



Kings Entertainment Group Announces Conditional Approval to List on the Canadian Securities Exchange and Conversion of Subscription Receipts

Global lottery and casino powerhouse to trade under the symbol "JKPT"

/NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES AND DOES NOT CONSTITUTE AN OFFER OF THE SECURITIES DESCRIBED HEREIN/

VANCOUVER, BC, Jan. 17, 2022 /CNW/ - Kings Entertainment Group Inc. ("**Kings Entertainment**" or the "**Company**"), parent company of global online gaming innovators [LottoKings](#) and [WinTrillions](#), is pleased to announce that it has received conditional approval to list on the Canadian Securities Exchange (the "**CSE**") and that it has satisfied all escrow release conditions under its previously announced brokered subscription receipt financing (the "**Subscription Receipt Financing**"), thereby effecting the automatic conversion of an aggregate of 17,789,000 subscription receipts of the Company (the "**Subscription Receipts**") into the equivalent number of common shares of the Company (the "**Shares**") and the release of \$8,894,500 in gross proceeds to the Company.

The Company also obtained a receipt from the British Columbia Securities Commission for its long-form final prospectus dated December 30, 2021 (the "**Prospectus**"). A copy of the Prospectus can be found on the Company's SEDAR profile at www.sedar.com.

Established in 2005, Kings Entertainment's flagship brand, LottoKings, is a profitable online service provider for lottery, casino, and sportsbook gambling. Known as a powerhouse in the international lottery space, LottoKings has now expanded its offering to include live-dealer casino games. LottoKings and sister company WinTrillions have attracted and retained millions of player sign-ups since inception.

Led by a team of experienced industry players, including CEO Steve Budin, a pioneer of the modern sports gambling industry, Kings Entertainment also partners with global leaders in the casino space to offer top-tier games, combined with programs designed to attract, engage, retain and grow gaming clients.

"The launch on the CSE will provide access to a much larger investor base and accelerate our global expansion," said Mr. Budin, CEO of Kings Entertainment. "This is the first of several key steps in our long-term capital formation strategy."

Fueled by significant growth in the online sports gambling and casino sector globally, Kings Entertainment will capitalize on its strong Latin American player base to expand the Company's reach into North America and Europe. Kings Entertainment is currently focused on obtaining the required licensing and software infrastructure for these new jurisdictions and will leverage its in-house marketing and operations expertise to quickly build leadership positions in these new markets.

Global Market Opportunity

- The global market for online gaming surpassed \$55 billion USD in 2019 and is anticipated to grow at 16.5 per cent CAGR between 2020 and 2026.¹
- The U.S. sports betting market is expected to nearly double over the next eight years, approaching \$10 billion USD by the end of the decade.²
- Continued progress in the legalization of gambling in European countries, including France, Germany, Spain, Malta, and Italy, has diversified the European market significantly, with the formerly dominant UK accounting for approximately 30 per cent of the region's gambling revenue in 2019.³
- Latin America is a key market for growth for Kings Entertainment. Lottery, casino and sportsbook are expected to generate a combined \$3.3 billion USD in the region by the end of 2021.⁴

Kings Entertainment will issue a news release announcing the commencement of trading once a date has been confirmed.

Conversion of Subscription Receipts

Effective December 31, 2021 and following satisfaction of all escrow release conditions under the Subscription Receipt Financing, an aggregate of 17,789,000 Subscription Receipts, originally issued at \$0.50 per Subscription Receipt in two tranches, were automatically converted into an aggregate of 17,789,000 Shares.

Until released on December 31, 2021, the gross proceeds from the Subscription Receipt Financing (the "**Escrowed Proceeds**") were held in escrow on behalf of the subscribers of the Subscription Receipts by Olympia Trust Company (the "**Escrow Agent**"), pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated May 7, 2021 between the Company and the Escrow Agent. On December 31, 2021, each Subscription Receipt was converted into one (1) Share and the Escrowed Proceeds of \$8,894,500 were released to the Company.

The Subscription Receipt Financing was conducted pursuant to an agency agreement dated May 7, 2021, among the Company, Research Capital Corporation (the "**Lead Agent**"), as lead agent and sole bookrunner, and Richardson Wealth Limited (together with the Lead Agent, the "**Agents**"). Pursuant to the Agency Agreement, the Company paid the Agents a cash commission of \$533,940 and granted the Agents an aggregate of 1,067,880 agent's compensation options (each, an "**Agent's Compensation Option**"). Each Agent's Compensation Option is exercisable into one (1) Share at an exercise price of \$0.50 at any time until December 31, 2023. In accordance with the Agency Agreement, the Company also reimbursed the Agents an aggregate of \$107,889 in cash, representing the expenses of the Agents related to the Subscription Receipt Financing, and paid a work fee of \$25,000 plus GST in cash.

The Escrowed Proceeds are expected to be used as set out under "Use of Available Funds" in the Prospectus.

The securities issued upon conversion of the Subscription Receipts have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

¹ <https://www.gminsights.com/industry-analysis/online-gambling-market>

² <https://www.grandviewresearch.com/industry-analysis/online-gambling-market>

³ <https://www.gamblingsites.org/news/online-gambling-in-latin-america-growing-more-popular/>

⁴ <https://www.gamblingsites.org/news/online-gambling-in-latin-america-growing-more-popular/>

About Kings Entertainment


Established in 2005, Kings Entertainment is the parent company of global lottery brands LottoKings and WinTrillions. As international online service providers for lottery, casino, and sportsbook gambling, these brands leverage their ability to acquire pre-qualified players through renowned lottery offerings, then engage players in a range of casino and sportsbook offerings. LottoKings and WinTrillions have attracted and retained millions of player sign-ups since their inceptions.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain statements that may constitute forward-looking information under applicable securities laws. All statements, other than those of historical fact, which address activities, events, outcomes, results, developments, performance or achievements that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. Such information may involve, but is not limited to, statements with respect to: listing of the Company's shares on the CSE; the Company's business and business plans; the Company's strategy and current focus on developing brands in the global online gaming market; the anticipated effect of the Company's listing; global market opportunities in the online gaming space, including in respect of anticipated growth, progress of legalization in various jurisdictions and growth in Latin America; and the expected use of the Escrowed Proceeds. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the foregoing) be taken, occur, be achieved, or come to pass. Forward-looking information is based on currently available competitive, financial and economic data and operating plans, strategies or beliefs as of the date of this news release, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Company, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs regarding future growth, results of operations, future capital (including the amount, nature and sources of funding thereof) and expenditures. Any and all forward-looking information contained in this press release is expressly qualified by this cautionary statement. Trading in the securities of the Company should be considered highly speculative.

Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this news release.

SOURCE Kings Entertainment Group Inc.

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/January2022/17/c2040.html>

%SEDAR: 00052244E

For further information: For Kings Entertainment Group, please contact: Steve Budin, CEO, Steve@kingsentertainment.games; Damian Goodwin, COO, Damian@kingsentertainment.games; For media enquiries or interviews, please contact: Christy Kaiser, Thirty Dash Communications,

Christy@thirtydash.ca; For investor inquiries, please contact: Info@kingsentertainment.games

CO: Kings Entertainment Group Inc.

CNW 08:06e 17-JAN-22