

AnglerGaming

Annual report and Audited Financial Statements 2018

Angler Gaming plc, reg. no. C55255, Malta

Table of Content

About Angler Gaming plc	3
General	3
History	3
Investment Case	4
Annual General Meeting and reporting dates	5
Financial performance in 2018 - all-time high in revenues and EBIT	5
Proposed Dividend	5
CEO Message	6
Board of Directors, Company Secretary and Auditor	6
Premiergaming Ltd – Angler Gaming’s latest investment	8
The Audited Financial Statements For 2018	8

About Angler Gaming plc

General

Angler Gaming plc ('Angler Gaming') is a Maltese holding company listed on the Swedish stock exchange, Spotlight Stock Market (ANGL) that invests in companies which provide gaming services over the internet.

Angler Gaming's core business is to own and administer shareholding in internet gambling companies which directly or through partners offer games to end users via Internet.

The focus is on investing in niche gaming companies and startups with larger flexibility and possibilities to manage the customer databases' values, then growing rapidly in various markets around the world.

Angler Gaming owns 100% in all of its subsidiaries and Angler Group (being Angler Gaming itself and its subsidiaries) is debt free.

History

- **2012 - Betsson decides to focus on one gaming platform and places some assets in a separate new company within Betsson Group - Angler Gaming plc. Angler Gaming is listed on AktieTorget (ANGL) (now Spotlight Stock Market) and is distributed to existing Betsson Group's shareholders.** Assets passed to Angler Gaming:
 - €3,000,000 in share capital;
 - A gaming platform based on the CasinoEuro platform, a successful business area within the Betsson Group; and
 - 30 customer databases of Betsson's non-core markets.
- **2014 - a year when things started to happen - Angler Gaming:**
 - Issues new shares (€1,700,000).
 - Acquired Casino Assets with shares.
 - Strikes a partnership with Vuete, having mainly live casino customers.
- **2015 - August is the first profitable month.**
- **2016 - the first profitable year. Angler Gaming:**
 - Acquired Bingo Assets, with an earn out acquisition model;
 - Acquires, in December, assets from Vuete, for cash and shares consideration.
 - Achieves, in Q4, a significant increase in profit (EBIT €577,000).
- **2017 - a strong year for Angler Gaming:**
 - Revenues increased by 78% year-on-year to €12,118,116.
 - EBIT increased by 290% to €4,481,862.
 - EBIT margin of 35.8%.
 - 35,540 Active Customers.
 - Dividend policy approved: 50-100% of Net Profit to be distributed to shareholders unless it is required to for acquisitions and/or to safeguard financial position of the Angler Group.
- **2018 - continued growth for Angler Group:**
 - Continued growth in 2018.
 - first dividends (€3,351,000 Euro) distributed to the shareholders on the basis of financial results of

2017.

- The subsidiary PremierGaming Ltd. obtained a gaming licence from the Malta Gaming Authority (MGA).
- Successful launch of ProntoCasino in the Northern Europe market. The subsidiary PremierGaming Ltd. applied for a Swedish license in November 2018 (in January 2019 Premier Gaming was granted a full five year license to conduct online gaming in Sweden including offering Online Casino, Online Sportsbetting and Online Bingo).

Investment Case

When considering an investment in Angler Gaming plc you should also be aware of risks that are connected with the industry and the business. Angler Gaming operates in a global market and the online gaming industry is subject to different levels of regulations. The business is also exposed to exchange rate fluctuation, changing consumer behaviour and Angler Gaming's ability to operate in a highly competitive industry.

