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Bragg Gaming (OTCQX: BRGGF)

Bragg Gaming: INITIATION A Pure Play B2B Provider in Online Gaming

Based on an industry average EV to sales of 8.0xs 2021 revenues, we believe BRGGF stock could be worth $2.32 per share.

Current Price (04/27/21)	US$1.63
Valuation	**US$2.32**

OUTLOOK

Bragg Gaming is a B2B platform provider for igaming that is predominantly focused on providing exclusive content on its in-house developed RGS in addition to casino aggregation and offering a fully customizable platform. It operates primarily in Europe but is located in Canada and hopes to penetrate the US market and win business in the soon-to-be-legalized Canadian market. It has highly experienced and connected management and board members that should be able to parlay their backgrounds into future customer wins. Due to its high percent of sales in Germany, where new regulation is imminent, it is trading at a significant discount to its peers affording investors a unique buying opportunity.

SUMMARY DATA

52-Week High	**$2.24**
52-Week Low	**$1.48**
One-Year Return (%)	**652**
Beta	**1.1**
Average Daily Volume (sh)	**234,501**
Shares Outstanding (mil)	**198.2**
Market Capitalization ($mil)	**$323**
Short Interest Ratio (days)	**0.8**
Institutional Ownership (%)	**14.2**
Insider Ownership (%)	**43**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2021 Estimate	**N/M**
P/E using 2022 Estimate	**N/M**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**Gaming**

ZACKS ESTIMATES

Revenue
(in millions of €)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	6.1 A	5.9 A	6.7 A	7.8 A	26.6 A
2020	8.8 A	12.1 A	11.7 A	13.8 A	46.4 A
2021	13.5 E	12.0 E	11.0 E	10.0 E	46.0 E
2022					44.0 E

IFRS Earnings Per Share
Continuing Operations

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-€0.03 A	-€0.06 A	-€0.00 A	-€0.05 A	-€0.14 A
2020	-€0.07 A	-€0.01 A	-€0.04 A	-€0.05 A	-€0.17 A
2021	€0.00 E	-€0.00 E	-€0.00 E	-€0.01 E	-€0.01 E
2022					-€0.01 E

Zacks Projected EPS Growth Rate - Next 5 Years % **25**

KEY POINTS

- Bragg Gaming is an EBITDA positive, US$345 million (fully diluted) market cap company with approximately $34 million (€28 million) in cash and no debt. Guidance is for it to generate US$57 million in revenue this year (or 5.5 times EV to sales), flat with 2020 revenues and US$32 million in 2019, with a positive EBITDA of US$5.1 million. Next year it is to conservatively reach US$52 million or €44 million in revenues.

- It plans to grow organically and through acquisition. It is actively pursuing deals to acquire game studios, to add desirable proprietary content and make it more competitive in North American markets. Owning the content would also increase margins for the company; game studios typically operate at 70% gross margins. Rather than being just a distributor, owning the content will allow it to capture 100% of the gross margin. Bragg is also interested in more a competitive sportsbook offering.

- Bragg valuation is well below its peers who trade at 8.6xs EV/Sales because of its obscurity to US investors, and its heavy dependence on Germany that is undergoing a switch to regulated igaming. It recently listed on the Toronto Stock Exchange, but in the US it trades on the OTCQX. On March 29th it announced it had has filed an application to list its common shares on the Nasdaq Stock Market and is voting on April 29th on a reverse split of up to 15:1 to meet the minimum price requirement of the exchange. The split will take effect a minimum of five business days prior to listing on Nasdaq, but not before satisfying all of NASDAQ's other requirements.

- It is also less well known because its operations are mainly in Europe (it reports financials in Euros) and it has no US or Canadian (where igaming is still illegal) revenues. That should change as it pursues opportunities primarily in the soon to be legalized Canadian market, where it is well-positioned, and the US, where it made its first inroad and its current customers are gaining entry.

- Bragg is the only public pure play B2B platform provider. As such, it exhibits considerable operating leverage, which should provide it with greater earnings growth than revenue growth. Its revenues are variable and based on a percent of net gaming revenues of its customers, while its costs are mostly fixed.

- The company paid out its final consideration for the purchase of Oryx in Q1 2021 and will no longer report "loss on remeasurement of consideration" that has been distorting net income reporting since Q2 of 2019. The acquisition has now been paid for in full. We expect the company to pursue further acquisitions to diversify its product offerings and geographic reach and to bring more content in-house.

- Before these short-term problems resolve, investors have an exceptional opportunity to buy Bragg stock well below the valuations of its peers. A year from now, we expect Bragg will not only show accelerated growth but should trade in line with the rest of the online gambling industry providers and investors should reap both growth and multiple expansion.

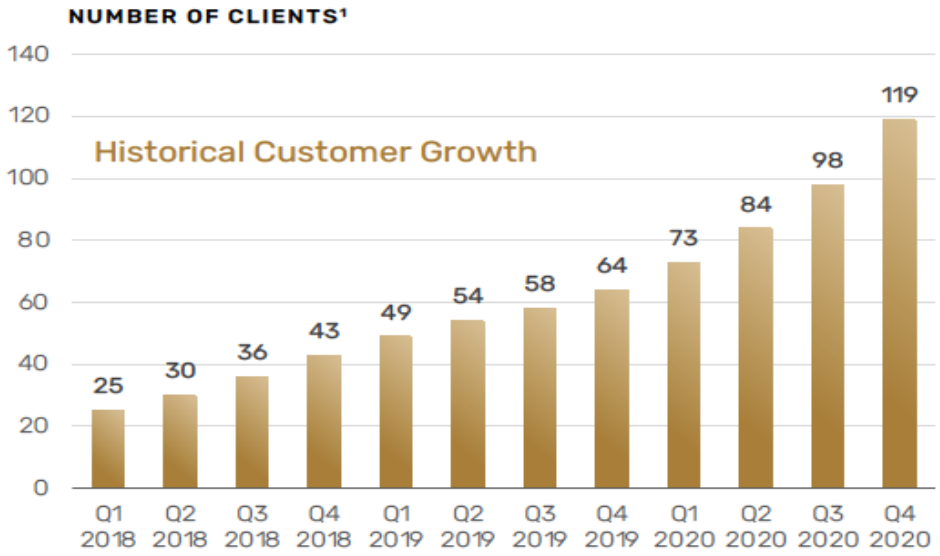
OVERVIEW

A Profitable and Overlooked Play on iGaming and Legalization in Canada and the US

Bragg Gaming is a Toronto based company that sells to customers based primarily in Europe. It has approximately 241 employees located in Slovenia, the UK, and Canada. It provides a B2B platform for businesses to provide their customers online casino gaming, sports betting and lotteries and it receives a portion of the net gaming revenues it supports. It does not sell to consumers nor is it responsible for customer

acquisition costs. It strictly allows an operator to offer games to their customers. It provides sports betting in Eastern Europe and Latin American, but in more competitive markets like North America and Western Europe, it often partners with other sports betting providers The percentage it earns varies with the services provided, and can go as high as 15-20% for a full turnkey solution, and as low as 2%. Many of its customers who have overseas operations plan to enter the US and Canadian markets and we believe if successful, they will bring in US and Canadian revenues for Bragg. Bragg is also well positioned to pursue new North American customers with its well-connected board.

