

MARKET DATA

Date:	May 16, 2019
Current Price (US\$):	\$0.46
Target Price (US\$):	\$1.30
52-Week Range:	\$0.25 / \$1.72
Shares O/S (M):	78.4
Mkt Cap (\$M):	\$36.2
EV (\$M):	\$34.8
Avg. Weekly Vol. (M):	0.19

Website: www.newgiocogroup.com

FINANCIALS

Fiscal Year End:	31-Dec	
	2018	2019E
Revenue (\$M)	\$34.6	\$44.6
EBITDA (\$M)	\$1.0	\$3.6
EPS (\$)	\$0.04	-\$0.02
Cash (\$M)	\$6.3	
Current Assets (\$M)	\$7.6	
Net Cash (\$M)	\$6.4	
Total Assets (\$M)	\$22.6	
Debt (\$M)	\$0.9	
Total Liabilities (\$M)	\$12.7	
Ownership Summary	(M)	% Held
Individuals/Insiders	53.08	68.7%
Public and Other	18.66	24.2%
Tribe Owned Shares	5.34	6.9%
Corporations (Private)	0.13	0.17%
Institutions	0.01	0.01%
Total	77.22	100.0%

Source: Company Reports, S&P Capital IQ, Yahoo!Finance, eResearch Corp.

Chris Thompson, CFA, MBA, P.Eng.
Director of Equity Research

Newgioco Group, Inc. (OTCQB: NWGI)

Growing in Italy, Focused on Sports Betting in the U.S.A.

COMPANY DESCRIPTION:

Newgioco Group, Inc. (“Newgioco” or the “Company”) is a vertically integrated organization engaged in the leisure gaming (gambling) industry, primarily in Italy but currently expanding worldwide. Newgioco generates revenues from providing retail land-based and web-based gambling products and services in regulated countries and offers solutions for both the Business-to-Business (B2B) and Business-to-Consumers (B2C) markets. Newgioco’s forecasted double-digit growth over the next year, in the Italian retail gaming market, could be accelerated with tactical acquisitions. Over the next several years, Newgioco is poised to capture some of the recently deregulated, multibillion-dollar, U.S. sports betting market through the Company’s proprietary betting platform (ELYS™).

INVESTMENT HIGHLIGHTS:

- **Newgioco is a well-established, licensed, retail operator of land-based and web-based gambling services in Italy with year-over-year revenue growth forecasted in the 25-35% range.** The Company expects to reach over \$500 million of betting turnover (Handle) in 2019, a +20% year-over-year increase. Management plans to strengthen its position in the Italian market by focusing on regional expansion, and new products and services.
- **The fragmented Italian market is ripe for consolidation and acquisitions could fuel additional revenue growth.** With a growing cash balance from continuing positive cash flows, Newgioco is in the enviable position to blend organic growth with some tactical acquisitions.
- **First tribal casino operator deal signed to deploy Newgioco’s ELYS™ sports betting platform, illustrates Newgioco’s vast opportunity in the U.S. market.** The U.S. Supreme Court’s repeal of the Professional and Amateur Sports Protection Act (PASPA) in 2018 provides a significant new market opportunity for Newgioco’s sports betting platform. Revenue recognition of these opportunities will only crystallize once the individual states pass legislation to allow legalized sports betting.
- **Recent acquisition of Virtual Generation opens the door for global expansion.** Currently operating in 12 countries, Virtual Generation’s country footprint allows for cross selling the Sports Betting platform (ELYS™) and other online games.

FINANCIAL ANALYSIS & VALUATION:

- **We modeled 29% revenue growth year-over-year in 2019 with EBITDA margins recovering to 8% from almost 3% in 2018.** The Company forecasts revenue growth of 25-35% with EBITDA margins of 10-15% in 2019. EBITDA margins should improve as the Company delivers on the higher margin SaaS offering and can recognize that revenue in late Q4/2019 or Q1/2020.
- **Undervalued in the market – trading at a discount to peers.** Based on our analysis, Newgioco trades at EV/Revenue of 1.0x for 2019 and 0.8x for 2020. This is well below the peer group range of 1.6x-3.3x for 2019 and 1.7x-2.9x for 2020. Our DCF model with a 10% WACC and a six-year terminal multiple of 9x EBITDA, yields a value of \$2.07, well above the current price of \$0.46.
- **We are Initiating Coverage on Newgioco with a 1-year price target of \$1.30.**

CONTENTS:

INVESTMENT THESIS3

COMPANY INFORMATION4

 Company Background4

 Targeted Acquisitions Driving Business Strategy and Revenue Growth4

 Operational Verticals.....5

 Gaming Products6

 Distribution and Target Demographics8

INDUSTRY OVERVIEW9

 Global Gaming Market Overview9

 Italian Gaming/Gambling Market.....10

 United States of America and Tribal Casinos Market Opportunity12

 Competitors14

 Mergers and Acquisition Activity15

REVIEW OF NEWGIOCO’S FINANCIALS17

VALUATION19

APPENDIX A: NEWGIOCO’S FINANCIAL STATEMENTS.....20

APPENDIX B: NEWGIOCO 5-YEAR STOCK CHART AND CORPORATE EVENTS23

APPENDIX C: GAMING/GAMBLING COMPARABLES24

APPENDIX D: RISKS25

APPENDIX E: MANAGEMENT & BOARD OF DIRECTORS26

 Management.....26

 Board of Directors28

APPENDIX F: RECENT NEWS RELEASES30

APPENDIX G: MULTIGIOCO’S WEBSITES31

APPENDIX H: ERESEARCH DISCLOSURE32

INVESTMENT THESIS

Newgioco is a well-established, licensed, retail gambling operator of land-based and web-based gambling services in Italy and is set for continued growth. The Company expects to reach over \$500 million of betting turnover (Handle) in 2019 and has maintained strong momentum, with year-over-year revenue growth forecasted in the 25-35% range and EBITDA margins in the 10-15% range. We expect EBITDA margins to improve as the Newgioco delivers on the Company's higher margin SaaS offering and can recognize revenue from those solutions towards the end of 2019 or early 2020. Over the short term, continued double-digit Revenue growth is expected to come from three areas: (1) Newly regulated markets, (2) Digital expansion, and (3) Development of the Sports Betting platform market.

Organic Double-Digit Revenue and EBITDA Growth in Italy.

Trading at a Discount to Peers.

Newgioco is undervalued in the market – trading at a discount to peers. Based on our modeling, Newgioco trades at EV/Revenue of 1.0x for 2019 and 0.8x for 2020. This is well below the peer group range of 1.6x-3.3x for 2019 and 1.7x-2.9x for 2020. Our DCF model with a 10% WACC and a six-year terminal multiple of 9x EBITDA yields a value of \$2.07 and our blended Target Price of \$1.30 are both well above the current price of \$0.46.

The fragmented Italian market is ripe for consolidation and acquisitions could fuel additional revenue growth. Newgioco is ranked the 25th largest online gaming company in Italy with only 0.35% of the market – lots of room for growth. With a growing cash balance from a positive cash flow position and the fragmented Italian market, Newgioco may blend organic growth with some tactical acquisitions.

Fragmented Italian Market, Ripe for Consolidation

U.S. Tribal Casino Market Rivals U.S. Commercial Casino Market

The first tribal casino operator deal signed to deploy Newgioco's ELYS™ sports betting platform illustrates Newgioco's vast opportunity in the U.S. sports betting market. The U.S. Supreme Court's repeal of PASPA in May 2018 provides a significant new market opportunity for Newgioco's sports betting platform. Revenue recognition of these opportunities will only crystallize once the individual States pass the necessary legislation to allow legalized sports betting to be implemented.

Recent acquisition of Virtual Generation opens the door for global expansion. Currently operating in 12 countries, the footprint allows for cross-selling the Sports Betting platform (ELYS™) and other online games.

Recent Acquisition Opens the Door in 12 Countries.

Technical and Risk Expertise in Regulated Markets

The Company believes its competitive advantages emanate from their market-leading gaming software and technological competence in the gaming and betting technology industry. Over the past decade, in the broader gambling industry, there has been a shift by governments from the unregulated or illegal-betting environments to a regulated gambling ecosystem that oversee both land-based and internet-based activities. Newgioco was a pioneer in the regulated market and has a wealth of customer experiential data that allows the Company to modify its technology to meet the needs of the customers.

In its core market (Italy), Newgioco currently services approximately 86,000 client accounts and, based on projections from organic growth and acquisitions, estimates that its user base could increase by 8% per year to over 100,000 client accounts by 2020. Newgioco also expects to see growth from increasing use of mobile devices as more customers switch to smartphones and tablets for gambling.

Newgioco has submitted an application to the NASDAQ exchange to take the necessary steps to up-list their company to the senior NASDAQ exchange.

NASDAQ Listing in Progress

Blockchain Ready

Newgioco continues to innovate and the Company's betting platform is Blockchain ready when the right opportunity is arises.

COMPANY INFORMATION

Company Background

Newgioco Group, Inc. (OTCQB:NWGI), “Newgioco” was incorporated in the state of Delaware in 1998 as Pender International Inc. until a name change in 2005 to Empire Global Corp. and then a name change to Newgioco in July 2016. The Company is headquartered in Toronto, Canada with wholly-owned subsidiaries in Italy, Malta, Canada and Austria and offices in Rome, Naples and Teramo, Italy, San Gwann, Malta and Innsbruck, Austria. As of March 31, 2019, the Company employed approximately 70 full-time employees.

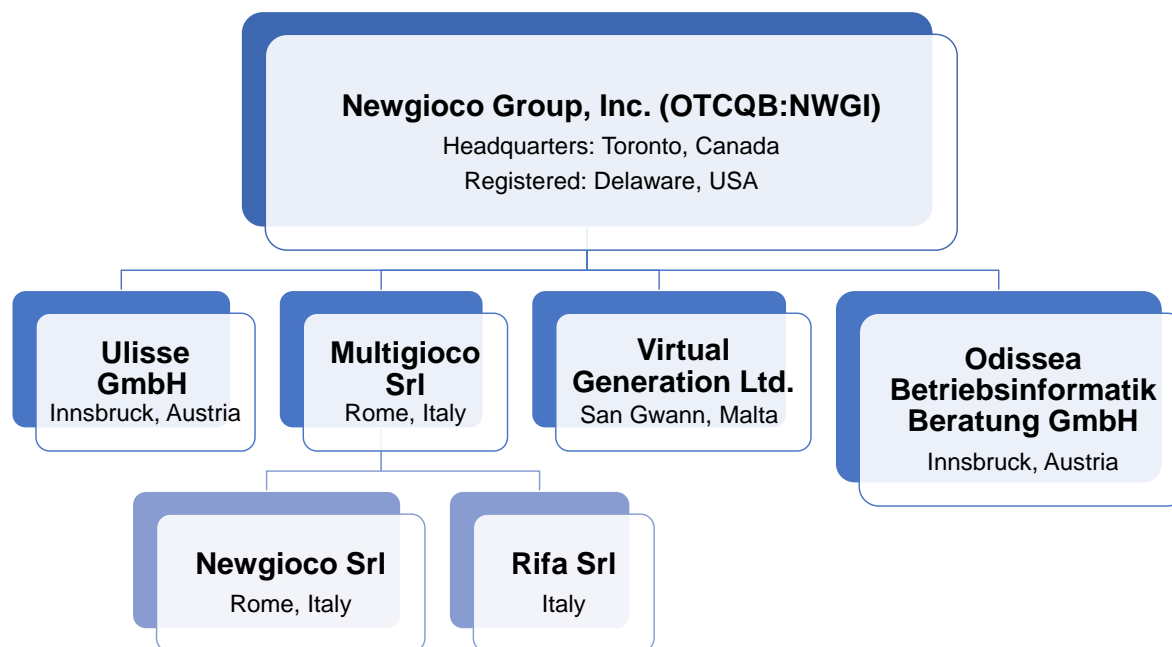
Newgioco is a vertically integrated company engaged in various aspects of the leisure gaming (gambling) industry, primarily in Italy but currently expanding worldwide. Newgioco generates revenues from providing retail land-based and web-based gambling products and services in regulated countries, and offers solutions for both Business-to-Business (B2B) and Business-to-Consumers (B2C). In 2018, revenue from Italy comprised 100% of the total revenue. However, with sales of the ELYS™ betting platform into the U.S. and the recent Virtual Generation acquisition, Newgioco is targeting revenue from non-Italian sources to be 40% of total revenue by 2020.

Targeted Acquisitions Driving Business Strategy and Revenue Growth

Over the past four years, Newgioco has primarily grown through acquisitions:

- Multigioco Srl (“Multigioco”): August 2014
- Rifa Srl (“Rifa”): January 2015
- Ulisse GmbH (“Ulisse”): July 2016
- Odissea Betriebsinformatik Beratung GmbH (“Odissea”): July 2016
- Virtual Generation Limited (“Virtual Generation”): February 2019

Figure 1: Newgioco Group Corporate Structure



Source: S&P Capital IQ and eResearch Corp.

