

*This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for, or any invitation to purchase or subscribe for, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Transaction (as defined below) or otherwise. The Transaction will be effected solely pursuant to the terms of the regulatory announcement announced earlier today by William Hill PLC in respect of the Transaction and in compliance with any applicable laws and regulations pertaining to the Transaction.*

31 October 2018

### **William Hill has today announced a recommended cash offer for Mr Green & Co**

*Growth acquisition which strengthens William Hill's international business and drives further online penetration*

*Access to international hub from which to drive international growth together with deeper operational expertise in new markets*

*Brings strong brands with track record of growth across its geographic portfolio*

*Expected to be accretive to earnings from the first full year of ownership before synergy benefits, and achieve returns above William Hill's cost of capital*

William Hill through a controlled affiliate William Hill Holdings Limited ("William Hill" or the "Group") has today announced a recommended cash offer (the "Offer") to acquire Mr Green & co AB (publ) ("MRG") for SEK 69 per MRG share (the "Transaction"), which implies a total consideration of approximately SEK 2,819m, equivalent to GBP 242m.<sup>1</sup>

MRG is a fast-growing, innovative iGaming group with operations in 13 markets and brands including Mr Green and Redbet. MRG holds remote gambling licences in Denmark, Italy, Latvia, Malta, Great Britain and Ireland, and expect to obtain licences in Sweden by year end. MRG has leading gaming and casino products supported by a fast growing sportsbook.

The Board of Directors of MRG has recommended the Offer for acceptance by the shareholders, and shareholders in MRG Henrik Bergquist, Hans Fajerson, Fredrik Sidfalk, Martin Trollborg, Karl Trollborg, Tommy Trollborg and Anita Trollborg representing in aggregate 40.04% of the total number of issued shares and votes in MRG, have undertaken to accept the Offer and tender any of their shares in MRG in the Offer.

The combination of William Hill and MRG will create a strongly positioned combined business with an expanded pan-European footprint in faster growing online betting and gaming markets, further supported by the existing William Hill Online and Retail businesses in the UK and the US.

MRG has a number of core attributes that will enhance the William Hill business and strategy:

- **International growth:** MRG's existing international hub in Malta combined with operational expertise in establishing a presence in new markets will increase William Hill Online's international footprint and growth potential;
- **Improvement to William Hill revenue mix:** MRG's online-only business will increase the Group's share of online and international revenue and profits, and reduce William Hill's exposure to the UK market. Based on HY2018, the Transaction increases the Group's overall online revenues from c.42% to c.47% (ex-WHUS) with the proportion of international revenues increasing from c.14% to c.21%. Based on Q3 2018 results, MRG's geographic revenue mix was 40% in Western Europe, 36% in the Nordics, 21% in Central, Eastern and Southern Europe and 3% in other regions;
- **Brand:** MRG's primary brands, Mr Green and Redbet, have demonstrated strength and are complementary to the William Hill brand and enable the Group to pursue a multi-brand strategy in territories where it is strategically beneficial to do so;
- **High growth potential:** MRG has historically delivered strong revenue growth across all the regions in which it operates (FY15-17: 23% CAGR), underpinned by resilient organic growth.

Recent trading has continued to be robust with MRG revenue growth of 51% in Q3 2018 vs Q3 2017 and 2018 YTD revenue growth of 44% versus the same period in 2017. The addition of an international hub in Malta and MRG's operational expertise will further strengthen William Hill's growth potential; and

- **Leadership in sustainability:** Strong fit between MRG's leadership position on sustainability and William Hill's Nobody Harmed ambition.

Ulrik Bengtsson, William Hill's Chief Digital Officer, will be responsible for leading the integration of MRG within the Group and has a strong background in working with Nordic online gaming businesses through his time at Betsson.

William Hill recognise the capabilities and skills of MRG's dedicated management and employees and look forward to welcoming these talented individuals to William Hill. Prior to completion of the Offer, no decision will be taken on any material changes to MRG's employees and management or to the existing organisation and operations, including the terms of employment and locations of the business. Following completion of the Offer a careful review of the capabilities and needs of the new combined operations will be undertaken in order to determine the optimal management and employee structure for future success of the Group.

The Transaction is expected to be accretive to earnings from the first full year of ownership before synergy benefits, and achieve returns above William Hill's cost of capital.<sup>2</sup> Synergy benefits of at least GBP 6m p.a. are estimated to be achievable progressively, with full delivery by the third year after completion. In addition to the immediate financial benefits of the Transaction, William Hill believes the acquisition of MRG will enhance the William Hill business and strategy for the long-term.

The consideration payable to MRG shareholders will be funded by cash on William Hill's balance sheet or through existing credit facilities. William Hill's pro forma net debt to LTM EBITDA is expected to be approximately 1.3x at completion.

The Transaction is subject to acceptance from MRG's shareholders and anti-trust approvals. Completion is expected to occur in January 2019.

Commenting on the Transaction, Philip Bowcock, William Hill PLC Chief Executive Officer, said: "This proposed acquisition accelerates the diversification of William Hill - immediately making us a more digital and more international business. MRG will provide William Hill with an international hub in Malta with market entry expertise and strong growth momentum in a number of European countries. William Hill will move from a single brand to a suite of brands that can maximise growth opportunities moving forward in new and existing markets."