Graph 1. Number of Net Customers at Quarter End



1. Excludes clients that have gone out of business

Source: Bragg Gaming

The Company has a Stellar Experienced and Connected Board of Directors

In an industry where who you know counts as much as what you know, Bragg has the connections. Bragg's Chairman of the Board is Richard Carter, the former CEO of SB Tech, and a recognized authority in the online sport betting industry. He was CEO of SB Tech for the five years preceding its acquisition by DraftKings in April 2020. SB Tech will soon be the gaming engine behind DraftKings and will improve its profitability as it brings its technology in-house rather than pay Kambi for its sports betting platform.

A January addition to Bragg's board was Paul Godfrey. Paul is founder and Chairman of Postmedia Network, the $120 million newspaper publisher. He was the Ontario Lottery and Gaming Corp Chairman from 2009 until 2013, and was President and CEO of the Toronto Blue Jays. He was a member of the team that built Toronto's SkyDome, now known as Rogers Centre. Before that, he was a prominent Canadian politician, acting as an alderman and subsequently, Chairman of Metropolitan Toronto. In an industry dependent on government licenses, we believe the Godfreys will aid the licensing process.

March 1st, the company added Laura Falzon to the board. She is the CFO of NetEnt and Red Tiger Gaming, its subsidiary. She played an instrumental role in both the Evolution and Red Tiger Gaming sales. Her experience will be important as Bragg pursues acquisitions of gaming studios and other companies.

Bragg Top Customers

Customer concentration from the top 10 customers was 58% of total revenues for 2020, down significantly from 72% of total revenues in 2019. These top five clients each are over 5% of Bragg's revenues and added together are about a third of total revenues. They are:

1. A German facing online casino licensed and based in Malta for whom Bragg provides a full turnkey solution.

2. B2B igaming software provider based in Malta that sells to licensed providers in Malta, The United Kingdom, Spain, Germany, Norway, Sweden, Denmark, Romania, Greece, Russia, Serbia, Slovakia, Lithuania, Latvia, Belarus, Georgia, Armenia, and Colombia. For this company, Bragg provides a variety of special titles and Bragg proprietary content.

3. A Sweden company with online gaming, game development, online marketing, game technology and restaurant and casino operations for which Bragg provides a full turnkey solution.

4. An operator based in Eastern Europe for whom Bragg provides it a full turnkey solution.

5. A German online casino gaming site for whom Bragg provides it a full turnkey solution.

Bragg Gaming in Canada

As a Canadian company with a highly politically and economically connected board members, Bragg is well positioned to reap profits from the legalization on online gaming in Canada which is on the cusp of being allowed. This month the Safe and Regulated Sports Betting Act Bill C-218 passed the House of Commons and will now be sent to the Senate for reading and adoption, and then to the Governor-General for Royal Assent. Final approval could occur as soon as May 2021. According to a government web site, "This enactment repeals paragraph 207(4)(b) of the Criminal Code to make it lawful for the government of a province, or a person or entity licensed by the Lieutenant Governor in Council of that province, to conduct and manage a lottery scheme in the province that involves betting on a race or fight or on a single sport event or athletic contest." According to the Canadian Gaming Association, Canadians spend $14 billion each year on offshore black and gray market sports betting. Provincial lotteries bring in only $500 million. It is estimated that almost $4 billion is wagered annually through offshore gray market online sports wagering websites for single events. The estimated market potential is between US$3.8 billion and US$5.4 billion in annual gross gaming revenue.

In Q3 2021, various media and casino companies will start to submit their applications for licenses and in Q4 they should start to be granted. By Q1 2022, igaming should begin to generate revenues. Bragg is already in talks with those submitting licenses including current customers.

Bragg Gaming in the US

To date, the first US customer Bragg has is Seneca Gaming, owner of three casinos in upstate NY near Niagara Falls. It will be providing online casino games while its partner Kambi provides the sports betting. Since online gaming is not allowed in NY, revenues from this customer will only be on site.

Current Customers Entering the US Market

As the platform supplier, Bragg is closely watching the efforts of its customers who are planning to enter the US market in the hopes they bring Bragg with them. Bragg is integrated into the following customers that have announced plans to pursue US licenses:

Betway is one of the biggest bookmakers in the UK and just agreed to merge with the SPAC Sports Entertainment Acquisition Corp (NYSE: SEAH) at a $4.75 billion pre-money valuation. It is estimated to do $1.5 billion in net gaming revenue and $350 in EBITDA this year. It has set it sights on the US and is set to launch in nine more states in addition to Colorado where it is currently live. It has an agreement to acquire Digital Gaming Corp and offer sports betting and, where possible, online casino services in those states under its brand. DGC will provide pre-match and in-play sports betting on all major US and European sports leagues. It will also provide iGaming capabilities when needed. Although it has not stated who are the other nine states are, it does say "coming soon" to New Jersey on its consumer facing web site.

Entain PLC. (ENT.L) was formerly called GVC Holdings. It is a $12 billion company based on the Isle of Man in the UK it operates as an online gaming company in the United Kingdom and internationally. It generated $178 million in revenues in 2020. It provides online betting services under the Bwin, Ladbrokes, Coral, Crystalbet, Stadium, Eurobet, Neds, Sportingbet, Betdaq, and Betboo brands among others. Bragg operates an online casino website for it in the German-speaking markets under the CasinoClub brand. Entain's joint venture with MGM Resorts, BetMGM, is in the top three in the US behind Paddy Power (owned by Flutter) and DraftKings. It is live in twelve states.

William Hill's Mr. Green Brand is part of William Hill plc. (WMH.L) is a $4 billion, 86-year-old company headquartered in London that provides sports betting and gaming services internationally. It is in the process of being bought by Caesars Group, a deal that will close on April 1. Caesars said it plans to keep its US betting business but sell the rest. Bragg is the platform for the Mr. Green brand, is an online gaming company that was bought by William Hill in 2018 for $336 million.

Kindred Group Plc. (KIND-SDB.ST) is a $3.5 billion online gambling business founded in 1997, based in Malta, and operating primarily in Europe, Australia, and the United States. The company offers pre-game and live sports betting, including horse racing betting; poker; casino and games; and bingo through various brands. Bragg struck a deal with Kindred in 2018 to provide its proprietary content as well as titles from content partners Kalamba Games and Gamomat. Gamomat's hugely popular Royal Seven XXL, as well as the immersive Red Hot Firepot and Golden Nights Jackpot side game features, known to have a significant impact on operator revenues, are included within the content deal.

Betsson AB (BETS-B.ST) is $10 billion company founded in 1963 and based in Stockholm. It offers online gaming business primarily in the Nordic countries, Western Europe, Central and Eastern Europe, Central Asia, and internationally. It offers poker, casino, sportsbook, scratch cards, bingo, and other games. The company operates under many brands: Betsafe, Betsson, Casino DK, Casino Euro, Casino Winner, Europe-bet.com, Jackpot 247, Jalla Casino, Live Roulette, Loyal Casino, NordicBet, Norges Automaten, RaceBets, Star Casino, Supercasino.com, and Suomiarvat. It also offers systems solutions to other gaming operators. It has 10-year agreement with Dostal Alley Casino in Colorado, where it got a license in December 2020. It is working on launching a sportsbook in the second half of this year there and TG Lab will provide the player account management system (PAM.)

SBtech is a platform known for its sports book and is now owned by DraftKings. It is still a customer of Bragg. Bragg provides it with online casino games.