After the acquisition of Virtual Generation in February 2019, Newgioco owns and operates three primary lines of business:

- 1) A proprietary Betting Platform Software (“ELYS™”) offered through the Odissea subsidiary. ELYS™ generates Software-as-a-Service (SaaS) revenue from the provision of its Betting Platform Software (ELYS™) to third party operators on a B2B basis.
- 2) Licensed leisure lottery and gambling operator in Italy offering online (web-based) and offline (land-based) gambling services, including a variety of lottery, casino gambling, and sports betting products through a distribution network of retail betting locations situated throughout Italy. These operations are offered through the Multigioco Srl (“Multigioco”), Rifa Srl (“Rifa”) and Ulisse GmbH (“Ulisse”) subsidiaries.
- 3) A proprietary Virtual Betting Platform, for betting on virtual and pre-recorded events, from the recent acquisition of Virtual Generation. Software-as-a-Service (SaaS) revenue generated from the provision of their platforms for virtual betting and is currently operating in 12 countries: Albania, Colombia, Dominican Republic, Honduras, Italy, Mexico, Nicaragua, Nigeria, Paraguay, Peru, Turkey and Uganda.

Operational Verticals

1. B2C Market

In the B2C market, Newgioco origins are in the Italian market, providing a full suite of gambling products and services, such as sports betting, online casino, poker, bingo and interactive games. The products and services are offered through their subsidiaries: Multigioco, Rifa and Ulisse. In the Italian gambling market, the Company operates under two verticals:

- 1) Web-based sports betting and gambling websites (see “Multigioco’s Websites” in Appendix G), including www.newgioco.it, as well as other commercial websites that are linked back to Newgioco’s main website but have a customized user interface (webskin).
- 2) Over 1,500 land-based neighborhood betting shops situated throughout Italy. Betting shops have third-party owners and Newgioco has a profit sharing agreement with the shop owner.

In the B2C model, the operational risk lies with Newgioco who is the operator. B2C revenues are from sports-betting, casino, cash and skill games, slots, bingo and horse race wagers and are calculated from Turnover (gross pay-ins) from customers minus payout and gaming taxes; revenues are recorded when the game is closed and payouts are made.

2. B2B Market

In the B2B market, Newgioco is focused on becoming the foremost betting technology platform provider, targeting licensed gaming, lottery and wagering operators, both land-based and web-based, in government-regulated jurisdictions. Newgioco’s proprietary betting platform is called ELYS™ and is offered through a wholly-owned subsidiary, Odissea Betriebsinformatik Beratung GmbH (“Odissea”). Newgioco plans to accomplish this goal via a SaaS-revenue model utilizing the betting platform software (ELYS™) and targeting the newly legalized sports-betting markets in the United States.

In the B2B market, Newgioco also provides a virtual betting platform via its recent acquisition of Virtual Generation. (See Appendix F: News Release “Newgioco Completes Acquisition of Virtual Generation”). Virtual Generation provides a betting platform for virtual and pre-recorded events that can be integrated into a customer’s offering via an API or provided as a Hosted/White Label solution. Currently the platform is used in 12 countries and provides an avenue for accelerated international expansion for Newgioco’s other solutions.

In the B2B model, operational risk lies with the third-party operator. B2B revenues are generated from the ELYS™ betting platform and the Virtual Generation acquisition, and are comprised of license fees, training, installation, and product support services. License fees are recurring SaaS-type fees and are calculated as a percentage of the Turnover (gross pay-ins).

Gaming Products

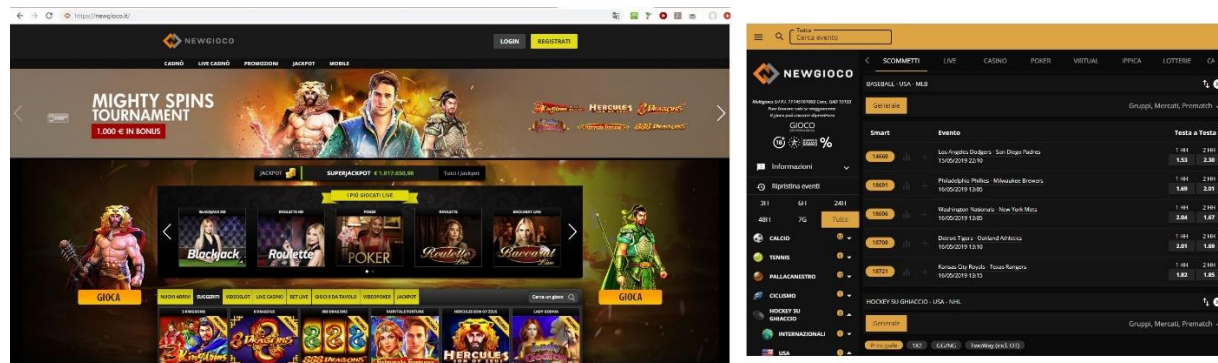
In the Italian market, Newgioco provides a full suite of gambling products and services directly to the consumer (B2C), such as sports betting, online casino, poker, bingo and interactive games (Figure 2). Newgioco also relies on third parties to provide some products integrated within their web-based platform. To provide some horse race betting, poker and other casino gambling products, the Company has product aggregation agreements with Microgame S.p.A. ("Microgame"), Peoples Network ("Peoples"), and land-based retail protocols SNAITECH S.P.A. ("SNAI").

Figure 2: Newgioco's Gaming Products

GAMING PRODUCTS	DESCRIPTION	COMPETITORS
Bingo and Skilled and Interactive Games	Games that are programmed with a random number generation to ensure fairness for all parties and can be played for real money or free play.	Jackpotjoy, Kindred, Ladbrokes Coral, Newgioco, Rank Group, Sky Bingo and Tombola
Horse Racing	Live track horse racing events.	Bet US racing, Newgioco, TVG, twinspires.com, and expresbet
Online Casino	Live Online Casino Games: Table games broadcast via live video stream with real dealers and croupiers. Traditional Online Casino Games: Automated casino games such as baccarat, blackjack, roulette and slot machines.	888, Bwin, Gtech, LeoVegas, Microgaming, Netent, Newgioco, Playtech, and PokerStars
Poker	Texas Hold'em and Omaha in cash and tournament format.	888, adjarabet, Bwin, Newgioco, PokerStars and Winamax
Sports Betting	Offering both pre-live and live in-game betting opportunities for a wide selection of sports.	888, Bet 365, Bet Stars, , Betsson, GVC, IGT, Kambi, Ladbrokes, LeoVegas, Newgioco, Paddy Power Betfair, PokerStars, and William Hill
Virtual Sports Betting	Various sport and racing events that are computer generated.	Goldenrace, Inspired, Kiron, Sportradar, SoftGamings, Virtual Generation,

Source: Company Reports and eResearch

Figure 3: Newgioco's Casino, Poker and Sports Betting Website



Source: Company Website

Newgioco's betting platform (ELYS™) is a B2B offering and suited for a white-labeled integration into third-party operators, such as casinos and internet-based gambling websites, to offer sports betting as part of their overall gambling experience.

The ELYS™ betting platform generates services-type revenue for Newgioco and presents an opportunity for sales into the Tribal market in the U.S.A. and other gambling operators world-wide that want to add betting to their current offerings. See "Recent News Releases" in Appendix F: "Newgioco Signs Expansion Deal Into Southern Italy" (April 10, 2019) and "Newgioco Signs Multi-Year Deal With First Tribal Casino Operator" (April 5, 2019).



The ELYS™ betting platform is innovative and certified with data, analytical and reporting features. The solution is developed and built on the latest Microsoft .Net Core framework. The solution supports both web-based client gambling accounts as well as land-based bet processing capabilities, and handles multi-channel money transfer including cash, e-wallet, bank card and wire transfer. Integrated into the platform is a real-time Customer Relationship Management (CRM) solution, a business intelligence (BI) program for streamlined cross-platform marketing, and a synchronized financial accounting process. The fully-integrated platform is designed to allow B2B and white-label customers to model their gambling businesses and client gambling accounts, monitor and analyze performance on a real-time basis, and generate management reports.

Newgioco's virtual betting platform is multi-channel (physical terminal, web and mobile), advanced platform for virtual betting, from its recent acquisition of Virtual Generation. Currently operating in 12 countries, the platform providing a growing list of games including pre-recorded greyhound & virtual horse races, virtual soccer games, keno and roulette. Depending on the customers' need, the solution can be provided as a White-Label solution or integrated into the customer's existing offering via an API. Virtual Generation has been operating since 2014 and has taken over 20 million bets on the platform.



Finally, Newgioco continues to innovate and the Company's betting platform is Blockchain ready when the opportunity arises.

Distribution and Target Demographics

In 2018, the majority of Newgioco's revenue was wagering and gambling transactional revenue from retail land-based (onsite) and web-based (online) gambling services provided through its Italian subsidiaries, Multigioco, Rifa and Ulisse. The Company's gaming/gambling licenses permit it to distribute leisure betting products, such as sports betting, lotto tickets, virtual sports betting, online poker and casino gambling products through physical land-based retail locations as well as online through its principal website (www.newgioco.it) or commercial webskins linked to its principal website.

Newgioco currently services approximately 86,000 web (online) user accounts, 159 agency locations, 7 corners, and over 1,500 web-shops (web cafés). In Italy, gambling products and services are offered through the following three physical distribution locations:

- 1) Agency (Negozio Sportivo): the principal business situated at the location is gambling, 70% of the floor space is dedicated to gaming and must have a cash cage.
- 2) Corners (Punto Sportivo): the principal business situated at the location is primarily not gambling, so a coffee shop or bar, and there is only a small corner with a terminal that is dedicated to gambling.
- 3) Web-shops or Web-cafe (Punti Virtuali di Ricarica): A location where computers are connected to the gambling websites and where customers can make cash deposits to their online accounts.

Figure 4 outlines the target market for Newgioco's solutions and services.

Figure 4: Customer Demographics

AGE GROUP	DEMOGRAPHIC	COMMON ATTRIBUTES
18-24	<ul style="list-style-type: none"> • Pre-gaming, potential future client • New-gaming audience • Desires experiential, e-gaming, imaginative fantasy games 	<ul style="list-style-type: none"> • Technologically sophisticated consumer spending more on experiences compared to material goods • A majority of this demographic owns a cell/mart phone with data packages and Internet access
25-44	<ul style="list-style-type: none"> • Mature-gaming audience • Desires games of chance, casino, traditional gambling tables, and sports betting 	<ul style="list-style-type: none"> • 50/50 male/female balance across the group • Majority of online gamers are 30 years old and currently heads of households
45+	<ul style="list-style-type: none"> • Grounded gamer • Desires social interaction, easy play, bingo slots, nickel games 	<ul style="list-style-type: none"> • Significantly underserved • Largest market size and growing segment of the population • High disposable income • Needs are more social rather than self-fulfilling

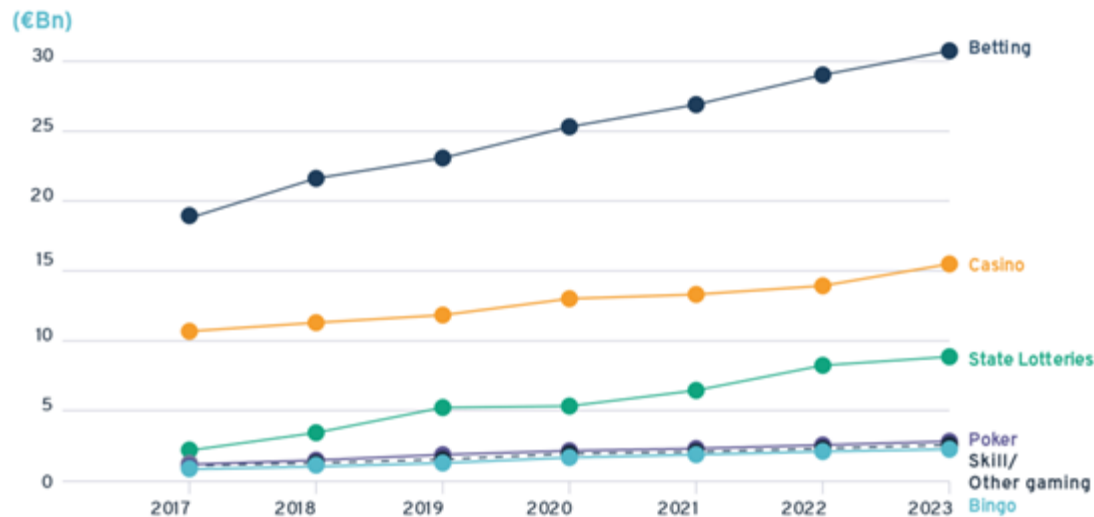
Source: Company Reports and eResearch

INDUSTRY OVERVIEW

Global Gaming Market Overview

According to H2 Gambling Capital (“H2GC”), the overall global online industry trend is positive with **Betting, Casino, State Lotteries, Poker, Other Gaming, and Bingo, all showing increases year-over-year until at least 2023 (Figure 5)**. Online Betting is clearly the dominant player in the industry with almost 20 billion Euros of gaming revenue in 2017 and increasing to over 30 billion of gaming revenue by 2023 with a CAGR of over 7%.

