

Press Release Betsson AB (publ)

Betsson acquires Gaming Innovation Group's B2C business

Betsson acquires Gaming Innovation Group's (GiG) business to consumer (B2C) operations. GiG currently operates the brands Guts, Kaboo, Rizk and Thrills which are now acquired by Betsson. GiG is listed on the Oslo and Stockholm Stock Exchanges. The brands operate under licenses held in Malta, UK, Sweden and Germany (Schleswig-Holstein). The Rizk brand will soon be launched under licenses held in Spain and Croatia.

Betsson acquire the GiG subsidiary Zecure Gaming Limited, where the assets, business activities, operations, front-end and middleware technology and gaming licenses attributable to the B2C operations for providing online gambling through the acquired brands will be transferred.

Through this acquisition, Betsson will continue to consolidate its position in key markets and open up for more opportunities with different brands in Spain and Croatia. Further, Betsson intends to integrate its own proprietary sportsbook and payment platforms with the GiG platform. This will enable Betsson to offer its technologies to potential B2B clients of GiG. Part of the acquired business is conducted in markets where Betsson already operates which allows for release of synergies.

"Betsson's ambition is to outgrow the market in the long term, organically and through acquisitions. This acquisition confirms that Betsson is a driver of the consolidation of the market. We believe this deal offers a good opportunity for Betsson to consolidate, at good value, where we can create synergies and apply our core B2C skills and marketing insights to scale these assets to their true potential. The agreement with GiG further strengthens and expands Betsson's outreach and growth potential for its proprietary sportsbook and payments platforms in the B2B market. As one of the largest European operators, Betsson is well positioned to continue building on its strategic position" says Pontus Lindwall, CEO of Betsson AB and Group President.

The revenue of the acquired business in 2019 was EUR **77** million, and EBIT was EUR **7.6** million.

The initial consideration of the acquisition is EUR 22.3 million, which corresponds to 2.9 times EBIT in 2019. As part of the acquisition, Betsson has entered into a platform service agreement with GiG for a minimum of two and a half years to host the acquired brands on the GiG B2B platform. Betsson will pay a fee based on revenues under the platform service agreement. During the first two years the platform fee will include a premium fee estimated to EUR 15 million (of which EUR 8.7 million will be pre-paid at completion).

BETSSON AB (PUBL) IS A HOLDING COMPANY THAT INVESTS IN AND MANAGES FAST-GROWING COMPANIES WITHIN ONLINE GAMING. THE COMPANY IS ONE OF THE LARGEST IN ONLINE GAMING IN EUROPE AND HAS THE AMBITION TO OUTGROW THE MARKET, ORGANICALLY AND THROUGH ACQUISITIONS. THIS SHOULD BE DONE IN A PROFITABLE AND SUSTAINABLE MANNER, PRIMARILY IN LOCALLY REGULATED MARKETS. BETSSON AB IS LISTED ON NASDAQ STOCKHOLM, LARGE CAP (BETS).

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The combination of the initial consideration and the estimated premium fee constitutes the total purchase price for the acquired business.

Financing of the acquisition is done through Betsson's revolving credit facility, which gives an attractive financial flexibility to do deals of this sort.

The transaction is conditional upon customary regulatory approvals. Completion of the deal is expected in mid-April 2020.

Gernandt & Danielsson Advokatbyrå acts as legal advisers to Betsson in connection with the transaction and PwC acts as financial adviser.

About Betsson AB

Betsson AB (publ) is a holding company that invests in and manages fast-growing companies within online gaming. The company is one of the largest in online gaming in Europe and has the ambition to outgrow the market, organically and through acquisitions. This should be done in a profitable and sustainable manner, primarily in locally regulated markets. Betsson AB is listed on Nasdaq Stockholm Large Cap (BETS).

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