Germany's New Federal Online Gambling Laws

From 10,000 feet, Bragg's current prospects look uninspiring. It ended 2020 with US$56 million in sales, an adjusted EBITDA of US$6.6 million and showing year over year growth of 75%. In 2021 those revenues are expected to be flat at $57 million, making Bragg look like a laggard in the industry. The reason for the slow down is Germany changing to a regulated environment, which will cause revenues from players in Germany to decline after July 1st. This is creating a buying opportunity in the stock as investors shy away from the unknown of how bad the decline will be and how long it will last. After July 1, this question will start to be answered. For investors acknowledging this too shall pass, the current Bragg stock price could be worth the risk. After this transition has passed, we expect Bragg to return to its usual high year over year growth.

In Germany, Bragg provides only IGP, casino games and slots, no sports betting. Since revenues from German citizens could possibly represent as much as 55-65% of Bragg's 2020 revenues, the implementation of Germany's new federal online gaming laws will greatly affect the company. To what extent is a huge topic of discussion and accounts for much of the variation in the revenue forecasts for the company in 2021 and 2022. These laws start on July 1, 2021 but operators have been encouraged to start to obey them in advance to ease the transition and show they are ready to apply for official licensing. The changes are:

- Operators must pay a security deposit based on the company's monthly revenues – with a minimum set at €5 million.
- Operators can no longer cross-market their sports betting platform to users on their casino platform and visa versa.
- Operators must verify player's information
- Players are limited to depositing less than €1,000 a month across all casinos owned by an operator
- Online slots must have a five-second interval between spins and have a maximum stake of €1 per spin.

Since October, site operators have implemented both the new rules on their German facing sites while still maintaining sites not abiding with the new rules during the transition period. What has happened is much of the gaming play has shifted from the regulated "white market" sites to the unrestricted "gray market." If all goes as currently planned, that gray market will become an illegal black market on July 1. At that point, any site accepting customers from a Germany located IP address must be a legally licensed regulated white market sites. What will players do? Some will adapt and move back to the white market while some will probably get a VPN and play in another country. Experience in other countries that have legalized in the past is that gaming volumes and tax revenues initially go down for a period and then move back up and grow even larger as publicity spreads. Bragg expects the same to happen in Germany.

Since October, many players have moved from white to gray sites. Bragg had expected its overall German revenue to decline after October but that has not happened to date as its customers operate both white and gray sites. After July 1, these customers will block German IPs from the gray sites and total revenues are expected to decline sequentially. In its guidance, Bragg is assuming all of its gray market revenues from Germany go away completely, causing €6 million less revenue that would have been achieved if legislation did not happen at all. So instead of growing 45-55% in 2021, it may only reach CN$73.5 million in revenues (or €47 million.) The first two quarters of 2022 could also be uninspiring. But once we reach apples to apples, and the industry adjusts to the new rules, growth should accelerate.

One thing that could lessen the expected revenue reduction is a change in the impeding regulations. Industry players are pushing back against politician's stringent rules. For example, changes being considered are an increase in the monthly deposit limit of €1,000 per month per player or the €1 Euro per spin limit with permission. Any positive changes could increase revenue guidance.

Estimates are that revenues from gambling in Germany in 2019 were €16.3 billion and that number dropped by 12.9% in 2020 due to land based closures. Forecasters expect the market to grow to €18.2 billion by 2024. The online casino vertical is expected to grow from €2.2 billion in 2019 to €3.3 billion in 2024 according to research firm Goldmedia.

MARKET DATA

Fortune Business Insights (FBI) claims the iGaming gambling market will reach over $158 billion by 2028 from $66.7 billion in 2020, resulting in a CAGR of 11.4% over the next seven years. Europe accounts for $30.92 billion of that $66.7 billion.

Last year, Market Insight Reports claimed the North America online gambling market would reach $20 billion by 2026 at a CAGR of 20%.

While igaming is legal in only six states in the US, DraftKings has estimated that the total addressable market (TAM) for igaming in the US, if it were legal in all states, would have been $40 billion in gross revenues in 2020. In New Jersey alone, it was a $1 billion industry. Only six states representing 11% of the US population have legalized igaming, those being: Delaware, Michigan, New Jersey, Nevada, Pennsylvania, and West Virginia.

In Canada DraftKings believes the TAM for igaming is $8 billion with over half being in the providence of Ontario where the government is moving to legalize it.

Of course the gross global revenues are not the TAM for Bragg Gaming since they get a portion of net gaming revenues. In Canada, if the gross gaming revenues are $8 billion the net would be 5-15%, say $7 billion. If 65-75% of the market goes to the big players that own their own platforms, there would be $2 billion left, of which platforms could earn 15-25% or $400 million to split among the typical five players. With 20% market share that is $80 million to Bragg. If we project the same arithmetic to the US market (5% of gross gaming revenues) that $40 billion would be a $2 billion market on which to bid.

COMPETITORS

When Bragg bids on an opportunity it typically bids against the same four players: GAN, Scientific Games (Sci Games), International Game Technology (IGT), and Pala Interactive. Its competitive advantage is its library of 10,000 games some of which are proprietary and very popular in certain geographies and its time to implementation, which can be a short as three weeks. The main competitors are described below.

GAN Limited

GAN (NASDAQ: GAN) is a $797 million market cap company based in Irvine, California with 215 employees and is considered Bragg's closest competitor. It has had early successes in the US market, but was not as successful in Europe. In contrast to Bragg who is 100% B2B, GAN is a 50/50 B2B and B2C provider of online casino, sports betting and loyalty programs. Through its acquisition of Coolbet, it operates a B2C casino and sports-betting platform via Coolbet.com in eight countries across Northern Europe. In the last twelve months it generated $35 million in revenues and had negative EBITDA of $16 million. Of that $35 million, 42.6% came from FanDuel, Sports gaming revenues from FanDuel ceased on August 31, 2020 but it still maintains its RMiG casino business with FanDuel. It trades at an EV/2020 Sales ratio of 24.4xs. It is projected to grow to $102 million in revenues in 2021 as it rolls out new US based customers.

Playtech

Playtech (PTEC.L) is the world's largest supplier online gaming software supplier. It is a $2.1 billion company that was founded in 1999 in Estonia and is now based on the Isle of Man. It has 6300 employees and generated $2.1 billion in revenue in the twelve months ending June 2020. It sells software and services for the online and land-based gambling industry worldwide including: online casino, sports betting, and casual gaming applications; bingo, live gaming, and land-based kiosk networks; and land-based sports and fixed-odds betting terminals. It also operates betting shops and distributes lottery software. It licenses its products to Greenwood Racing for use in Michigan, Indiana, New Jersey, and Pennsylvania. In addition it operates an online trading platform to retail customers, which enable them to trade contracts for differences on various instruments, such as foreign exchange, commodities, equities, and indices; provides B2B clearing and execution services for retail brokers and professional clients; and offers technology and risk management services for retail brokers.

Scientific Games

Scientific Games (NASDAQ: SGMS) is a $4.2 billion company with revenues of $2.7 billion in 2020. It was founded in 1984, is based in Las Vegas, and has 9,000 employees. It develops technology-based products and services, and related content for the gaming, lottery, social and digital gaming industries worldwide. The company's Gaming segment sells gaming machines, lottery terminals, slot, casino, and table products and games. It installs and supports casino management systems. It also serves the entire lottery business from tickets to hardware to loyalty programs. The company's SciPlay segment provides games through apps and web platforms. Its digital segment provides digital gaming, lottery, and sports betting solutions.