Figure 5: Global Online Gross Gaming Revenue



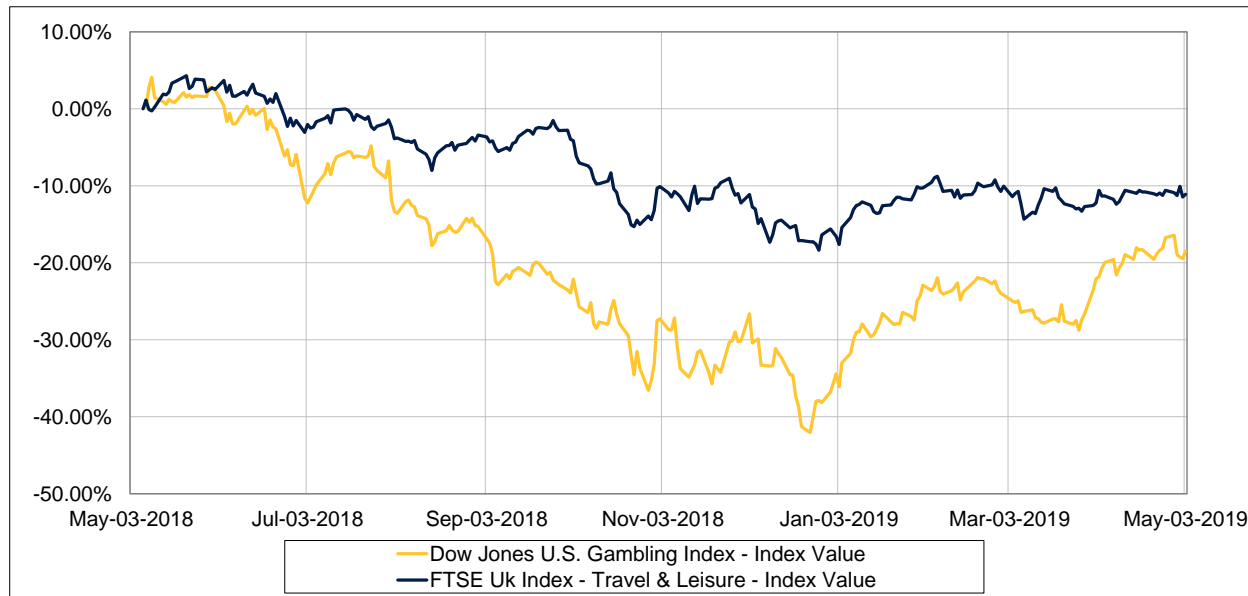
Source: H2 Gambling Capital

In addition, legalizing sports betting and online gambling helps shift money away from black market gambling and into regulated environments that provide employment opportunities and tax revenues. Cash-starved governments around the world are determining that moving gambling from the unregulated to the regulated market is not exploiting its citizens who are already gambling, but providing necessary tax revenue to fund the social infrastructure of their society. In a report published by ESSA, a not for profit association representing the sports betting industry, it is estimated that the unregulated global betting market is over 85% of all bets placed and could be as high as \$1 trillion. There is plenty of room to grow in the regulated market by capturing even 10% of the unregulated market.

However, government regulations on sports betting is the primary driver for growth in the industry. In the United Kingdom and Italy, restrictions on advertising is expected to have a negative impact on growth, while in the United States, after the U.S. Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA), there is a boom in sports betting as states enact laws to authorize betting on sporting events.

Furthermore, the gambling industry is also at the mercy of macro-economic trends. The Dow Jones U.S. Gambling Index (DJUSCA) and the FTSE Travel & Leisure Index (Figure 6) experienced sharp declines in Q4 /2018, in lock-step with declining world indices, as economic concerns surrounding Brexit uncertainty and the ongoing trade dispute between the U.S.A. and China, continued to rattle investors. The DJUSCA dropped over 40% from May 2018 before recovering to a 20% decline year-over-year. Casino and gaming companies that borrowed heavily in the past, were hit harder as investors fled to non-cyclical stocks. However, with the recent market optimism over the first quarter in 2019, the DJUSCA is on its way back to retracing the level in May 2018.

Figure 6 - 1-Year Comparison: DJ U.S. Gambling Index vs. FTSE UK Travel & Leisure Index



Source: S&P Capital IQ and eResearch Corp.

Italian Gaming/Gambling Market

The Italian market is robust and growing - according to statistics from Italian gaming/gambling regulator (ADM), the leisure betting market had grown to \$102 billion in 2013, with a Compound Annual Growth Rate (CAGR) of 12.3% from 2007 to 2013. According to a study by the Polytechnical Institute of Milano, the Italian regulated online leisure gambling market grew from \$860 million after payout, in 2015, to \$1.2 billion after payout, in 2016, and was estimated to hit \$1.8 billion after payout, in 2017. In addition, H2GC estimates that online betting growth in Italy is estimated to have a CAGR of 16.6% from 2017-2023 (Figure 7) and lead the European Union (EU).

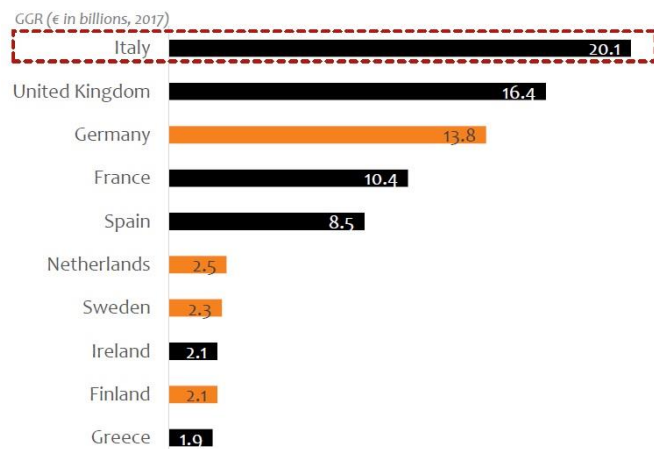
Figure 7: European Online Betting Growth - CAGR 2017-2023



Source: H2 Gambling Capital

The Italian total gaming market size is the largest in the EU with Gross Gaming Revenue in 2017 at 20.1 billion Euros (Figure 8).

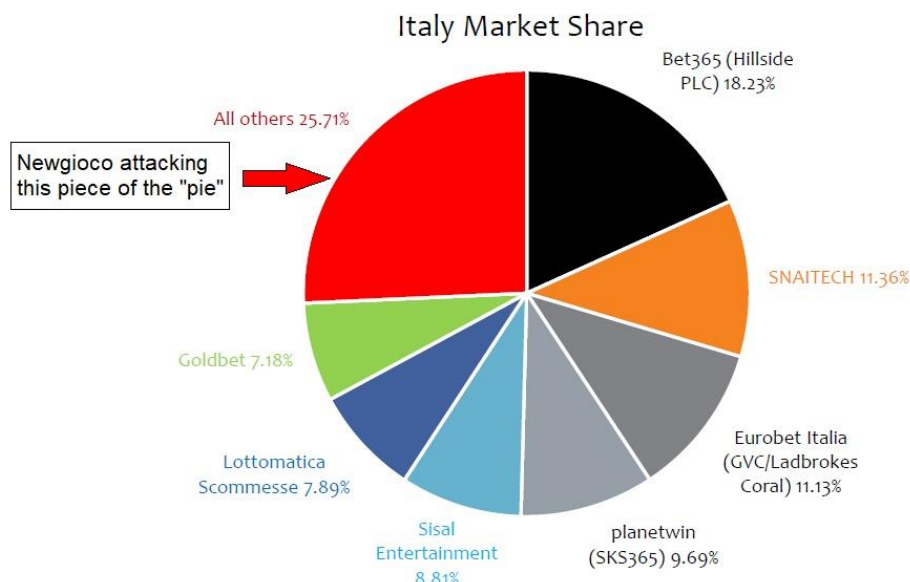
Figure 8: Total Gaming Market Size (2017) – Gross Gaming Revenue



Source: Playtech/SNAI Conference Call

Of significance to Newgioco, the Italian market is very fragmented with many small operators that could be consolidated as part of a roll-up strategy (Figure 9).

Figure 9: Italy Market Share by Vendor – Total Gaming



Source: AGIMEG

However, Newgioco’s Italian operations are regulated by the **Agenzia della Dogane e dei Monopoli (“ADM”)**. One of the risks for Newgioco is regulatory risk and any changes to the regulations could restrict revenue growth or increase costs. In Italy, there are two main categories of licenses (web-based and land-based) and are awarded in three series:

- 1) Series 1: introduced in 1992, renewed in 2009, and expired in 2016 but are still in use until the renewal, expected to tender auction between 2019 and 2022;
- 2) Finance Act series: awarded by tender in 2006 and expired in 2016 but are still in use until the renewal, expected to tender auction between 2019 and 2022;
- 3) New series *Gioco a Distanza*: issued 2010 and expire in 2021 and are expected to be renewed by tender auction after expiry.

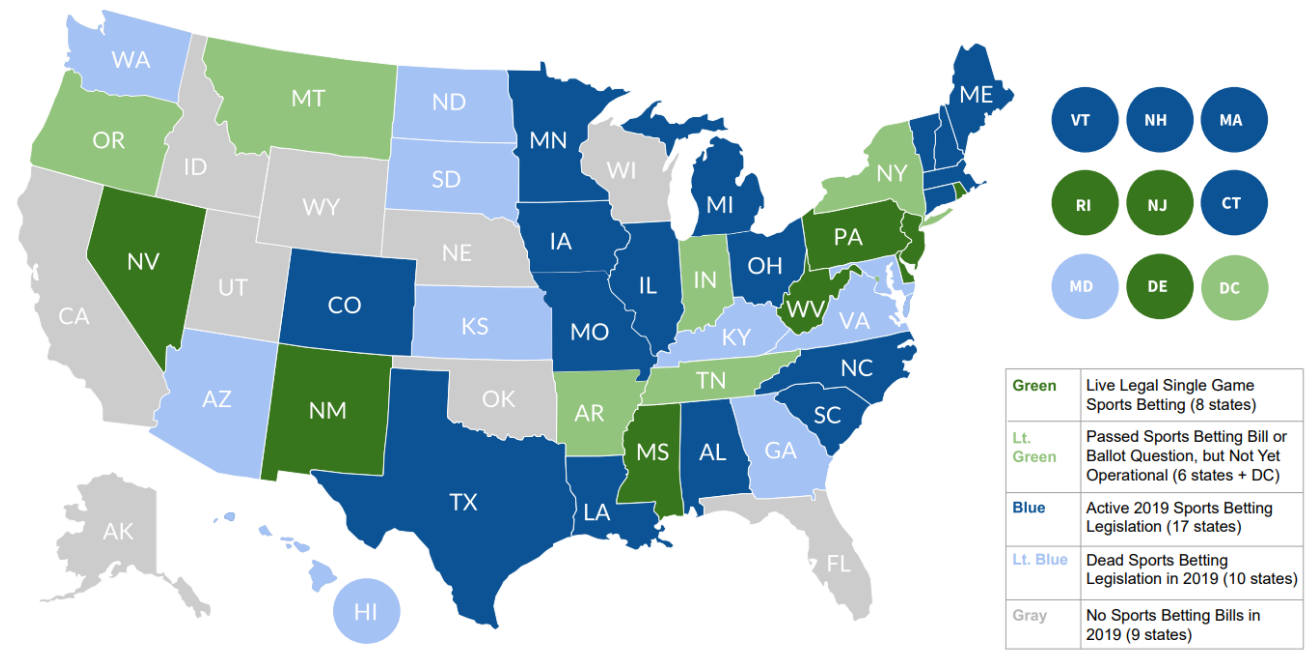
There is some risk during the tendering process that Newgioco might not be able to secure all of the Company’s existing licenses, however there is also the possibility that after the tendering process, Newgioco could have more licenses overall.

United States of America and Tribal Casinos Market Opportunity

From 1992 to 2018, under the PASPA, there was a federal ban on sports betting in the United States. The 1992 law granted immunity to four states that had previously allowed sports betting: Nevada, Delaware, Oregon, and Montana. The state of New Jersey challenged the legality of PASPA and in 2018, the U.S. Supreme Court issued a decision reversing the ban and striking down the PASPA legislation.

With almost 6% of the global betting market (2012), sports betting in the U.S.A. is a thriving underground business. However, there are now eight states that have legal sports gambling (Delaware, Mississippi, Nevada, New Jersey, New Mexico, Pennsylvania, Rhode Island, and West Virginia) and almost two dozen that have some sort of sports wagering bill under legislative consideration. (Figure 10)

Figure 10: Current State of Sports Betting in the U.S.

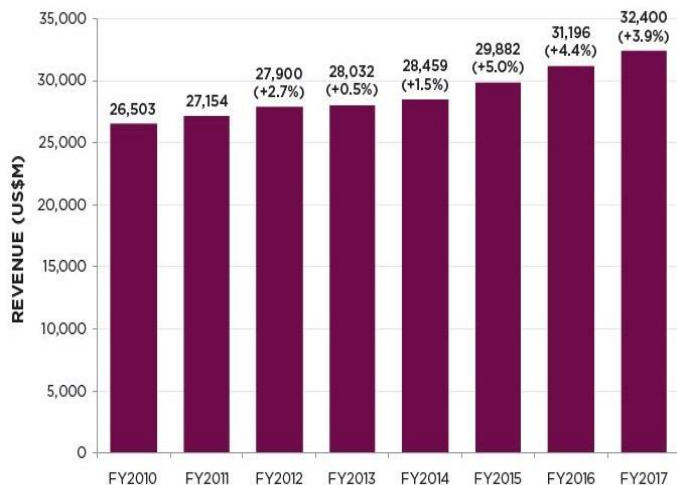


Source: American Gaming Association, May 2019

One key opportunity for Newgioco is the U.S. Tribal Gaming/Gambling market. In addition to commercial casinos in 24 states, approximately 500 tribal casinos and gambling facilities operate across 28 states and were expected to grow in 2018. In comparison, in 2017, the commercial casino industry generated \$40.3 billion in gambling revenue, while the National Indian Gaming Commission (NIGC), reported that tribal gaming (gambling) revenues hit a record \$32.4 billion in 2017. (Figures 11, 12 and 13)

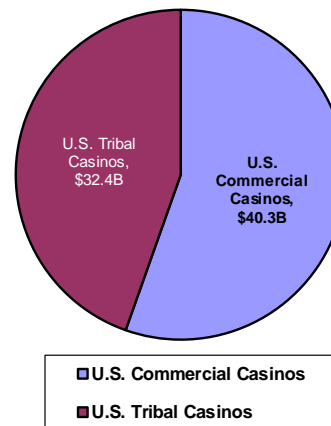
According to Newgioco, the Company will focus on U.S. Tribal Casinos across 17 states and expect agreements to roll out in 2019-2022. On April 5, 2019, Newgioco announced that it had signed its first Tribal Casino Operator deal with Chippewa Cree Tribe in Box Elder, Montana.

