

Game Trading Technologies, Inc.

(OTCBB: GMTD)



Founded in 2003 and headquartered in Hunt Valley, MD, Game Trading Technologies, Inc. (www.gtti.com) is an industry-leading video game trading services provider focused on valuation, procurement, refurbishment, and redistribution of pre-owned video games. The Company provides an array of unique services to a number of national firms including Wal-Mart, Best Buy, Blockbuster, 7-Eleven, Toys“R”Us, eBay, Gazelle, and GameFly allowing them to better serve customers who want to trade their games for store credit or purchase pre-owned games.

COMPANY PROFILE

- Game Trading Technologies, Inc. (“GTTI” or the “Company”) is the publicly-traded parent of Gamers Factory (www.gamersfactory.com), which was formed in 2003 by experienced and successful video game industry veterans to focus on the fast growing, pre-owned video game market.
- GTTI owns a proprietary “market-making” algorithm technology that prices more than 10,000 pre-owned video games on a real-time basis. This “Pricing Engine” could be considered the “Kelly Blue Book” of pre-owned video games.
- GTTI may price, buy, and/or sell pre-owned video games, consoles and accessories with firms such as Toys “R” Us, Wal-Mart, 7-Eleven, Best Buy, GameFly, Gazelle, etc. These firms may use the Pricing Engine and related web based applications to obtain real-time price quotes to manage the trade in process.
- Customers of GTTI’s retail associates may have the opportunity to trade in a single game or console, or an entire collection in exchange for a gift card or other store credits. GTTI is effectively providing additional liquidity to their industry retail customers by purchasing their pre-owned games that are no longer wanted and creating a new business and valuable new traffic for their retail customers. In turn, their customers have new-found funds to spend in their stores on the NEW games and gadgets they crave.
- The association between GTTI and their retail and online relationships has created a new ecosystem – first, turning their customers pre-owned video games and consoles into cash, while then re-offering those products to others at a more attractive price than a new product. It is the Pricing Engine that allows this ecosystem to operate and correctly price the buys and sells.
- 2009 revenues of \$36.7 million, over 100% increase from \$17 million in 2008. Net income increased to \$1.74 million – up from \$325,499 in 2008. First quarter 2010 revenue of \$11,401,287 as compared to revenue of \$8,341,060 for the first quarter 2009, an increase of \$3,060,227 or 37%. First quarter gross profit increased by \$531,069 to \$1,972,637, or 37%, as compared to \$1,441,568 for the first quarter 2009.
- GTTI operates a 33,000 sq. ft. refurbishment and logistics center in Maryland. The facility is capable of processing 500,000 game units monthly with a storage capacity in excess of 1,300,000 units. As of December 31, 2009, GTTI had 68 full-time employees.

INVESTMENT HIGHLIGHTS

The video game market is growing dramatically, particularly the pre-owned segment of the marketplace.

- Over 3.4 billion units of software product (games) exist and hundreds of millions of hardware units have been sold since 2000 which constitutes a significant market opportunity. Most games that are sold are never re-sold, traded in, or recycled.
- Pre-owned segment represents a tremendous value proposition for customers. It not only is the *largest growth* segment of the

video game market, but it also is instrumental in driving NEW game and console sales and presents one of the *largest margin* opportunities for retailers that resell.

- GTTI is not aware of any competitor who offers game trade-in valuation as a service to retailers and renters in conjunction with guaranteed acquisition of those traded items, and that can perform the refurbishment and logistical services that GTTI offers.
- GTTI offers the only scalable pricing engine available for retailers to transact in pre-owned video games, including a turnkey software application for retailers who do not have a POS (point-of-sale) system to accommodate.

FISCAL YEAR STATEMENT OF OPERATIONS (audited)

(US\$ in thousands – FYE December 31st)

	2007	2008	2009	Q1 2010
Revenues	\$13,592	\$17,123	\$36,701	\$11,401
Cost of Revenue	10,970	13,389	30,684	9,428
Gross Profit	2,623	3,734	6,017	1,972
EBITDA	\$2	\$1,160	\$2,469	n/a
Income/(Loss)	(\$1,120)	\$325	\$1,740	(\$1,845)

Share Data (\$US)

Exchange:	OTC BBB
Recent Price:	\$5.00
Shares Outstanding (3/31/10):	8,290,000
Fully Diluted (3/31/10):	14,575,000

Capitalization (\$US)

Market Capitalization (5/26/10):	\$41.5 MM
Total Asset (3/31/10):	\$10,429,000
Current Liabilities (3/31/10):	\$6,260,717
L/T Liabilities (3/31/10):	\$4,527,296

Income (\$US)

Total Revenue (3/31/10):	\$11,401,287
Cost of Revenue (3/31/10):	\$9,428,651
Total Expenses (3/31/10):	\$3,864,931
Income (3/31/10):	(\$1,864,801)

(Refer to the Company’s complete SEC filings at www.sec.gov)

SUMMARY

As the pre-owned video game industry grows and is more broadly offered by retailers, there will be a larger need to facilitate the flow of pre-owned products from owners who no longer want these valuable items to buyers who are searching for the same products. GTTI aims to fulfill this need in the market by creating the ultimate outlet for consumers to exchange these items, turning them into currency that can be used to purchase other goods. By creating a fluent marketplace based on real-time product valuation utilizing their proprietary pricing engine, GTTI has created an agnostic buying and selling platform for the worldwide, multi-billion dollar video gaming industry.