



TAPINATOR

Ticker: TAPM

Investor Presentation

March 2020



Forward Looking Statements

To the extent that statements contained in this presentation are not descriptions of historical facts regarding Tapinator, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Words such as “targeted,” “may,” “will” “expect,” “anticipate,” “estimate,” “intend,” “forecast,” and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. Examples of forward-looking statements contained in this presentation include, among others, financial guidance, statements regarding the quoting and trading of our common stock and our expectations regarding our development and monetization plans for our mobile games and apps. Forward-looking statements in this release involve substantial risks and uncertainties that could cause the development and monetization of our mobile games, future results, performance or achievements to differ

significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the hits nature of the mobile gaming business and whether apps will achieve mainstream adoption. Tapinator undertakes no obligation to update or revise any forward-looking statements, including any financial guidance included herein, except as required by applicable securities laws. The quoting and trading of the company’s common stock on the OTCQB Marketplace is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the company’s operations or business prospects. As a result, there may be volatility in the market price of the shares of

the company’s common stock for reasons unrelated to operating performance. Moreover, the OTCQB Marketplace is not a stock exchange, and trading of securities on it is often more sporadic than trading of securities listed on a national exchange. Accordingly, stockholders may have difficulty re-selling any of their shares. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Tapinator, please see the discussion under “Risk Factors” set forth in our latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the SEC.



Mission

Where We Are Going

**Become one of the
leading mobile gaming
and social casino
companies in the world.**



**Video Poker
Classic**

GET



Solitaire Derby

GET



Castle Builder

GET



**Crypto
Trillionaire**

GET



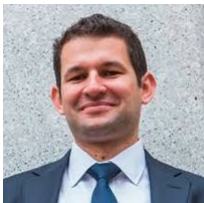
My Horoscope

GET



Executive Team

Bios



Ilya Nikolayev

Chief Executive Officer

Co-Founder and CEO of Familybuilder, a pioneering Facebook application company, until the sale of the Company to Intelius in 2011. He grew the business to profitability, acquired over 41 million users on the web and on mobile devices. Prior to Familybuilder, Mr. Nikolayev worked in banking for JP Morgan and graduated cum laude with a BA from New York University.



**Teymour
Farman-Farmaian**

Independent Director

Was CMO at Spotify, the world's leading music streaming service, where he helped triple revenue growth to hit a \$500 million run rate, and achieve 7.5 million DAU. Before Spotify, Teymour worked at Zynga as GM of Partnerships and at Google in various sales and operational roles.



Andrew Merkatz

President/CFO

An accomplished company builder and early internet pioneer with 20+ years of experience. Mr. Merkatz spent 6+ years at Vision Capital where he led private and public investments in digital media and software technology. Mr. Merkatz was also a co-founder and COO of SiteSpecific, an early internet marketing agency, and co-founder of Familybuilder, a pioneering Facebook application company. Mr. Merkatz graduated cum laude with a BA from the University of Pennsylvania and earned his MBA from Harvard University.



**Desmond
Glass**

Independent Director

Since November 2017, Mr. Glass has served as Group Chief Financial Officer and company Secretary at RWS Holdings PLC (RWS.L), an AIM-listed multinational language and professional services provider, where he is responsible for shaping and executing upon the financial strategy of the business.



Snapshot

Category Leading Mobile Apps

- We develop and publish a portfolio of “Category Leading Apps” that are evergreen and we believe have top grossing potential with a focus on social casino games.
- We generate revenues via:
 - (i) app store transactions, including in-app purchases & subscriptions, and
 - (ii) branded advertisements.
- Our revenue for 2019 was \$3.8 million, up 31% year-over-year.
- **For 2019, our adjusted Category Leading Apps Bookings* grew by 92% year-over-year.**
- Clean capital structure, and positive Adjusted EBITDA* every year since inception.
- **Our apps have been downloaded more than 500 million times.**

** Adjusted Bookings and Adjusted EBITDA are non-GAAP, unaudited financial measures. A reconciliation between GAAP and the non-GAAP measures presented herein have been provided in the appendix to this presentation.*



Significant Market Opportunity

Mobile Gaming is Large and Highly Lucrative
Social Casino is Evergreen and Growing

