



**INTELLIGENT GAMING
SOLUTIONS S.A.
STRATEGY**

ABOUT THE COMPANY

Intelligent Gaming Solutions S.A. (IGS) is a public company listed on the NewConnect market operated by the Warsaw Stock Exchange.

IGS S.A. is in the process of changing its business model. One of the company's shareholders is FinTech Ventures S.A., which as of the date of publication of the strategy holds 600,000 shares entitling it to 27.27% of votes at the General Meeting of Shareholders. On December 30, 2020, the Extraordinary General Meeting of Shareholders adopted a resolution to issue 15,000,000 series D shares, the buyer of which will be FinTech Ventures S.A. After registration by the Registry Court, FinTech Ventures S.A. will become the owner of 15,600,000 shares, which will ensure a majority share of 90.70% of votes at the General Meeting of Shareholders.

The purpose of changing the business model is to obtain a satisfactory valuation of the Company through the development of each of the three pillars of IGS S.A. operations (LOTTERIES, E-SPORTS, and GAMING).

In the opinion of the Management Board of the Company, changing the operating strategy and simultaneously diversifying risk, based on 3 solid business pillars, will enable IGS S.A. to appear on the rapidly developing markets with a high growth potential.

This document aims to present the Company's profile and the development strategy and activities for the years 2021–2023.

LOTTERIES

As a result of the purchase agreement concluded on July 14, 2020, Intelligent Gaming Solutions S.A. (IGS S.A.) became the owner of 66.9% shares in the share capital of Intelligent Gaming Solutions AB (IGS AB).

IGS AB owns the rights to the Bingo Lotto television program worldwide, excluding the USA and Sweden. Bingo Lotto was established in 1991 as a weekly nationwide lottery combined with an interactive live game show. The company provides high-quality entertainment and a portion of the revenues is donated to charity.

In 1992, BINGO LOTTO quickly became the largest lottery and TV show with 2 million coupons sold every week. It has maintained its strong position to this day. Currently, the 57th lottery season is underway.

Over the years, with an Swedish audience of 10 million, Bingo Lotto has generated more than \$2 billion for charities, particularly sports, and significant revenues for its business partners.

LICENSE STRATEGY

Intelligent Gaming Solutions AB intends to grant licenses to the Bingo Lotto format in various countries around the world and to develop, facilitate, and co-create services in the scope of lotteries and games.

The company's goal is to popularize the Bingo Lotto format and to co-create and supervise work on the creation of new games and lotteries on

request and for specific customer needs. Thanks to the 30 years of experience of Intelligent Gaming Solutions AB in cooperation with strategic, operational and financial partners, the company can develop interesting formats with high entertainment value.

The Company plans to generate profits as follows:

1. Licensing own lottery and game formats

By granting licenses, revenues will be generated from fixed fees or commissions from exclusive licenses for all or part of the existing lotteries and games from the IGS AB catalog to national and international gaming and lottery companies.

2. Development of new lottery and game formats

The Company offers a comprehensive game and lottery development service. This means that it is also able to create completely new lotteries and games which are based on the core elements of the Bingo Lotto format. Initially, these formats can be developed on an advisory basis in order to be able to generate income over time from fixed fees and commission fees.

3. Support for existing lotteries and games

Thanks to its many years of experience, the Company can offer assistance in analysis and consulting, project management, or take part in specific consulting initiatives regarding lottery and game management, the implementation of new game elements, marketing, PR and event organization, and selected media productions. Being a subsidiary of FinTech Ventures S.A., IGS AB will be able to offer its customers additional online services such as micropayments, online security, and others.

MARKET STRATEGY

Intelligent Gaming Solutions AB mainly targets lottery and/or gaming companies which need new games. These can be state monopolies or independent private companies. There is a constant demand for new games and products. All gaming companies need new solutions to maintain or increase their market share.

Secondly, the Company may license its formats to charities, sports organizations, and non-profit organizations which manage the game themselves or cooperate with a local lottery operator. This is a sector that is facing increasing competition and therefore needs to present new and innovative ways to attract support and donations.

For this target group, a successful lottery game can provide a predictable and reliable long-term source of funding, with the added benefit of having the organization's continuous exposure in the media while presenting the results, winners, and funds generated for its good cause.

Thirdly, the Company may license its gaming formats to media companies that, due to their legal status, may operate the games independently or in cooperation with other local stakeholders. A new lottery or game is an exciting offer for both existing and wider audiences, and at the same time, a media company can provide its advertisers with greater reach.

