

PRESS RELEASE FEBRUARY 18TH 2020

ASPIRE GLOBAL'S YEAR-END REPORT 2019 – ANOTHER YEAR OF STRONG GROWTH

FOURTH QUARTER 2019 (OCT-DEC)

- Revenues decreased by 2.0% to €32.2 million (32.9).
- B2B revenues increased by 10.0% to €21.2 million (19.3), constituting 66.0% of total revenues.
- EBITDA decreased by 33.6% to €4.4 million (6.6).
- EBITDA for B2B decreased by 21.0% to €3.4 million (4.4), constituting 78.8% of total EBITDA.
- The EBITDA margin amounted to 13.5% (20.0%)
- EBIT amounted to €3.1 million (6.0).
- Earnings after tax amounted to €-12.1 million (4.6), impacted by the tax settlement of €13.7 million related to the fiscal years 2008–2018.
- Earnings per share after tax amounted to €-0.26 (0.10) including, and €0.03 (0.10) excluding, a one-off tax item.
- First time depositors in thousands (FTDs) decreased by 14.6% to 105.6 thousand (123.7).

FULL YEAR 2019 (JAN-DEC)

- Revenues increased by 26.0% to €131.4 million (104.6).
- B2B revenues increased by 43.4% to €81.1 million (56.6), constituting 62.0% of total revenues.
- EBITDA increased by 2.4% to €21.7 million (21.2).
- EBITDA for B2B increased by 29.0% to €15.9 million (12.4), constituting 73.4% of total EBITDA.
- The EBITDA margin amounted to 16.5% (20.3%)
- EBIT amounted to €17.7 million (19.3).
- Earnings after tax amounted to €0.4 million (16.2), impacted by the tax settlement of €13.7 million related to the fiscal years 2008–2018.
- Earnings per share after tax amounted to €0.01 (0.36) including, and €0.31 (0.36) excluding, a one-off tax item.
- First time depositors in thousands (FTDs) increased by 20.0% to 444.5 thousand (370.4).
- The Board proposes the AGM that no dividend is paid out for 2019 following the tax settlement and the continued search for M&A opportunities. The long-term dividend target of 50% of net profit remains.

SIGNIFICANT EVENTS DURING AND AFTER THE FOURTH QUARTER

- October 7th, Aspire Global finalized the acquisition of the leading game aggregator platform Pariplay for €13.3 million in cash, according to the initial conditions. With the acquisition Aspire Global has gained control of yet another crucial part of the iGaming value chain – creating synergies, broadening the game portfolio and providing a channel to distribute propriety games outside the partner network. The transaction had a positive effect on the company's EBITDA already in Q4 2019.
- Aspire Global appealed against the lawsuit made by the Swedish Consumer Agency ("KO") in October claiming that the company violated the marketing provisions of the Gaming- and Marketing acts.
- November 1st 2019, Aspire Global announced the coming entering into the regulated US market as Pariplay signed an agreement for New Jersey with longstanding partner 888casino.
- December 31st 2019, Aspire Global reached an agreement for a settlement with the Israeli Tax Authority in the previously disclosed tax audit.

KEY FIGURES

€ million	FOURTH QUARTER		FULL YEAR	
	2019	2018	2019	2018
Revenues	32.2	32.9	131.4	104.6
EBITDA	4.4	6.6	21.7	21.2
EBITDA, %	13.5	20.0	16.5	20.3
EBIT	3.1	6.0	17.7	19.3
EBIT, %	9.8	18.3	13.5	18.5
Earnings per share, €	-0.26	0.1	0.01	0.36
Earnings per share excluding a one-off tax item, €	0.03	0.1	0.31	0.36
Company hold, %	49.6	50.6	52.0	52.4
FTDs (K)	105.6	123.7	444.5	370.4

STATEMENT FROM THE CEO

I am pleased to conclude that we have delivered another year of strong growth, despite changes in the market environment. Revenues increased by 26% to €131.4 million with an EBITDA margin of 16.5%, in line with our financial targets. We have proven that our strategy is efficient, and we have a solid foundation to continue to expand our business through organic growth and M&A.

