

Bragg Gaming Group

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Bragg Gaming Group expecting increased revenue and clean EBITDA in upcoming fiscal 2019 results

Bragg Gaming Group Inc (CVE:BRAG) (OTCMKTS:BRGGF) is expecting to see increased revenue figures and a positive EBITDA for the first time in its upcoming fiscal 2019 results.

The Toronto-based firm told shareholders Friday that the growth comes from a number of factors, such as rapid integrations in its core casino platform and key client wins like Unibet, Betsson and Leo Vegas.

The group expects revenue to be around 26 million euros during 2019, a 37% increase over 2018 levels and a figure that comes in at the high end of market expectations.

READ: Bragg Gaming Group Inc subsidiary ORYX Gaming unveils new Player Engagement Platform

"I am very pleased with the immense progress we've made throughout 2019 and with our position looking into 2020," said Bragg Gaming CEO Dominic Mansour.

"We are keen to capitalize on the strong growth in the gaming industry and are focused on continually improving our B2B operations by building new relationships with large operators across Europe, Latin America and the United States, as well as partnering with notable industry players who complement our offering.

"We have an exciting 1Q20 ahead with several important announcements in the pipeline, and I look forward to updating the investment community as we continue to execute on our strategy," he added.

Bragg also said it expects a clean EBITDA, or earnings before interest, taxes, depreciation and amortization, of 1.4 million euros, which will be the first positive result the company posts.

The firm said it is changing its reporting currency to euros from Canadian dollars effectively from January 1, 2020, as euro is the main revenue generator and cost base for the group.

DEEP DIVE: Bragg Gaming Group identifying online gaming opportunities in B2B and B2C arenas

For the coming year, Bragg said it is forecasting revenue of between 35 and 38 million euros, an increase of up to 48% compared to 2019 levels. It is also expecting to see a clean EBITDA of 5.5 million euros for 2020 due to continuing improvements in cost efficiency as the firm continues to scale its business.

As part of the 2018 Oryx acquisition, Bragg is accountable for earn-out related, contingent consideration, due to Oryx's vendor, KAVO Holdings, it told shareholders. Bragg's management is engaged in amicable discussions with the vendor to restructure the original terms, potentially accelerating the entire earn out due or adapting the current payment terms with both sides committed to finding a long-term solution that will support and accelerate Oryx's growth while sustaining shareholder value.

Price: 0.38

Market Cap: \$30.35 m

1 Year Share Price Graph



Share Information

Code: BRAG

Listing: TSX-V

52 week

High	Low
0.52	0.15

Sector: Leisure, gaming and gambling

Website: www.bragg.games

Company Synopsis:

Bragg was established in 2018 through two initial acquisitions. We specialize in identifying online gaming opportunities with a focus on both B2B and B2C gaming companies.

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Bragg said it is working with a third-party investment bank and financial partners to support further evaluation of its options.

Path to long-term growth

"We have fostered a great relationship with the Oryx team throughout 2019 and will continue to work together to ensure the group continues along a path towards long-term growth," said Mansour.

"We are exceptionally well positioned in a lucrative industry and we believe that the current valuation does not reflect the potential of the group and are together working on finding a solution," he added.

The firm also concluded a third-party review of its Online Media Division, which includes GiveMeSport and GiveMeBet. Bragg said it is currently in an exclusivity period with a preferred partner to purchase the business and aims to finalize the transaction by the end of 1Q 2020.

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