IMPLEMENTATION OF THE STRATEGY

Intelligent Gaming Solutions AB has set the following operational goals for the period 2022-2026:

- Game licenses: 1 license per year.
- Number of new projects: 1 new project per year.
- Support and consulting: 1 new project every two years.

THE CURRENT MARKET IS AN OPPORTUNITY FOR INTERNATIONAL GAMING SYSTEMS AB

In most countries, the market for traditional games and lotteries is well established, but often stagnant in product development and innovation.

In recent years, the level of technical development has been significant. The growing use of smartphones has popularized short, repetitive games.

As a result, betting as an easily accessible form of entertainment has become increasingly socially accepted.

The lack of innovation and the growing demand for entertainment games are an unquestionable opportunity for Intelligent Gaming Solutions AB and the Bingo Lotto format.

The betting market around the world

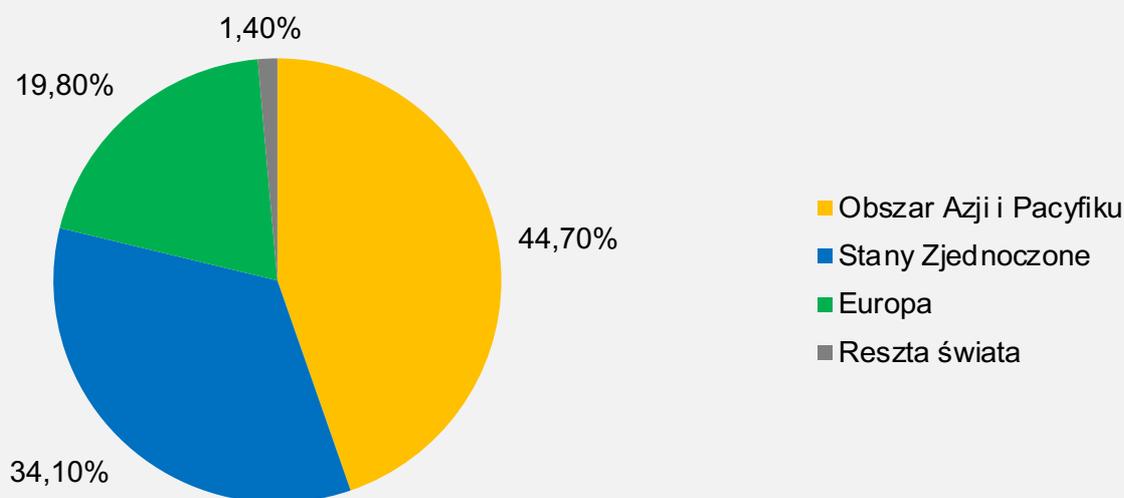
The development of the casino and betting sector is strongly correlated with the legal regulations on betting in individual countries. Geographic areas with relatively liberal regulations experience higher growth than areas with more stringent regulations.

The betting industry is heavily influenced by the development of online betting, which is increasingly being chosen over traditional casino chains.

As a result of the aforementioned trend of transferring activities to the Internet, casinos are recording a decrease in income related to hospitality, including from the sale of food and drinks.

The largest markets are the Asia-Pacific region and the US, which account for 44.7% and 34.1% respectively of the value of the global casino and betting sector.

Wykres 1. Segmentacja geograficzna sektora kasyn i gier hazardowych na świecie: udział procentowy, według wartości. 2019 r.



