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The Rank Group Plc
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Acquisition of YoBingo.es by The Rank Group Plc

The Board of The Rank Group Plc ('Rank') is pleased to announce that Rank has acquired the entire issued share capital of QSB Gaming Limited ('QSB'), owner of *YoBingo.es*, a leading Spanish digital bingo business for an initial consideration of €21 million and, subject to future performance, up to a maximum consideration of €52 million in cash (the 'Acquisition').

Strategic highlights

- Secures a strong digital bingo and casino presence in Spain, a high growth regulated digital gaming market;
- Top 2 online bingo operator in Spain with a greater than 30% bingo market share and over 5% slots market share;
- Provides Rank with a proprietary platform including online bingo, roulette and video bingo content for the Spanish market with strong potential to support other regulated markets;
- Provides a brand with strong national recognition in Spain;
- Accelerates the multi-channel strategy of Rank's established Spanish brand, Enracha; and
- Deepens Rank's commitment to the Spanish gaming market.

Financial highlights

- For the year ended 31 December 2017, QSB and its subsidiaries (the 'YoBingo Group') generated revenue and EBIT of €10.4 million and €2.5 million respectively;
- Total purchase enterprise value of up to €52 million; and
- EPS accretive.

Commenting on the Acquisition, John O'Reilly, Chief Executive of Rank said:

"The acquisition of the YoBingo Group expands Rank's digital footprint in Spain. Spain is an exciting high-growth regulated market which we believe offers strong multi-channel potential. The YoBingo Group is a well-established operation that we intend to further develop and to cross-sell into our established Spanish retail operations."

Enquiries

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Overview of the YoBingo Group

The YoBingo Group is currently one of the leading online bingo operators in Spain. Having been established in 2012, shortly after Spain regulated online gambling, *YoBingo.es* is now a well-recognised brand which offers substantial potential to grow in what is a fast growing market.

Headquartered in Malta and licensed in Spain, the YoBingo Group's principal operating company, Bingsoft plc ('Bingsoft'), operates the website *YoBingo.es* through which it offers a broad portfolio of games including bingo, slots, video bingo and roulette.

Bingsoft operates on its own gaming platform, which was purpose built for the Spanish online gaming environment and has developed and operates a suite of proprietary games.

Strategic and financial rationale for the Acquisition

Rank believes that Spain is an attractive multi-channel market and that there is significant upside potential in combining Spanish retail and digital bingo and slot operations.

The acquisition of the YoBingo Group brings Rank immediate and significant market share, brand recognition and a platform designed for the Spanish market.

The *YoBingo.es* brand, proprietary games, bingo engine and platform will allow Rank to:

1. drive scale and diversify our digital earnings in Spain; and
2. differentiate our offering between the *YoBingo* and Enracha brands.

YoBingo Group management team

The YoBingo Group was founded by experienced online gaming executives who have over 15 years' experience previously pioneering and developing UK online bingo businesses.

In addition to the founders, the YoBingo Group's senior management team comprises individuals with extensive marketing and technology experience in the digital gaming market in Spain and internationally.

All of the senior management will remain with the business following completion of the Acquisition.

Key terms of the Acquisition

QSB has been acquired by Rank Digital Holdings Limited, a wholly-owned subsidiary of Rank, on a cash free and debt free basis from a group of sellers including management, private investors and a subsidiary of Stride Gaming plc.

The initial tranche of consideration (€21 million) was paid on completion of the Acquisition, less a retained amount which shall be released 24 months following completion of the Acquisition.

Further consideration will be paid following completion of the Acquisition equal to the EBITDA of the YoBingo Group for the 12-month period ending 31 December 2018 (subject to certain adjustments), multiplied by 8.5, less the initial tranche of consideration.

Further amounts of consideration shall also be paid if specified tax and commercial outcomes arise following completion of the Acquisition. The total consideration payable is capped at €52 million.

The gross assets of the YoBingo Group as at 31 December 2017 were €3.9 million.

Funding of the Acquisition

Rank will fund the consideration from its own cash resources.