow and Financial Resources

EUR 000	Three months ended March 31, 2024	2023
Operating activities	2,749	6,361
Investing activities	(2,753)	(2,068)
Financing activities	(687)	(256)
Effect of foreign exchange	(358)	(202)
Net cash flow	**(1,049)**	**3,835**

Operating Activities

- Cash generated from operation of EUR 2.7m (1Q23: EUR 6.4m) with underlying performance reaching EUR 3.6m with a movement in working capital and income taxes of (EUR 0.8m) (1Q23: EUR 2.6m)

Investment Activities

- EUR 2.6m (1Q23: EUR 1.9m) investment in intangible assets related to the capitalisation of software development costs in the period
- EUR 0.1 (1Q23: EUR 0.2m) to property and equipment

Financing Activities

- EUR 0.5m (1Q23: Nil) for the repayment of convertible debt
- EUR 0.2m (1Q23: EUR 0.3m) for repayment of lease liabilities, other loans and interests

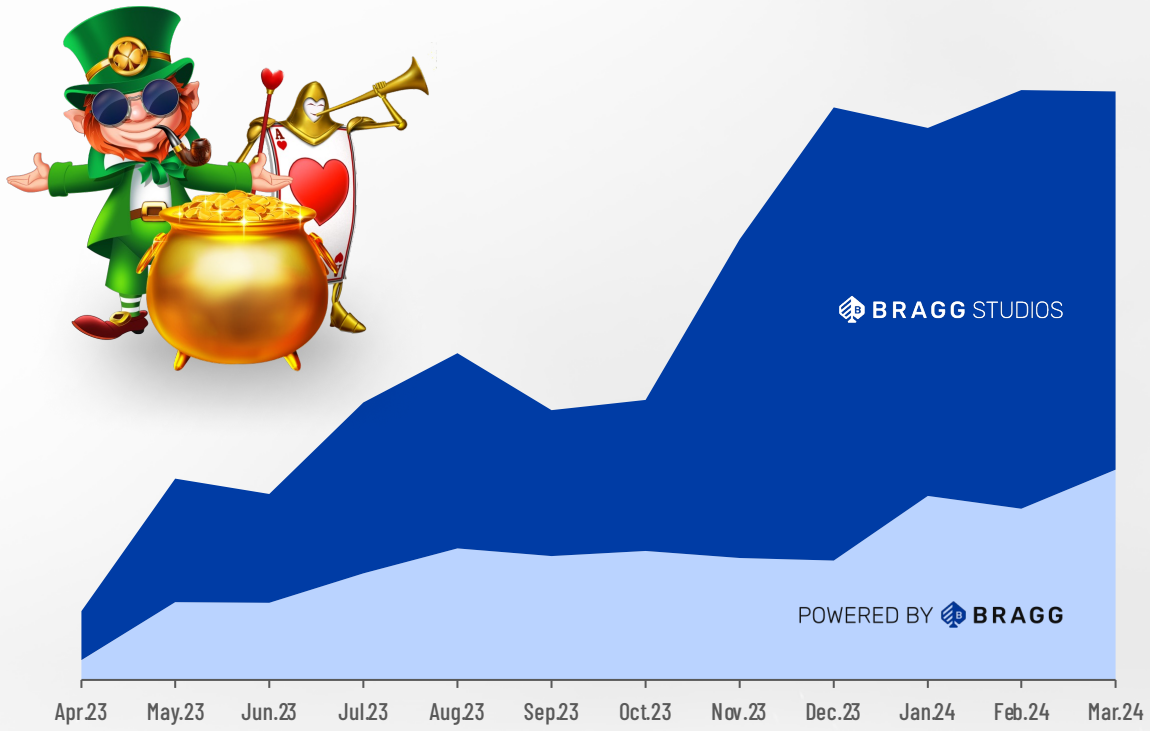
Commentary on Strategy & Operations

Positive Momentum for New Bragg RGS Content in North America

Over 8x growth in wagering between April 2023 and March 2024

- Content from multiple land-based game design teams through a single integration
- Significant growth in the fourth quarter sustained into first quarter of 2024
- Several operators still to go live, notably in Pennsylvania
- Significant upside potential in Ontario
- Opportunity in other Canadian provinces, with positive response from lotteries interested in content, aggregation and promotional functionality
- First progressive jackpots on the Bragg RGS to roll out in the U.S. (& Europe) in the coming months

Bragg RGS Content Wagering in North America [1]