Figure 11: Annual U.S. Tribal Casino Gaming Revenue (US\$M)



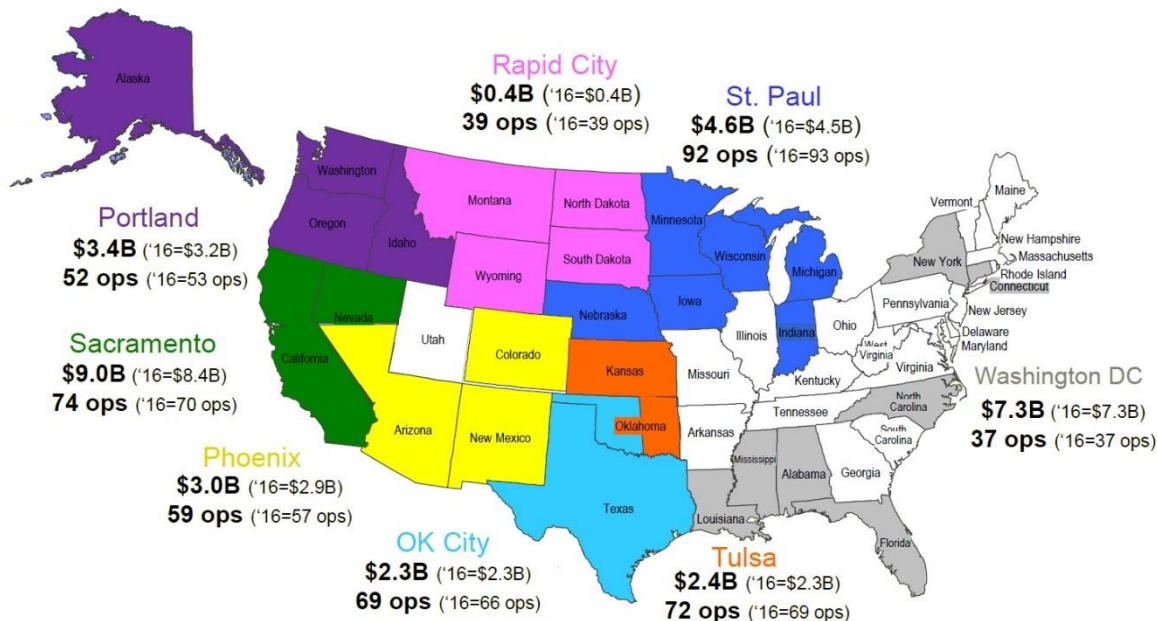
Source: National Indian Gaming Commission

Figure 12: Comparison of U.S. Tribal Casino Revenue to U.S. Commercial Casino Revenue (2017)



Source: AGA 2018

Figure 13: U.S. Tribal Gross Gaming Revenue 2017 By Reporting Region - \$32.4B - 494 Operations



REPORTING REGION	STATES
Portland	Alaska, Idaho, Oregon, and Washington
Sacramento	California, and Northern Nevada
Phoenix	Arizona, Colorado, New Mexico, and Southern Nevada
St. Paul	Indiana, Iowa, Michigan, Minnesota, Nebraska and Wisconsin
Rapid City	North Dakota, South Dakota, Montana and Wyoming
Tulsa	Kansas, and Eastern Oklahoma
Oklahoma City	Western Oklahoma and Texas
Washington DC	Alabama, Connecticut, Florida, Louisiana, Mississippi, North Carolina, and New York

Source: National Indian Gaming Commission and eResearch Corp.

Competitors

Competition in the gambling industry exists between the online gaming/gambling websites and land-based casino operations. Historically competition existed within specific geographic markets. However, with the global reach of the internet and a steady supply of new games, competition is increasing. Government regulators often restrict land-based or web-based operations through licensing requirements that caps the number of operators in a market (Figure 9).

Since Newgioco provides B2C services to the Italian market as well as B2B services with its betting platform (ELYS), the Company competes with vendors in both the online gambling market as well as the product vendors. Key vendors in the online gambling market include:

- 888 Holdings
- Bet-at-Home.com
- Bet365
- Caesars
- GTECH IGT
- GVC Holdings (Ladbrokes)
- Kindred
- MGM Resorts
- Paddy Power Betfair
- Playtech
- Sisal
- The Stars Group
- William Hill

In addition, Vendors that already are offering sporting betting in the U.S. are:

- DraftKings
- FanDuel
- Golden Nugget
- Hard Rock
- PointsBet
- Resorts
- SugarHouse

Note: Other product vendors in the market include Betsson, Camelot Group, Genting UK, NetEnt, Playtech, and Rank Group.

After the U.S. Supreme Court overturned the Professional and Amateur Sports Protection Act (PASPA) in May 2018, gambling companies have been working to expand their operations into the U.S. market. In Mississippi, William Hill entered into an agreement with Eldorado Resorts, whereby William Hill will serve as Eldorado's sports betting operator for a period of 25 years and Eldorado Resorts will get a 20% equity stake in William Hill. William Hill also signed sports betting agreements with 11 casinos in Mississippi and another casino in West Virginia. Similarly, FanDuel Group (owned by Paddy Power Betfair) entered into a strategic partnership with Boyd Gaming whereby FanDuel will offer sports betting for Boyd Gaming, and GVC Holdings entered into a 50:50 joint venture with MGM Resorts International (Roar Digital) to partner on sport betting at MGM Resorts utilizing GVC's sports betting technology.

Mergers and Acquisition Activity

As illustrated in Figure 14, with the amount of deals in the Online Gaming/Gambling and Casino industries, we believe that the level of transaction activity will continue through 2020 as operators seek to enter new markets or grow their business through acquisitions. In addition, regulatory pressures continue to force company mergers in order to find cost savings and top-line growth.

With the current valuation of Newgioco, the Company is an attractive candidate as a probable acquisition target. As we illustrate in the Valuation section, in our opinion, the Company is currently undervalued in the market because it is trading at a significant discount to its peers (Appendix C). Based on our modeling, Newgioco trades at EV/Revenue of 1.0x for 2019 and 0.8x for 2020. This is well below the peer group range of 1.6x-3.3x for 2019 and 1.7x-2.9x for 2020.

In addition to being an undervalued acquisition target itself, Newgioco is also searching for acquisition opportunities in the Italian and other European markets to increase its own market share.

Figure 14: Recent M&A Activity in the Gaming/Gambling and Casino Sectors

Transaction Closed Date	Buyers/Investors	Target/Issuer	Transaction Value (US\$M)	EV/Rev (X)	EV/EBITDA (X)	EV/EBIT (X)	EV/NI (X)
03-05-2019	Churchill Downs Incorporated (NasdaqGS:CHDN)	Midwest Gaming and Entertainment, LLC	407.0	-	11.3	10.7	18.2
03-05-2019	Churchill Downs Incorporated (NasdaqGS:CHDN)	Midwest Gaming and Entertainment, LLC	291.0	-	11.3	7.3	-
02-01-2019	Paddy Power Betfair plc (ISE:PPB)	Atlas LLC	132.3	3.1	9.9	7.3	5.4
01-31-2019	William Hill plc (LSE:WMH)	Mr Green & Co AB (publ)	310.0	1.4	14.4	-	-
12-11-2018	888 Holdings plc (LSE:888)	AAPN Holdings LLC	28.0	-	-	20.2	28.2
10-09-2018	Gamenet S.p.A.	GoldBet srl	318.1	-	6.6	-	-
09-17-2018	Boyd Gaming Corporation (NYSE:BYD)	Valley Forge Convention Center	280.5	-	7.0	-	-
07-23-2018	Pluto (Italia) S.p.A. subsidiary of Playtech plc (LSE:PTEC)	Snaitech S.p.A.	149.6	0.9	6.0	-	-
07-10-2018	The Stars Group Inc. (TSX:TSGI)	Sky Betting and Gaming	4,700.0	5.4	16.6	9.3	12.2
06-05-2018	Pluto (Italia) S.p.A. subsidiary of Playtech plc (LSE:PTEC)	Snaitech S.p.A.	1,062.7	0.9	6.0	22.6	27.3
06-01-2018	Boyd Gaming Corporation (NYSE:BYD)	Latner Entertainment Group Inc.	100.0	-	8.0	-	-
04-24-2018	The Stars Group Inc. (TSX:TSGI)	CrownBet Pty Limited	87.1	3.0	78.3	-	-
04-13-2018	GVC Holdings PLC (LSE:GVC)	Mars LLC	51.0	2.4	6.8	17.9	33.0
03-28-2018	GVC Holdings PLC (LSE:GVC)	Ladbrokes Coral Group plc	6,792.5	2.4	14.5	17.6	25.1
02-27-2018	The Stars Group Inc. (TSX:TSGI)	CrownBet Pty Limited	117.2	-	-	42.7	-
01-05-2018	Bally Gaming and Systems UK	NYX Gaming Group Limited	607.1	3.1	21.9	-	-
12-22-2017	Tabcorp Holdings Limited (ASX:TAH)	Tatts Group Limited	5,821.9	2.6	15.7	-	-
06-06-2017	Kindred Group plc (OMKIND SDB)	32Red Plc	220.2	2.7	18.2	-	-
03-31-2017	Betsson AB (OMBETS B)	NetPlay TV Limited	33.1	0.6	7.1	-	-
01-18-2017	Scientific Games Corporation (NasdaqGS:SGMS)	DEQ Systems Corp.	21.0	2.7	-	-	-
12-30-2016	Betsson AB (OMBETS B)	RaceBets International Gaming Ltd.	43.0	4.3	-	-	-
12-16-2016	Tabcorp Holdings Limited (ASX:TAH)	INTECO Limited	95.3	2.1	11.6	-	-
09-30-2016	Betsson AB (OMBETS B)	TonyBet	6.8	-	-	67.5	-
08-31-2016	Stride Gaming Plc (AIM:STR)	Tarco Limited	57.3	-	-	8.7	4.3
08-31-2016	Stride Gaming Plc (AIM:STR)	8Ball Games Limited	45.5	3.5	17.1	-	-
05-20-2016	NYX Gaming Group Limited	OpenBet Technologies Limited	385.4	4.2	12.4	-	-
02-02-2016	Paddy Power Betfair plc (ISE:PPB)	Betfair Group PLC	3,640.8	4.5	20.2	17.9	28.9
02-01-2016	GVC Holdings PLC (LSE:GVC)	bwin party digital entertainment	1,754.7	2.4	19.8	-	-
09-30-2015	Kindred Group plc (OMKIND SDB)	Stan James Plc, Online Gambling	29.4	-	13.6	-	-
09-16-2015	Kindred Group plc (OMKIND SDB)	iGame Malta Ltd.	86.5	-	-	20.7	9.6
08-10-2015	Jackpot Digital Inc. (TSXV:JP)	PokerTek, Inc.	7.5	2.1	-	-	-
07-31-2015	NYX Gaming Group Limited	Amaya (Alberta) Inc. and CryptoLogic	119.2	8.6	-	17.9	17.3
07-22-2015	Betsson AB (OMBETS B)	Chempionebi 111 LLC	85.0	1.6	-	-	-
04-07-2015	International Game Technology PLC (NYSE:IGT)	International Game Technology	6,615.1	3.0	9.6	-	-
03-19-2015	CVC Capital Partners Limited	Sky Betting and Gaming	1,132.0	4.8	16.7	-	-
02-13-2015	Playtech plc (LSE:PTEC)	YoYo Games Limited	16.9	-	-	4.3	-
12-31-2014	Kindred Group plc (OMKIND SDB)	Bingo.com Ltd., Online Gambling	12.5	-	-	15.3	16.7
12-19-2014	Everi Holdings Inc. (NYSE:EVRI)	Multimedia Games Holding Company	1,178.8	4.8	10.2	-	-
11-21-2014	Scientific Games Corporation (NasdaqGS:SGMS)	Bally Technologies, Inc.	5,240.4	4.3	12.3	23.6	33.6
10-14-2014	Tabcorp Holdings Limited (ASX:TAH)	Acttab Limited	98.3	-	-	22.1	-
08-01-2014	The Stars Group Inc. (TSX:TSGI)	Stars Interactive Holdings (IOM)	5,211.6	4.6	12.4	-	-
07-01-2014	Bally Technologies, Inc.	Dragonplay Ltd.	100.0	-	10.0	6.2	-
04-14-2014	Ladbrokes Coral Group plc	Eskander's Betstar Pty. Ltd.	21.9	1.7	-	-	7.9
03-04-2014	Betsson AB (OMBETS B)	Class One Holding Ltd	189.5	4.2	-	39.4	-
11-25-2013	Bally Technologies, Inc.	SHFL entertainment, Inc.	1,384.3	4.9	16.1	-	-
10-18-2013	Scientific Games Corporation (NasdaqGS:SGMS)	WMS Industries Inc.	1,559.6	2.2	7.6	-	-
08-13-2013	William Hill plc (LSE:WMH)	Tom Waterhouse NT Pty Ltd	101.1	3.9	-	-	-
07-11-2013	Playtech plc (LSE:PTEC)	Swerford Holdings Ltd.	50.0	-	-	7.7	-
04-15-2013	William Hill plc (LSE:WMH)	William Hill Online Ltd.	636.8	-	-	11.9	-
03-19-2013	William Hill plc (LSE:WMH); GVC Holdings PLC (LSE:GVC)	Sportingbet plc	712.5	2.2	12.7	-	-
02-19-2013	Betsson Malta Ltd.	Cherry AB (publ).	46.0	1.7	-	13.8	19.2
11-20-2012	Boyd Gaming Corporation (NYSE:BYD)	Peninsula Gaming LLC	1,417.1	3.7	12.6	-	-
10-23-2012	Churchill Downs Incorporated (NasdaqGS:CHDN)	Magnolia Hill, LLC	141.0	-	7.4	5.4	-
06-28-2012	William Hill plc (LSE:WMH)	Sierra Development Company, Club Cal Neva Satellite Race and Sportsbook Division	22.5	2.1	-	14.5	20.5
06-28-2012	William Hill plc (LSE:WMH)	Brandywine Bookmaking LLC	15.7	2.0	-	-	-
06-27-2012	William Hill plc (LSE:WMH)	American Wagering Inc.	14.6	1.1	-	29.0	-
06-25-2012	The Stars Group Inc. (TSX:TSGI)	CryptoLogic Limited	31.9	0.7	5.3	-	-
06-20-2012	Betsson AB (OMBETS B)	Nordic Gaming Group Limited	111.7	1.7	-	-	-
02-29-2012	Kindred Group plc (OMKIND SDB)	Betchoice Corporation Pty Ltd.	24.2	-	6.8	-	-
12-12-2011	Kindred Group plc (OMKIND SDB)	Solfive SAS	12.8	-	-	29.1	32.0
10-04-2011	Boyd Gaming Corporation (NYSE:BYD)	Imperial Palace of Mississippi, LLC	278.0	-	6.8	7.8	10.7
08-31-2011	William Hill Australia Trading PTY Ltd.	Centrebet International Limited	289.4	3.3	15.5	17.7	-
08-31-2011	Playtech plc (LSE:PTEC)	Mobenga AB	33.8	-	-	8.9	-
07-15-2011	Guoco Group Limited (SEHK:53)	The Rank Group Plc (LSE:RNK)	642.1	1.0	5.7	-	-
07-01-2011	Playtech plc (LSE:PTEC)	PT Turnkey Services Limited	386.5	3.1	14.8	-	-
06-15-2011	Betsson AB (OMBETS B)	Safepay Malta Limited	97.6	1.8	8.1	18.0	25.2
03-31-2011	bwin.party digital entertainment Limited	bwin Interactive Entertainment AG	1,755.9	2.8	16.8	12.1	11.5
12-16-2010	Churchill Downs Incorporated (NasdaqGS:CHDN)	SW Gaming LLC	140.4	2.8	-	-	-
06-02-2010	Churchill Downs Incorporated (NasdaqGS:CHDN)	Yobet.com, Inc.	140.0	1.1	11.8	-	-
07-01-2009	GVC Holdings PLC (LSE:GVC)	Betboo group	30.0	6.8	-	9.3	12.2
			AVERAGE	2.9	13.3	17.7	19.0

