



H1 Results & Investor  
Presentation

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# OVERVIEW

## ORIGINAL MOBILE GAMING:

Focusing on licensing games and B2B 'white' labels

£400k adjusted EBITDA for H1 2018, an increase of £1.5m from H1 2017 loss of £1.1m

28% increase in proforma revenue of Licensing and Real Money Gaming verticals

Decrease Social Publishing by 48% with reduction of marketing by 88%

70% of B2C for up to £23.1m and sale of affiliate business for up to £2.4m

Post period increase in licensing revenue by 88% and RMG revenue by 10%

Strong pipeline of licensing deals to go live H2



GAMING REALMS

# FINANCIALS

## GROUP P&L

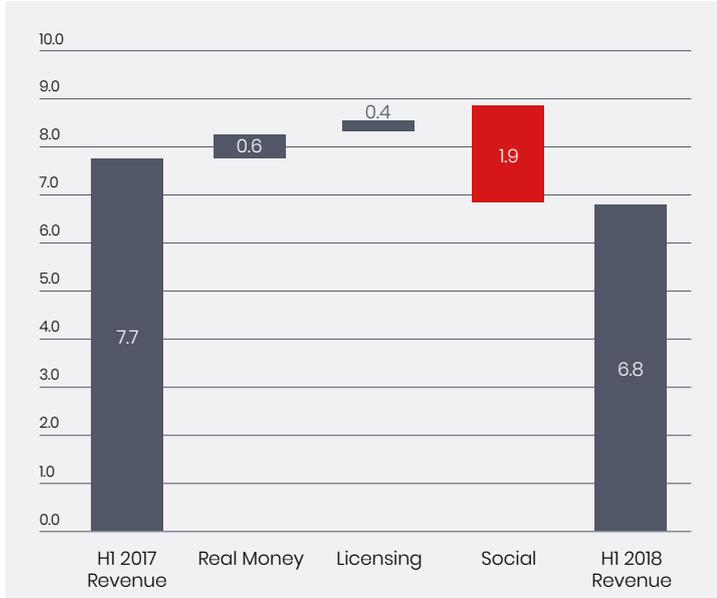
Group	Reported			Proforma		
	6M 30 Jun	6M 30 Jun	Change	6M 30 Jun	6M 30 Jun	Change
	18	17		18	17	
	£m	£m	%	£m	£m	%
Revenue	11.1	15.7	(29%)	6.8	7.7	(11%)
Marketing expenses	(2.8)	(6.4)	57%	(2.1)	(4.4)	53%
Operating expenses	(4.2)	(4.8)	13%	(2.7)	(2.6)	(4%)
Administrative expenses	(3.8)	(5.5)	31%	(3.5)	(5.2)	32%
Adjusted EBITDA before SBP	0.4	(1.1)	132%	(1.4)	(4.4)	68%
Share based payments (SBP)	(0.2)	(0.4)	58%	(0.2)	(0.4)	58%
Loss after tax	(2.6)	(3.8)	26%	(4.4)	(7.1)	38%
EPS	(0.92p)	(1.37p)	33%	(1.55p)	(2.69p)	42%

- Adjusted EBITDA £0.4m (2017 £-1.1m)
- Proforma EBITDA -£1.4m (2017 £-4.4m)
- Proforma 53% reduction in marketing across all verticals
- 22% reduction in Operating & Administration costs (20% reduction Proforma)
- £1.4m capitalised development costs in H1 18



# PROFORMA GROUP

## REVENUE BRIDGE



**28% increase**



in Real Money and licensing to £4.8m

**48% reduction**



in Social to £2.1m following reduction marketing by 88% to £0.2m (£1.6m)



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# PROFORMA

## REAL MONEY GAMES

### Real Money Gaming

	Proforma		
	6M 30 Jun 18	6M 30 Jun 17	Change
	£m	£m	%
Revenue	4.1	3.5	18%
Marketing expenses	(1.9)	(2.7)	31%
Operating expenses	(2.0)	(1.6)	(25%)
Administrative expenses	(1.4)	(1.4)	1%
Adjusted EBITDA	(1.1)	(2.2)	49%
Headcount	55	60	(8%)