Mobile Gaming Market



\$100 billion Global mobile and tablet gaming market in 2020. ⁽¹⁾



22 Mobile games that have generated over \$1 billion of lifetime revenue. ⁽²⁾



74% Percentage of app store spend driven by games in 2018. ⁽³⁾



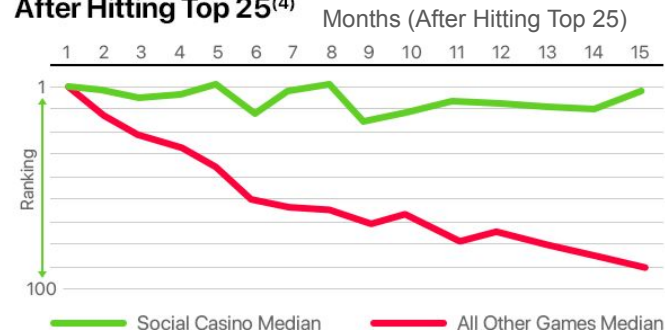
3h 35m Spent per day on mobile devices by the average American in 2018. ⁽⁶⁾

Social Casino Market ⁽⁵⁾

\$ in billions



Top Grossing iOS Games' Rank Trajectory After Hitting Top 25 ⁽⁴⁾



(1) AppAnnie, State of Mobile 2020. (2) PocketGamer, 12/19.

(3) AppAnnie, 01/19. (4) SciPlay analysis of AppAnnie data, 06/19. (5) Statista, 03/19. (6) eMarketer, 06/19.

Strategic Evolution

Category Leading Apps Focused on Social Casino

- Historically predictable returns.
- Advertising monetization.
- High volume, low cost.

Rapid-Launch Games
2013 - 2017

- Repeatable, stackable revenue.
- In-app purchase + subscription monetization.
- Category leadership + homerun potential.

Category Leading Mobile Apps
2017 - Present





Winning Strategy

Established Casino Gameplay + “Special Sauce”

Leverage established casino gameplay to derisk player adoption.

Add our proprietary IP to create differentiation via unique combinations of:

- (1) Metagame and engagement systems.
- (2) Targeted themes + beautiful graphics.
- (3) Third party licenses where appropriate.





Category Leading Mobile Apps

Games: Video Poker Classic

- Video Poker Classic is the **top monetizing video poker game on iOS and Google Play** as of January 2020.*
- On iOS alone, the game has over 40,000 reviews with an average rating of 4.7 out of 5.0.
- Video Poker Classic is a seven-figure revenue game that saw **triple digit growth in 2019**; we continue to invest in growth for this flagship evergreen product.

*According to AppAnnie.





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Category Leading Mobile Apps

Games: Video Poker Classic



To watch game trailer, please [click here](#).



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Category Leading Mobile Apps

Game Metrics: Video Poker Classic



5.2%

Payer Conversion ¹

\$0.24

ABPU ^{1*}

\$32

ARPPU ^{1**}

30%

D1 Retention ²

17%

D7 Retention ²

10%

D30 Retention ²

** Average bookings per user.*

*** Average revenue per paying user.*

(1) Source: Adjust attribution, PlayFab backend, September 1, 2019 to November 30, 2019.

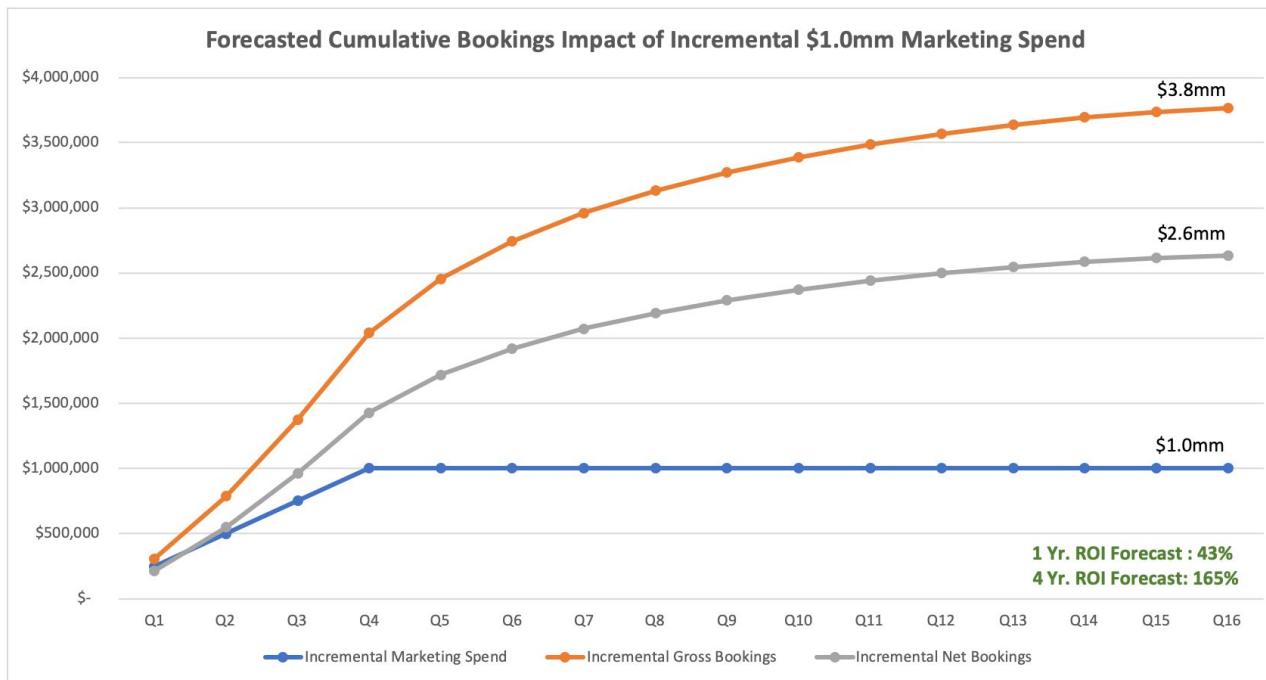
(2) Source: Adjust attribution, iOS players, September 1, 2019 to November 30, 2019.