Source: S&P Capital IQ and eResearch Corp.

REVIEW OF NEWGIOCO'S FINANCIALS

Newgioco's primary business focus was established by acquisitions in 2014 and early 2015. However, the acquisitions of Ulisse and Odissea in 2016 transformed the Company's business operations considerably, such that comparisons of financial data prior to 2016 are mostly not meaningful.

Revenues are from sports-betting, casino, cash and skill games, slots, bingo and horse race wagers and are calculated from Turnover (aka Handle, aka Gross Pay-ins) from customers minus payout and gaming taxes. Revenues are recorded when the game is closed and payouts are made.

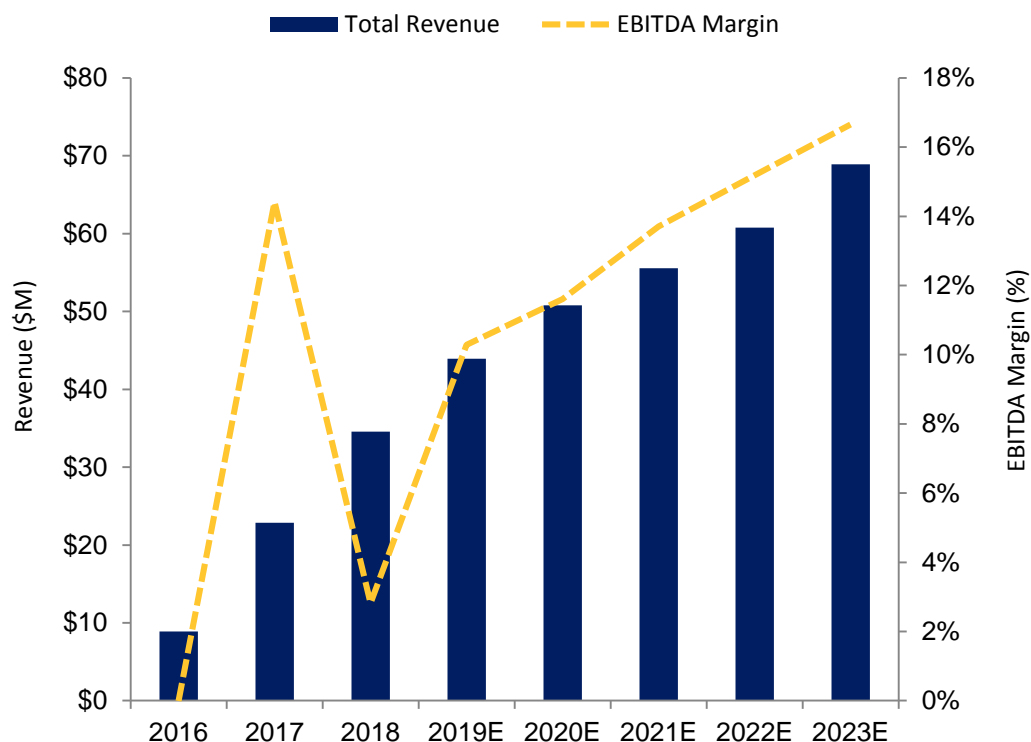
Gross Gaming Revenue (GGR) = Turnover – Winnings

REVENUE = Net Gaming Revenue (NGR) = GGR – Taxes

The growing Italian gaming/gambling market and strategic acquisitions allowed Newgioco to register strong growth in its businesses for the past four years. The Company expects to reach \$500 million of betting turnover (Handle) in 2019. From 2015 to 2016, the Company's betting turnover grew 43% and reached \$122 million. In 2017, betting turnover grew by almost 80% and hit \$218.5 million. In 2018, betting turnover increased by 89% and reached \$413 million.

Increased betting turnover translated into significant revenue growth for Newgioco over the last four years. In 2016, revenue was under \$9 million and hit \$34.6 in 2018. We estimate 2019 revenue at \$44.6 million with a 29% revenue growth rate year-over-year, in-line with the Company's guidance of revenue growth in the 25-35% range.

Figure 15: Revenue and EBITDA Margins



Source: Company Reports and eResearch Corp.

Newgioco was EBITDA positive in 2017 and 2018 but EBITDA in 2018 was negatively impacted by some one-time items. For 2019, we estimate EBITDA at \$3.5 million, in-line with the Company's guidance of EBITDA margins in the 10-15% range. Currently Newgioco estimates the Gross Gaming Revenue (GGR) conversion from GGR to EBITDA at the following percentages:

- Sportsbook: 12-18%
- Casino: 3-4% (regulated)
- Poker: 3-4% (regulated)
- SaaS: 25-30%

Newgioco believes that longer-term targets for EBITDA margins could rise to the 15-20% range (versus 10-15% guidance in 2019) as the Company recognizes revenue from SaaS deals in late Q4/2019 or Q1/2020.

Through the Multigioco, Rifa and Ulisse subsidiaries, revenue consists of wagering and gaming transaction income from online betting and land-based betting shops located throughout Italy. Through Odissea, revenue consists of the service revenue generated from the provision of the Company's Platform services to third party operators on a B2B basis, while revenue from Virtual Generation consists of royalties earned from ticket sales of Virtual Generation virtual sports betting product sold through contracted operators on a B2B basis.

2018 Financial Comments:

During the year ended December 31, 2018, Newgioco incurred \$10.0 million in General and Administrative (G&A) expenses, compared with \$5.6 million in the year ended December 31, 2017. The increase in G&A expenses was a result of an increase in salaries, legal and accounting fees in connection with the office expansion costs related to growth in our Italian retail operations as well as U.S. expansion costs.

Newgioco's selling expenses (direct selling costs) are fees paid to the network service provider, ADM (Italian gaming/gambling regulator) license fees, and commissions for field agents and promoters. For the year ended December 31, 2018, selling expenses were \$24.1 million compared with \$14.7 million for the year ended December 31, 2017. The increase in selling expenses was due to the commissions paid related to the increase in handle (betting turnover). From 2017 to 2018, revenue increased 51.2% while selling expenses increased 64.5%. The spread difference was due to lower Gross Gaming Revenue (GGR) from higher payout ratios in 2018 compared to 2017 and increased selling commissions linked to growing turnover.

Newgioco has submitted an application to the NASDAQ exchange to take the necessary steps to up-list the Company's shares to the senior NASDAQ exchange.

Q1/2019 Financial Comments:

During the quarter ended March 31, 2019, Newgioco's Total Turnover grew to \$137.0 million from \$90.6 million in Q1/2018, an increase of 51%. This translated into Q1/19 Revenue of \$9.3 million, up from \$8.6 million in Q1/18, an increase of 7.8%. Net Gaming Revenue in the quarter was negatively impacted by a 3% tax increase by the Italian regulator (ADM) that increased taxes in the quarter to \$1.2 million from \$0.76 million in Q1/2018.

Expenses in the quarter continued to ramp higher as Newgioco continues to make investment in the U.S. operations to capture the regulated U.S. sports betting market. This includes recruiting staff in the U.S. with gaming experience and allocating a software development team for coding and submission of its platform for U.S. certification.

Although the interest expense in Q1/2019 was \$1.5 million, up from \$0.2 million in Q1/2018, the increase in interest expense is primarily from the amortization of debt discounts relating to the sale of convertible debentures in 2018 and is a non-cash (accounting) charge.

VALUATION

Currently, based on our analysis, Newgioco trades at EV/Revenue of 1.0x for 2019 and 0.8x for 2020. This is well below the peer group range of 1.6x-3.3x for 2019 and 1.7x-2.9x for 2020.

Our DCF model with a 10% WACC and a six-year terminal multiple of 9.0x EBITDA, yields a 1-year target share value of \$2.07.

Using a revenue multiple of 2.0x and a mid-year 2020 Revenue of \$49.9 million, the 1-year target share price is \$1.27.

Using an EBITDA multiple of 9.0x EBITDA, and a mid-year 2020 EBITDA of \$5.3 million, the 1-year target share price is \$0.60.

Target Price (1-year) Calculation for Newgioco:

			Target (1-year)
Method 1:	WACC	Terminal Multiple (Year 6)	
	10%	9.0x EBITDA	\$2.07
Method 2:	Revenue Multiple	Mid-Year 2020 Revenue (Est.)	
	2.0x	\$49.9 million	\$1.27
Method 3:	EBITDA Multiple	Mid-Year 2020 EBITDA (Est.)	
	9.0x	\$5.3 million	\$0.60
Equal-Weighted Target Price (1-year):			\$1.30

We are Initiating Coverage on Newgioco with a (blended) 1-year price target of \$1.30 and represents a 37% discount to the 1-year DCF net asset value of \$2.07.

Figure 16: DCF Analysis

Newgioco Group Inc.								
DCF Analysis (US\$)	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Revenue (\$)	34,575,097	44,585,178	55,250,734	65,765,381	78,335,125	94,310,327	113,649,067	136,969,255
Revenue Growth	51.2%	29.0%	23.9%	19.0%	19.1%	20.4%	20.5%	20.5%
EBITDA (\$)	973,926	3,576,420	6,945,314	9,584,183	13,283,439	18,291,817	24,830,613	31,930,234
EBITDA Growth	-70.5%	267.2%	94.2%	38.0%	38.6%	37.7%	35.7%	28.6%
EBITDA Margin	2.8%	8.0%	12.6%	14.6%	17.0%	19.4%	21.8%	23.3%
Depreciation and Amortization	546,652	710,780	315,226	278,382	240,641	231,390	225,590	221,851
EBIT (\$)	427,274	2,865,640	6,630,088	9,305,801	13,042,798	18,060,428	24,605,023	31,708,383
NOPAT	987,569	583,907	4,735,777	6,647,001	9,316,285	12,900,305	17,575,016	22,648,845
Plus Amortization (\$)	546,652	710,780	315,226	278,382	240,641	231,390	225,590	221,851
Less Capital Expenditures (\$)	(4,455,099)	(115,770)	(76,983)	(9,783)	(752,415)	(560)	(130)	(30)
Capital Intensity	12.9%	0.3%	0.1%	0.0%	1.0%	0.0%	0.0%	0.0%
Net Working Capital Changes	2,518,562	(537,662)	2,377,313	1,087,284	1,198,308	1,478,363	1,695,779	2,199,945
EPS (Continuing)	0.04	-0.02	0.04	0.06	0.09	0.13	0.19	0.24
Unlevered Free Cash Flow (\$)	(402,316)	(526,559)	7,351,334	8,002,884	10,002,819	14,609,498	19,496,255	25,070,611
PV of Unlevered FCFs (\$)	(416,751)	(495,865)	6,291,830	6,226,796	7,075,349	9,394,379	11,394,044	13,319,838

Valuation Assumptions:

Discount Rate	10%
Terminal Multiple	9.0x

Valuation Analysis:

	Current	1-Yr Target	2-Yr Target
Total PV of FCFs (\$)	53,206,372	53,702,237	47,410,407
Terminal Value (\$)	287,372,102	287,372,102	287,372,102
PV of Terminal Value (\$)	152,678,759	167,946,635	184,789,546
Net (debt) cash position	6,202,285	1,007,976	4,655,849
Total Value (\$)	212,087,416	222,656,848	236,855,802
DCF Value/Share	1.98	2.07	2.21
FD Shares O/S	107,316,295	107,316,295	107,316,295

Source: Company Reports and eResearch Corp.