International Game Technology

IGT (NASDAQ: IGT) is $3.4 billion company, formerly known as GTECH, which generated $3.1 billion in revenues in 2020. It was founded in 2014, is based in London, and is a subsidiary of De Agostini S.p.A. It sells hardware and software for lottery systems, casino gaming, sports betting, and gaming management systems for casino management, customer relationship management, patron management, and server-based gaming. It also has digital gaming products including: poker, bingo, and online casino table and slot games. It processes commercial transactions, such as prepaid cellular telephone recharges, bill payments, e-vouchers and retail-based programs, electronic tax payments, prepaid card recharges, and stamp duty and money transfers services.

Business Partner

Kambi

Kambi (KAMBI.ST) is a customer and a partner for Bragg. It is a B2B provider of sports betting services internationally and is based in Malta. It has the premier sports platform and it is keenly focused on just that. The company was founded in 2010 and has 866 employees. It has a $1.7B market cap, generated $142 million in revenue in 2020, and is highly profitable. It is currently the provider for DraftKings until DraftKings ports over to SBTech. In 2019, Bragg and Kambi struck a deal whereby Bragg would provide the player account management (PAM) platform and plug in casino services for all new gaming operator deals struck by Kambi when that operator has no PAM. This arrangement is what the two have with Seneca Gaming Corp and with Stanleybet. Bragg was also brought into Kambi's deal with JVH Gaming and Entertainment in the Netherlands in January where it will be providing JVH with its ORYX Hub iGaming platform, an integration with Kambi Sportsbook, and other content. Online gambling will begin in the Netherlands in September.

FINANCIALS

2020 Year

For the year ending December 31, 2020, Bragg generated €46.4 million versus €26.6 million in 2019, growth of 74.6%. This growth was fueled by the addition of 51 net new customers. Gross profit margin was 43.5% versus 45.2% in 2019 due to product mix toward lower margin games and content. Operating expense increased to €22.8 million from €14.8 million a year ago as the company continued to invest in expansion. The biggest increase was in employee costs that went up €3.5 million, mostly due to stock-based compensation. Transaction and acquisition costs were €2.2 million in 2020 compared to €166,000 in 2019 and are mostly non-recurring. Operating losses increased from a loss of €8.1 million in 2019 to a loss of €11.9 million in 2020.

Loss on remeasurement of considerations swung the most between the two years and is fortunately now gone as the company has fulfilled its last obligation for the acquisition of Oryx. This year it amounted to €9.2 million

compared with €5.3 million in 2019. Removal of this could allow the company to show GAAP earnings in 2021. Net interest and other financing was €1.4 million in expense this year compared to $1.8 million in 2019 and consisted of only $353,000 in cash interest.

This led to a pretax loss of €13.3 million, compared to a loss of €9.8 million in 2019. The company paid €1.2 million in taxes amounting to a tax rate of 22% of EBITDA compared to paying €541,000 in 2019 at a rate of 52% of EBITDA.

On a GAAP bases the net loss from continuing operations was €14.5 million versus a loss of €10.4 million a year ago. GAAP EPS loss was €0.17 versus a loss of €0.14. On a continuing operations non-GAAP basis, taking out charges and stock-based compensation, the loss was €0.02 per share versus a loss of €0.07 in 2019. In 2020 the share count increased 13% to 85.9 million primary shares. Adjusted EBITDA in 2020 was €5.5 million compared to €1.0 million in 2019.

Balance Sheet

Bragg ended 2020 with €26 million in cash and no debt. Its working capital was €6.7 million and its quick ratio 1.2 times.

Subsequent Events

On January 18, 2021, Bragg satisfied its earn out obligations to Oryx via a combination of cash and shares comprised of cash of €11.6m and 47 million shares. The shares are locked up until May 19, 2021.

On February 22, Bragg announced it had accelerated the expiration of its November 18, 2020 warrants. The warrant holders excised their warrants and the company announced it then had more than $40M in cash and no debt, and positive cash flow. It now has 198 primary shares outstanding.

On January 27th, the company uplisted to the Toronto Stock Exchange from the TSX Venture Exchange.

FORECASTS

Q1 2021

In this March quarter, already over we are looking for the company to report revenues up year over year. We expect Q1 revenues of €13.5 million compared to €8.8 million in 2020, up 53%.

2021

Current company revenue guidance for 2021 is C$73.5m (or €47 million and US$57 million.) The company also expects adjusted EBITDA of C$6.4m (or €4.0 million and US$4.8 million) as it makes a significant investment in US and Canadian growth and expansion.

2021 should prove to be an interesting year for Bragg as the new German regulations kick in on July 31, 2021. Until then we expect the company's customers to operate both regulated (white) and gray market sites and which point the gray market sites will be turned off to customers with Germany located IP addresses. As in all other countries where this has happened we expect sales to drop in Germany until players get used to the situation.

So for the first two quarters we expect continued year over year growth and in the last two a decline. How big a decline is the question as is how much growth will come from the rest of the business. At this point we are

projecting 2021 revenues of €47.0 million compared to €46.4 million in 2020. This could result in a loss per share of €0.01 versus a loss of €0.13 in 2020.

2022

As the Germany switch over lessens with time, we expect growth to return during the course of 2022. The comparisons could be down in the first two quarters of the year, with growth resuming in the second half as the Germany regulatory change anniversaries. Simplistically if German revenue are down year over year (two down quarters and two up), and the rest of the company grows 35% total revenues could be flat to down assuming no incremental revenues from the US, Canada, or the UK. Since the company expects to be granted its UK license within the next few months we think this is an unrealistic and highly conservative assumption. So to start, we are using 2022 revenues of €44 million (US$53 million) which we will adjust as events unfold. Gross margins should improve with volume as well as some possible game studio acquisitions but the company plans to spend more as it enters new markets.

VALUATION

Trading at only 5.5 times enterprise value to 2021 sales, Bragg is priced well below its peers as shown below. On average igaming companies are trading at 8.0 times EV/Sales. Using this industry comps and applying it to our 2021 revenue forecast of €46 million (US$57 million) for Bragg, we reach an enterprise value of $456 million, a market value of $490 million. Using the fully diluted share count of 211.6 million shares using the treasury stock method, we get a price per share of $2.32 in US dollars and CN$2.88.

Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	EV/Sales 2022E	EV/Sales 2021E	EV/Sales LTM	Included in Average?	Enterprise Value
DraftKings	DKNG	1,440	1,020	615	-119%	15.1	21.4	35.5	y	21,800
Elys Game Technology	ELYS	55	47	38	-6%	1.8	2.0	2.5	y	96
FansUnited Entertainment	FUNFF	NA	NA	1	-1366%	NA	NA	68.0	n	43
Flutter Entertainment	FLTR.L	6,586	5,816	4,410	20%	4.5	5.1	6.7	y	29,380
GAN Limited	GAN	131	102	35	-46%	4.8	6.1	17.9	y	628
Interactive Games Technology	IGT	3,920	3,640	3,120	25%	2.9	3.2	3.7	y	11,560
Penn National Gaming	PENN	5,570	4,980	3,580	17%	4.3	4.8	6.7	y	23,914
Scientific Games	SGMS	3,500	3,130	2,720	21%	3.9	4.4	5.1	y	13,750
Score Media	SCR	NA	43	19	-234%	NA	20.9	47.6	y	903
Super Group/Betway	SEAH	1,700	1,500	1,100	0%	2.8	3.2	4.3	y	4,767
Trident Acquisitions	TDAC	280	71	10	-20%	2.2	8.7	61.9	y	619
Average					-34.2%	4.7	8.0	19.2		8,239

RISKS

- New regulations in the German market could affect Bragg revenues more than expected and it could affect valuation and the need for cash.
- Bragg may make acquisitions that could dilute current shareholders as it fills out its product line and adds geographic diversification.
- Bragg may not be able to move to NASDAQ in the time expected making the stock less attractive to current and future shareholders.