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Category Leading Mobile Apps

Video Poker Classic⁽¹⁾ Marketing Opportunity Unit Economics



- In real money casinos, video poker can comprise ~ 20% of gaming revenue.⁽²⁾
- In 2019, revenue for the social casino market reached \$5.7 billion.⁽³⁾
- We believe that there is significant growth opportunity for Video Poker Classic to capture a much greater percentage of the social casino market.

⁽¹⁾ Forecast based on internal player lifetime value model which relies on limited past results and certain management assumptions. Actual results could vary significantly based on future market conditions.

⁽²⁾ In 2013, Louisiana's adjusted gross video poker revenue was over \$600 million and represented 20% of the state's net daily gaming revenue.

In 2013, Illinois' video poker revenue was about \$300 million relative to about \$1.5 billion in adjusted gross casino revenue.

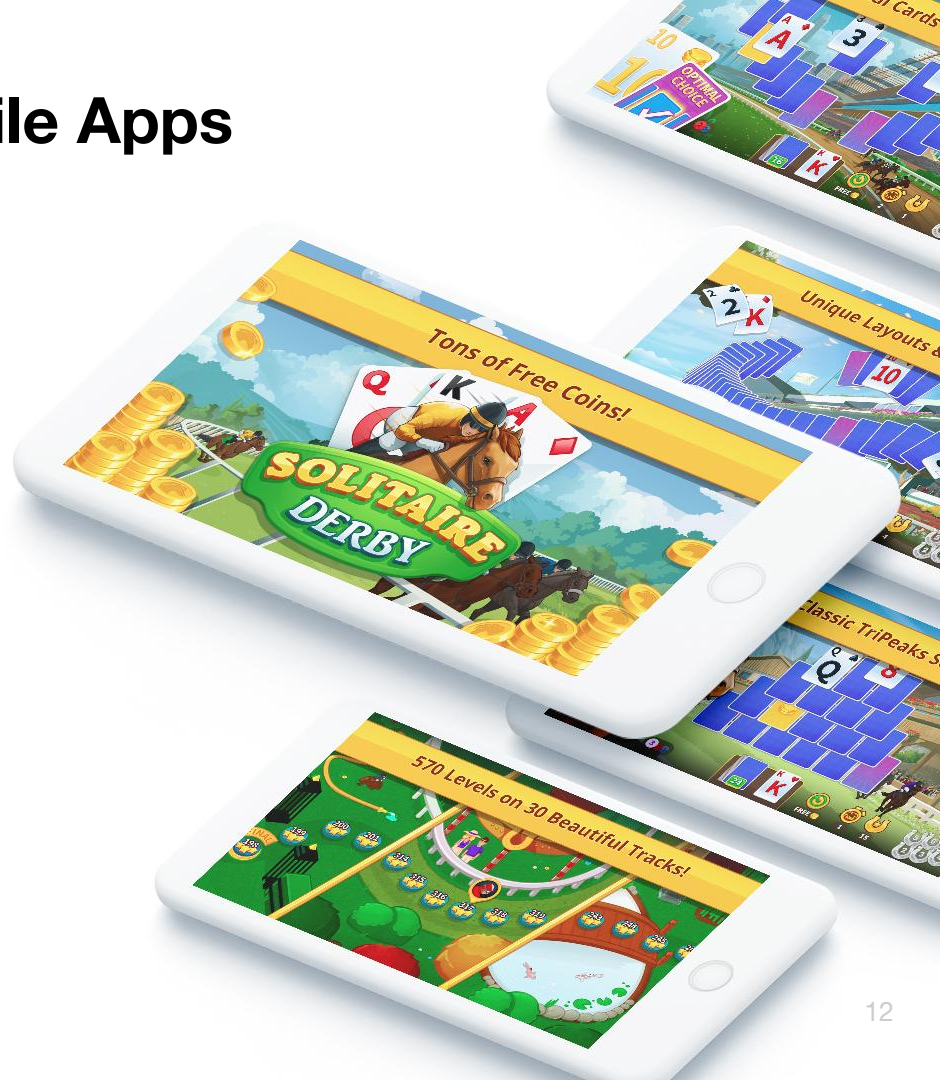
⁽³⁾ Statista, "Social casino revenue worldwide from 2016 to 2020, by platform," March 29, 2019



