

Press Release Betsson AB (Publ)

Betsson acquires a leading gaming operator in the Georgian market

Betsson AB acquires the privately owned gaming operator Europe-Bet based in Georgia. The company is licensed in, as well as targeting, the regulated Georgian market, a market with conditions similar to the new locally regulated gaming markets within the EU. As a result of the acquisition, Betsson is becoming the second largest local online gaming operator in Georgia with close to 30% market share, meanwhile strengthening its strategic market position in the region.

"Europe-Bet has established a strong brand with a competitive multi-product offering in the locally regulated market of Georgia. Together with Betsson's technology, a foundation for profitable and sustainable growth within and outside Georgia is created", says Magnus Silfverberg, CEO & President of Betsson.

In 2014, revenues amounted to USD 52.4 million, where online operations accounted for USD 40.8 million, and the remaining part came from landbased business, which to a large extent supports the online business. The online business is mainly Sportsbook driven, which accounted for 44% of total revenue in 2014. Total EBIT amounted to USD 20.0 million, of which USD 17.9 million is attributed to the online operations. The EBIT margin was 38.1% and the company has delivered solid double digit growth in the last years.

Betsson acquires the company from a group of entrepreneurs. Some of the founders will continue in strategic positions after the acquisition. Betsson has also retained other key employees to continue to operate the business.

Betsson acquires the shares from the sellers for an initial purchase consideration of USD 50 million, which corresponds to 2.5 times EBIT in 2014. In addition to the initial purchase consideration, a remaining amount of maximum USD 35 million may become payable after

BETSSON AB'S CORE BUSINESS CONSISTS OF INVESTING AND ADMINISTERING SHAREHOLDING IN COMPANIES, WHICH THROUGH PARTNERS OR BY THEMSELVES, OFFERS GAMES TO THE END USERS VIA THE INTERNET. BETSSON AB OWNS BETSSON MALTA WHICH OPERATES GAMES THROUGH PARTNERSHIPS AND OWN WEBSITES. BETSSON MALTA OFFERS POKER, CASINO, SPORTS BETTING, SCRATCH CARDS, BINGO AND GAMES. THE CUSTOMERS MAINLY ORIGINATE FROM THE SCANDINAVIAN COUNTRIES AND OTHER PARTS OF EUROPE. BETSSON AB IS LISTED ON NASDAQ STOCKHOLM LARGE CAP LIST, (BETS).

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one year based on that the gambling regulation in Georgia remains unchanged. This implies a maximum total purchase consideration of USD 85 million, which corresponds to 4.3 times EBIT for 2014.

The acquisition is financed through a renewal of a credit facility amounting to EUR 35 million, as well as a new credit facility of SEK 700 million. These facilities are both revolving credit facilities which give an attractive financial flexibility.

Closing of the deal is expected to take place during July.

Gernandt & Danielsson Advokatbyrå acts as legal advisers to Betsson in connection with the transaction and PwC acts as financial adviser. On the sell-side, Legal Partners Associated LLC acts as legal advisers and EY acts as financial adviser.

A description of the acquisition will be presented in connection to Betsson's presentation of the second quarter, Friday 17th of July.

For further information, please contact:

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