



11 February 2019

Strictly private and confidential

To the employees of Stride Gaming plc (the "Company") and its subsidiary undertakings (the "Stride Group")

Dear Employee

Announcement regarding strategic review

In accordance with Rule 2.11 of the City Code on Takeovers and Mergers (the "**Takeover Code**"), I enclose a copy of the Company's announcement released on 11 February 2019 regarding a review of its strategic options. The announcement also includes a summary of the provisions of Rule 8 of the Takeover Code.

Although this notification may appear formal it is a necessary requirement of the Takeover Code that the Company must comply with. Employees of the Stride Group should be assured that we will work with you to ensure compliance with the Takeover Code.

The Company's announcement in relation to this matter and a copy of this letter are also available to view on the Company's website at www.stridegaming.com/investor-relations/regulatory-announcements/. The content of the website referred to in this letter is not incorporated into and does not form part of this letter.

There can be no certainty that an offer will be made for the Company, nor as to the terms on which any offer will be made. However, if an offer for the Company is made, employees, employee representatives and pension scheme trustees have a right under the Takeover Code to a separate opinion on the effects of any offer on employment or on the pension schemes (as applicable). The opinion, if received, would be appended to the circular regarding any offer which would be sent by the Company to its shareholders, holders of options, awards of subscription rights and persons with information rights and made available to employees. Provided that the opinion is received in good time before the publication of the circular, the Company will append the opinion to the circular and publish the opinion on its website. The Company will also cover any costs reasonably incurred in obtaining advice for the verification of the information in that opinion to comply with the standards of the Takeover Code.

Please note that details held by us in relation to you, including addresses, electronic addresses and certain other information may be provided to potential offerors during the offer period, as required under Section 4 of Appendix 4 of the Takeover Code.

If you have any queries in relation to this letter, you should contact Ronen Kannor or Barry Greally without delay.

Yours faithfully

Eitan Boyd

Chief Executive Officer

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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

11 February 2019

Response to press speculation

Stride Gaming plc ("Stride" or the "Company") notes the recent press speculation and confirms it is currently reviewing all strategic options in order to maximise value for its shareholders.

The Company also clarifies that it was fined once by the Gambling Commission of Great Britain in 2018, as announced on 13 November 2018, and not twice as inferred in the recent press speculation.

The Board remains confident in Stride's ability to manage ongoing fiscal and regulatory market pressures and leverage its unique infrastructure to capitalise on significant growth opportunities in the dynamic UK market. Against this backdrop, the Board is reviewing, amongst other things:

- a more aggressive UK and international organic expansion strategy;
- expanding the group's operations through acquisition in the UK and/or international markets to take advantage of the disruption in the online gaming market resulting from fiscal and regulatory changes; and
- whether Stride should seek to participate in potential industry consolidation through a sale of the Company. There can, however, be no certainty that an offer for the Company will be made, nor as to the terms on which any offer will be made, should the Board pursue this option. The Board is not currently considering an offer proposal for the Company.

The Group has a clear focus on winning and retaining mass market, recreational customers onto its bingo and casino sites. Stride continues to leverage its infrastructure and proprietary technology to migrate more customers onto the Group's higher margin proprietary platform and drive cost synergies across the business. The Board believes the Group will continue to be highly cash generative and the Board remains committed to its revised dividend policy to distribute at least 50% of Adjusted net earnings in dividends.

It is the Board's current expectation that it will report on the review ahead of announcing its interim results for the period ending 28 February 2019. The Board reserves the right to alter or terminate the review process at any time and if it does so it will make an announcement as appropriate. The Board also reserves the right to reject any approach or terminate discussions with any interested party at any time.

The Company has appointed Investec as its financial adviser to assist it with this review.

As a consequence of this announcement, the Company is now considered to be in an "Offer Period" as defined in the Code. The dealing disclosure requirements and other provisions of the Code that now apply are listed below.

Enquiries:

Investec Bank plc (Sole financial adviser, Nominated Adviser and broker)

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Investec Bank plc ("Investec") is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK. Investec is acting exclusively for Stride and no one else in connection with this announcement and shall not be responsible to anyone other than Stride for providing the protections afforded to clients of Investec nor for providing advice in connection with this announcement or any matter referred to in this announcement.

In accordance with Rule 2.9 of the Code, the Company confirms that, as at the date of this announcement, it has 75,805,536 ordinary shares of 1p each in issue and admitted to trading on AIM, a market of London Stock Exchange plc. The Company currently holds no ordinary shares in treasury. The Company's International Securities Identification Number ("ISIN") is JE00BWT5X884.

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on the Company's website at www.stridegaming.com/investor-relations/regulatory-announcements/. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

Overseas Shareholders

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless required by the Takeover Code copies of this announcement and all documents relating to this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of that jurisdiction, and persons receiving this announcement and all documents relating to this announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.

Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in this announcement disclaim any responsibility or liability for the violation of such restrictions by any person.

This announcement shall be subject to the applicable requirements of the Takeover Code, the Takeover Panel, the London Stock Exchange and the Financial Conduct Authority.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.