Category Leading Mobile Apps

Games: Solitaire Derby

- Solitaire Derby, successor to Solitaire Dash, relies on an established form of gameplay, solitaire tripeaks, onto which we have overlaid a unique horse racing theme and metagame.
- Solitaire is a category on mobile that supports multiple games with eight figure annualized bookings.
- Given the quality and metrics of Solitaire Derby, we expect it to be a property that is able to capture market share within the evergreen solitaire category.

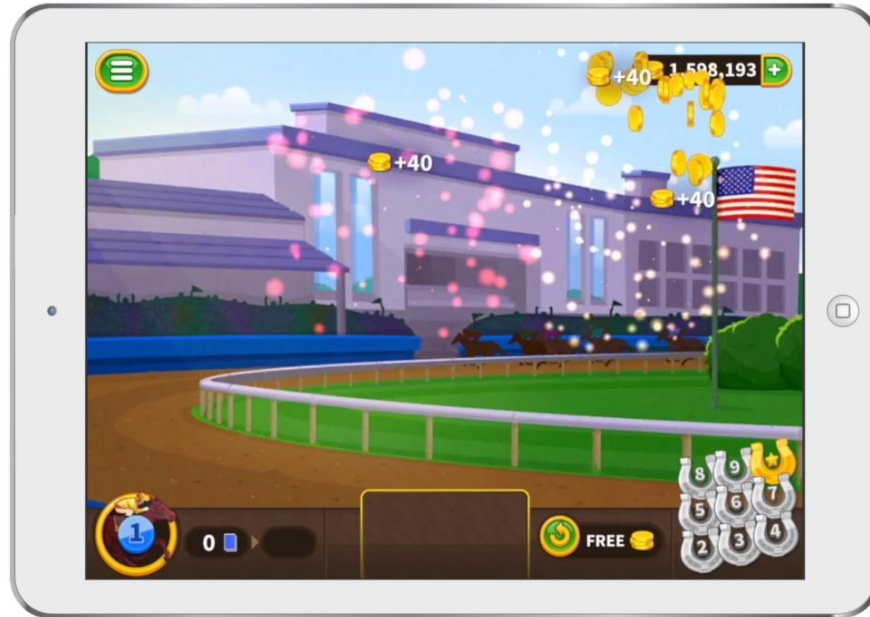




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Category Leading Mobile Apps

Games: Solitaire Derby



To watch game trailer, please [click here.](#)



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Category Leading Mobile Apps

Game Metrics: Solitaire Dash



4.7%

Payer Conversion ¹

\$0.34

ABPU ^{1*}

\$15.3

ARPPU ^{1**}

34%

D1 Retention ²

19%

D7 Retention ²

11%

D30 Retention ²

** Average bookings per user.*

*** Average revenue per paying user.*

(1) Source: Adjust attribution, PlayFab backend, January 1, 2019 to May 31, 2019, the most recent period of paid user acquisition.