APPENDIX A: NEWGIOCO'S FINANCIAL STATEMENTS

Figure 17: NWGI Income Statement

Newgioco Group Inc. Income Statement (FYE Dec, US\$)	2017	2018	Q119	Q219E	Q319E	Q419E	2019E	2020E	2021E
Revenue									
Total Revenue	22,865,146	34,575,097	9,266,294	11,396,030	9,821,331	14,101,523	44,585,178	55,250,734	65,765,381
Expenses									
Sales and Marketing	14,672,099	24,142,110	7,407,706	7,521,380	6,482,079	7,755,838	29,167,002	35,912,977	41,991,196
General and Administrative	5,597,881	10,005,713	3,173,467	3,133,908	3,142,826	3,102,335	12,552,536	12,707,669	14,468,384
Total Operating Expenses	20,269,980	34,147,823	10,581,173	10,655,288	9,624,904	10,858,173	41,719,538	48,620,646	56,459,579
Operating Income	2,595,166	427,274	(1,314,879)	740,742	196,427	3,243,350	2,865,640	6,630,088	9,305,801
Total Other Income	(256,356)	(2,370,881)	(1,528,790)	(573,257)	(517,746)	(467,641)	(3,087,435)	(1,460,177)	(973,126)
EBT	2,338,810	(1,943,607)	(2,843,669)	167,485	(321,320)	2,775,709	(221,795)	5,169,911	8,332,675
Income Taxes	(972,924)	(1,102,701)	(261,547)	(66,994)	128,528	(1,110,284)	(1,310,297)	(2,067,964)	(3,333,070)
Net Income (Loss)	1,365,886	(3,046,308)	(3,105,216)	100,491	(192,792)	1,665,425	(1,532,091)	3,101,947	4,999,605
EPS									
Basic EPS	0.02	0.04	(0.04)	0.00	(0.00)	0.02	(0.02)	0.04	0.06
Diluted EPS	0.02	0.04	(0.04)	0.00	(0.00)	0.02	(0.02)	0.04	0.06
EBITDA	3,296,761	973,926	(1,156,779)	964,505	387,472	3,381,222	3,576,420	6,945,314	9,584,183
Shares Outstanding									
Shares Outstanding, Basic	74,032,631	75,887,946	76,394,867	78,363,165	78,363,165	78,363,165	78,363,165	78,363,165	78,363,165
Shares Outstanding, Diluted	75,344,948	75,887,946	76,394,867	78,363,165	78,363,165	78,363,165	78,363,165	78,363,165	78,363,165

Source: Company Reports and eResearch Corp.

Figure 18: NWGI Balance Sheet

Newgioco Group Inc.									
Balance Sheet (As at Dec 31, US\$)									
	2017	2018	Q119	Q219E	Q319E	Q419E	2019E	2020E	2021E
Current Assets									
Cash	6,469,858	6,289,903	5,179,403	4,165,329	3,235,778	4,770,239	4,770,239	9,205,857	14,709,315
Trade & Other Receivables	1,280,320	1,081,048	1,291,557	1,497,630	1,290,688	1,853,178	1,853,178	2,327,581	2,770,725
Prepaid Expenses & Other Assets	100,235	180,412	276,267	378,591	341,595	382,662	382,662	544,996	632,115
Total Current Assets	7,850,413	7,551,363	6,747,227	6,041,551	4,868,061	7,006,079	7,006,079	12,078,434	18,112,155
Non-Current Assets									
Property and Equipment	280,111	354,799	383,528	240,416	136,149	72,129	72,129	60,837	16,029
Intangible Assets	3,245,748	12,583,457	16,468,511	16,410,871	16,353,433	16,296,196	16,296,196	16,069,244	15,845,453
Goodwill	260,318	262,552	267,146	267,146	267,146	267,146	267,146	267,146	267,146
Restricted Cash	587,905	1,560,539	1,549,431	1,549,431	1,549,431	1,549,431	1,549,431	1,549,431	1,549,431
Total Assets	12,224,496	22,587,710	25,665,843	24,759,415	23,424,220	25,440,980	25,440,980	30,275,092	36,040,215
Current Liabilities									
Trade & Other Payables	4,436,787	6,709,461	7,531,588	7,029,312	6,342,407	7,104,905	7,104,905	10,118,954	11,736,502
Operating Line	298,268	1,188,998	825,000	759,000	698,280	642,418	642,418	460,223	329,701
Short-Term Debt	2,114,743	39,237	4,196,230	3,776,607	3,398,946	3,059,052	3,059,052	2,007,044	1,316,821
Convertible Debt	365,160	3,942,523	4,473,994	4,473,994	4,473,994	4,473,994	4,473,994	4,473,994	4,473,994
Total Current Liabilities	7,214,958	11,880,219	17,026,812	16,038,913	14,913,627	15,280,368	15,280,368	17,060,216	17,857,019
Non-Current Liabilities									
Term Loan	362,808	225,131	190,197	171,177	154,060	138,654	138,654	90,971	59,686
Provision/Loan Payable/Benefits Payable	532,680	608,728	619,991	619,991	619,991	619,991	619,991	619,991	619,991
Total Liabilities	8,110,446	12,714,078	17,837,000	16,830,081	15,687,678	16,039,013	16,039,013	17,771,177	18,536,696
Shareholders Equity									
Share Capital	7,415	7,555	7,837	7,837	7,837	7,837	7,837	7,837	7,837
Contributed Surplus	14,254,582	23,956,309	25,072,634	25,072,634	25,072,634	25,072,634	25,072,634	25,072,634	25,072,634
Retained Earnings	(9,897,620)	(13,008,894)	(16,114,110)	(16,013,619)	(16,206,411)	(14,540,985)	(14,540,985)	(11,439,039)	(6,439,434)
Total Shareholders Equity	4,114,050	9,873,632	7,828,843	7,929,334	7,736,542	9,401,968	9,401,968	12,503,914	17,503,519

Source: Company Reports and eResearch Corp.

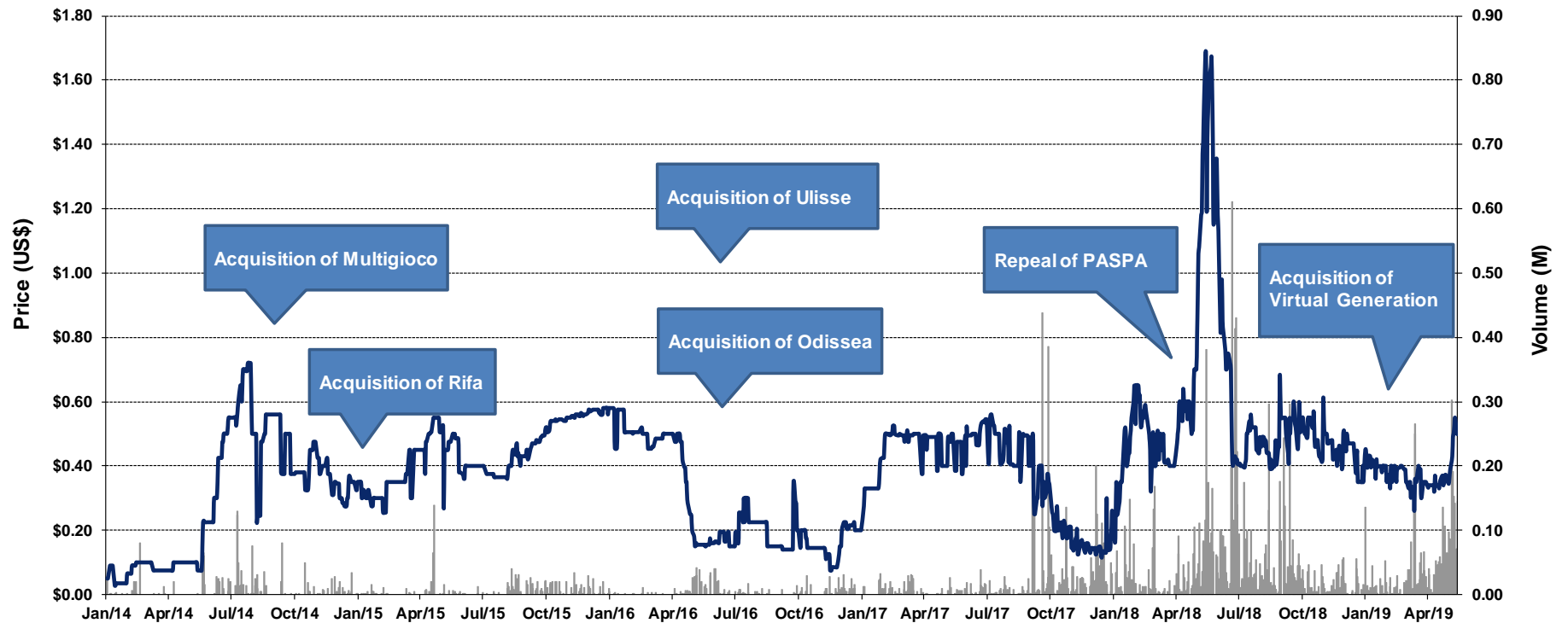
Figure 19: NWGI Cash Flow Statement

Newgioco Group Inc.									
Cash Flow Statement (FYE Dec, US\$)	2017	2018	Q119	Q219E	Q319E	Q419E	2019E	2020E	2021E
Cash Provided By Operating Activities									
Net Income (Loss)	1,365,886	(3,046,308)	(3,105,216)	100,491	(192,792)	1,665,425	(1,532,091)	3,101,947	4,999,605
Amortization of Intangibles	601,266	58,188	-	57,640	57,438	57,237	172,315	226,952	223,791
Depreciation of Property & Equipment	100,329	488,464	158,100	166,124	133,607	80,635	538,465	88,274	54,591
Impairment	-	(518,354)	-	-	-	-	-	-	-
Changes in Non-Cash Working Capital									
Trade & Other Receivables	1,152,785	242,832	(205,281)	(206,073)	206,942	(562,489)	(766,902)	(474,403)	(443,144)
Prepaid Expenses & Other Assets	-	(138,366)	(58,555)	(102,324)	36,996	(41,067)	(164,950)	(162,333)	(87,119)
Trade & Other Payables	-	2,414,096	820,873	(502,276)	(686,905)	762,498	394,190	3,014,049	1,617,548
Total Cash Provided By Operating Activities	3,358,674	1,774,952	(812,851)	(486,419)	(444,714)	1,962,239	218,255	5,794,486	6,365,271
Investing Activities									
Purchase of Property & Equipment	(180,722)	(4,455,099)	(46,804)	(23,012)	(29,339)	(16,615)	(115,770)	(76,983)	(9,783)
Redemption of Short-Term Investments & Restricted Cash	(45,142)	(972,634)	1	-	-	-	1	-	-
Total Cash From Investing Activities	(225,864)	(5,427,733)	(459)	(23,012)	(29,339)	(16,615)	(69,425)	(76,983)	(9,783)
Financing Activities									
Proceeds from Loan	591,202	6,883,906	(29,134)	-	-	-	(29,134)	-	-
Operating Line (Repayment)	165,925	14,454	75,000	(66,000)	(60,720)	(55,862)	(107,582)	(182,194)	(130,523)
Repayment of Loan	(186,502)	(137,965)	-	(438,643)	(394,778)	(355,301)	(1,188,722)	(1,099,691)	(721,507)
Issue of Equity	-	(2,261,307)	196,783	-	-	-	196,783	-	-
Total Cash From Financing Activities	570,625	4,499,088	(178,420)	(504,643)	(455,498)	(411,163)	(1,549,724)	(1,281,885)	(852,030)
Net Increase in Cash	4,239,436	(179,955)	(1,110,500)	(1,014,074)	(929,552)	1,534,461	(1,519,664)	4,435,618	5,503,458
Beginning Cash	2,230,422	6,469,858	6,289,903	5,179,403	4,165,329	3,235,778	6,289,903	4,770,239	9,205,857
Ending Cash	6,469,858	6,289,903	5,179,403	4,165,329	3,235,778	4,770,239	4,770,239	9,205,857	14,709,315

Source: Company Reports and eResearch Corp.

APPENDIX B: NEWGIOCO 5-YEAR STOCK CHART AND CORPORATE EVENTS

Figure 20: Newgioco 5-Year Stock Chart with Corporate Events



Source: Yahoo!Finance, Company Reports and eResearch Corp.