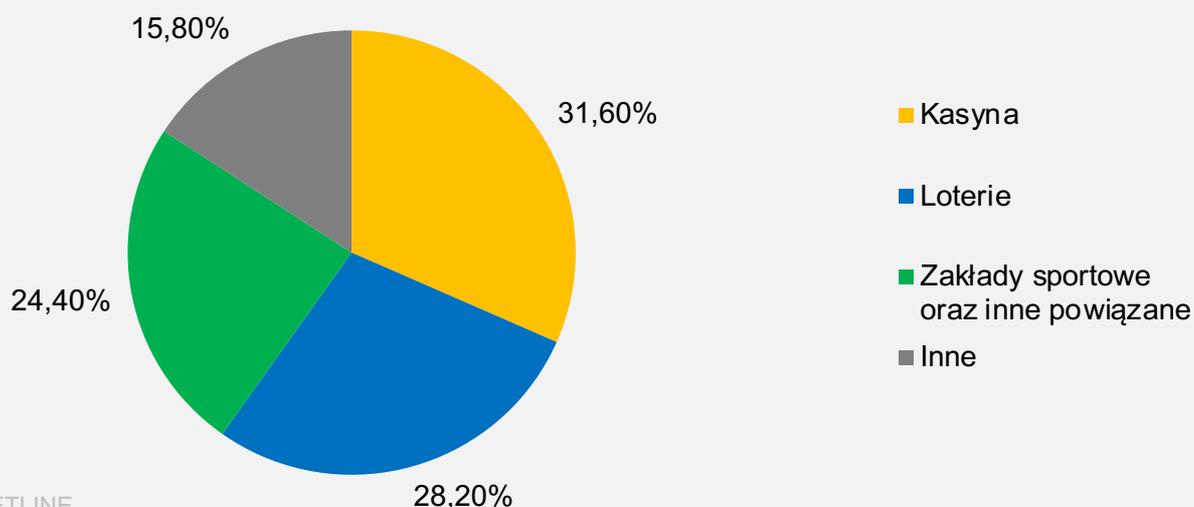
Źródło: MARKETLINE

THE CURRENT MARKET IS AN OPPORTUNITY FOR INTERNATIONAL GAMING SYSTEMS AB

The global casino and betting sector recorded total gross winnings of 457.5 billion USD in 2019, and the average annual dynamics (CAGR) of market value growth in 2015-2019 was 3%. The Asia-Pacific and U.S. regions averaged 1.6% and 2.2% respectively over the period, reaching 204.4 billion USD and 156.1 billion USD in 2019, respectively.

The growth rate in the Asia-Pacific region is projected to decline in 2020 in connection with the economic slowdown in China due to COVID-19. There is also uncertainty about the ongoing trade war and its potential impact on the licensing process for US operators Las Vegas Sands Corp., MGM Resorts International and Wynn Resorts Ltd., whose current Macao licenses will expire in 2020-2022.

Wykres 2. Segmentacja sektora kasyn i gier hazardowych na świecie wg gier: udział procentowy, według wartości, 2019 r.



Źródło: MARKETLINE

In 2019, the casino segment accounted for the largest share of the sector with combined gross winnings of \$144.6 billion, representing 31.6% of the overall sector value. In 2019, the gross winnings of the lottery segment amounted to USD 129.0 billion, representing 28.2% of the sector's total value. Lotteries are more accessible to consumers – they are available at many different retail outlets, not just specialized venues.

The sector's performance is expected to

deteriorate in the coming years. MarketLine analysts predict the average annual dynamics for the period 2019–2024 at the level of -0.7% – the value of the market at the end of 2024 is to amount to 441.5 billion USD. For Asia-Pacific and the USA, an average annual decline of -0.2% and -10.6% respectively is expected over this period. The projected values of these markets are expected to be 202.2 billion USD and 89.3 billion USD, respectively, in 2024.

E-SPORTS

Prostaker Esports Ventures AB (Prostaker) was created to take advantage of the growing opportunities in the esports sector. IGS AB is the owner of 100% of shares in the share capital of Prostaker. Prostaker Esports Ventures AB will be headed by Anders Holmsted, who will be responsible for creating and developing a strong entity operating in the esports industry.

STRATEGY

The intention of Prostaker Esports Ventures AB is to act in parallel in the three directions indicated below, which will ensure the company's profitability in a quick and effective manner. The most important steps in the Prostaker strategy are:

Conclusion of key partnerships

It is assumed that the conclusion of key partnerships will effectively accelerate the scaling of Prostaker in three areas:

- 1) user acquisition,
- 2) community building,
- 3) community monetization.

Prostaker intends to work with established sports clubs in traditional sports (e.g. soccer) and, using its partner's license, enable electronic entertainment for its community.

Thanks to this solution, players will be able to take part in the games of their favorite team not only in traditional tournaments, but also in the world of esports.

Prostaker, by establishing partnerships with sports organizations and clubs, will increase its user base, thus reducing the significant marketing costs that would be necessary to build such a base from scratch on its own.

Establishing a Prostaker community

The company's goal is to use the partnerships concluded in building the Prostaker community and maximize profits.

For its community, Prostaker will undertake the creation of an esports platform where esports content will be made available based on user preferences. The Prostaker community will be able to use the platform through a variety of channels including its website, major social media sites, and esports platforms such as Twitch and Discord. Full access to functions will be available to registered users only, which will encourage players to register and contribute to the development of the Prostaker community.