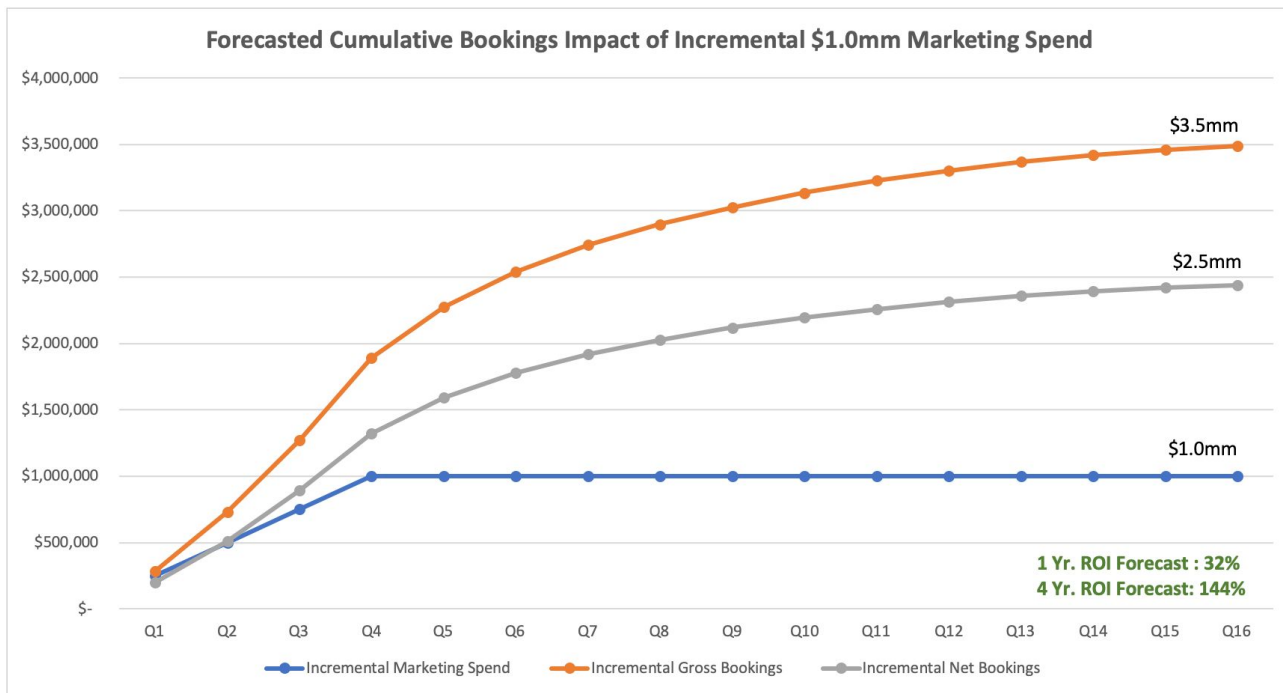
(2) Source: Adjust attribution, iOS players, January 1, 2019 to May 31, 2019, the most recent period of paid user acquisition.



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Category Leading Mobile Apps

Solitaire Derby⁽¹⁾ Marketing Opportunity Unit Economics



- Supertreat's *Grand Harvest*'s IAP revenue annual run rate is >\$72m. GSN's *Solitaire TriPeaks*' IAP revenue annual run rate is >\$48m.⁽²⁾

⁽¹⁾ Forecast based on internal player lifetime value model which relies on limited past results and certain management assumptions. Actual results could vary significantly based on future market conditions.

⁽²⁾ SensorTower revenue data for the month of December 2019, extrapolated to an annual revenue run rate



Category Leading Mobile Apps

Games: Castle Builder (Launching Q1 2020)

- Castle Builder is expected to be the first game on mobile that combines Slots, Role-Playing, and City-Building.
- Each level in the game is interactive: the user spins to collect building materials as she constructs beautiful Castles, block-by-block.
- The metagame and progression systems (unlocking content, login rewards, bonuses, VIP club, and other features) are extensive and, we believe, will result in significant long-term retention and high average revenue per daily active user.
- There are at least five mobile slot games that each generate over \$100 million in annual IAP revenue.⁽¹⁾ We believe this is a massive market where capturing even a small percentage share represents a significant opportunity

⁽¹⁾ SensorTower revenue data for the month of December 2019, extrapolated to an annual revenue run rate





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Category Leading Mobile Apps

Games: Castle Builder ([Launching Q1 2020](#))



To watch game trailer, please [click here](#).



Category Leading Mobile Apps

Apps: My Horoscope

- Subscription monetization on mobile represents a major business model opportunity beyond one-time in-app purchase monetization (i.e. repeatable, stackable revenue).
- The astrology, horoscope, and psychic services market was a \$2.0 billion market in 2018.*
- We see the opportunity to operate a best-in-class horoscope product and establish category leadership on mobile.
- We strongly believe that this category supports Top 150 Grossing potential within Overall Apps, which equates to a \$10m+ annual revenue opportunity.

