

Press Release Betsson AB (Publ)

Betsson makes recommended cash offer to acquire UK operator NetPlay TV

Betsson AB and NetPlay TV plc ("NetPlay") have reached an agreement on the terms of a recommended public cash offer pursuant to which Betsson will acquire all shares of NetPlay, a company listed on the AIM market of the London Stock Exchange.

The acquisition will strengthen Betsson's position in the UK, which is the largest locally regulated gambling market in the world. NetPlay operates three brands, Jackpot247, Supercasino and Vernons, using mainly third party systems for backend and content.

"NetPlay operates three brands, each with strong offerings, and we believe that applying Betsson's experience of operating successful casino brands will add to NetPlay's earnings and growth. We have a long-term view on NetPlay and will achieve significant cost synergies and operational improvements over time. Betsson's acquisition strategy includes adding volume to its scalable Techsson platform and increasing the share of locally regulated revenue," said Ulrik Bengtsson, CEO and President of Betsson AB.

The offer is to be implemented by means of a court approved scheme of arrangement which will be regulated by the UK Companies Act and the UK Takeover Code. The cash offer is GBP 0.09 per share, corresponding to a total consideration of GBP 26.4 million (on a fully diluted basis). The offer is subject to, amongst other things, the approval of NetPlay shareholders and also the High Court of Justice in the UK and is expected to be closed in April 2017.

NetPlay is listed on the AIM market of the London Stock Exchange. For the six months ending 30 June 2016, NetPlay reported net revenue of GBP 14.7 million and adjusted EBITDA of GBP 1.7 million. Cash and cash equivalents, net of client balances, amounted to GBP 7.5 million at 30 June 2016.

The NetPlay Board also made the following trading update today:

"The Company followed a strong H1 with a satisfactory performance in H2 2016. The Group's B2B division performed well in its first full calendar year since it was acquired, however this was offset by a slightly disappointing revenue performance from the B2C division due to a decline in net revenue margin (the percentage ratio between customer stakes and the associated net revenue)."

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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Looking forward to 2017, the Company has made a good start to the year, although the NetPlay Board remains mindful of the ongoing competitive environment and various challenges which will need to be addressed going forward, such as the UK's tax on free bets legislation."

Prior to announcing the offer, Betsson obtained signed statements of support from the top two shareholders of NetPlay, Directforce Trading Limited and Henderson Global Investors, and also from the Directors of NetPlay. The holdings of these shareholders represent, in aggregate, 39.25% of NetPlay's issued share capital.

Further details on the offer can be found in the separate joint announcement by Betsson and NetPlay issued today pursuant to Rule 2.7 of the UK Takeover Code and which, subject to compliance with applicable restrictions, is available to view on Betsson's website.

About NetPlay

NetPlay is an interactive gambling company that provides Casino, Bingo and Sportsbook services to consumers in the UK under its UK gaming licence. NetPlay offers its B2C services through the Supercasino, Jackpot247 and Vernons brands. Additionally, the NetPlay Group also operates a B2B division which is a specialist online digital marketing, product development and technology business which was acquired in August 2015.

NetPlay's B2C services have over 65,000 active depositing players (H1 2016) and can be viewed 24 hours a day live online and every night on Channel 5 and ITV. The NetPlay Group is focused on the delivery of an integrated online gaming experience through a variety of platforms (TV, internet and mobile) and from a common cross-product wallet.

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