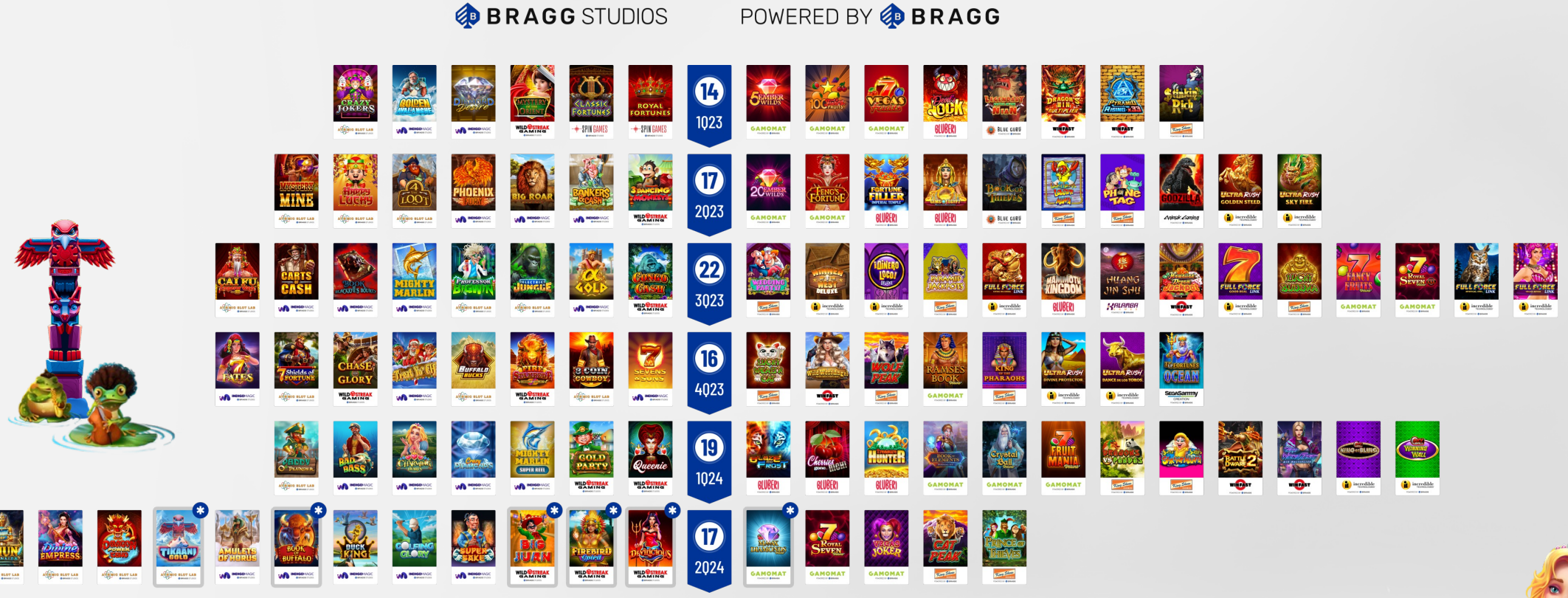


GROWTH IN NORTH AMERICA FOR BOTH IN-HOUSE AND PARTNER STUDIOS DELIVERED VIA BRAGG'S NEWEST RGS TECHNOLOGY

1. Chart represents wagering in New Jersey, Michigan, Pennsylvania, Connecticut and Ontario for games delivered via Bragg's newest remote game server (RGS) technology

Bragg Games Exclusive Portfolio

19 exclusive games released in 1Q24 including seven from Bragg Studios; Building critical mass generating of revenue-generating content



BRAGG STUDIOS = HIGH MARGIN

POWERED BY BRAGG = DIVERSE PORTFOLIO

Newly Regulating iGaming Market Opportunities

Bragg is well placed to benefit from multiple jurisdictions on the brink of introducing or reforming iGaming regulation

- Brazil is already a significant market for Bragg
- We are well placed for growth in existing and newly regulating states in the U.S.
- Opportunities in multiple provinces in Canada
- B2B license obtained for Peru in advance of new regulations
- Bragg is well placed to enter the French iGaming market when new legislation is introduced; France a potential top five global iGaming jurisdiction
- Finland in process of moving away from state monopoly system, offering PAM, aggregation, engagement and content opportunity
- More potential in Poland, Chile, Argentina, South Africa & other African jurisdictions



BRAGG'S HIGHLY LOCALIZED CONTENT AND TECHNOLOGY SOLUTIONS ARE FAST TO ADAPT AND DEPLOY TO NEWLY REGULATED MARKETS

Outlook & Summary

1. First quarter 2024 revenue rises 4.2% to EUR 23.8 million (USD 25.6 million)
2. Adjusted EBITDA in 1Q24 decreased 12.4% to EUR 3.4 million (USD 3.7 million)
3. Gross Profit for the first quarter decreases 2.8% to EUR 11.4 million (USD 12.8 million)
4. Refinancing completed, delivering balance sheet strength and flexibility
5. New hires strengthen teams to deliver ambitious growth plans
6. FY24 guidance reiterated at EUR 102-109 million revenue and EUR 15.2-18.5 million AEBITDA



Thank you

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