*IBIS World research report, September 2018.





Category Leading Mobile Apps

Apps: My Horoscope



To watch app trailer, please [click here](#).



Player & App Metrics

Proven Ability to Achieve Scale

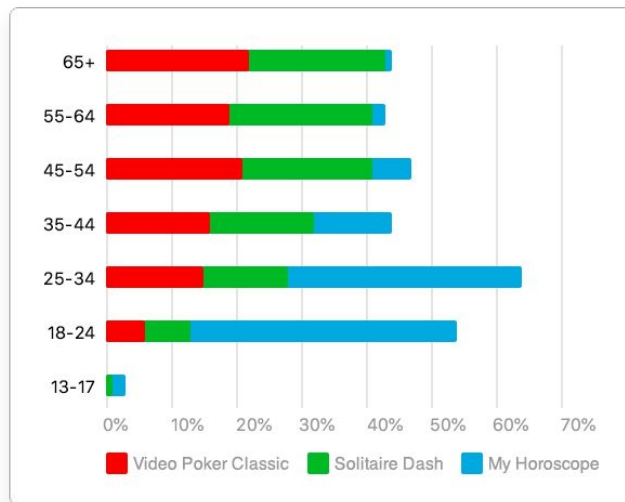
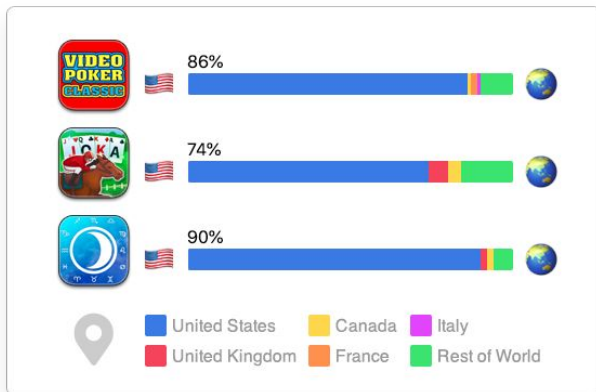
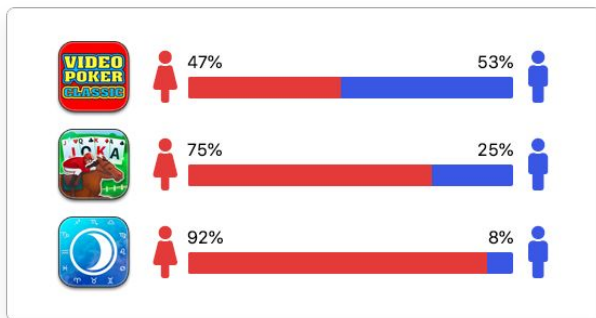
- Average Daily Active Users (DAU) – **168,000 (Q3 2019)**
 - Average Bookings Per Daily Active User (ABPU) – **\$0.05 (Q3 2019)**
-
- Cumulative Player Downloads – **500 million**
 - App Library – **300+ active titles**





Category Leading Mobile Apps

Player Demographics



Proven ability to create products that target a variety of demographics.



Highly Diversified Sales Bookings

App Store Transactions & Advertising



App Store Transactions:
64% of LTM Bookings*

Advertising / Other:
36% of LTM Bookings*

*Last 12 months as of 06/30/2019.



Operational Excellence

Creating Barriers to Entry



- Strategic data-driven approach to launching new games and optimizing existing properties.
- Scalable and reusable technology stack.
- Strong platform relationships including dedicated business/editorial contacts. Fourteen “New Games We Love” on Apple’s iOS platform.



Financial Highlights

Category Leading Apps Adjusted Bookings⁽¹⁾ Grew 92% in 2019

(\$ in thousands)	2018 Audited	2019 Preliminary unaudited ⁽²⁾	Y-O-Y Change
Revenue	\$2.9	\$3.8	↑ 31%
Category Leading Apps Adjusted Bookings⁽¹⁾	\$1.2	\$2.3	↑ 92%
Rapid-Launch Games Adjusted Bookings⁽¹⁾	\$1.6	\$1.0	↓ -38%
Total Adjusted Bookings⁽¹⁾	\$2.8	\$3.3	↑ 18%

(1) Adjusted Bookings is a non-GAAP, unaudited financial measures. A reconciliation between GAAP and the non-GAAP measures presented herein have been provided in the appendix to this presentation.