- Bragg is in a highly competitive business and it bid against companies larger than it, and with greater resources. If players decide to go for a land grab in market share it could be even more expensive to compete successfully.

- Canadian and US states regulators may not legal betting in the time expected or with the restrictions expected making the market size less than expected and could affect Bragg revenues.

MANAGEMENT

Richard Carter
Chairman and CEO

Richard becomes Bragg's CEO on May 1st, after his non-compete agreement from SBTech expires. He has been Chairman of the board since September 2020. He is the former CEO of SBTech and a recognized authority in the online sport betting industry that was heavily involved in the merger between DraftKings and SBTech. He was CEO of SBTech for the five years preceding its acquisition by DraftKings through a three-way deal with Diamond Eagle Acquisition Corp in April 2020. SBTech is the gaming engine behind DraftKings and transformed DraftKings from a daily fantasy site into the digital sports entertainment and gaming company that it is today.

Adam Arviv
Interim CEO

Adam is a Canadian-Israeli investor with over 20 years of financial and capital market experience, with particular expertise in both the gaming and cannabis industries. Adam is the consummate entrepreneur, founding or acting as a lead investor in a number of ventures, including Pick Nation, Gaming Nation, Bragg Gaming, Green Growth Brands, and the BRN Group. Adam has acted both as a private investor supporting the growth of emerging companies and as an activist investor fostering change in high potential companies. Notably, Adam was the architect of the $2.4-billion takeover bid for Aphria launched by Green Growth Brands in January 2019.

Ronen Kannor
Chief Financial Officer

Ronen has over 18 years of experience in variety of financial management roles within the real estate and online gaming sectors. Most recently, Ronen served as Chief Financial Officer at Stride Gaming Plc., an online gaming operator, a position he held from 2014 until 2020. During his tenure, he led the reorganization and the initial public offering (IPO) of the company onto the London Stock exchange (AIM). He was also involved in numerous M&A transactions and was pivotal in the eventual sale of the business to Rank PLC. Ronen holds an MBA in accounting and finance and is a Certified Public Accountant (The Institute of Certified Public Accountants, Israel).

Yaniv Spielberg
Chief Strategy Officer

Yaniv is a trained lawyer and co-founder of a number of tech-focused businesses. In 2018, Yaniv was a part of the team that completed the RTO to establish Bragg Gaming Group. Prior to Bragg, Yaniv was a founding member of a private equity fund that focused on acquiring and operating global online gaming companies, Legacy Eight Group. Yaniv obtained his Juris Doctor degree from Osgoode Hall Law School and previously earned both a Bachelor of Science and Master of Science from York University.

Matevz Mazij
MD of Oryx Gaming

Matevz founded Oryx in 2010 and is based in Slovenia. He is the company's largest shareholder with 25% of the shares outstanding. Before founding Oryx, he spent eight years as an international business development, sales, marketing and IT professional with different online and land-based gaming companies, building business relationships throughout Asia, Europe, Central America and North America. Matevz has led Oryx from start up to a global leader in turnkey gaming solutions. He has a BS in Business IT from the University of Ljubljana.

BOARD OF DIRECTORS

Richard Carter
Chairman

Matevz Mazij
MD of Oryx Gaming

Adam Arviv
Interim CEO
Lara Falzon

Lara joined the Bragg board of directors on March 1st. She had been the CFO of NetEnt since February 2020 and is still the CFO of Red Tiger Gaming, its subsidiary. She played an instrumental role in the supplier's sale to Evolution last September as well as Red Tiger Gaming sale to NetEnt. From 2016 to 2018 she was group CFO of Evoke Gaming, based in Malta. Before that Lara worked in financial positions at King, BMW Group Malta, Flazon Group of Companies and Ernst and Young Malta. She earned a Bachelor of Commerce from the University of Malta.

Paul Godfrey

Paul was appointed to the board in January. He founded Postmedia in 2010, was President and CEO of Postmedia Network, and is now its Chairman. He was the Ontario Lottery and Gaming Corp Chairman from 2009 until 2013. His experience in the Canadian gaming industry will prove valuable as the government moves forward with its recently announced proposed federal legalization of single-event sports betting. As the former President and CEO of the Toronto Blue Jays, he was a member of the team that built Toronto's SkyDome, now known as Rogers Centre. Prior to his business career, he was a prominent Canadian politician, acting as an alderman and subsequently, Chairman of Metropolitan Toronto. He earned a BS in Chemical Engineering from the University of Toronto.

Rob Godfrey

Rob has been the president of Brown Lab Industries since 2007 and oversees two portfolio companies: Qwatro USA (specialty chemicals) and UrbanDog Holdings (pet services). In addition, Rob is active in Brown Lab's real estate activities including the management of commercial and industrial properties in Ajax, Etobicoke, and Toronto. Previous work experience includes Senior Vice President of the Toronto Blue Jays Baseball Club, President of the Toronto Phantoms Arena Football Team and Associate at TD Securities. Rob holds a BA from the University of Western Ontario, and a J.D./MBA from Pepperdine University in California.

Paul Pathak

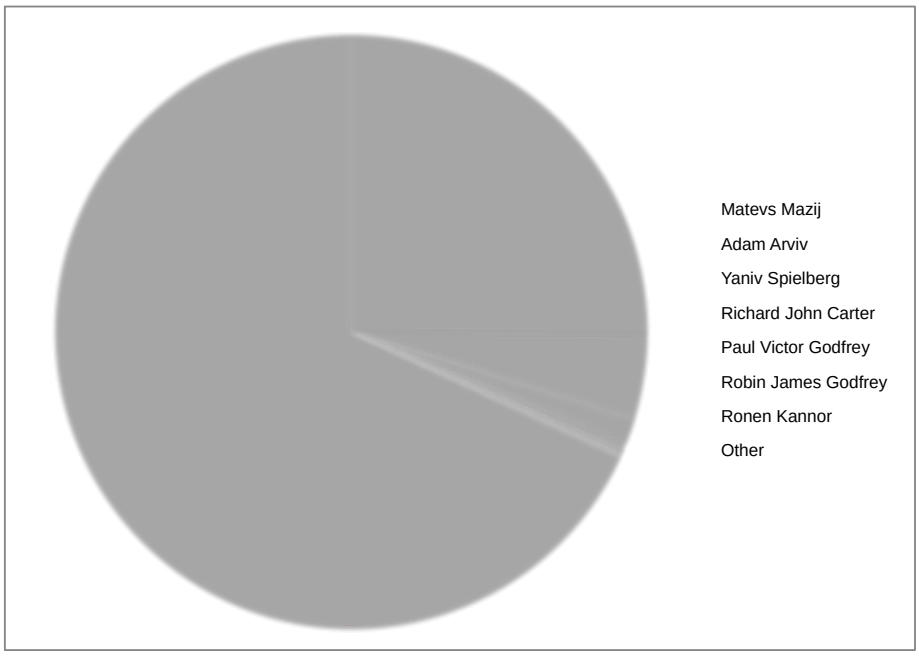
Paul is an established securities and investment industry lawyer, and partner at Chitiz Pathak LLP, practicing primarily in the areas of corporate, securities, mergers, acquisitions and commercial law. He acts for issuers in a broad range of securities transactions, including IPOs, reverse takeovers (RTOs), establishment of capital pool companies, going-private transactions, and other financing structures. Paul currently is a director of JPJ Group PLC, the Intertain Group Limited, and Wayland Group Corp. and has served on the boards on several other public and private companies.