APPENDIX C: GAMING/GAMBLING COMPARABLES

Figure 21: Gaming/Gambling Comparables

Name	May 15/19 Close	Mkt Cap (M)	Cash (M)	Debt (M)	EV (M)	2018A 2019E 2020E			EBITDA (M)			EV/Revenue			EV/EBITDA		
						2018A	2019E	2020E	2018A	2019E	2020E	2018A	2019E	2020E	2018A	2019E	2020E
Large-Cap																	
Activision Blizzard, Inc.	\$46.28	\$35,451	\$4,835	\$2,955	\$33,571	\$7,500	\$6,374	\$7,073	\$2,507	\$2,262	\$2,705	4.5x	5.3x	4.7x	13.4x	14.8x	12.4x
Aristocrat Leisure Limited	\$17.74	\$11,331	\$302	\$1,997	\$13,021	\$2,461	\$2,964	\$3,203	\$792	\$1,009	\$1,166	5.3x	4.4x	4.1x	16.4x	12.9x	11.2x
Tabcorp Holdings Limited	\$3.18	\$6,413	\$287	\$2,642	\$8,768	\$3,658	\$2,895	\$3,849	\$532	\$766	\$808	2.4x	3.0x	2.3x	16.5x	11.4x	10.9x
Paddy Power Betfair plc	\$75.24	\$5,871	\$158	\$361	\$6,346	\$2,388	\$2,731	\$3,025	\$575	\$486	\$558	2.7x	2.3x	2.1x	11.0x	13.1x	11.4x
The Stars Group Inc.	\$18.22	\$4,980	\$267	\$5,455	\$10,173	\$2,029	\$2,670	\$2,913	\$528	\$975	\$1,122	5.0x	3.8x	3.5x	19.3x	10.4x	9.1x
GVC Holdings PLC	\$7.64	\$4,444	\$551	\$2,877	\$6,819	\$3,777	\$4,546	\$4,635	\$414	\$848	\$947	1.8x	1.5x	1.5x	16.5x	8.0x	7.2x
Evolution Gaming Group AB (publ)	\$93.47	\$3,362	\$116	\$24	\$3,270	\$281	\$385	\$456	\$111	\$176	\$209	11.6x	8.5x	7.2x	29.3x	18.6x	15.6x
Boyd Gaming Corporation	\$26.52	\$2,943	\$248	\$4,869	\$7,564	\$2,493	\$3,330	\$3,385	\$586	\$799	\$833	3.0x	2.3x	2.2x	12.9x	9.5x	9.1x
International Game Technology PLC	\$13.98	\$2,857	\$251	\$8,055	\$11,601	\$4,830	\$4,808	\$4,908	\$1,418	\$1,721	\$1,763	2.4x	2.4x	2.4x	8.2x	6.7x	6.6x
Universal Entertainment Corporation	\$30.13	\$2,369	\$311	\$752	\$2,811	\$852	\$1,339	\$1,669	-\$45	\$328	\$495	3.3x	2.1x	1.7x		8.6x	5.7x
IG Group Holdings plc	\$6.18	\$2,267	\$502	\$127	\$1,892	\$724	\$647	\$656	\$337	\$284	\$292	2.6x	2.9x	2.9x	5.7x	6.7x	6.5x
Great Canadian Gaming Corporation	\$31.07	\$1,842	\$227	\$1,155	\$2,868	\$895	\$1,019	\$1,117	\$338	\$409	\$384	3.2x	2.8x	2.6x	8.5x	7.0x	7.5x
Scientific Games Corporation	\$21.28	\$1,977	\$1,213	\$10,113	\$10,877	\$3,363	\$3,488	\$3,635	\$1,048	\$1,375	\$1,439	3.2x	3.1x	3.0x	10.4x	7.9x	7.6x
Kindred Group plc	\$7.57	\$1,715	\$147	\$284	\$1,852	\$1,157	\$1,254	\$1,416	\$261	\$218	\$268	1.6x	1.5x	1.3x	7.1x	8.5x	6.9x
William Hill plc	\$1.73	\$1,514	\$648	\$913	\$1,779	\$2,057	\$2,109	\$2,245	\$320	\$284	\$321	0.9x	0.8x	0.8x	5.6x	6.3x	5.5x
Playtech plc	\$5.15	\$1,582	\$712	\$929	\$1,807	\$1,420	\$1,801	\$1,859	\$303	\$446	\$477	1.3x	1.0x	1.0x	6.0x	4.1x	3.8x
Betsson AB	\$6.28	\$869	\$64	\$125	\$929	\$564	\$572	\$622	\$132	\$145	\$148	1.6x	1.6x	1.5x	7.0x	6.4x	6.3x
												3.3x	2.9x	2.6x	11.0x	9.5x	8.4x
												2.7x	2.4x	2.3x	10.7x	8.5x	9.1x
Mid-Cap																	
The Rank Group Plc	\$1.99	\$779	\$90	\$80	\$769	\$889	\$977	\$991	\$130	\$151	\$156	0.9x	0.8x	0.8x	5.9x	5.1x	4.9x
PlayAGS, Inc.	\$20.50	\$726	\$14	\$539	\$1,251	\$285	\$333	\$366	\$116	\$161	\$179	4.4x	3.8x	3.4x	10.8x	7.8x	7.0x
NetEnt AB (publ)	\$3.09	\$743	\$62	\$27	\$708	\$185	\$182	\$194	\$70	\$90	\$98	3.8x	3.9x	3.7x	10.1x	7.9x	7.2x
Everi Holdings Inc.	\$11.01	\$783	\$148	\$1,180	\$1,815	\$470	\$510	\$552	\$222	\$253	\$276	3.9x	3.6x	3.3x	8.2x	7.2x	6.6x
888 Holdings plc	\$1.69	\$621	\$133	\$0	\$488	\$541	\$562	\$597	\$97	\$89	\$97	0.9x	0.9x	0.8x	5.0x	5.5x	5.0x
JPJ Group plc	\$9.00	\$670	\$108	\$481	\$1,044	\$407	\$417	\$444	\$137	\$125	\$128	2.6x	2.5x	2.4x	7.6x	8.4x	8.1x
Kambi Group plc	\$19.58	\$593	\$46	\$18	\$565	\$87	\$105	\$127	\$17	\$33	\$46	6.5x	5.4x	4.4x	32.6x	17.3x	12.3x
LeoVegas AB (publ)	\$3.03	\$308	\$55	\$122	\$382	\$375	\$411	\$483	\$48	\$47	\$66	1.0x	0.9x	0.8x	8.0x	8.2x	5.8x
Gamenet Group S.p.A.	\$9.63	\$285	\$84	\$540	\$748	\$724	\$792	\$848	\$99	\$161	\$188	1.0x	0.9x	0.9x	7.5x	4.6x	4.0x
Ainsworth Game Technology Limited	\$0.56	\$189	\$36	\$45	\$198	\$184	\$167	\$176	\$36	\$44	\$36	1.1x	1.2x	1.1x	5.5x	4.5x	5.6x
Inspired Entertainment, Inc.	\$8.11	\$180	\$20	\$132	\$292	\$141	\$130	\$139	\$27	\$47	\$51	2.1x	2.3x	2.1x	10.7x	6.3x	5.8x
Stride Gaming Plc	\$1.51	\$115	\$37	\$6	\$84	\$110	\$109	\$125	\$20	\$19	\$21	0.8x	0.8x	0.7x	4.2x	4.4x	4.1x
												2.4x	2.2x	2.0x	7.6x	7.3x	6.4x
												1.6x	1.7x	1.6x	7.8x	6.7x	5.8x
Newgioco Group, Inc.	\$0.46	\$36	\$6	\$5	\$35	\$35	\$45	\$55	\$1	\$4	\$7	1.0x	0.8x	0.6x	38.0x	9.7x	5.0x
Small-Cap																	
Sportech PLC	\$0.34	\$65	\$23	\$0	\$42	\$81	\$85	\$89	\$4	\$11	\$12	0.5x	0.5x	0.5x	11.1x	3.9x	3.5x
Galaxy Gaming, Inc.	\$1.80	\$73	\$6	\$10	\$77	\$19	\$0	\$0	\$6	\$0	\$0	4.1x			13.2x		
GAN plc	\$0.73	\$62	\$7	\$1	\$56	\$13	\$22	\$30	-\$8	\$5	\$10	4.2x	2.5x	1.9x		10.6x	5.5x
Seven Aces Limited	\$0.60	\$43	\$2	\$69	\$116	\$72	\$76	\$80	\$26	\$29	\$31	1.6x	1.5x	1.5x	4.5x	4.0x	3.8x
Bragg Gaming Group Inc.	\$0.29	\$23	\$0.5	\$0.0	\$22.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0						
Jackpot Digital Inc.	\$0.11	\$7.2	\$0.0	\$6.2	\$12.5	\$1.5	\$0.0	\$0.0	-\$2.0	\$0.0	\$0.0	8.1x					
Global Daily Fantasy Sports Inc.	\$0.07	\$5.0	\$0.2	\$0.0	\$4.8	\$0.1	\$0.0	\$0.0	-\$3.1	\$0.0	\$0.0	61.5x					
Contagious Gaming Inc.	\$0.03	\$0.8	\$0.2	\$0.5	\$1.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	2.7x					
Mean (excluding NWGI; multiple <20X)												3.5x	1.5x	1.3x	9.6x	6.2x	4.3x
Median (excluding NWGI)												4.1x	1.5x	1.5x	11.1x	4.0x	3.8x

Source: S&P Capital IQ and eResearch Corp.

APPENDIX D: RISKS

Newgioco's primary business was established by acquisitions in 2014, 2015, 2016 and 2019, and, therefore, they are individually subject to the risk inherent with assimilating and integrating a new business, including execution of the company's strategy, dealing with competitive pricing pressures from incumbents, limited capital resources and cash flow constraints. Other risks include the following:

Business and Operating Risks:

- Newgioco has experienced rapid growth and organizational change since 2014 and if the Company fails to manage its growth effectively, it will negatively impact its business plan.
- Newgioco's business strategy, to a large extent, includes growth through acquisitions. Revenue growth and profits could be adversely affected if the Company cannot acquire and successfully integrate new operations or if an acquisition has made submission and reporting errors that the Company may be liable for such errors.
- Newgioco depends on payments from third-party service providers and if the Company was unable to collect payments or these payments did not increase as the Company's costs increased, the financial condition may be adversely affected.
- Newgioco depends on third parties, such as with Microgame, Peoples and SNAI, to provide certain components and products distributed through its online gambling platform. If any third-party agreement is terminated or there are any increased costs associated with the third-party agreements, then these events may negatively affect the company's financial condition and/or ability to continue operations.
- As Newgioco's operations grow beyond its current markets, the Company faces foreign currency exchange rate fluctuations that could negatively affect the company's results.

Financial Risks:

- Newgioco has incurred negative Net Income in 4 of the past 5 years and is not guaranteed to achieve profitability on a going-forward basis. Although Cash Flow from Operations has been positive for the past 3 years, the Company may require capital resources to complete acquisitions and grow its operators.

Legal and Regulatory Risks:

- Operations in countries, states or regions require gambling licenses and any restriction or change in the legal requirements could adversely affect revenues and profits.
- Any security or privacy breach involving unauthorized access to customer data or the Company's betting platform may reduce demand for the Company's solutions and/or may result in significant fines or regulatory compliance issues.
- The protection of the Newgioco's intellectual property is important in preventing third parties from using its proprietary technologies and weakening its competitive advantage.

Sales and Marketing Risks:

- Newgioco derives revenue from gambling activity through its website and partner websites of its betting platform clients. Any decline in the popularity of those websites or any changes to customer preferences could negatively impact its sales.
- Failure by Newgioco to effectively develop and expand its sales or enhance its brand, could adversely affect its operating results.
- There is revenue concentration risk as revenue is currently concentrated from operations in Italy.
- Newgioco's business is dependent on retail agents and partners, if the Company is unable to maintain successful relationships with retail agents and partners, its operating results could be adversely affected.
- There is strong competition in the gambling industry and if Newgioco is unable to effectively compete for operators, customers, sponsorship contracts with sports teams and strategic relationships, its business and profitability may be adversely affected.

Technology Risks:

- Newgioco needs to continually innovate to keep ahead of customer preferences and new gambling technology. The Company's research and development efforts are costly and may not contribute to revenues for several years, if at all.
- As Newgioco expands into new markets, there is a risk that the Company may not be able to successfully scale its technology.

APPENDIX E: MANAGEMENT & BOARD OF DIRECTORS

Management

Michele Ciavarella, Chief Executive Officer and Director

Michele Ciavarella has over 25 years of C-Level and Senior Management experience. He has served as Newgioco's CEO since June 2011, as well as being a member of Newgioco's Board of Directors. Since joining the Company in 2004, he has served in various capacities, including:

- Chairman of the Board: 2011 to 2014
- President: 2004 to 2011
- Director of Operations: 2005 to 2011

From 2004 to 2013, Mr. Ciavarella was also engaged in senior executive and director roles for a variety of private and publicly listed companies, including Kerr Mines Ltd., as well as the Business Development Officer for a family business in the commercial retail fixture manufacturing industry.

From 1990 until 2004, Mr. Ciavarella served as a senior executive, financial planner & advisor, and life insurance underwriter for Sun Life Financial and Manulife Financial.

Mr. Ciavarella graduated with a Bachelor of Science degree from Laurentian University in Sudbury, Canada.

Luca Pasquini, Vice President of Technology and Director

Luca Pasquini has over 30 years of information technology experience in software & technology development and, since August 2016, has worked as VP Technology and served as a member of Newgioco's Board of Directors.

In 2013, Mr. Pasquini co-founded Odissea with Gabriele Peroni that was acquired by Newgioco in 2016. At Odissea, he assembled and led the team that created a sports betting platform (ELYS™) and full suite of gaming products.