(2) Select preliminary financial information was pre-announced by the Company in January 2020.



Financial Highlights

Across the Board Improvement in Key Financial Metrics

(\$ in thousands, unaudited)	2018	Nine Months Ended 09/30/18	Nine Months Ended 09/30/19	Y-O-Y Change
Revenue	\$2,872	\$2,304	\$2,977	↑ 29%
Adjusted Bookings⁽¹⁾	\$2,841	\$2,188	\$2,541	↑ 16%
Category Leading Apps Adjusted Bookings⁽¹⁾	\$1,200	\$837	\$1,738	↑ 108%
Net Loss	-\$2,996	-\$2,081	-\$1,496	↑ -28%
Adjusted EBITDA⁽¹⁾	\$125	\$142	\$213	↑ 50%
Total Debt	\$0	\$0	\$0	
Cash	\$871	\$1,010	\$260	

(1) Adjusted Bookings and Adjusted EBITDA are non-GAAP, unaudited financial measures. A reconciliation between GAAP and the non-GAAP measures presented herein have been provided in the appendix to this presentation.



Cap Table

TAPM Capitalization Information *(as of 03/01/2020)*

Common Shares Outstanding	551,005
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Warrants (WAEP \$23.11)	213,750
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Options (WAEP \$12.82)	102,500
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Insider/Employee Ownership ⁽¹⁾	26.6%
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⁽¹⁾ Calculated on a “fully-diluted” basis; assumes full vesting of all outstanding equity awards.



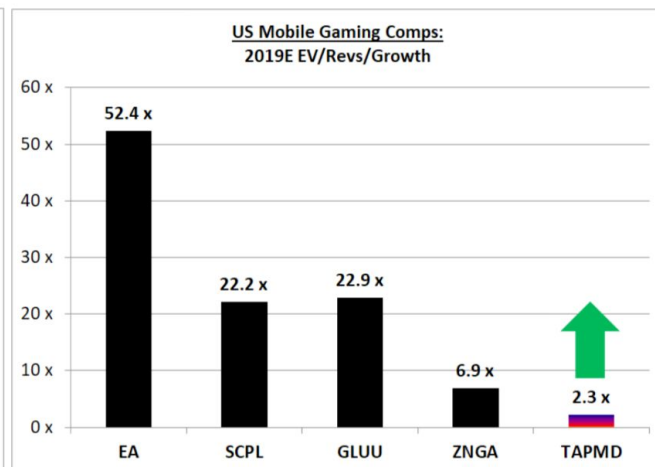
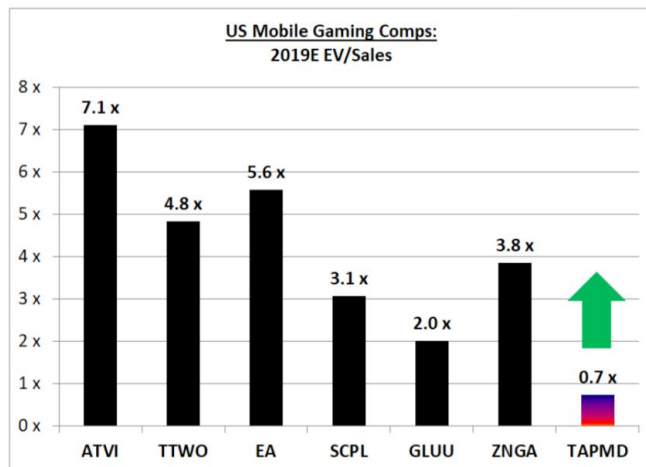
Comps

