

River iGaming acquires B2C online casino business from Gaming Realms P.l.c. and launches private placement to raise up to EUR 15m

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Oslo, 27 June 2018: River iGaming P.l.c. ("River iGaming" or the "Company") has today, through its wholly owned and newly incorporated subsidiary, River UK Casino Limited ("River UK") signed an asset purchase agreement to acquire 70% of a carve-out containing the B2C online casino business (the "Target Business") of the UK-based company Gaming Realms Plc (registered in England and Wales) ("Gaming Realms", AIM:GMR) and its subsidiaries. Following completion of the transaction, each of River iGaming and Gaming Realms will hold 70% and 30% in River UK, respectively.

The Target Business:

- The Target Business features well-recognized UK casino brands, including the ownership to the Pocket Fruity and Spin Genie brands and the certain rights to the Britain's Got Talent and X Factor Games brands
- The acquisition will give River iGaming a complementary game offer, expertise and knowledge in one of the world's largest gaming markets
- With the Target Business' UK presence and unique content, this is an important milestone in establishing River iGaming as a NOK billion Pan-European iGaming company, and will create significant synergies with the Company's existing business
- The brands are individually positioned to appeal to different player demographics and gives 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
- In 2017, the Target Business had net gaming revenue of GBP 13.9 million and EBIT of GBP 4.7 million in total for the acquired brands

Key acquisition terms:

- The purchase price will be based on a pricing multiple of 5.5x EBIT
- The acquisition of the 70% stake in the Target Business will be settled through:
 - An initial cash consideration of GBP 4.2m to be paid at closing
 - Additional GBP 4.2m to be paid by 31 August 2019
 - An earn-out payment based on 5.5x EBIT (adjusted for any acquisition effects) capped to a maximum of GBP 14.7m
- Closing of the acquisition will be subject to certain conditions, including approval from the shareholders in Gaming Realms in an EGM excepted to be held on or about 18 July 2018 and consent from Fremantle to transfer any rights to River UK under the agreement with Fremantle.

The private placement:

- In order to secure funding for the acquisition and for general corporate purposes, including funding strategic growth initiatives within the Company's business, River iGaming today launches a private placement of up to the NOK-equivalent of EUR 15m through an accelerated bookbuilding process (the "Private Placement")

- Current shareholders Klein Invest AS, Middelborg Invest AS and Tigerstaden AS have pre-committed to subscribe for EUR 5m in aggregate and will be allocated a minimum of EUR 5 million in the Private Placement on a pro rata basis. In addition, Kent Staahle (CEO of River iGaming) will subscribe for NOK 1 million in the Private Placement.
- The Company has also received significant indications of interest from existing and new investors
- Completion of the Private Placement is conditional, inter alia, on the closing of the acquisition

“We are very happy to announce this transaction with GMR. Acquiring these attractive brands, with unique demographics and content is an important milestone in establishing River iGaming as a large Pan-European iGaming company”, says Kent Staahle, CEO of River iGaming. He continues; “This transaction has everything we look for in an online casino acquisition and creates significant synergies with our existing business through the potential to cross-expand brands in the future, and to further leverage our Game Intelligence and Affiliate unit, as well as tech initiatives on a much larger customer base.”

Fabian Qvist, Chairman of the Board of River iGaming says; “I am very satisfied that River has been able to complete such an important transaction only a few months after our listing on Merkur Markets. It confirms our ability to be a consolidator in the industry and exemplifies how we are going to create value for our shareholders going forward. The transaction will also increase our operational cash flow and broaden the financing alternatives for future acquisitions.”

For further information, see the attached PDF or contact:

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For a detailed announcement in accordance with the Continuing Obligations section 3.4 and detailed information regarding the Private Placement is set out in the attached PDF.

The information in this announcement is subject to the disclosure requirements of the Norwegian Securities Trading Act section 5-12.

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