Prior to Odissea, from 2011 to 2013, Mr. Pasquini served as the IT Manager of GoldBet sportwetten GmbH where he provided executive oversight of software development and technology adaptation.

Mr. Pasquini graduated from the Istituto Superiore Valdarno in San Giovanni Valdarno in Italy, with studies in technical engineering.

Elizabeth J. MacLean, Chief Financial Officer and Chief Compliance Officer

Elizabeth MacLean has more than 20 years' experience leading Finance teams, in both the United States and the United Kingdom, and has been the Chief Financial Officer and Chief Compliance Officer since December 2018.

Since September 2016, Ms. MacLean has served as the Treasurer of H. MacLean Realty Company, Inc. as well as the Interim President since September 2017.

From October 2016 to October 2017, Ms. MacLean served as Director, Financial Planning and Analytics for Blackboard Transact, and from October 2009 until March 2016, she served as Director, Financial Planning and Analytics for Apollo Education Group/University of Phoenix. Ms. MacLean also served previously as the Global Lead for Financial Systems and Processes for Progressive Gaming International.

Ms. MacLean received a Bachelor of Arts in Biology from the University of Chicago in Chicago, U.S.A and an MBA from Stanford University in Stanford, U.S.A with specialties in Statistics and Game Theory.

Alessandro Marcelli, Vice President of Operations

Alessandro Marcelli has more than 20 years of experience in the technology industry, has served as the VP Operations since 2014, and previously served as the President of Newgioco from 2014 to 2017.

Since 2007, Mr. Marcelli has been the COO and Managing Director of Multigioco, acquired by Newgioco in 2014.

Prior to Multigioco, Mr. Marcelli worked for Vodafone Group PLC for 12 years as the manager of the operational and maintenance center for central and south Italy operations.

Beniamino Gianfelici, Vice President Regulatory Affairs

Beniamino Gianfelici is the Founder of Newgioco and has served as the VP of Regulatory Affairs since August 2015.

Mr. Gianfelici served as a member of Newgioco's Board of Directors from August 2015 until May 2017 and brings over 35 years of experience in gaming operations in Italy.

Prior to establishing Newgioco in 1996 and entering the gaming industry, Mr. Gianfelici founded an Italian construction business.

Gabriele Peroni, Vice President Business Development

Mr. Peroni brings 20 years of experience in the web-based and land-based gaming business and has served as the VP Business Development since August 2016.

In 2013, Mr. Peroni co-founded Odissea with Luca Pasquini that was acquired by Newgioco in 2016. At Odissea, he was responsible for securing a number of significant B2B contracts.

From 2011 to 2013, Gabriele was the senior sales manager for GoldBet sportwetten GmbH, responsible for business development throughout Italy.

Ralph M. Garcea, Vice President Corporate and Business Development

Ralph Garcea has more than 22 years' experience in senior equity analyst positions at bank & brokerage firms, and has been the VP Corporate and Business Development since September 2018.

Mr. Garcea co-founded Focus Merchant Group in September 2018. Previously, Mr. Garcea was a Managing Director in Equity Research at Echelon Wealth Partners from 2017-2018, and an Equity Research Analyst with Cantor Fitzgerald Canada from 2015-2017 and Global Maxfin Capital from 2013-2014.

During his equity research career, Mr. Garcea received top rankings from Brendan Woods, Greenwich, Starmine and Thomson Reuters analysts' surveys. He covered gaming, technology and industrial companies, across a broad range of market capitalizations and equity markets, including Stars Group (NASDAQ: TSG), NYX Gaming (acquired by Bally Gaming, a subsidiary of Scientific Games Corporation (NASDAQ: SGMS) in 2018), Jackpotjoy (LSE: JPJ) and Pollard Banknote (TSX: PBL).

Mr. Garcea holds an Aerospace Engineering degree from the University of Toronto in Toronto, Canada and an MBA from the Schulich School of Business at York University in Toronto, Canada.

Board of Directors

Harold M. Wolkin, Chairman of the Board of Directors

Harold Wolkin is an executive, investment banker and financial analyst with over 30 years of business experience. He is the Chairman of the Board and has served as a member of the Newgioco's Board of Directors since July 2018.

Since retiring in 2011, Mr. Wolkin has served on numerous boards and committees of exchange listed, private and non-for-profit companies including currently serving as Vice Chairman of the Board and Chair of the Audit committee for Baylin Technologies (TSX: BYL), member of the Board for Cipher Pharmaceuticals (TSX: CPH), and member of the Board for Diamond Estates Wine & Spirits (YSXV: DWS).

From August 2009 until January 2011, Mr. Wolkin served as Executive Vice President, Head of Investment Banking of Dundee Capital Markets, and from July 2008 until August 2009, he served as Founder, Vice Chairman, Head of Investment Banking of Sandfire Securities, Inc.

Mr. Wolkin received a Master of Arts in economics from the University of Toronto in Toronto, Canada and a Bachelor of Arts in economics from York University in Toronto, Canada. He also holds a number of professional affiliations including, being a Chartered Financial Analyst ("CFA") charter holder, a graduate of the Institute of Corporate Directors Program, Rotman School of Management, and Former President, Toronto CFA Society.

Russ McMeekin, Independent Director

Russ McMeekin has over 25 years of professional experience in gaming, technology and executive management and joined Newgioco's Board of Directors in July 2018.

Mr. McMeekin also currently serves as the Chief Executive Officer, President and co-Founder Universal mCloud Corp. (TSXV: MCLD) and is a director of Pool Safe Inc. (TSXV: POOL).

From July 2002 until November 2008, Mr. McMeekin served as President, Chief Executive Officer and a member of the Board of Progressive Gaming International, an integrated gaming management systems provider who supplied casino and jackpot solutions, including multiple forms of regulated wagering solutions in wired, wireless, and mobile formats for the gaming industry worldwide.

Mr. McMeekin received an Engineering Technology Diploma from Sault College in Sault Ste. Marie, Canada with additional engineering studies University of Waterloo in Waterloo, Canada. He also completed the Executive Business Program at the Harvard Business School in Boston, U.S.A. and completed the Executive Director Program at Stanford School of Law in Stanford, U.S.A.

William Rutsey, Independent Director

William Rutsey is a senior executive and an advisor to the public and private sectors in the gaming, sports and entertainment and real estate fields and has served as a member of the Newgioco's Board of Directors since July 2018.

As Chief Executive Officer of Multigames International Inc (2001-2007) and RPC Gaming Inc. (1994-2001), Mr. Rutsey developed and managed gaming businesses in Las Vegas, Ontario (Canada) and internationally.

Mr. Rutsey was the co-Founder, President and Chief Executive Officer of the Canadian Gaming Association from 2005 until his retirement from the organization in 2017. In 2006, Mr. Rutsey co-founded Canada's annual gaming industry convocation, the Canadian Gaming Summit, and served as its Chairman from March 2006 until June 2017. He also served as the co-publisher of Canadian Gaming Business, a gaming industry magazine, from January 2006 until June 2017.

In 2017, Mr. Rutsey received the Industry Leadership and Outstanding Contribution award from the Canadian Gaming Industry, which is awarded for lifetime achievement and, upon his retirement, the Canadian Gaming Association established the William Rutsey Future Leaders Scholarship.

Michele Ciavarella, Chief Executive Officer and Director

See his biography in the Management section.

Luca Pasquini, Vice President of Technology and Director

See his biography in the Management section.

APPENDIX F: RECENT NEWS RELEASES

NEWGIOCO SIGNS EXPANSION DEAL INTO SOUTHERN ITALY

April 10, 2019

Newgioco announced that the Company has signed a key Malta-based operator with a large network of regulated locations and online gaming business throughout southern Italy. The deal strengthens Newgioco's footprint and increases accretive growth in core Italian market. The new customer selected Newgioco's ELYS™ sports betting platform for its "unique and innovative features" including improving the visibility of the customer's gaming business analytics and bet risk-management throughout their venues.

NEWGIOCO SIGNS MULTI-YEAR DEAL WITH FIRST TRIBAL CASINO OPERATOR

April 5, 2019

Newgioco announced that the Company entered into a multi-year agreement with the Chippewa Cree Tribe in Box Elder, Montana to deploy Newgioco's ELYS™ sports betting platform at the Northern Winz Casino. Newgioco continues to capture market share with tribal casinos in the United States following the landmark Supreme Court decision which legalized sports betting nationwide, but awaits a decision on sports betting in Montana (and many other states), and, at this time, is unable to determine the impact that the agreement will have on its 2019 revenues.

NEWGIOCO REPORTS FULL YEAR 2018 RESULTS

March 7, 2019

Newgioco reported its financial and operating results for the 12 months ended December 31, 2018. Highlights included: Revenue of \$34.6 million, up 51.2%; Gross gaming revenue of \$37.7 million, up 60.8%; handle of \$413.2 million, up 89.1%; income from operations of \$427,274, down 83.5% due to \$3.1 million in non-recurring expenses; net loss of \$3.05 million compared to net income of \$1.4 million in 2017; and, adjusted EBITDA of \$3.6 million compared to \$2.6 million in 2017.

NEWGIOCO SIGNS U.S. FLAGSHIP DEAL WITH FLEETWOOD GAMING IN MONTANA

March 6, 2019

Newgioco announced that the Company entered into a multi-year agreement with Fleetwood Gaming, Inc. for the exclusive rights to distribute Newgioco's ELYS™ sports and virtual betting products throughout Fleetwood's distribution network in Montana. It's anticipated that Montana will legalize sports betting during 2019, allowing web-based and mobile-based sports betting as well as kiosks at bars, restaurants and taverns.

NEWGIOCO COMPLETES ACQUISITION OF VIRTUAL GENERATION LIMITED

February 4, 2019

Newgioco announced that the Company has completed the acquisition of Virtual Generation Limited ("VG"), a leading developer of virtual gaming software, and with Naos Holding Limited, a private holding company, for approximately \$4.5 million in a combination of cash and stock. VG's software portfolio of products includes horse racing and greyhound racing, league play football (soccer), keno and American roulette. VG currently operates in 12 countries in South America, Central Asia and Africa with virtually no overlap between the markets they each serve.

APPENDIX G: MULTIGIOCO'S WEBSITES

1. Web-based Platform for Players and Web-shops
 - Owned and operated by Multigioco
 - www.newgioco.it

2. White-label Websites or Webskins for Third-Party Promoters
 - Third-Party website or skin, operated by Multigioco but the and the promoter (also referred to as “partner”, “shop”, “agent” or “promoter”), is responsible for administration, costs and marketing strategies.
 - www.782sport.it
 - www.clubgames.it .
 - www.gamesmart.it
 - www.imperialbet.it
 - www.lovingbet.it .
 - www.mixbet.it
 - www.originalbet.it
 - www.quibet.it
 - www.timetobet.it

APPENDIX H: ERESEARCH DISCLOSURE

eRESEARCH CORPORATION

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: www.eresearch.com

NOTE: eResearch company reports are available FREE on our website but you must REGISTER to access these reports.

eResearch Intellectual Property: No representations, express or implied, are made by eResearch as to the accuracy, completeness or correctness of the comments made in this Company Perspective. This report is not an offer to sell or a solicitation to buy any security of the Company. Neither eResearch nor any person employed by eResearch accepts any liability whatsoever for any direct or indirect loss resulting from any use of its report or the information it contains. This report may not be reproduced, distributed, or published without the express permission of eResearch.

ANALYST ACCREDITATION

eResearch Analyst on this Report: Chris Thompson CFA, MBA, P.Eng.

Analyst Affirmation: I, Chris Thompson, hereby state that, at the time of issuance of this research report, I do not own shares of Newgioco Group, Inc.

eRESEARCH DISCLOSURE STATEMENT

eResearch is engaged solely in the provision of equity research to the investment community. eResearch provides published research and analysis to its Subscribers on its website (www.eresearch.com), and to the general investing public through its extensive electronic distribution network and through newswire agencies. With regards to distribution of its research material, eResearch makes all reasonable efforts to provide its publications, via e-mail, simultaneously to all of its Subscribers.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.

eResearch accepts fees from the companies it researches (the "Covered Companies"), and from financial institutions or other third parties. The purpose of this policy is to defray the cost of researching small and medium capitalization stocks which otherwise receive little or no research coverage.

A third party paid eResearch a fee to have it conduct research and publish reports on the Company.

To ensure complete independence and editorial control over its research, eResearch follows certain business practices and compliance procedures. For instance, fees from Covered Companies are due and payable prior to the commencement of research. Management of the Covered Companies are sent copies, in draft form without a Recommendation or a Target Price, of the Initiating Report and the Update Report prior to publication to ensure our facts are correct, that we have not misrepresented anything, and have not included any non-public, confidential information. At no time is management entitled to comment on issues of judgment, including Analyst opinions, viewpoints, or recommendations. All research reports must be approved, prior to publication, by eResearch's Director of Research, who is a Chartered Financial Analyst (CFA).

All Analysts are required to sign a contract with eResearch prior to engagement, and agree to adhere at all times to the CFA Institute Code of Ethics and Standards of Professional Conduct. eResearch Analysts are compensated on a per-report, per-company basis and not on the basis of his/her recommendations. Analysts are not allowed to accept any fees or other consideration from the companies they cover for eResearch. Analysts are allowed to trade in the shares, warrants, convertible securities or options of companies they cover for eResearch only under strict, specified conditions, which are no less onerous than the guidelines postulated by IIROC. Similarly, eResearch, its officers and directors, are allowed to trade in shares, warrants, convertible securities or options of any of the Covered Companies under identical restrictions.