Paul practices principally in the areas of corporate, securities, corporate finance, mergers and acquisitions and commercial law. He represents and provides sophisticated guidance to our private and public corporate clients in a broad range of industries, including mining, technology, manufacturing, venture capital, and merchant banking. Paul was called to the Ontario Bar in 1994, having completed his LL.B. at Osgoode Hall Law School. He is a member of the Local Advisory Committee in Ontario of the TSX Venture Exchange.

Jim Ryan

Jim has been the CEO of Pala Interactive LLC since 2013 and an experienced online gaming executive. He has held leadership roles at a number of other established online gaming companies, such as bwin.party digital entertainment (Co-CEO), PartyGaming, St. Minver and Excapsa Software (CEO), and Cryptologic Software (CFO). Mr. Ryan also currently holds board roles at JPJ Group PLC (LSE), Gaming Realms PLC, Pala Interactive LLC, and Fralis LLC, and has served on the boards of several other public and private companies. Jim attended the Goodman School of Business at Brock University and is a Chartered Accountant in Canada.

OWNERSHIP



INCOME STATEMENT

$ IN EUROS	Q1 2019 31-Mar	Q2 2019 30-Jun	Q3 2019 30-Sep	Q4 2019 31-Dec	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020 31-Dec	Q1 2021E 31-Mar	Q2 2021E 30-Jun	Q3 2021E 30-Sep	Q4 2021E 31-Dec	2019	2020	2021E	2022E
Revenue	6,084	5,875	6,810	7,823	8,784	12,145	11,714	13,778	13,000	12,000	11,000	$10,000	$26,592	$46,421	$46,000	$44,000
Yr-to-yr Growth	165%	-1%	2%	-85%	44%	107%	72%	76%	48%	-1%	-6%	-27%	3367%	74.6%	-0.9%	-4%
Cost of revenue	3,201	3,325	3,880	4,156	4,817	7,035	6,632	7,748	7,410	6,840	6,270	5,700	14,562	26,232	26,220	23,760
Gross profit	2,883	2,550	2,930	3,667	3,967	5,110	5,082	6,030	5,590	5,160	4,730	4,300	12,030	20,189	19,780	20,240
Gross Margin %	47.4%	43.4%	43.0%	46.9%	45.2%	42.1%	43.4%	43.8%	43.0%	43.0%	43.0%	43.0%	45.2%	43.5%	43.0%	46.0%
Salaries and subcontractors	1,809	1,411	2,913	2,008	2,441	2,414	2,544	1,612					6,834	9,011		
Share based payments	745	974	64	(136)	51	(145)	91	2,966					1,647	2,963		
Total employee costs	2,554	2,385	2,977	1,872	2,492	2,269	2,635	4,578	3,000	3,100	3,200	3,300	8,481	11,974	12,600	15,120
- Less capitalized as def. devop costs	(745)	(223)	(339)	-	(325)	(365)	(770)	-	(300)	(300)	(300)	(300)	-	-	(1,200)	(1,200)
Depreciation and amoritization	487	546	538	509	784	667	749	673	600	600	600	600	2,080	2,873	2,400	2,400
IT & Hosting	286	237	302	352	320	351	385	316	350	350	350	350	1,177	1,372	1,400	2,044
Professional fees	125	825	-584	459	242	272	250	717	250	250	250	250	825	1,481	1,000	1,000
Corporate costs	197	115	83	93	71	110	76	492	200	200	200	200	488	749	800	500
Sales and marketing	105	105	150	(77)	92	16	4	101	100	100	100	100	283	213	400	800
Bad debt	0	42	36	205	89	364	480	143	200	200	200	200	283	1,076	800	793
Travel and entertainment	110	195	79	71	108	13	7	48	50	50	50	50	455	176	200	400
Transaction and acquisition costs	0	17	0	149	37	307	188	1,680	500	500	500	500	166	2,212	2,000	-
Other	142	31	185	168	169	125	200	208	200	200	200	200	526	702	800	800
Total SG&A	3,720	4,275	3,427	3,342	4,079	4,129	4,204	10,416	5,150	5,250	5,350	5,450	14,764	22,828	21,200	22,657
Loss on remeasurement of consid. receivable	0	0	0	-	0	0	18	(37)	0	0	0	0	0	(19)	0	0
Loss on remeasurement of consideration	-	3,248	(441)	2,540	4,968	219	3,142	947	0	0	0	0	5,347	9,276	0	0
Total operating expenses	3,720	7,523	2,986	5,882	9,047	4,348	7,364	11,326	5,150	5,250	5,350	5,450	20,111	32,085	21,200	22,657
Operating income:	(837)	(4,973)	(56)	(2,215)	(5,080)	762	(2,282)	(5,296)	440	(90)	(620)	(1,150)	(8,081)	(11,896)	(1,420)	(2,417)
Operating margin	-13.8%	-84.6%	-0.8%	-28.3%	-57.8%	6.3%	-19.5%	-38.4%	3.4%	-0.8%	-5.6%	-11.5%	-30.4%	-25.6%	-3.1%	-5.5%
Other income:																
Net interest and other financing	(473)	(9)	(8)	(1,264)	(61)	(884)	(330)	(109)	(77)	(25)	(25)	(25)	(1,754)	(1,384)	(152)	0
Total other income	(473)	(9)	(8)	(1,264)	(61)	(884)	(330)	(109)	(77)	(25)	(25)	(25)	(1,754)	(1,384)	(152)	0
Income before income taxes	(1,310)	(4,982)	(64)	(3,479)	(5,141)	(122)	(2,612)	(5,405)	363	(115)	(645)	(1,175)	(9,835)	(13,280)	(1,572)	(2,417)
Pretax Margin	-21.5%	-84.8%	-0.9%	-44.5%	-58.5%	-1.0%	-22.3%	-39.2%	2.8%	-1.0%	-5.9%	-11.8%	-37.0%	-28.6%	-3.4%	-5.5%
Income taxes	220	39	40	242	243	498	544	(89)	347	247	141	35	541	1,196	770	546
Tax rate	-17%	-1%	-63%	-7%	-5%	-408%	-21%	2%	96%	-215%	-22%	-3%	-6%	-9%	-49%	26%
Net income - continuing	(1,530)	(5,021)	(104)	(3,721)	(5,384)	(620)	(3,156)	(5,316)	16	(362)	(786)	(1,210)	(10,376)	(14,476)	(2,342)	(2,963)
Yr-over-Yr					252%	-88%	2935%	43%	-100%	-42%	-75%	-77%	118%	40%	-84%	27%
Net income - discontinued	(331)	(7)	(110)	(110)	(316)	228	0	(2)	0	0	0	0	(1,571)	(90)	0	0
Cumulative tranlation adj. - cont. operations	(141)	45	8	(159)	38	123	125	(129)	0	0	0	0	(247)	157	0	0
Cumulative tranlation adj. - dis. operations	23	54	(1)	(2)	(11)	(4)	0	(80)	0	0	0	0	74	(95)	0	0
Net comprehensivel loss	(1,979)	(5,599)	(207)	(4,335)	(5,673)	(273)	(3,031)	(5,316)	16	(362)	(786)	(1,210)	(12,120)	(14,504)	(2,342)	(2,963)
Stk based compensation	0	0	67	0	51	43	(97)	2,966	750	750	750	750	0	2,963	3,000	3,000
One-time expenses	-	3,248	441	(2,540)	4,968	219	3,160	910	0	0	0	0	5,347	9,257	0	0
Non-GAAP Income	(1,530)	(1,773)	404	(6,261)	(365)	(358)	(93)	(1,440)	766	388	-36	-460	(5,029)	(2,256)	658	37
Yr-over-Yr	-178%	-177%	-82%	-452%	-76%	-80%	-123%	-77%	-310%	-208%	-61%	-68%	9%	-55%	-129%	-94%
Net income per share:																
Primary EPS - continuing	(0.03)	(0.06)	(0.00)	(0.05)	(0.07)	(0.01)	(0.04)	(0.05)	0.00	(0.00)	(0.00)	(0.01)	(0.14)	(0.17)	(0.01)	(0.01)
Diluted EPS	(0.03)	(0.06)	(0.00)	(0.05)	(0.07)	(0.01)	(0.03)	(0.03)	0.00	(0.00)	(0.00)	(0.01)	(0.14)	(0.13)	(0.01)	(0.01)
Primary non-IFRS EPS	(0.03)	(0.02)	0.01	(0.08)	(0.00)	(0.00)	(0.00)	(0.01)	0.00	0.00	(0.00)	(0.00)	(0.07)	(0.03)	0.00	0.00
Diluted Non-IFRS Cont. EPS	(0.03)	(0.02)	0.01	(0.08)	(0.00)	(0.00)	(0.00)	(0.01)	0.00	0.00	(0.00)	(0.00)	(0.07)	(0.02)	0.00	0.00
	-115%	-111%	-97%	-150%	-83%	-80%	-115%	-89%	-178%	-140%	-79%	-76%	-57%	-69%	-115%	-94%
Shares																
Basic	55,900	77,900	78,000	79,000	79,900	80,000	80,400	115,500	195,000	198,200	198,500	199,000	76,000	$85,900	$197,675	$200,000
Yr-over-Yr	411.8%	613.0%	611.3%	618.9%	42.9%	2.7%	3.1%	46.2%	144.1%	147.8%	146.9%	72.3%	153%	13%	130%	1%
Diluted	55,900	77,900	78,000	79,000	79,900	80,000	119,000	164,116	216,041	216,041	216,041	216,041	76,000	110,754	216,041	200,000
Yr-over-Yr	405.5%	599.2%	595.4%	606.2%	42.9%	2.7%	52.6%	107.7%	170.4%	170.1%	81.5%	31.6%	153%	46%	95%	-7%
Adjusted EBITDA	379	(279)	204	737	702	1,751	1,834	1,259	1,737	1,235	705	175	1,041	5,546	3,729	2,732
Percent of Sales	6.2%	-4.7%	3.0%	9.4%	8.0%	14.4%	15.7%	9.1%	13.4%	10.3%	6.4%	1.8%	3.9%	11.9%	8.1%	6.2%