Compelling Valuation Relative to Larger Peers

1/17/2020								Revenues			EV/Sales			Revs Growth %		EV/Revs/Growth	
Symbol	Price	FD SO*	Mkt Cap	Cash*	Debt*	Ent Value		2018	2019E*	2020E*	2018	2019E	2020E	2019	2020	2019	2020
ATVI	\$ 61.24	771.0	\$ 47,216	\$ 4,939	\$ 2,950	\$ 45,227	\$	7,262	\$ 6,365	\$ 6,880	6.23 x	7.11 x	6.57 x	-12.4%	8.1%	NM	81.2 x
TTWO	\$ 130.01	114.1	\$ 14,831	\$ 1,505	\$ 141	\$ 13,468	\$	2,852	\$ 2,786	\$ 2,854	4.72 x	4.83 x	4.72 x	-2.3%	2.4%	NM	NM
EA	\$ 112.93	296.0	\$ 33,427	\$ 4,883	\$ 1,251	\$ 29,795	\$	4,835	\$ 5,349	\$ 5,211	6.16 x	5.57 x	5.72 x	10.6%	-2.6%	52.4 x	NM
SCPL	\$ 12.13	126.3	\$ 1,532	\$ 81	\$ 8	\$ 1,458	\$	416	\$ 474	\$ 519	3.50 x	3.08 x	2.81 x	13.8%	9.6%	22.2 x	29.2 x
GLUU	\$ 6.17	146.2	\$ 902	\$ 102	\$ 42	\$ 842	\$	385	\$ 418	\$ 457	2.19 x	2.01 x	1.84 x	8.8%	9.2%	22.9 x	20.0 x
ZNGA	\$ 6.67	973.8	\$ 6,495	\$ 1,380	\$ 712	\$ 5,827	\$	970	\$ 1,514	\$ 1,763	6.01 x	3.85 x	3.31 x	56.2%	16.5%	6.9 x	20.1 x
TAPMD	\$ 6.00	0.550	\$ 3.3	\$ 0.5	\$ -	\$ 2.8	\$	2.87	\$ 3.80	NA	0.97 x	0.73 x	NA	32.3%	NA	2.3 x	NA

(*Source: Bloomberg consensus estimates, Company filings)

Average	4.26 x	3.88 x	4.16 x	21.34 x
TAPM	0.97 x	0.73 x	NA	2.27 x
TAPM % vs Average	22.8%	18.9%	NA	10.6%





Future Opportunities

A Clear Path for Continued Growth



Strategic growth opportunities beyond organic growth.

Re-engage users and maximize revenue with personalized offers, gameplay and communication.

Launch new leading mobile franchises that can be #1 or #2 within their categories.

Scale daily active users and revenue via marketing. Continue to grow retention rates and average revenue per daily active user.



Investment Highlights

Why We're Going to Win



1 | Large and growing market



2 | Best-in-class, diversified portfolio



3 | Highly efficient studio model



4 | Strong growth and projected performance



5 | Highly scalable products



6 | Experienced management team



TAPINATOR

Thank You

For more information, go to:

<http://tapinator.com/investors>



Appendix

Reconciliation of GAAP to Non-GAAP results

<i>(\$ in thousands, unaudited)</i>	2018	2019 Preliminary	Nine Months Ended 09/30/18	Nine Months Ended 09/30/19
Category Leading Apps Bookings	\$1,700	\$2,300	\$1,337	\$1,738
Non-Recurring Bookings	-\$500	-	-\$500	-
Category Leading Apps Adjusted Bookings	\$1,200	\$2,300	\$837	\$1,738



Appendix

Reconciliation of GAAP to Non-GAAP results

<i>(\$ in thousands, unaudited)</i>	2018	2019 Preliminary	Nine Months Ended 09/30/18	Nine Months Ended 09/30/19
Revenue	\$2,872	\$3,800	\$2,304	\$2,977
Change in Deferred Revenue	\$469	-500	\$384	-\$437
Bookings	\$3,341	\$3,300	\$2,688	\$2,541
Non-Recurring Bookings	-\$500	-	-\$500	-
Adjusted Bookings	\$2,841	\$3,300	\$2,188	\$2,541



Appendix

Reconciliation of GAAP to Non-GAAP results

<i>(\$ in thousands, unaudited)</i>	2018	2019 Preliminary	Nine Months Ended 09/30/18	Nine Months Ended 09/30/19
Rapid-Launch Games Bookings	\$1,641	\$1,000	\$1,351	\$803
Non-Recurring Bookings	-	-	-	-
Rapid-Launch Games Adjusted Bookings	\$1,641	\$1,000	\$1,351	\$803



Appendix

Reconciliation of GAAP to Non-GAAP results

<i>(\$ in thousands, unaudited)</i>	2018	Nine Months Ended 09/30/18	Nine Months Ended 09/30/19
Net Income (Loss)	-\$2,996	-\$2,081	-\$1,496
Interest Expense, net	132	133	-2
Tax Expense	0	5	0
Amortization of Capitalized Software Development	614	437	494
Depreciation and Amortization of Other Assets	10	7	4
Impairment of Capitalized Software	320	0	0
Amortization of Debt Discount	188	188	0
Stock-Based Compensation Expense	1,857	1,453	1,213
Adjusted EBITDA	\$125	\$142	\$213