

Press Release Betsson AB (Publ)

Betsson acquires locally licensed operator in Lithuania

Betsson acquires the privately owned gaming operator Lošimų strateginė grupė, UAB, trading as TonyBet in Lithuania. TonyBet is the second largest licensed online operator in Lithuania, and through the acquisition the Betsson Group strengthens its foothold in the Baltic region with licenses in Estonia, Latvia and Lithuania.

TonyBet currently offers its customers primarily sportsbook online and through a network of more than 20 betting shops in Lithuania. The Lithuanian regulation, which was introduced in January 2016, has clear regulatory guidelines and the gaming tax is 10 percent on gross gaming revenue.

“We see strong synergies in this acquisition, through migration of the operator to Betsson’s technical platform, and development of the casino offering.” says Ulrik Bengtsson, CEO and President of Betsson AB.

Betsson acquires Lošimų strateginė grupė, UAB, through wholly owned subsidiaries and closing of the deal is expected to take place within a month.

The initial acquisition consideration is EUR 4.0 million, payable in cash on completion. In the six month period to 30 June 2016, the revenue of the acquired entity was EUR 3.0 million and the adjusted EBIT was EUR 0.55 million. On an annualised basis, the transaction multiple is therefore around 3.6x 2016 EBIT. The sellers are eligible to receive a further EUR 2.0 million performance bonus in 2017 subject to achieving certain milestones. Total consideration will then be a maximum 7.25x adjusted annualised EBIT for 2016.

“This acquisition is a good strategic fit for Betsson Group as Betsson’s ambition is to increase revenue from locally regulated markets. We have now consolidated our presence in the Baltic region by ensuring local licenses in all three markets, and continue to pursue growth across Europe, organically and through acquisition”, Ulrik Bengtsson concludes.

BETSSON AB’S CORE BUSINESS CONSISTS OF INVESTING AND ADMINISTERING SHAREHOLDINGS IN COMPANIES THAT, THROUGH PARTNERS OR BY THEMSELVES, OFFER GAMES TO END USERS VIA THE INTERNET. THE GROUP OFFERS CASINO, SPORTSBOOK, POKER, SCRATCHCARDS, BINGO AND OTHER GAMES. CUSTOMERS ARE PRIMARILY FROM THE NORDIC COUNTRIES AND OTHER PARTS OF EUROPE. BETSSON AB IS LISTED ON NASDAQ STOCKHOLM, LARGE CAP LIST (BETS).

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Gernandt & Danielsson in cooperation with Sorainen Lithuania act as legal advisers to Betsson in connection with the transaction and PwC act as financial & tax adviser. On the sell-side, Tark Grunte Sutkiene act as legal advisers.

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