BALANCE SHEET

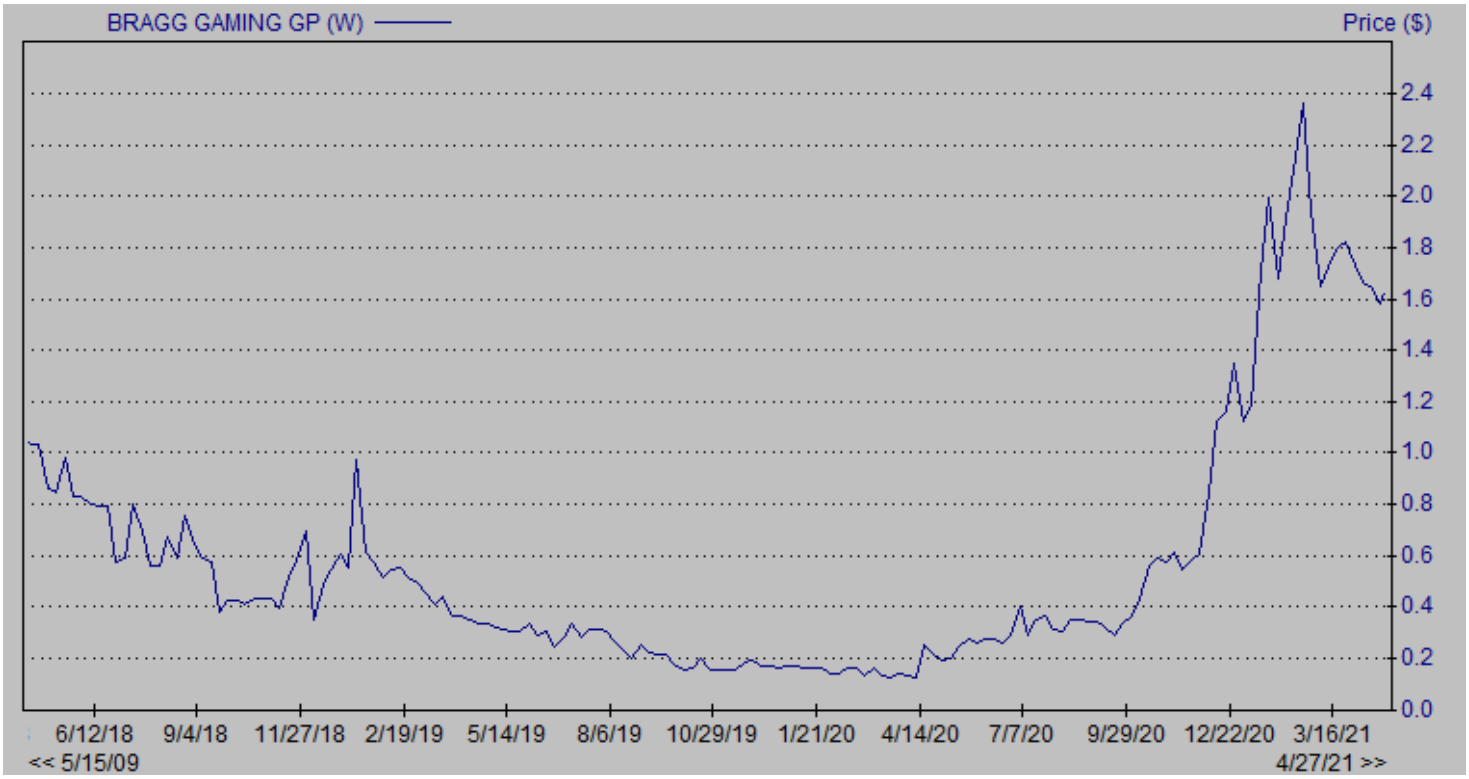
$ IN EUROS

	Dec. 31, 2020	Sept. 30, 2020	Qtr-Qtr % Growth	Dec. 31, 2019	Yr-Yr % Growth
Current assets:					
Cash and equivalents	**$ 26,102**	**$ 5,172**	404.7%	**$ 682**	3727.3%
Trade and other receivables	10,297	7,739	33.1%	6,180	66.6%
Prepaid expenses & other curr assets	263	420	-37.4%	333	-21.0%
Consideration receivable	148	259	-42.9%	0	NA
Assets held for sale	0	0	0.0%	1,142	-100.0%
Total current assets	36,810	13,590	170.9%	8,337	341.5%
Property & equipment	272	245	11.0%	163	66.9%
Right-of-use assets	708	746	-5.1%	843	-16.0%
Consideration receivable	44	67	-34.3%	0	NA
Intangible assets, net	14,279	14,235	0.3%	14,561	-1.9%
Goodwill, net	19,938	19,938	0.0%	19,938	0.0%
Other assets	43	43	0.0%	38	13.2%
Total assets	72,094	48,864	47.5%	43,880	64.3%
Current liabilities:					
Trade payables and other	16,968	13,994	21.3%	8,857	91.6%
Deferred revenue	102	0			
Income taxes payable	1,318	1,742	-24.3%	778	69.4%
Current portion of operating lease liability	133	119	11.8%	185	-28.1%
Deferred and contingent consideration	11,521	33,290	-65.4%	9,482	21.5%
Liabilities held for sale	0	0	0.0%	1,499	-100.0%
Total current liabilities	30,042	49,145	-38.9%	20,801	44.4%
Deferred income taxes	1,415	1,455	-2.7%	1,539	-8.1%
Non-current lease	593	628	NA	674	-12.0%
Deferred and contingent consideration	0	0	0.0%	14,250	-100.0%
Other non-current liabilities	147	0	NA	0	NA
Total liabilities	32,197	51,228	-37.1%	37,264	-13.6%
Stockholders' equity					
Share capital	62,304	40,423	54.1%	40,204	55.0%
Warrants	1,642	1,565	4.9%	1,565	4.9%
Broker warrants	399	0		0	
Special warrants - compensation options	0	660	-100.0%	660	-100.0%
Shares to be issued	22,608				
Contributed surplus	14,325	10,842	32.1%	11,064	29.5%
Deficit	(61,231)	(55,913)	9.5%	(46,665)	31.2%
Accumulated other comprehensive income	(150)	59	-354.2%	(212)	-29.2%
Total stockholders' equity	39,897	(2,364)	-1787.7%	6,616	503.0%
Total liabilities and stockholders' equity	72,094	48,864	47.5%	43,880	64.3%
Current and quick ratio	1.2	0.3	343.1%	0.4	205.7%
Working Capital	6,768	(35,555)	-119.0%	(12,464)	-154.3%
Net cash	26,102	5,172	404.7%	682	3727.3%
Debt	0	0	0.0%	0	0.0%

CASH FLOWS

	Year 2018	3 Mo Ended Mar 31, 2019	3 Mo Ended Jun 30, 2019	3 Mo Ended Sep 30, 2019	3 Mo Ended Dec 31, 2019	Year 2019	3 Mo Ended Mar 31, 2020	3 Mo Ended Jun 30, 2020	3 Mo Ended Sep 30, 2020	3 Mo Ended Dec 31, 2020	Year 2020
Cash flows from operating activities:											
Net income	(4,765)	(1,530)	(3,675)	(123)	(5,048)	(10,376)	(5,384)	(620)	(3,156)	(5,316)	(14,476)
Adjustments to reconcile net income to net cash provided by operating activities:											
Net interest expense and other financing	1	473	(456)	7	1,730	1,754	61	884	330	109	1,384
Depreciation and amortization	40	487	541	533	519	2,080	784	667	749	673	2,873
