Inspired Provides Business Update Regarding COVID-19

Retail Business Temporarily Rightsizing as Demand Grows for Online/Mobile Products

NEW YORK, March 30, 2020 /PRNewswire/ -- Inspired Entertainment, Inc. ("Inspired" or the "Company") (NASDAQ: INSE) today provided an update on the effect of COVID-19 on its global operations. Inspired remains focused on maintaining the health and welfare of its teams and, in accordance with governmental restrictions, has temporarily closed its physical locations. The Company will continue to follow the guidelines of government and health officials in determining when to reopen. For this same reason, the majority of the Company's land-based customers have also been required to close, which significantly impairs Inspired's current revenue stream. Due to this business disruption caused by the nearly universal directives to close land-based facilities worldwide, the Company's management and Board of Directors have implemented a range of actions to maintain financial flexibility and preserve liquidity.

"The exceptional team and capabilities we have built, as witnessed in our fourth quarter 2019 results, strongly position us to navigate this unprecedented environment," said Lorne Weil, Executive Chairman of Inspired. "Alongside our concern for the well-being of our employees, our priority is to steadfastly strengthen our financial flexibility, prioritize investments, and reduce our expenditures in this time of uncertainty."

Since mid-March, the Company has drawn down approximately $24.9 million (based on prevailing fx rates) on its revolving credit facility to provide additional near-term liquidity and canceled or delayed material capital expenditures. Most recently, the Company implemented furloughs, reduced work hours and reductions in compensation, as well as additional measures across its entire workforce. The effect of these actions is expected to lower the Company's future cash payroll expense to less than $2.0 million per month (a reduction of approximately 70% per month from pre-COVID-19 Crisis levels). Additionally, the Board has determined to (i) indefinitely delay the payment of accrued executive bonuses for the year ended December 31, 2019 and (ii) waive cash payments of Board retainers that were due to be disbursed during the second quarter of 2019. Furthermore, the Company continues to undertake efforts to get to a breakeven monthly EBITDA level by May 2020 or as soon thereafter as may be practicable.

Weil continued, "We have taken these decisive actions, which we believe are appropriate for our current level of business, as we prepare our Company to withstand a potentially prolonged period of impaired revenue, including the loss of much of our retail revenue. At this point, we have limited visibility as to when our customers' land-based locations may reopen. We believe our actions are appropriate steps to preserve our liquidity given the current environment. That said, we continue to undertake aggressive efforts to reduce our operating expenses on an interim basis and expect to report further as these steps are implemented."

Weil added, "We have been fortunate that each of our Virtual Sports and Gaming businesses have had a substantial and growing presence in online/interactive, providing us an important cushion against the current cessation in our land-based business. Our customers have reported to us that they are experiencing significant demand from consumers in the US, Europe and Australasia to bring Virtual Sports onto their respective systems as rapidly as possible, given the lack of live sports content for wagering. We are doing our best to accommodate such demand at this difficult time."

Weil concluded, "We continue to monitor developments on a real-time basis and are focused on responding to the needs of both our customers and our employees. Our hearts go out to all who have been impacted by this global pandemic. We're looking forward to resuming normal operations as soon as conditions permit, as we seek to build upon our positive momentum from the fourth quarter."

About Inspired Entertainment, Inc.

Inspired offers an expanding portfolio of content, technology, hardware and services for regulated gaming, betting, lottery, and leisure operators across retail and mobile channels around the world. The Company's gaming, virtual sports, interactive and leisure products appeal to a wide variety of players, creating new opportunities for operators to grow their revenue. The Company operates in approximately 35 jurisdictions worldwide, supplying gaming systems with associated terminals and content for more than 50,000 gaming machines located in betting shops, pubs, gaming halls and other route operations; virtual sports products through more than 44,000 retail channels; digital games for 100+ websites; and a variety of amusement entertainment solutions with a total installed base of more than 19,000 devices. Additional information can be found at www.inseinc.com.

Forward Looking Statements

This news release may contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the

use of words such as "anticipate," "believe," "expect," "estimate," "plan," "will," "would" and "project" and other similar expressions that indicate future events or trends or are not statements of historical matters. These statements are based on Inspired's management's current expectations and beliefs, as well as a number of assumptions concerning future events.

Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside of Inspired's control and all of which could cause actual results to differ materially from the results discussed in the forward-looking statements. Accordingly, forward-looking statements should not be relied upon as representing Inspired's views as of any subsequent date, and Inspired does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as required by law. You are advised to review carefully the "Risk Factors" section of Inspired's annual report on Form 10-K for the fiscal year ended September 30, 2018 and in Inspired's subsequent quarterly reports on Form 10-Q, which are available, free of charge, on the U.S. Securities and Exchange Commission's website at www.sec.gov. In addition, the statements made by the Company with respect to the potential impact of COVID-19 on the Company's business and operations, and the Company's expected responses thereto, are forward-looking statements.

Contact:

Aimee Remey
aimee.remey@inseinc.com
+1 646 565-6938

For Press and Sales
inspiredsales@inseinc.com

www.inseinc.com
@Inspired_News

SOURCE Inspired Entertainment, Inc.

---

https://investors.inseinc.com/2020-03-30-Inspired-Provides-Business-Update-Regarding-COVID-19