



LONDON STOCK EXCHANGE (LSE): GAN | IRISH STOCK EXCHANGE (ISE): GAME

Trading Statement & Notice of Results

London & Dublin | September 18, 2018: GAN plc (“GAN” or the “Company”), an award-winning developer and supplier of enterprise-level B2B Internet gambling software and services in the United States and Europe, today provides an update on trading for the half-year ended June 30, 2018.

GAN performed in line with market expectations during the first half of 2018.

The outlook for the second half year period and full calendar year 2018 is contingent on (a) the market size, share and growth rate of Internet sports gambling in New Jersey; (b) the timing with which Pennsylvania’s regulator the Pennsylvania Gaming Control Board (“PGCB”) permits the launch of Internet real money gambling for residents of the State of Pennsylvania; and (c) the speed with which efficient marketing of the Overseas Internet Casino is conducted in European regulated markets by GAN.

By way of outlook on 2019, the recent launch of Internet sports betting, the Company’s current sales pipeline and existing contracted clients are projected to propel GAN to record revenues, revenue growth, and EBITDA.

GAN is due to release its half year result for the period ended 30 June 2018 on September 28, 2018.

PASPA / Regulatory Developments

With respect to online sports betting in the US, GAN welcomed the repeal of the Professional and Amateur Sports Protection Act 1992 (“PASPA”) by the US Supreme Court on May 14, 2018. GAN has subsequently integrated a leading B2B sports betting system into GAN’s Platform and delivered Internet sports betting in New Jersey to its client PaddyPower Betfair plc (“PPB”), branded ‘FanDuel’, on September 1, 2018.

The reported success of the Internet sports betting market in the first operating month of August 2018 may result in an increase in the speed of regulation of intra-State Internet gambling going forwards. It is believed that additional US States are now considering the regulation of Internet gambling.

New Jersey Internet Gambling

Internet sports betting’s growth since launch on September 1, 2018 has exceeded initial expectations in the first 17 day operating period. Continued growth is contingent on the speed with which our client PPB phases in marketing investment and the competitive dynamics within this emerging market.

GAN’s second client in New Jersey, Ocean Resort Casino (“ORC”) opened the land-based casino in Atlantic City on June 28, 2018 and the Internet casino delivered to ORC by GAN commenced operations of its desktop-only website on July 10, 2018. The secondary launch of mobile apps to enable end users to engage with ORC’s Internet casino via their personal mobile devices has been delayed by the New Jersey Division of Gaming Enforcement (“DGE”) technical certification division due to the demand for certification of new Internet sports betting systems.

Mobile apps are required to be downloaded by end users in order for their physical location to be accurately determined in compliance with New Jersey Internet gambling regulations. Mobile casino gaming represents the substantial majority of Internet casino gaming revenues in New Jersey. The mobile apps were approved by the DGE on September 4, 2018.

Pennsylvania Internet Gambling

Pennsylvania's real money Internet gambling market is now expected to commence in early 2019. This delay, due to a slower-than-expected issuance of regulations by the PGCB, impacts GAN's ability to recognise revenues derived from professional services fees already generated by GAN year-to-date and similar incremental professional service fees expected to be generated in H2 2018 as preparations to launch our client Parx Casino's Internet gambling operations continue.

Such fee-based revenues from the professional services rendered by GAN to its clients are recognised following the client's commercial launch of Internet gambling. Accordingly, revenue from professional services delivered to Parx Casino in 2018 will now be recognized in H1 2019.

This regulatory delay will also negatively impact GAN's H2 2018 Net Revenue from the revenue-sharing aspect of GAN's commercial relationship with Parx Casino, the market-leading casino property in Pennsylvania.

GAN has been a registered gaming services provider in Pennsylvania since 2014 and successfully submitted its Pennsylvania Internet gambling software vendor license application to the PGCB on September 17, 2018.

Italian Internet Gaming

GAN notes the recent legislative ban on advertising of gambling in Italy which comes into effect in January 2019. GAN's clients in Italy are predominantly land-based operators of retail betting shops as well as Internet gambling. Following consultation with selected Italian clients and specialised gaming research firm Eilers & Krejcik Gaming LLC¹, Italian Internet gambling operators supported by significant retail operations are not expected to be materially impacted by the ban on advertising and may benefit from reduced competition from Internet-only operators.

As previously announced², the Company will launch its 9th Italian client GOLDBET in Q4 2018 which operates more than 1,000 land-based betting shops in Italy.