Stock-based compensation	2,302	745	362	67	473	1,647	51	(145)	91	2,966	2,963
Loss on settlement of debt	151	-	-	-	-	-	4,968	(4,968)	-	-	-
Loss on remeasurement of def. and cont. consid.						-	-	-	18	9,258	9,276
Loss on remeasurement of consideration rec.	-	-	3,248	-	2,099	5,347	-	5,187	3,142	(8,348)	(19)
Deferred income tax recovery	-	(28)	28	-	(112)	(112)	(28)	(28)	(28)	(41)	(125)
Change in operating assets and liabilities:											
Interest and financing fees							-	-	(36)	36	0
Change in non-cash working capital	3,004	(3,115)	736	462	1,257	(660)	1,861	(643)	1,947	1,148	4,313
Change in income tax payable	-	231	(336)	-	327	222	227	261	476	(424)	540
Net cash used by operating activities	733	(2,737)	448	527	1,664	(98)	2,540	595	3,533	61	6,729
Cash flows from Investing activities:											
Purchases of property and equipment	-	(41)	(31)	(24)	(24)	(120)	(11)	(50)	(100)	(62)	(223)
Proceeds from sale of equipment	-	-	-	-	16	16	-	-	-	-	-
Additions of intangible assets	-	(212)	(349)			(1,555)	(351)	(450)	(841)	(644)	(2,286)
Proceeds from sale of discontinued operations						-	-	-	31	228	259
Business acquisition net of cash	(3,690)	-	-			-	-	-	-	-	-
Deferred consideration payments	-	(639)	-			(639)	-	-	-	(527)	(527)
Net cash used in investing activities	(3,690)	(892)	(380)	(24)	(8)	(2,298)	(362)	(500)	(910)	(1,005)	(2,777)
Cash flows from Financing activities:											
Repayments of long term debt	-	-	(48)	(130)	(197)	(375)	-	-	-	-	-
Proceeds from the issuance of common shares	8,301	-	-	-	-	-	-	-	-	12,127	12,127
Proceeds from exercise of warrants						-	-	-	-	10,069	10,069
Proceeds from exercise of options						-	-	-	-	18	18
Proceeds from share to be issued on PIPE						-	-	-	-	608	608
Cash rent paid on lease liabilities - interest	-	(3)	(7)	(3)	(3)	(16)	(6)	(2)	(10)	18	-
Cash rent paid on lease liabilities - principal	-	(21)	(41)	(50)	19	(93)	(30)	(75)	(37)	(70)	(212)
Interest income	-	-	19	(19)	4	4	8	-	-	(2)	6
Interest and financing fees		(13)	13			(41)	(15)	(21)	36	(353)	(353)
Net cash provided by financing activities	8,301	(37)	(64)	(202)	(218)	(521)	(43)	(98)	(11)	22,415	22,263
Effect of exchange rate changes of cash	(579)	281	(530)	223	(250)	(276)	(14)	(59)	73	(307)	(307)
Net cash flow from discontinued operations	(1,144)	(267)	-			(1,605)	(316)	62	-	(234)	(488)
Net change - cash	3,621	(3,652)	(526)	524	1,188	(4,798)	1,805	-	2,685	20,930	25,420
Cash, beginning of quarter	1,859	5,480	1,828	1,302	1,826	5,480	682	2,487	2,487	5,172	682
Cash, end of period	5,480	1,828	1,302	1,826	3,014	682	2,487	2,487	5,172	26,102	26,102
Cash Flow	(2,271)	147	48	484	(339)	340	452	977	1,146	(699)	1,876
Free cash flow	(5,961)	(745)	48	484	(323)	(1,319)	90	477	236	(1,704)	(901)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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