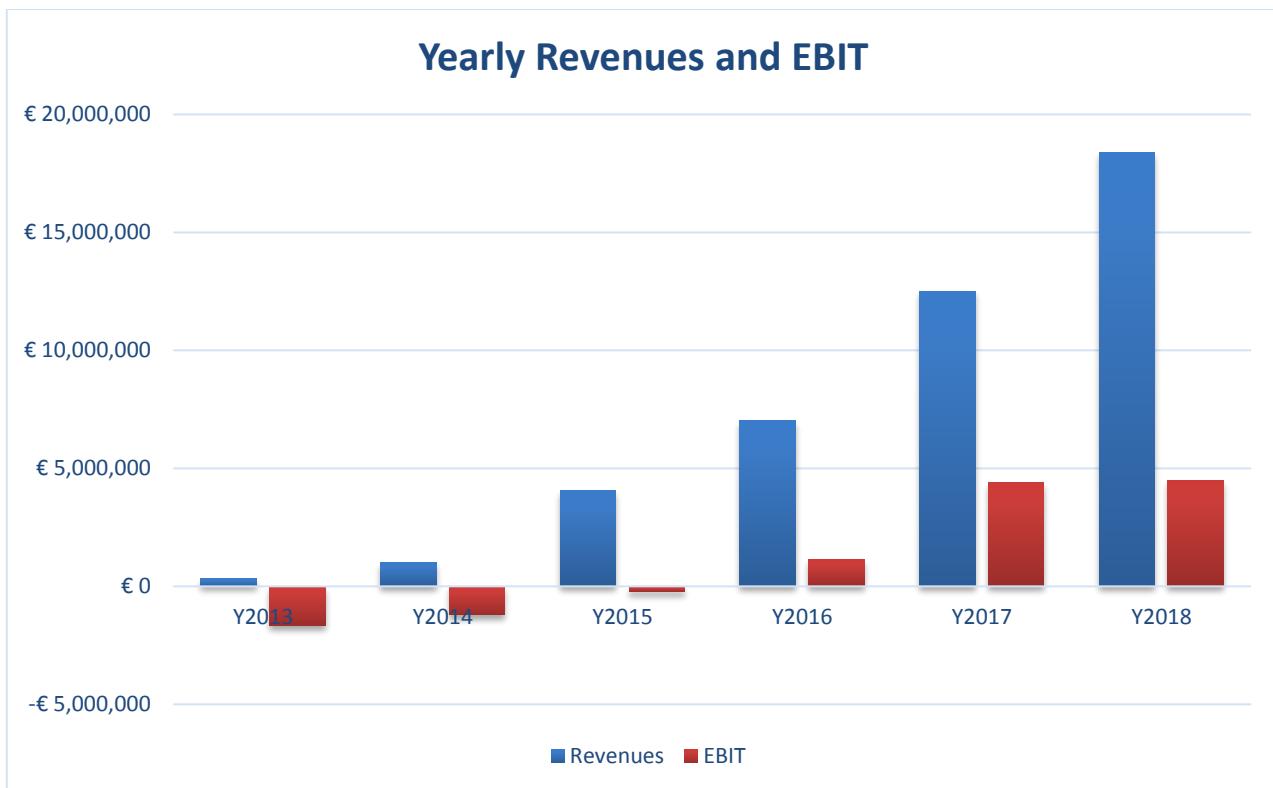
It is an exciting and fast growing industry where Angler Gaming work hard to become a bigger player.

Generic industry growth drivers:

- New Technology and local regulation drives growth.
- Continued shift from offline to online gaming.
- The gaming market in Europe is expected to grow by 5-10% annually 2018-2022.

Angler Gaming's positioning within the industry:

- Angler Gaming enters new markets and segments around the world.
- Angler Gaming is debt-free and has a positive cash flow.
- Angler Gaming has invested in a strong business model:
 - ✓ Fully owned and managed Gaming Platform updated with the latest functionality and technology gives low operational cost for both B2C and B2B business segments and enables multi-brand strategy, data driven marketing and CRM. Scalable to lower incremental cost.
 - ✓ Monitoring and actioning, on a daily basis, multiple Key Performance Indicators, such as Number of New Depositing Customers, Cost per New Depositing Customer and Customer Life Time Value per market, channel and product.
 - ✓ Easy, fast and cost efficient to launch of White Label Solutions (B2B) and inhouse brands (B2C).
 - ✓ Small and efficient organisation (EBIT per employee 2018: €180,000 Euro). An international Group with highly qualified employees from more than 10 Countries.
 - ✓ Proven model for buying and integrating customer databases and brand assets:
 - ✓ No need to take over staff
 - ✓ No need to increase staff
 - ✓ Time to market approximately 1 month after signed agreement.
 - ✓ Using affiliates as a marketing channel give low risk in acquisition of new customers.
 - ✓ Evaluating number of new customers and ARPU on a daily basis when using traditional marketing (TV-commercials, online banners, Google Ads etc) to acquire customers to minimize investment risk and boost growth.
 - ✓ Focusing on both B2C and B2B give us better understanding for customers and changes in customer behaviour.
 - ✓ Strong Casino Product both in Mobile and Desktop. SportsBook and Bingo also form part of the offer when applicable.
 - ✓ Active in 21 markets. Constantly evaluates new products, markets and acquisitions.