Overseas Internet Casino

Operational marketing of the Overseas Internet Casino in Europe commenced on September 12 2018. This followed an extended period in Q3 restructuring certain operational and financial arrangements to ensure an efficient deployment of the previously-reported \$10m in user acquisition marketing provided to GAN by our client, the Chickasaw Nation, to develop their Internet gambling business in European regulated markets.

Simulated Gaming™

The acquisition of new US casinos as clients for GAN's US-facing Simulated Gaming business has been impacted by the increased allocation of internal technical engineering resources towards real money Internet gambling in H1 2018, which will continue to delay incremental client acquisition until the previously announced expansion of the Company's software engineering team in Sofia, Bulgaria has completed in H1 2019.

GAN's client of Simulated Gaming, the Mississippi Band of Choctaw Indians, was announced on April 30, 2018³ and is now anticipated to launch Simulated Gaming in Q4 2018.

As on June 30, 2018 GAN operated Simulated Gaming for 13 major US casinos coast-to-coast together representing in excess of \$8bn in annual land-based gaming revenues as well as for a consortium of land-based gaming venues in Queensland, Australia identified as 'Club8Casino'.

Notice of Results

The Company will release its results for the half year period ended June 30, 2018 on September 28, 2018.

FAQ's about GAN's Internet Gambling 'Platform' & US Patent

- For investors and Industry analysts: The core of a "Platform" from both a technical and regulatory standpoint is the Player Account Management System i.e. where highly sensitive customer and player activity data is stored and processed. Other elements of Platform can include a sportsbook transaction engine, gaming content integrations, payment services, marketing services, trading services and other ancillary activities. However, the core functionality to describe B2B systems and services as a 'Platform' is the Player Account Management System. This is also the layer of B2B activity which tends to require regulatory approval as a 'Platform' since it is the focal point of data and player security. Therefore, without the Player Account Management System, a service provider might be offering very valuable B2B functionality but not in the strictest sense a 'Platform' (*source: Regulus Partners, an international gambling advisory group*).
- All US casinos operate an on-property rewards program (also called 'loyalty programs') where visitors to the land-based casino can enrol in a loyalty program, collect a rewards card and accumulate reward points from real money gambling on-property. Typically, US casinos have more than half of their active on-property patrons enrolled in these reward programs.
- GAN's US-patented technology principally permits US casino operators' carded patrons to link their reward card to their online gambling account in order to identify themselves as a patron of the land-based casino and a member of their retail rewards program.
- The Patent was awarded to GAN plc in September 2014 by the US Patent & Trademark Office ("USPTO") with the Patent reissued under the same Patent number by the USPTO on March 17, 2017 following an unsuccessful ex parte challenge brought by an anonymous US Industry actor.

Notes:

1 "The Italian gambling advertising ban is unlikely to impact operators equally with online only firms expected to be more significantly impacted by the blanket ban on all gambling advertising in the country. As can be seen from the market share in CY17 five of the seven largest operators in the iGaming market have a substantial land-based presence and will look to use that brand recognition along with cross- sell from land-based to online to continue to grow their share post-ban." Eilers & Krejcik Gaming LLC, September 4, 2018

2 <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GAN/13606639.html>

3 <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/GAN/13622744.html>

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GAN | Overview

GAN is a leading B2B supplier of Internet gambling enterprise software-as-a-service solutions to the US land-based casino Industry. GAN is listed on the ESM Market of the Irish Stock Exchange and the AIM Market of the London Stock Exchange under the ticker: GAN

The Company has developed an Internet gambling enterprise software system, GameSTACK™, which it licenses principally to land-based US casino operators as a turnkey technology solution for regulated real-money Internet gambling encompassing Internet gaming & Internet sports betting and/or virtual Simulated Gaming.

GAN has fourteen (14) casino operators as clients of Simulated Gaming coast-to-coast across the US and Internationally; two (2) clients of real money Regulated Gambling in New Jersey; one (1) client of real money Regulated Gambling in Pennsylvania and ten (10) clients of real money Regulated Gambling in Europe.

The Internet Gambling System, developed in London under a UK Gambling Commission license, is certified to the highest technical standards currently required by gambling regulators. In April 2017 GAN was granted a Casino Service Industry Enterprise license by the New Jersey Division of Gaming Enforcement being GAN's first privileged gaming license in the United States. In May 2018, the US Supreme Court repealed PASPA and GAN confirmed the H2 launch of sports betting for US clients integrated into GAN's enterprise software platform. In September 2018 GAN launched Internet sports betting in New Jersey, available as an integrated option alongside Internet gaming.

For more information please visit www.GAN.com