**18% increase**



in revenue with  
**31% reduction** in  
marketing

**10% further increase**



Post period end

### B2B Launch

new B2B site for  
Health Lottery

**8% reduction**



in headcount



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# PROFORMA

## LICENSING

### Licensing

	Proforma		
	6M 30 Jun	6M 30 Jun	Change
	18	17	
	£m	£m	%
Revenue	<b>0.6</b>	0.2	175%
Administrative expenses	<b>(0.5)</b>	(0.5)	17%
Adjusted EBITDA	<b>(0.1)</b>	(0.2)	135%
Headcount	<b>23</b>	16	41%

**200%** ↑  
increase  
in licensing

**88%** ↑  
increase  
post period end

**6**  
new  
contracts  
Signed

**7**  
headcount  
increase  
to allow faster  
RGS roll out



# PROFORMA

## SOCIAL GAMES

Social	Proforma		
	6M 30 Jun	6M 30 Jun	Change
	<b>18</b>	17	
	<b>£m</b>	£m	%
Revenue	<b>2.1</b>	4.0	48%
Marketing expenses	<b>(0.2)</b>	(1.6)	-88%
Operating expenses	<b>(0.6)</b>	(1.0)	-42%
Administrative expenses	<b>(0.7)</b>	(2.0)	-86%
Adjusted EBITDA	<b>0.6</b>	(0.7)	185%
Cashflow	<b>(0.05)</b>	(1.6)	
Headcount	<b>18</b>	35	(49%)

Adjusted Ebitda  
increased  
**185%** ↑  
to £1m

**Non  
core**

Revenue  
reduced  
**48%**  
with a 88% reduction  
marketing and 49%  
reduction headcount



# SALE

## OF B2C ASSETS & AFFILIATE BUSINESS



- 70% of B2C brands for 5.5 x EBITDA
- Minimum payment of £8.4m up to £23.1m
- GMR to charge 5% platform and 10% licensing fee for 'slingo originals'
- Remaining 30% to be bought 2020
- Use of initial proceeds to expedite licensing and platform



- Sale of 100% BingoPort for up to £2.4m to First Leeds Ltd
- £2m upfront and £400k deferred payable at the end of 2018



# PLATFORM FEATURES

## REAL MONEY GAMES

Launch new real money platform with over 31% improvement in loading speed (source: testmysite)

Platform mobile play increased to 92% compared to 82% in 2016

Launch new gamification tool with levels to reduce bonus cash

New GAMSTOP & EKYC features in line with higher UK regulatory risk



\* Testmysite.com based on 3G loading speed



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# 6 NEW GAMES LAUNCHED

## WITH OVER 20 LIVE

Cost per game is £61k  
reduced from £144k  
(H1 17) with new game  
studio in Colchester

Games translated  
into 15 languages

75% mobile play  
across partners

Younger 25-34yr  
old key audience



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# BRANDED FORMATS

## POINT TO FUTURE

Slingo combination slot and bingo developed over 20 years ago

Played over 5 bn time in lottery, land based, social and now Online casino markets