STRATEGY

Monetization

Following the implementation of the previous steps, Prostaker will have an organically growing esports community that will be perceived as attractive to investors, sponsors, advertisers, and partners. This creates a field for maximizing the rate of return for shareholders.

The following actions will be taken to bring profit to the Company:

- Managing global esports competitions alongside traditional sporting events in partnership with relevant sporting organizations;
- Running professional esports teams and their esports communities under licenses supported by professional partners;
- Managing amateur e-sports competitions, which, through the training process under the supervision of professionals, will enable development and create opportunities to appear in the structure of professional teams;
- Providing live broadcasts and VOD to relevant esports events according to user preferences;
- Creation of a global, multimedia esports platform, where games will be published and entertainment for professional and amateur players will be offered.

MARKET STRATEGY

The key task facing Prostaker is to cooperate with partners who can provide the desired functionalities of the website, thanks to which the Company will be able to meet its goals: providing high-quality entertainment in the esports sector, building the community and the Company's value, thanks to which Prostaker will not have to devote significant financial and time resources to technology development and marketing, and will focus on maximizing the rate of return for shareholders and achieving profitability. To this end, Prostaker will focus on partnerships which can deliver the desired functionality.

Achieving the above business goals will be possible by:

- concluding negotiations through an existing partner with one of the largest European soccer leagues to build Prostaker's esports community;
- concluding negotiations with the organizers of one of the world's largest soccer tournaments in order to create an esports competition that will run alongside traditional soccer games;
- starting cooperation in order to obtain an esports license to conduct esports activities for a Euro-Asian Champions League soccer club with over 13 million online fans;
- agreeing the terms of cooperation to obtain a license to conduct esports activities for a traditional European Champions League soccer club with over 6 million online fans;
- partnering with an esports competition provider that will not only be able to host online competitions and create video content, but will be able to offer player training and skill development programs to beginner esports players;

- agreeing the terms of cooperation and working together with another provider of esports competitions, which will not only be able to organize online competitions and create video content, but will be able to support offline competitions and enable competitions in more esports games than other competition providers;
- Negotiating with a former soccer player's esports organization to form a joint venture involving an esports academy for aspiring esports players.

When it comes to community monetization, as with the first two types of partnerships, Prostaker does not focus on creating tools to achieve its goal, but on using its esports experience and network to find partners which meet Prostaker requirements.

As of today, Prostaker is a participant in the following negotiation processes:

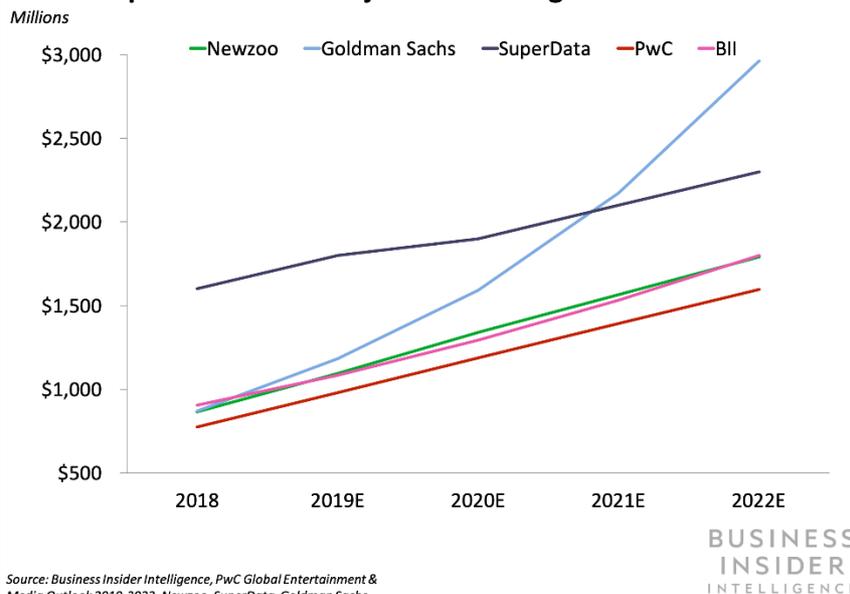
- negotiating a sponsorship deal with a leading remittance company,
- negotiating a partnership with a European bookmaker that could increase interest and involvement in the Prostaker community, offering access to unique features absent from most other esports communities.

Leveraging its partners' large user base, Prostaker intends to generate revenue by targeting its user base to the Prostaker community using popular and engaging tools such as contests, video streaming, and video on demand (VOD), along with other attractive features that the Company is currently working on.