Annual General Meeting and reporting dates

The Annual General Meeting will be held on Friday the 7th June 2019 at 10.00 in Stockholm. The location will be disclosed later.

Q1 2019 report will be published on 9th of May 2019.

Q2 2019 report will be published on 8th of August 2019.

Q3 2019 report will be published on 7th November 2019.

Q4 and the annual report 2019 report will be published on 18th February 2020.

Financial performance in 2018 - all-time high in revenues and EBIT

2018 was yet another great year for Angler Gaming plc with all time high in revenues and EBIT:

All figures are compared to 1st January to 31st December 2017 if not explicitly stated otherwise

- Revenues increased by 46.94% to €18,394,136 (€12,518,116).
- EBIT increased by 0.72% to €4,513,995 (€4,481,862).
- EBIT Margin of 24.54% (35.80%).
- Customer deposits increased by 95.48% to €41,828,434 (€21,398,265).
- 33.43% increase in newly registered customers to 139,452 (104,517).
- 79,902 active customers (42,987)
- Earnings per share of €0.0583 (the 2017 earnings per share of €0.0855 included an extraordinary income of €2,080,030).

Proposed Dividend

The Board of Directors proposes distribution of €3,374,325 for 2018 (€3,351,000 was distributed in 2018) by way of a dividend to shareholders, which corresponds to €0.045 per share. Angler Gaming will not compensate for currency exchange costs.

CEO Message



Thomas Kalita, CEO Angler Gaming plc

“2018 was yet another record year in the Angler Gaming plc’s history both as regards revenues and EBIT. At the same time we have managed to continue to invest in an excellent gaming platform, new functions, suppliers and technology and also in a completely new start up, namely PremierGaming Ltd which through its brands ProntoCasino and PremierLiveCasino focus on the Northern Europe markets with mainly a ‘pay’n’play’ concept.”

It is a pleasure to be part of a Group with so many talented colleagues representing more than 10 nationalities. And the combined work of our experienced and dedicated co-workers continue to deliver great result - the Board of Directors recommended a dividend for the second year in a row, even though Angler Gaming is a relatively young company. The results speak for themselves. Simply another great year for Angler Gaming!

Both our B2B partners and our B2C brands continue to deliver, resulting in an all-time high revenues and EBIT for the Group. At the same time we continue to invest in an enhanced gaming experience for the benefit of all our customers in more than 20 markets. We have greatly improved the generic gaming platform which is fully owned by the Angler Group, and we have also added products from many third party suppliers to our offering during the year to further improve the user experience and offer a wide and competitive offering to our customers.

The year started a bit flat in terms of growth, but we worked hard to improve the existing operations, while at the same time starting up a completely new subsidiary (PremierGaming Ltd) that focused on Northern Europe and mainly the ‘pay’n’play’ concept. PremierGaming Ltd, which was launched in Q4, had an amazing growth, while keeping the marketing investment under control. We arranged our marketing investment in such a way that we could stop it at any time to make PremierGaming profitable, even though we decided to prioritize growth in Q4. The ‘old’ business started to show much better KPIs again in Q4, meaning all the efforts during the year by our incredible team started to pay off.

Board of Directors, Company Secretary and Auditor



Dr. James Scicluna,
Chairman (Independent)

James is an experienced lawyer, specialising in gambling regulation and licensing, commercial strategy in regulated markets, public affairs, intellectual property, joint ventures and M&As, amongst others areas. He is an experienced board member, having served as a director in a number of remote gaming companies. James is an independent director, owning no shares in Angler Gaming plc.

