

21 August 2018

Veltyco Group Plc
(“Veltyco”, the “Company” or “the Group”)

**Betsson Services contract renewed, update on receivables
and launch of own regulated brand**

Betsson contract renewed

Veltyco Group plc (AIM:VLTY), the online marketing and operating company for the gaming industry, is pleased to announce that its wholly owned subsidiary, Shelytyco Enterprises Ltd, has agreed with Betsson Services Ltd (“Betsson”), the sports book operator, to renew Veltyco’s marketing agreement until May 2021. Pursuant to the new agreement, Veltyco will continue to exclusively market Betsson’s Betsafe brand in Germany on broadly similar terms as the previous agreement.

Betsson is part of the Betsson AB group, the Swedish quoted investor and manager of companies in the online gaming industry, with a market capitalisation of approximately €885 million. Betsafe is one of the leading global online gaming brands, with over 450,000 customers from over 100 countries. There is an increasing global recognition of the Betsafe brand, as demonstrated by Betsson’s sponsorship of London-based, Saracens Rugby Club and boxer Tony Bellew.

Veltyco has been working with Betsson since March 2012 as its exclusive marketing partner for the German speaking market, receiving a share of all revenues generated from the Betsafe brand in German speaking countries, in recognition of its marketing activities. Historically, Veltyco has increased the visibility and recognition of the Betsafe brand, through premium marketing partnerships with top German Bundesliga clubs and other high-profile sporting events.

The renewal of the marketing agreement with Betsson is further to the disclosure in Veltyco’s 2017 Annual Report and Accounts, in which the Company confirmed that it had, subject to documentation, reached agreement with Betsson to further extend its existing marketing agreement. If Veltyco’s relationship with Betsson is expanded beyond the current geographic arrangement, this will be subject to further agreement and further announcements will be made as appropriate.

Commenting on the contract renewal, Gilles Ohana, Chairman of Veltyco, said: *“Since inception, Betsafe has formed a core part of the Group’s operations. The partnership jointly leverages both companies’ respective strengths including Betsson’s and Betsafe’s clear operational excellence and Veltyco’s core expertise in Germany. Betsson’s confidence in Veltyco in extending its marketing agreement in Germany through to 2021, further strengthens our relationship and we very much look forward to continuing the expansion of the Betsafe brand in Germany to the benefit of all parties.”*

Update on receivable position

As at 17 August 2018, the Group’s total receivable balance amounted to, in aggregate, €8.9 million, excluding accrued income in respect of the Group’s online financial trading activities for June and July 2018. The current cash position of the Company has increased to €1.3 million, with a further €0.35 million expected to be received before the end of August 2018 from Celestial Trading Limited (“Celestial”), which now operates the online financial trading brands, as well as the second monthly instalment of €0.3 million due from Altair Entertainment NV (“Altair”), resulting in an expected cash balance at the end of August 2018 of approximately €1.8 million.

As indicated in the Group's final results announcement for the year ended 31 December 2017, the majority of the Group's receivable balance relates to its marketing activities for online financial trading. As at 17 August 2018, receivables in respect of these marketing activities amounted to €8.5 million, excluding accrued income for June 2018 of approximately €0.7 million and for July 2018 which is still to be finalised in the ordinary course of business. €5.4 million of this balance is due from Celestial, of which €1.5 million relates to activities in 2017 and €3.9 million relates to activities in 2018. €1.8 million of the balance due in respect of 2018 activities is overdue and the remaining €2.1 million is within current payment terms. The remainder of the balance due in relation to marketing activities for online financial trading, being €3.1 million, is due from Altair in respect of the Group's activities in 2017 and, as announced on 26 July 2018, Veltco has reached agreement with Altair to reduce this balance by a minimum of €0.3 million per month, with the first payment having been received as planned during July 2018.

Whilst this receivable balance is expected to increase in the short term due to the invoicing of currently accrued income, good progress is being made with Celestial to reduce the amounts due to the Company and the Directors believe that the Group's receivable balance will be reduced going forward, as regular payments are received from Celestial. In addition, the Directors are seeking to reduce the payment terms in respect of online financial trading, which, once implemented, will further improve the Group's receivable balance during the second half of 2018.

The Group also continues to expand its corporate banking relationships, which is expected to assist the Group in reducing this receivable balance and this process is expected to continue through the second half of 2018.

The Company will make further announcements in relation to the above as appropriate.

Launch of own regulated brand

In May 2018 the Company acquired a database of users active in the online trading sector and the Group is making good progress in respect of launching its own regulated brand in the online financial trading sector, which is expected in Q4 2018.

Given the Group's experience in the online financial trading sector, the Directors believe that the launch of the Group's own regulated brand is the logical next step in the Group's development, as this will result in the Group receiving a larger proportion of the revenues from its activities in the sector. In addition, it will also result in monies being received directly by the Group from such activities, as opposed to receiving payments from third parties in respect of the Group's marketing activities, which will help mitigate the build-up of receivables in the future. The Company will keep shareholders updated on progress in this regard.

Commenting on these Company matters, Gilles Ohana, Chairman of Veltco, said: *"We believe that meaningful progress has been achieved in addressing and normalising the receivables balance, and we are now looking forward to the next phase of the Company's development with the launch of its own regulated brand in the online trading sector."*

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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About Veltco

Veltco is a group of companies focused on generating marketing leads and entering into marketing contracts for the activities of various partners in the gaming industry as well as operating its own brands. Veltco focuses on complementary activities under one umbrella, leveraging its historical cash generative activities of marketing online casinos and sports betting.

Website: www.veltco.com