THE GROWING ESPORTS MARKET – AN OPPORTUNITY FOR IGS AND PROSTAKER

In 2019, the video game market was larger than the combined music and film industries. In the video game industry, the fastest growing sector is esports, which is the professional playing of video games.

Global Esports Revenue Projections Through 2022



The market's value for 2020 is 950 million USD, while the expected global CAGR in 2020–2027 will amount to 24.4%.



ESPORTS AUDIENCE GROWTH

GLOBAL | FOR 2018, 2019, 2020, 2023

- OCCASIONAL VIEWERS
- ESPORTS ENTHUSIASTS



Due to rounding, Esports Enthusiasts and Occasional Viewers do not add up to the total audience in 2020.

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newzoo.com/esportsreport

THE GROWING ESPORTS MARKET – AN OPPORTUNITY FOR IGS AND PROSTAKER

The projected US viewership for 2021 leaves esports behind the NFL only.

Esports disclosed investments were recently valued at 1.575 billion USD in September 2020, bringing total disclosed investments in 2020 to 5.91 billion USD.



GAMING

A perfect addition to the two aforementioned pillars of Intelligent Gaming Solutions S.A. operations, implemented by our subsidiaries Intelligent Gaming Solutions AB and Prostaker Esports Ventures AB, will be the start of operations in the new technology segment, with an emphasis on gaming.

STRATEGY

The Management Board of the Company recognizes the significant potential of the video games and mobile applications sector in terms of both production and publishing.

The goals set by the Management Board related to the gaming industry are:

- entering the video game industry,
- team development,
- development of managed projects,
- gaining a position (developing recognition) on the gaming market,
- concluding contracts with digital and traditional distribution platforms (traditional carriers – boxed versions).

In order to develop the gaming segment, IGS S.A. also indicates the possibility of investing in entities and projects in the scope of:

- business applications and solutions,
- modern technologies,
- production and sale of collector's accessories,
- artificial intelligence,
- multimedia and traditional publications.

MARKET STRATEGY

The commencement of IGS S.A. operations in this industry will be preceded by recruiting creators and entities operating in this dynamic market for cooperation. At the same time, the Management Board of the Company will take steps to search for young artists taking their first steps in this industry. The proper selection of the team will enable searching for new and promising games at an early stage of development and will allow to select platforms on which future productions will be released, which should contribute to the development of a publishing plan. IGS S.A. will focus on the production and release of low- and medium-budget high-margin PC games, and then

on Nintendo Switch, iOS, Android, and other consoles. The Company counts on the support and experience of FinTech Ventures S.A. – the parent company – in obtaining financing at an early (initial) stage of development, which is capital-intensive. Taking into account the significant growth potential of the gaming industry, the Management Board hopes that the Company's operations in this segment will become an equally strong pillar of IGS S.A.'s operations as the other two and will allow for subsequent independent financing of current operations and development in this business area.