 Michael Bennett, Director	<p>Michael is an experienced board member in gaming companies and a freelance writer. He has over 40 years senior management experience in both casinos and the online betting industry worldwide, covering the Far East, Australia, the Caribbean, Europe, Africa and the U.K , including in well-known casinos, such as the London Playboy Club, Wrest Point Casino, Adelaide Casino, Morula Sun and the Knightsbridge Sporting Club. During the 90's he served on the boards of some eighteen companies within the UK Ladbroke. He has worked exclusively in remote gaming since 2000.</p> <p>Michael owns 300,016 shares in Angler Gaming Plc</p>
 Ralf Feldt, Director	<p>As an iGaming consultant, Ralf Feldt started in the iGaming industry based in Costa Rica in 1999. Since then he has worked for several American and European iGaming companies, including BetCris, NetEnt, Cherry and Betsson. As a consultant, Ralf is helping start-up companies, affiliates and operators within the iGaming industry.</p> <p>Ralf owns 90,000 shares in Angler Gaming plc.</p>
 Thomas Kalita, CEO and Director	<p>Thomas is 49 and has over 20 years' experience in leading positions within successful Internet-focused companies, including the last 12 years from his working in the iGaming industry based in Malta. Between 2007 and 2009 he was the CEO of Betsson AB's operational subsidiaries with overall responsibility for their financial performance for all the global brands and products, including Casino, Sportsbook, Poker, Financial Betting, Scratch Cards and other games, offered to many geographical markets around the world. Prior to that he worked as a Product Director and Marketing Director for Betsson AB's operational subsidiaries.</p> <p>Thomas grew up in Sweden and holds a Master's Degree in Business Administration and Economics (specialisation in IT-Management) from Stockholm University. He spent the last 12 years working from Malta. Since 2009 he has been an entrepreneur and investor in the iGaming industry with many successful launches and investments.</p> <p>Through companies he controls, Thomas owns 8 901 603 shares in Angler Gaming plc corresponding to 11.87% of its issued shares.</p>
 Dr Olga Finkel, Company Secretary	<p>Olga is a lawyer, widely regarded for her knowledge of gambling and technology law, as well as corporate governance matters, in particular as applicable to listed and regulated companies.</p>
Walter Rizzo, Auditor	<p>Walter Rizzo is a Certified Public Accountant and auditor</p>

PremierGaming Ltd - Angler Gaming's latest investment

Angler Gaming plc has setup in early 2018 a new subsidiary, PremierGaming Ltd, to focus on and benefit from the possibilities in Northern Europe and the 'Pay'N'Play' concept. Marvin Abela, CEO of PremierGaming Ltd, comments:

'I am very proud to be the CEO of PremierGaming Ltd. We are a lean startup, but with our dynamic approach and energetic team we are already an important driver for the Angler Gaming Group.'

PremierGaming started operating with an MGA licence only in October 2018, after Angler Gaming set up the company to grow the Group's presence in the Northern Europe markets. These markets are very competitive, so our strategy is to invest in marketing, mainly TV commercials, so we have a total control of the marketing spend. Our strategy is to offer a simple and effective online casino that appeals to the customers who want to play as an entertainment, instead of trying to attract big spenders, high-rollers and VIPs.

Our customers come in, play a bit and leave to come back again later, so the 'Pay'N'Play' product from Trustly that we deploy fits perfectly with our targeted audience. ProntoCasino is the result of this strategy. ProntoCasino offers fast deposits and withdrawals and some of the best games out there. We are very proud that we have come up with the concept, build and launched on the market in a matter of just weeks. To be consistent with our strategy of targeting customers who come for some fun and entertainment, we don't give any bonuses and do not send any promotions emails or SMS.

In mid-November, mere 6 weeks after launching ProntoCasino, encouraged by the potential in ProntoCasino and the results obtained in this short period of time in particular in Sweden, PremierGaming submitted the application to obtain a Swedish licence.

It would have been imprudent to apply for the Swedish licence earlier before seeing any actual results. Unfortunately this cautious approach resulted in PremierGaming obtaining the Swedish licence only on the 29th January 2019 instead of the beginning of the year, so we had to pause our Swedish offering during this short time. Once licence was granted, operations resumed into this newly regulated market.

PremierGaming is a startup within the group and didn't contribute in profits during Q4, except for €86,068 in profits during December. PremierGaming in Q4 contributed to 40% of the total Game Win which are very encouraging numbers on build on in 2019.

The Audited Financial Statements For 2018

The audited Financial Statements for financial year ending 31 December 2018, approved by the Board of Directors, are enclosed with this report.