William Hill will be holding a Capital Markets Day on 6 November 2018.

The Transaction constitutes a class 2 transaction for the purposes of the UK Listing Rules. For the purposes of the LR 10.4.1 R (Notification of class 2 transactions), the value of the gross assets of MRG is SEK 1,738 million and MRG generated operating profits of SEK 116 million in 2017.

Citigroup Global Markets Limited acted as exclusive financial advisor and corporate broker to William Hill.

OAM: Additional regulated information  
William Hill LEI: 213800 MDW41W5UZQ1X82

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### Footnotes:

1. Based on 40,849,413 outstanding shares in MRG. GBP / SEK FX rate of 11.6567.
2. This should not be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash flows of William Hill will necessarily be greater than historic published figures.

## **Analyst conference call**

There will be a conference call for analysts at 8.30 a.m. GMT today.

Dial-in details for the call are:

Telephone: +44 20 3936 2999

Password: 576164

An audio webcast of the call will be available at [www.williamhillplc.com](http://www.williamhillplc.com)

Notes to editors

### **About William Hill**

William Hill PLC is one of the world's leading betting and gaming companies, employing around 16,000 people. Founded in 1934 and listed on the London Stock Exchange, it aims to provide gamblers with a fun and safe gambling experience, and has set the ambition that nobody is harmed by gambling. The majority of its £1.7bn annual revenues are still derived from the UK, where it has a national presence of licensed betting offices and one of the leading online betting and gaming services. William Hill Online is headquartered in Gibraltar and serves online customers in the UK and elsewhere throughout the world. In 2012, it established William Hill US with a focus on retail and mobile operations in Nevada, which is now the largest sports betting business in the US. It currently operates race and sports books in Nevada, New Jersey, Mississippi, West Virginia and Iowa, is the exclusive risk manager for the sports lotteries in Delaware and is the exclusive partner to IGT to provide sports betting services to the lottery in Rhode Island. It also has licensed operations in The Bahamas and St. Kitts. William Hill PLC is listed on the London Stock Exchange and is a member of both the FTSE 250 and FTSE4Good Indices.

### **About MRG**

MRG is a fast-growing, innovative iGaming Group with operations in 13 markets. MRG offers a superior experience in a Green Gaming environment. MRG was founded in 2007 and operates the iGaming sites Mr Green, Redbet, 11.lv, Winning Room, Bertil, MamaMiaBingo, BingoSjov and BingoSlottet. The Group had a turnover of SEK 1,192.0 million in 2017 and has over 300 employees. MRG has gaming licences in Denmark, Italy, Latvia, Malta, the UK, and Sportsbook licence in Ireland. MRG is listed on Nasdaq Stockholm in the Mid Cap segment under the name Mr Green & Co AB (ticker MRG). Read more at [www.mrggroup.com](http://www.mrggroup.com).

### **William Hill PLC**

Cautionary note regarding forward-looking statements

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This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this announcement and the information incorporated by reference into this announcement and may include statements regarding the intentions, beliefs or current expectations of the Directors, William

Hill or the Group concerning, amongst other things: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies, the expansion and growth of William Hill's, the Group's or the MRG business' operations and potential synergies resulting from the Transaction; and (iii) the effects of government regulation and industry changes on the business of William Hill, the Group, or MRG. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond William Hill's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition, liquidity, and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this announcement and/or the information incorporated by reference into this announcement. The same applies in respect of the MRG business that is the subject of the Transaction.

Any forward-looking statements in this announcement speak only as of the date of this announcement and are subject to risks relating to future events, other risks, uncertainties and assumptions relating to William Hill's operations and growth strategy, and a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Such factors include, without limitation, the possibility that the Transaction will not be pursued or consummated, failure to obtain necessary regulatory approvals or to satisfy any of the other conditions to the Transaction if it is pursued, adverse effects on William Hill share price and operating results because of a failure to complete the Transaction, failure to realise the expected benefits of the Transaction, negative effects relating to the announcement of the Transaction or any further announcements relating to the Transaction or the consummation of the Transaction on the William Hill share price, significant Transaction costs and/or unknown liabilities, general economic and business conditions that affect William Hill, the Group or the MRG business following the Transaction, changes in global, political, economic, business, competitive, market and regulatory forces, industry trends, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business combinations or disposals and competitive developments, and other factors discussed in this announcement. Undue reliance should not be placed on any forward-looking statements. Before making any decision in relation to the Transaction as well as the MRG business that is the subject of the Transaction, you should specifically consider the factors identified in this document, in addition to the risk factors that may affect William Hill's operations which are described under "Managing our risks" in the Company's 2017 Annual Report. Subject to the requirements of the FCA, the London Stock Exchange, the Market Abuse Regulation (596/2014), the Listing Rules and the Disclosure and Transparency Rules (and/or any regulatory requirements) or applicable law, William Hill explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this announcement. No statement in this document is intended as a profit forecast or profit estimate and no statement in this document should be interpreted to mean that the earnings per share of William Hill as altered by the Transaction will necessarily match or exceed the historical or published earnings per share of William Hill or the relevant entities which form the basis for the Transaction.