



## FANSUNITE

### ***FansUnite and Askott Entertainment Announce an up to \$5.0 Million Brokered Private Placement Led by Canaccord Genuity Corp.***

**Vancouver, British Columbia, July 8, 2020** – FansUnite Entertainment Inc. (CSE: FANS) (“FansUnite” or the “Company”) and Askott Entertainment Inc. (“Askott”), are pleased to announce that they have entered into an agreement with Canaccord Genuity Corp. (“Canaccord”), whereby Canaccord will act as lead agent with a syndicate of agents to consist of Haywood Securities Inc., Paradigm Capital Inc., Mackie Research Capital Corporation and Eight Capital, to assist the Company in selling, on a best efforts private placement basis, up to 12,500,000 subscription receipts of Askott (the “Subscription Receipts”) at a price of \$0.40 per Subscription Receipt (the “Issue Price”) to raise aggregate gross proceeds of up to \$5,000,000 (the “Private Placement”). The Private Placement will be completed prior to the closing of the amalgamation transaction with Askott (the “Transaction”) that was previously announced by the Company on June 23, 2020.

#### **Subscription Receipt Financing**

The Private Placement will consist of a private placement of Subscription Receipts. Each Subscription Receipt will be automatically exchangeable without any further action on the part of the holder or payment of any additional consideration, for one unit of Askott (an “Askott Unit”) upon satisfaction of the Escrow Release Conditions (as defined below). Each Askott Unit will consist of one common share in the capital of Askott (an “Askott Share”) and one-half of one common share purchase warrant (each full warrant, an “Askott Warrant”). Each Askott Warrant will entitle the holder thereof to acquire one additional Askott Share for a period of 24 months from the date of issuance at a price of \$0.55 per Askott Share, and will ultimately entitle the holder thereof to purchase one common share of the resulting issuer (the “Resulting Issuer Share”) to the Transaction (the “Resulting Issuer”) and one-half of one common share purchase warrant on equivalent terms (the “Resulting Issuer Warrants”), subject to acceleration if the common shares of FansUnite trade at or above a price of \$0.80 per Resulting Issuer Share for a period of 10 consecutive trading days on the Canadian Securities Exchange (or on another Canadian stock exchange) based on a volume weighted average trading price. In such case, FansUnite may give notice by news release to the holders of Resulting Issuer Warrants that the Resulting Issuer Warrants will expire 20 days from the date of providing such notice (the “Acceleration Provision”).

Canaccord also has an option (the “Agent’s Option”), exercisable, in whole or in part, at any time up to 48 hours before the closing date of the Private Placement to increase the size of the Private Placement by up to an additional 15% of the number of Subscription Receipts sold

under the Private Placement for additional gross proceeds Askott of up to C\$750,000. The Private Placement is anticipated to close on or before July 30, 2020, or on such other date as may be agreed to.

The gross proceeds of the Private Placement, less 50% of the Agent's Fee (as defined below) payable to Canaccord, will be held in escrow pending satisfaction of conditions including, among others, the satisfaction or waiver of all conditions to the completion of the Transaction (the "Escrow Release Conditions"). The Subscription Receipts and the underlying Askott Shares and the Askott Warrants will be subject to an indefinite hold period. The Resulting Issuer Shares and Resulting Issuer Warrants issuable upon satisfaction of the Escrow Release Conditions and completion of the Transaction in exchange for Askott Shares and the Askott Warrants, respectively, will not be subject to any statutory hold periods under Canadian securities laws.

### **Escrow**

The gross proceeds of the Private Placement, less 50% of the cash commission (the "Escrowed Funds"), will be deposited in escrow at closing of the Private Placement with an escrow agent (the "Escrow Agent"). Upon the satisfaction of the Escrow Release Conditions, the Escrowed Funds (less the remaining cash commission, other fees and reimbursable expenses (the "Agent's Funds")) will be released from escrow by the Escrow Agent to Askott. The Escrow Agent shall also release from escrow the Agent's Funds to Canaccord.

In the event that the Escrow Release Conditions are not satisfied or are incapable of being satisfied on or before August 20, 2020 (or such later date as may be agreed to), the Escrowed Funds, as well as any accrued interest earned thereon (less any applicable withholding taxes), will be returned to purchasers of the Subscription Receipts, which will then be cancelled.

### **Use of Proceeds**

The Resulting Issuer intends to use the net proceeds of the Private Placement for business development activities and general working capital and corporate purposes.

### **Commission and Broker Warrants**

Askott has agreed to pay Canaccord a cash commission equal to 8% of the aggregate gross proceeds of the Private Placement (including on exercise of the Agent's Option) (the "Agent's Fee"), and to issue to Canaccord that number of non-transferable broker warrants to purchase Askott Shares as is equal to 8% of the number of Subscription Receipts sold under the Private Placement (the "Broker Warrants"), other than in connection with purchasers on a president's list to be provided by Askott and FansUnite in which the Agent's Fee and the number of Broker Warrants is 3%. Each Broker Warrant will be exercisable to purchase one Askott Share at a price of \$0.55 per Askott Share for a period of 24 months from the closing of the Private Placement, subject to the Acceleration Provision. Pursuant to the Transaction, the Broker Warrants will be exchanged for warrants of the Resulting Issuer on equivalent terms.

### **About Askott Entertainment Inc.**

Askott is a Vancouver based software development company with a team that has been building award-winning online gambling software since 2013. Askott has produced a one of a kind complete iGaming platform, Chameleon Gaming Platform, with an esports first focus geared for the next generation of online bettors and casino players. The platform includes products for pre-match betting, in-play betting, daily fantasy, content and a certified RNG to produce casino style chance games. Askott has been using the Chameleon platform for their own free-to-play internal brands as well as recently signed external real-money partners.

### **About FansUnite Entertainment Inc.**

FansUnite is a sports and entertainment company, focusing on technology related to regulated and lawful online gaming and other related products. The principal business is operating the FansUnite Sportsbook and the website of its wholly-owned subsidiary, McBookie Limited, offering online gaming services to the UK market. FansUnite is also a provider of technology solutions, products and services in the gaming and entertainment industry and looks to acquire technology platforms and assets with high-growth potential in new or developing markets.

For further information, please contact:

Prit Singh  
Investor Relations at FansUnite  
ir@fansunite.com  
(905) 510 - 7636

Darius Eghdami  
Chief Executive Officer of FansUnite  
darius@fansunite.com  
(778) 558-9067

Scott Burton  
Chief Executive Officer of Askott  
scott@askottentertainment.com  
(604) 345-3848

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*FORWARD-LOOKING STATEMENTS: Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "believes," "belief," "expects," "intends," "anticipates," "potential," "should," "may," "will," "plans," "continue" or similar expressions to be uncertain and forward-looking. Forward-looking*

*statements may include, without limitation, statements relating to future outlook and anticipated events, such as the satisfaction of the conditions precedent and subsequent consummation of the Transaction; that the Company will be successful in completing the Private Placement and in the timeframe currently contemplated; that the Company will be able to use the proceeds of the Offering as anticipated; and discussion of future plans, projections, objectives, estimates and forecasts and the timing related thereto. Forward-looking statements are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of FansUnite to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Additional information regarding the risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's Non-Offering Prospectus dated March 27, 2020 filed on its issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) and risks related to global pandemics, including the novel coronavirus (COVID-19) global health pandemic, and the spread of other viruses or pathogens and influence of macroeconomic developments. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The forward-looking statements in this news release are made as of the date of this release. FansUnite disclaims and does not undertake to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*