

Entain plc

Acquisition of BetCity, one of the Netherlands' leading online sports betting and gaming operators

Entain plc (LSE: ENT), the leading global sports betting, gaming and interactive entertainment group ("Entain" or the "Group"), today announces that it has agreed to acquire the entire share capital of BetEnt B.V., which trades under the BetCity.nl name ("BetCity" or the "Company"), from Sports Entertainment Media B.V. for an initial consideration of €300m (approximately £257m¹) and deferred contingent consideration of up to €550m (approximately £472m¹).

BetCity is one of the Netherlands' leading online sports betting and gaming operators. Headquartered in Amsterdam, BetCity received an online sports betting and gaming licence from the KSA (Kansspelautoriteit), the Dutch Gaming and Gambling Authority, in October 2021.

The newly regulated Netherlands online market is highly attractive and fast-growing across both sports betting and gaming. Since its licensing in October 2021, BetCity has delivered rapid growth, establishing a leading position with approximately 20%² market share during the fourth quarter of 2021. This acquisition will create a strong market operator with significant growth opportunities, in line with the Group's strategy.

BetCity's offering is highly complementary to Entain's bwin and Party brands which are awaiting approval for a licence to operate in the Netherlands – now expected during the latter part of this year as the KSA has recently requested additional documentation as part of the ongoing application process. The combination of BetCity's local expertise, strong brand and large diverse user-base, with Entain's global scale and market-leading platform will provide customers with a broader offering of engaging products, fresh content and new experiences.

Melvin Bostelaar, BetCity's CEO, along with other key members of the leadership team, will remain with the Company.

Consideration structure:

- Initial consideration of €300m (approximately £257m¹) is payable in cash at completion, with a balancing payment to be paid in early 2023 based on the actual performance of BetCity in the financial year 2022;
- A further contingent payment will be paid in early 2024, based on 10x BetCity's EBITDA for the financial year 2023, less amounts already paid out;
- In addition, a final contingent payment of €50m (approximately £43m¹) will be paid on delivery of synergies and successful migration to the Entain Platform;

The total consideration payable on current expectations is €450m (approximately £386m¹). However, dependent on the performance of BetCity, the maximum consideration is capped at €850m (approximately £729m¹). The combination is expected to deliver approximately €28m (approximately £24m¹) of cost synergies, predominantly from technology, content and royalty benefits, by the end of 2026.

The initial consideration will be funded from existing cash resources and drawings on the Group's revolving credit facility.

The acquisition is expected to complete during H2 2022.

Jette Nygaard-Andersen, CEO of Entain, comments:

“We are delighted that BetCity is joining Entain and are excited by the significant opportunities in the newly regulated Dutch market. This acquisition will provide customers with an even better experience as we combine BetCity’s local expertise and brand alongside Entain’s market leading, customer focused platform. This transaction further underpins our growth strategy of operating in attractive regulated markets. We look forward to working with Melvin and the BetCity team.”

Melvin Bostelaar, CEO of BetCity, comments:

“We are happy to be joining forces with a world-class group in Entain. Together we will be well-placed to maintain a strong market position in the Dutch market for the coming years. Entain’s market leading platform, technology, established brands and global scale provides a fantastic opportunity to expand and enrich our customer offering. Both BetCity and Entain position the customer at the heart of everything we do, with Entain’s core values and philosophy in responsible gaming, compliance and company-culture seamlessly aligning with those of BetCity. We look forward to a bright future together.”

Notes

The Acquisition constitutes a Class 2 transaction for the purposes of the UK Listing Rules.

(1) EUR / GBP FX rate of 0.8580 as per Bloomberg on 13th June 2022

(2) Source KSA report GGR Q4 2021 [Online kansspelmarkt: de stand van zaken - Kansspelautoriteit](#)

(3) For the purposes of UK LR 10.4.1 R, as at 31 December 2021, BetCity had gross assets of approximately €20.7m (approximately £17.8m¹) and generated profits of €2.0m (approximately £1.7m¹) in the year ending 31 December 2021

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About Entain

Entain (LSE: ENT) is a FTSE100 company and is one of the world’s largest sports-betting and gaming groups, operating both online and in the retail sector. The Group owns a comprehensive portfolio of established brands; Sports Brands include bwin, Bet.pt, Coral, Crystalbet, Eurobet, Ladbrokes, Neds, Sportingbet and Sports Interaction; Gaming Brands include CasinoClub, Foxy Bingo, Gala, GiocoDigitale, Ninja Casino, Optibet, Partypoker and PartyCasino. The Group owns proprietary technology across all its core product verticals and in addition to its B2C operations provides services to a number of third-party customers on a B2B basis.

The Group has a 50/50 joint venture, BetMGM, a leader in sports betting and iGaming in the US. Entain provides the technology and capabilities which power BetMGM as well as exclusive games and products, specially developed at its in-house gaming studios. The Group is tax resident in the UK with operations in a total of 31 regulated or regulating territories. Entain is a leader in ESG, a member of FTSE4Good, the DJSI and is AA rated by MSCI. The Group has set a science-based target, committing to be carbon net zero by 2035 and through the Entain Foundation supports a variety of initiatives, focusing on safer gambling, grassroots sport, diversity in technology and community projects. For more information see the Group's website: www.entaingroup.com

About BetCity

BetCity has quickly become one of the leading Dutch operators for online sports betting and casino games. BetCity offers a wide range of products like sports betting, slot games and live casino.

BetCity was one of the first online casinos to enter the newly regulated Dutch market. BetCity did this with the support of some industry leading partners, like Kambi, Oryx, StakeLogic, Evolution, and Pragmatic amongst others.

Through its partners, BetCity has dedicated native speaking Dutch dealers on blackjack and roulette tables in Eindhoven and in Madrid.

With a strong marketing campaign, BetCity was able to secure a firm position in the Dutch market.

BetCity's marketing team dynamically adapts to player choices and market conditions, offering players great content and a safe environment in which to play.

BetCity was advised by Partis Capital, Proskauer Rose, HVK, Brandeis and KPMG.

Important notices

Certain statements in this announcement are forward-looking statements, including with respect to Entain's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results are forward-looking statements. Any statements contained in this announcement that are not statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect", "may", "plan", "project" or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Entain's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which Entain operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this announcement. Entain and its affiliates, and any of its or their respective directors, officers, partners,

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In particular, no statement in this announcement is intended to be a profit forecast or profit estimate and no statement of a financial metric (including estimates of EBITDA, profit before tax, free cash flow or net debt) should be interpreted to mean that any financial metric for the current or future financial years would necessarily match or exceed the historical published position of Entain and its subsidiaries. Certain statements in this announcement may contain estimates. The estimates set out in this announcement have been prepared based on numerous assumptions and forecasts, some of which are outside of Entain's influence and/or control, and is therefore inherently uncertain and there can be no guarantee or assurance that it will be correct. The estimates have not been audited, reviewed, verified or subject to any procedures by Entain's auditors. Undue reliance should not be placed on them and there can be no guarantee or assurance that they will be correct.

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