Inspired Provides Update On Growth Trends And Developments In Its Online Businesses

NEW YORK, Feb. 8, 2021 /PRNewswire/ -- Inspired Entertainment, Inc. ("Inspired") (NASDAQ: INSE) today provided an update on growth trends and recent business developments in its online operations, comprised of its leading global slot and virtual sports content licensed to online operators.

During 2020, aggregate revenue from all of Inspired's online businesses rose from £1.2 million in January to £3.1 million in December ($1.7 million to $4.3 million)[1], a two-and-a-half-fold increase. Inspired's growth in casino and virtual sports online outpaced the general market, even while the general market for online games grew significantly during 2020.

Much of Inspired's growth in 2020 came from its existing customer base in Europe, reflecting the growing migration of end users to online platforms, an increase in the volume and popularity of the Company's new proprietary content, significantly improved game quality, strong account management and the launch of Virtual Plug & Play™ ("VPP"), Inspired's complete end-to-end online and mobile all-in-one virtual offering. Additionally, Inspired launched with over 50 new online customers throughout the UK, New Jersey, Canada, Greece, Mexico, Germany, Belgium, Turkey, Italy and Sweden and further expanded its base of interactive aggregators.

Between January 2020 and December 2020, Inspired's peak level of casino game play increased from 8,000 plays per minute to over 22,000 plays per minute, reflecting the scalability of Inspired's technology platform to accommodate significant increases in volumes. Inspired expects these growth trends, both in the general market and with respect to its business, to continue in 2021 through further jurisdictional expansion, new commercial agreements and continued strong product development across both casino and virtual sports online. Given the scalable nature of Inspired's online business, it is expected that any growth in this business will lead to increasing operating margins over time.

Jurisdictional Expansion

Inspired entered the North American marketplace at the end of 2018 and experienced accelerating growth during 2020. Inspired's business is expected to benefit from an increased presence in a number of key jurisdictions.

- ***Success in New Jersey*** - Inspired has expanded its presence to now include over half of the New Jersey operators as revenue-generating customers. Given the performance of our content in the market, a number of additional customers intend to launch our VPP product in the near future.
- ***New Supplier License in Michigan*** - Inspired was granted a provisional license to supply its online games by the Michigan Gaming Control Board in January 2021. Michigan has launched play and, with a population of approximately 10 million people, remains a focus iGaming market for Inspired. Building on a foundation of commitments from multiple online casino operators, Inspired's remote gaming server ("RGS") platform is expected to launch in early 2021 with 12 slot titles and to add to this continuously going forward.
- ***New Supplier License in West Virginia*** - Inspired was granted a supplier license from the West Virginia Lottery Commission in November 2020 and has commitments to distribute its content later in 2021.

Recent Customer Developments

Inspired has agreements with most of the major online operators and aggregators and continues to seek to expand its distribution channels and brand awareness in North America and beyond by making its casino and virtual sports online content available through these operators and aggregators.

- ***Expanded Framework Agreement with Entain*** - In January 2021, Inspired entered into a new long-term agreement with Entain plc (LSE: ENT) for the provision of virtual sports across Entain's brands. Entain is one of the world's largest sports betting and gaming groups, using some of the industry's most iconic brands such as Ladbrokes, Coral, BetMGM, bwin, Sportingbet, Eurobet, partypoker, partycasino, Gala and Foxy Bingo. This agreement is incremental to Inspired's existing contract for online casino content and represents a significant extension in scope and duration to the existing arrangements.
- ***Expanded Arrangement with Snaitech in Italy*** - In January 2021, Inspired entered into a new virtual sports agreement with SNAITECH in Italy. This agreement expands upon the companies' existing partnership and provides for the launch of virtual sports on SNAITECH's sports betting app and an additional seven virtuals products in 2021, giving SNAITECH the largest suite of virtuals in Italy. Inspired also supplies Interactive content to SNAITECH, a subsidiary of Playtech (LSE: PTEC), which offers sport and horse race betting, virtual sports, video lottery, slots, both online and mobile, esports and pari-mutuel in retail and online.
- ***Launch with Stoiximan and OPAP in Greece –*** Adding to its successful Greek online business, which

includes Novibet, Inspired's Interactive content launched with Stoiximan and OPAP in the second half of 2020, with scheduled online virtuals expected to launch in 2021. Stoiximan is a leading Greek online gaming site owned by OPAP S.A. Inspired's games have consistently been among the top performers in the retail marketplace in Greece and these online launches bring Inspired's best-in-class slot and virtual sports content directly to customers both online and in mobile. Greece has been a standout region for Inspired's online growth in 2020 and creating content for this market is a key strategic objective for Inspired in 2021.

Product Development

Inspired has utilized its industry-leading portfolio of in-house produced virtual sports and slot content to create a diverse portfolio of high-performing HTML5 games for both online and mobile players. In the past year, the Company has seen an approximate 50% increase in new slot title introductions and the launch of a new online virtual sportsbook and several virtual sports variants.

- ***More Online Slot Introductions -*** In 2020, the Company introduced 31 new Interactive slot games versus 20 in 2019. In 2021, Inspired expects to release up to an additional 40 games into its existing library of over 100 games. Players want to play in innovative new ways and many of these new games will be custom built to suit players in specific markets, such as North America and Greece. In addition to increasing the cadence of game development, the Company believes it has successfully improved game quality while delivering additional proprietary content to operators as it continues to seek to increase exposure, improve game positioning and improve customer relationships.
- ***Inspired's Complete End-to-End Virtual Sports Offering Rolling Out -*** Inspired launched its proprietary VPP platform in 2020 and has completed integrations with each of the leading RGS platforms including Scientific Games, Playtech, SBTech, Pariplay and iForium. VPP is simple, quick to install and customizable, making Inspired's multi-award-winning virtual sports available with no sportsbook integration. This first launched with Misli, Turkey's fastest growing gaming website, and has seen stellar results. A larger rollout is expected throughout 2021.
- ***Additional Best-in-Class Virtuals Content -*** As a pioneer in virtual sports, Inspired continuously rolls out new variants of existing games, including Matchday Soccer™, Basketball, US Horses and NFL Alumni™ ("NFLA") football. Several additional variants are expected to be introduced during 2021, including specific games and betting structures tailored to the North American market, where Inspired intends to produce best-in-class content as they do throughout Europe.

"We are very pleased to see our Online business continue its impressive revenue growth trajectory," said Lorne Weil, Executive Chairman of Inspired. "Online gaming is a multi-billion dollar, high-growth segment and we believe we have barely scratched the surface with our casino and virtual sports products. With the growing popularity of our content, increased brand awareness and rapid speed to market, we are confident we are well-positioned to capitalize on this opportunity. Going forward, we expect the online operations to make up a larger part of our business and we are excited for the future as we seek to grow further through jurisdictional expansion, new commercial agreements and product development."

About Inspired Entertainment, Inc.

Inspired offers an expanding portfolio of content, technology, hardware and services for regulated gaming, betting, lottery, social 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 December 31, 2019 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.

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[1] Financials are unaudited and assume an FX exchange rate of 1.37 as of February 5, 2021 for each of January and December 2020.

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