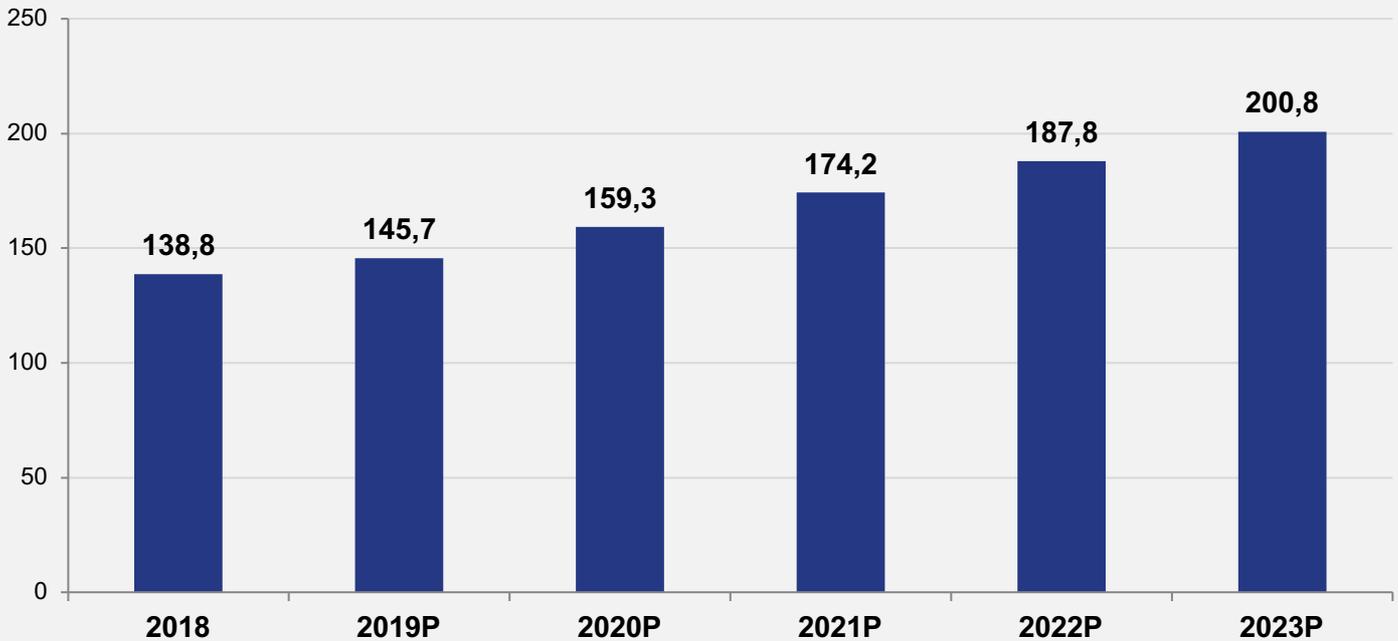
GAMING MARKET

Forecasts indicate that the fastest-growing segment will be mobile games (smartphones and tablets), whose revenues in 2020 will amount to 77.2 billion USD, i.e. 13.3% more than in 2019. The following years are also expected to bring growth. In 2023, the value of this market segment will reach 102.2 billion USD. According to Newzoo, the COVID-19-related quarantine and travel ban have led to a significant increase in consumer engagement in mobile games, especially in markets such as Asia, the Middle East, and South America.

When it comes to digital distribution platforms for mobile games, in 2020 the App Store ranks first in terms of revenues, which have increased by 10.3% to 38.8 billion USD. This means that they account for slightly more than half of the global revenues of the segment. Google Play generated 27.8 billion USD in revenue from mobile games (15% more than in 2019). The remaining 10.6 billion USD comes from third-party Android application stores. Newzoo estimates that the global number of smartphone users increased by 6.7% to 3.5 billion in 2020. In 2023, their number is to increase to 4.2 billion.

GAMING MARKET

Value of the global video game market in 2018-2019 and forecast for 2020-2022 (USD billion)



P – Forecast

Source: Global Games Market Report, Newzoo, 2020

It is also the segment that ranks first in terms of revenue among applications. Given the advances in the field of smartphones and their growing popularity in both developed and developing countries, the mobile gaming market has the potential to continue growing. According to the American research agency eMarketer, in the United States alone in 2016 180.4 million people – i.e. 70% percent of mobile device owners and 56% of the country's population – played games on their phones. This number could rise to 213 million in 2020. Applications associated with social media have equal or even higher potential. The need to change the nature of interpersonal contacts during the COVID-19 pandemic and their social effects have created room for new ideas in the area of mobile apps, changing the methods of communication while maintaining constant contact between app users.

The second largest segment is consoles (PlayStation, Xbox, Nintendo Switch), whose market share over the next three years will remain at a similar level of approx. 31%. In 2020, the value of this segment will amount to 45.2 billion USD, which means an increase of 6.8% compared to 2019. On the other hand, the share of computer games for personal computers in market revenues will decrease. Nevertheless, in 2020, an increase in the value of this segment to 36.9 billion USD was forecast, which means an increase by 4.8% y/y. This increase is almost entirely due to the restrictions introduced as a result of the spread of COVID-19. Due to the lower capital consumption of software development for personal computers than consoles, this segment has the same high profit-making potential as the others mentioned above.

INFORMATION ABOUT THE COMPANY

Company data

- Company: Intelligent Gaming Solutions S.A.
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- NIP: 7811864169

Management

- Ivan Hanamov – Prezes Zarządu

Board of directors

- Grzegorz Borowy – Przewodniczący
- Żaneta Buczek
- Krystyna Gadomska
- Marek Pilewski
- Katarzyna Zdunek-Drózdź

Shareholders

Shareholder	Shares	% in the share capital	Share in votes
FinTech Ventures SA	600 000	27,27%	27,27%
PC Guard SA	600 000	27,27%	27,27%
Tomasz Nowak	450 000	20,46%	20,46%
Other	550 000	25,00%	25,00%
Total	2 200 000	100,00%	100,00%

Animator

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