Can be bonded to existing games/ brands to create new gaming vertical

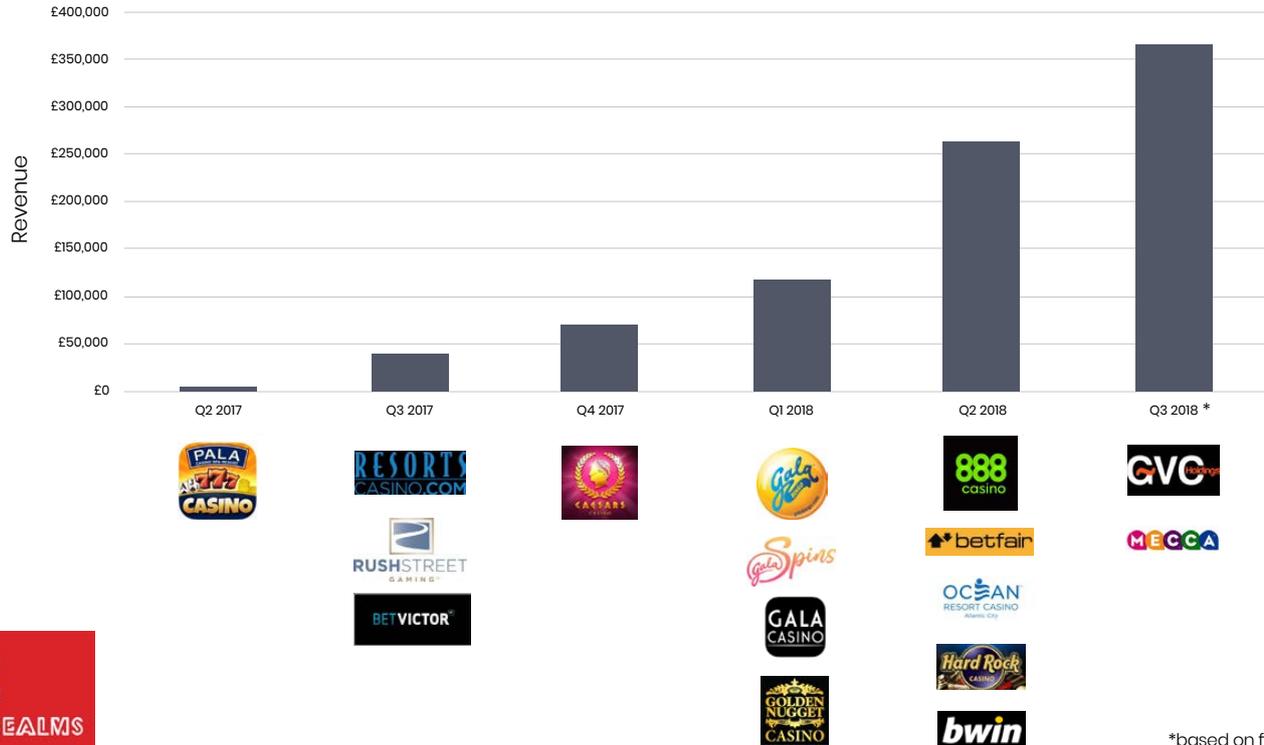
Fills the gap left by bingo



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# NEW LICENCING PARTNERS AND REVENUE GROWTH



\*based on first 11 weeks  
Post period end



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# ADDRESSABLE ONLINE MARKET WORTH \$21bn

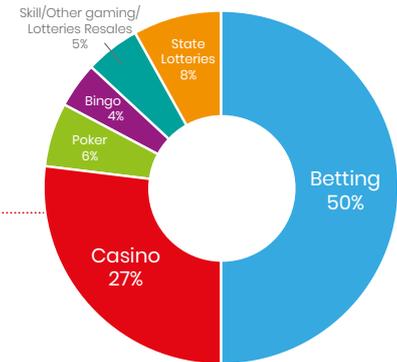
**8% OF GLOBAL TOTAL\***

- \$21bn Global market for online casino, lottery, bingo;
- 10% growth per annum
- Mobile share increasing to 51% of interactive by 2023
- Offline market for gaming machines worth \$104bn
- 3% growth rate Globally
- GMR currently has 3% New Jersey & 1% UK Online slot market worth £1.7bn\*\*
- iLottery & Landbased are also markets which suit Slingo

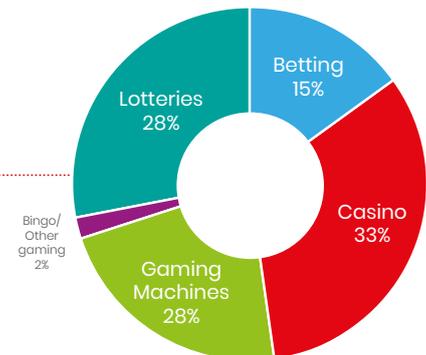
\*H2 Capital 2017

\*\* Gambling Compliance

Online Global Market Breakdown



Offline Global Market Breakdown



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# OUTLOOK

## FOCUS ON SLINGO & INTERNATIONAL OPPORTUNITY

### Licensing

- Focus on 'Slingo' style mobile games
- 6 new games (branded and original) H2
- Enter New & regulated markets – Pennsylvania, Spain & Denmark H2 (H1 2019)
- 6 new licensing partners to go live H2 giving access to 40+ sites

### Platform

- Launch 1 new 'white label' site
- Focus on internationalisation platform



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