

## **River –Completion of acquisition of business from GMR and drawdown of Convertible Loan**

Malta 17.07.2019

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Reference is made to the stock exchange announcement from River iGaming P.l.c. ("River" or the "Company") on 21 February 2019. The Company has today completed the acquisition in relation to the remaining 30% of River UK Casino Limited ("River UK") plus the B2B platform business of Gaming Realms P.l.c. ("GMR") (the "Grizzly Platform") and the outstanding share capital in Bear Group Limited ("Bear Group") from GMR and has settled all remaining delayed payments and earn-outs for a total consideration of GBP 11.5 million (the "Transaction").

A detailed announcement of the Transaction was issued on the 21<sup>st</sup> February 2019 and was prepared and published in accordance with section 3.4 of the Continuing Obligations for companies admitted to trading on Merkur Market. The Transaction was entered into pending a number of completion conditions, all of which have been satisfied, thus leading to today's closing.

The Transaction and planned related investments are fully funded by a convertible loan of up to EUR 15.0 million with 3-year duration signed in relation to the Transaction. The Company completed the drawdown of the funds in parallel with the completion of the acquisition further described hereunder.

### **The Transaction**

The Transaction gives River full control and access to the cashflow in River UK from today. The acquisition of the Grizzly Platform transforms River into a true 360 iGaming company, controlling the entire value chain from platform and gamification, to marketing, brands and operations. The combined operated brand portfolio, fully owned by River upon completion of the Transaction, consists of Vegas Casino, Casonic, Pocket Fruity, Britain's Got Talent Games, Spin Genie, X Factor Games and a number of small casinos currently operated by Bear Group. River Technologies is currently in the process of applying for a B2B licence. Upon completion of the B2B licensing procedures, River shall be able to also offer B2B services through the newly acquired Grizzly Platform. The combined sizeable brand portfolio creates a strong foundation for growth and profitability, and the combined B2B offering is an excellent platform to capitalize on River's innovative marketing and gamification technology.

The total consideration payable by River under the Transaction is GBP 11.5 million (the "Purchase Price"). The Purchase Price comprises settlement for the assets acquired under the Transaction as well as settlement of all deferred payments and earn-out obligations under the asset purchase agreement entered into between the parties on 27 June 2018 (the "Asset Purchase Agreement"), as follows: a total payment of GBP 7.0 million under the terms of the Share Purchase Agreement entered into today in relation to the Transaction pursuant to which the Company shall acquire both the entire issued share capital of Bear Group. Of such total payment, GBP 5.5 million was payable on completion and GBP 1.5 million is payable without set-off on or before 31 December 2020; a payment of GBP 4.497 million in respect of the sole perpetual licence of the Grizzly Platform and GBP 3.0 thousand in respect of the 30% stake in River UK. The Transaction has been financed through the issuance of a convertible

loan. The agreements for the Transaction and the convertible loan were approved by the shareholders in River during an extraordinary general meeting held on the 22 March 2019.

### **Description of the acquired business**

The remaining 30% shareholding in River UK was acquired by the Company's wholly owned subsidiary River Game Operations Ltd ("RGO"), and comprises well-recognized UK casino brands, including the ownership to the Pocket Fruity and Spin Genie brands and certain rights to the Britain's Got Talent and X Factor Games brands. The brands are individually positioned to appeal to different player demographics and give access to a unique and large customer base with 50/50 female and male players, as well as approx. 60% of 2017 FTD's being under 35 years. The brands provide powerful marketing capabilities such as innovative gamification features, in addition to providing a best in class mobile product for all brands with more than 80% of the acquired business' 2017 revenues being generated on mobile devices. River UK is now a wholly owned subsidiary of River iGaming plc. Its Board of Directors will consist of Kent Staahle and Shawn Bezzina. For further information, please refer to the Company's stock exchange notice on 27 June 2018.

The acquisition of 100% of the outstanding share capital of Bear Group comprises of a Company incorporated and registered in Alderney holding UK Gambling Commission B2C Licence, Alderney Gambling Commission Licence as well as a number of online casinos. Upon completion of the Transaction, River (through its wholly owned subsidiary River Technologies Limited "RTL") was granted a sole, perpetual, irrevocable, world-wide, royalty-free licence to copy, use develop and commercially exploit the Grizzly Platform, held by AlchemyBet. The Slingo Games will remain the property of GMR (or companies controlled by it) and will be licenced by GMR on a commercial basis to River UK and Bear Group and to third parties in separate agreements after completion.

For the audited 12 months ended 31 December 2017, Bear Group delivered GBP 8.8 million of net gaming revenue and EBITDA of GBP 0.3 million.

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This information is disclosed in accordance with the Continuing Obligations for companies admitted to trading on Merkur Market.

About River iGaming: River iGaming is a technology company within the iGaming industry, offering an attractive ecosystem of companies throughout the iGaming value chain servicing both the B2B and B2C market. River iGaming operates out of Malta and is listed on the Merkur Market under the ticker symbol "RIVER-ME".

For more information about River iGaming P.l.c.: <https://www.riverigaming.com/>