

26 March 2020

Webis Holdings plc (“Webis” or the “Company”)

Webis agrees new Term Loan for USA Expansion

The Board of Webis, the Group specializing in pool wagering and the operators of Cal Expo, the Californian harness track, as part of the on-going strategy to protect and develop its USA licenses in relation to expected impending sports betting legislation, has agreed a Term Loan on behalf of its wholly owned subsidiary, Watch & Wager Inc (“W&W”) for the sum of US\$500,000 from Galloway Limited (“Loan”).

The primary purpose of the loan is to support the W&W physical and on-line licenses in the State of California. As reported to shareholders and highlighted in the recent Webis interim report for 2019/20, there is considerable optimism for potential legislation of licensed sports wagering in California being passed. Most importantly, the draft Senator Gray/Dodd AC 16 Bill clearly allows for racetracks such as Cal Expo to be permitted to operate licensed sports betting in the State. As shareholders are aware, the Board recently extended its lease on the Cal Expo racetrack to May 2025, with an option to extend until 2030. Given the momentum in California and the success of sports betting in other States such as New Jersey, it now seems inevitable that licensed sports betting is coming to California, possibly as soon as 2021, subject any impact that the current COVID-19 pandemic may have.

The Board of Webis believes the development of its presences in California and at Cal Expo especially, located in the state Capital of Sacramento, is vital to the Company. Whilst progress has been significant, there is much still to do to clarify detailed legislation and to protect the track position from competing initiatives. It is important that the legislation is drafted both fairly and to allow for a model for growth, especially in permitting mobile wagering and “white label” sites. This will provide the greatest scope for new jobs in the State and significant extra taxes/duties returned to government, as per the successful New Jersey model. Thus the Loan will primarily be used on lobbying, compliance and developing key structures to support the pending license applications.

The part of the Loan will also be used to further develop and market of our principal website, watchandwager.com/mobile. This site continues to show good levels of growth and has the potential for further expansion in market share.

On a related but separate subject, the Board is very aware of the potential impact of the COVID-19 pandemic on W&W. At present the business continues to operate efficiently and business continuity plans have been put in place. Our racetrack at Cal Expo continues to operate with the approval of our regulators, albeit behind closed doors (licensed personnel present only).

The Loan

The Loan carries a coupon 7.0% for a term of five years and is secured against all the unencumbered assets of Webis.

Denham Eke, the non-executive Chairman of Webis, is a director of Galloway Limited and both he and Nigel Caine, a non-Executive Director, are directors of Burnbrae Limited of which Galloway Limited is a wholly owned subsidiary and which is an indirect 63.1% shareholder in Webis. Accordingly, as a Related Party Transaction under AIM Rules, the independent Directors (being Ed Comins and Sir James Mellon), having consulted with the Company’s Nominated Adviser, consider the terms of the Loan are fair and reasonable in so far as Webis’s shareholders are concerned.

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Ends

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