We had a somewhat disappointing last quarter of the year due to new regulatory requirements in regulated markets, such as the UK, as well as markets to become regulated. Compliance is top on our agenda and we swiftly adapt to new regulatory requirements, knowing that our longer-term benefits are larger than the short-term impact. Our settlement with the Israeli tax authorities had a significant impact on net income and EPS in the quarter. Nonetheless, I am satisfied with the settlement as it provides the market with clarity around the outcome of the audit. The additional tax charge of €13.7 million is reported as a one-off tax item.

Growth for Pariplay in 2020

One of the highlights in the quarter is the successful integration of Pariplay where we already have realized some of the synergies. Pariplay contributed to revenues and EBITDA in the quarter with €3 million and €0.5 million respectively. The acquisition will create further cost synergies, strengthen our market presence in B2B, serve as our first footprint in the US and generate revenue streams outside our existing partners on our platform. The technical integration is completed, and we are happy to have all main third-party suppliers on board from the start. During the fourth quarter, Pariplay signed two new operator deals. We expect Pariplay to generate significant growth in 2020 with a positive effect on the Group's EBITDA.

Material organic growth in 2019

In 2019 we continued to deliver on our growth strategy and accelerated the number of partners and brands as well as strengthened our offering. In the quarter, three new partnerships were signed, and seven new B2B-brands were launched. By year-end, we had 77 B2B-brands and 44 partners operating on our platform, which is a material increase from 2018. The B2B-segment grew by 43.4% in 2019, constituting 62.0% of Group revenues, while growth for B2C was around 5% following weaker performance due to new regulatory requirements, although partially compensated by other markets.

We see great interest in our recent verticals – sports and bingo – and several partners are looking to broaden their offering. Four B2B-brands are currently offering sportsbook and three launches are soon to come. Bingo is live with one B2B-brand and three launches are near, including Karamba.

Competitive advantages in the regulated landscape

We have given clear proof of our ability to grow with good profitability in regulated markets. In 2019, more than 50% of our revenues came from regulated and taxed markets. We welcome the trend where more markets become regulated. We believe it benefits companies like ours, with a sustainable growth strategy rather than a more opportunistic approach and we consider it to be a business opportunity. We will continue to strengthen our market position in the regulated landscape by expanding in the value chain. It grants us a unique, competitive advantage as current and future partners wish to enhance their potential in any jurisdiction. Thus, we continue the active search for acquisition opportunities and new projects across various parts of the value chain, in Europe as well as other parts of the world. We are confident in our integration skills and we have the financial strength to execute on our M&A-strategy.

Continued sustainable profitable growth

Our broad market presence and product offering give us a solid foundation for sustainable profitable growth. We will continue to enhance our multi-vertical offering while maintaining the search for M&A-opportunities, supported by our strong balance sheet. We are confident in our ability to meet our financial targets for 2021, €200 million in revenues and €32 million in EBITDA.

Tsachi Maimon, CEO Aspire Global

FOR MORE INFORMATION, PLEASE CONTACT:

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ABOUT THIS INFORMATION

Aspire global discloses the information provided herein pursuant to the EU Market Abuse Regulation (MAR). The information was submitted for publication by the contact persons above at 08:15 am (CET) on February 18th 2020.

This document is the English original. In the event of any discrepancy between the original English document and the Swedish translation, the English original shall prevail.

WEBCAST

Today, on February 18th 2020, at 10:00 (CET), the company CEO and CFO, Tsachi Maimon and Motti Gil, will be presenting the report and answering questions over a webcast (in English) available through the following link: <https://www.redeye.se/live/aspire-global-live-q4>. The presentation material from the presentation will be published on the company website www.aspireglobal.com/investor.

The complete interim report is available at: <https://www.aspireglobal.com/wp-content/uploads/2020/02/AGQ419-final.pdf>

ABOUT ASPIRE GLOBAL

Founded in 2005, Aspire Global offers operators and white labels a comprehensive iGaming solution for casino, sportsbook and bingo. The robust, market-leading platform includes a complete suite of services such as multilingual CRM, payment and risk control, support call center, VIP management and acquisition optimization. Aspire Global operates in several regulated markets including Denmark, Ireland, Malta, Portugal, Sweden and the UK. Aspire Global is listed on Nasdaq First North Premier Growth Market under ASPIRE. Certified Advisor: FNCA Sweden AB, info@fnca.se, +46-8-528 00 399. Please visit www.aspireglobal.com/investor