

## Catena Media agrees on amended terms for US assets acquired in December 2016

Catena Media plc (the "Company" or "Catena Media") has agreed with the sellers of U.S. assets acquired in December 2016 to amend the earn-out structure, meaning that the maximum amount of the third and final earn-out payment corresponds to USD 45 million, and that all of Catena Media's U.S. online casino and poker, as well as sports betting revenues now will be included in the calculation. The previous net profit sharing arrangement and put/call options for certain assets are terminated. Through the amended terms Catena Media obtains full control and cost certainty of the U.S. assets earlier (by 1 November 2019) and by doing so avoiding any postponed operational control through the previous put/call options.

"We are very pleased with this amended agreement, though our original deal simply did not foresee the rapid spread of regulated online sports betting in the US market. This now puts us in the best position possible to extend our current leading position in the US online casino market into the sports betting market. This also enables a solid strategy to fully capitalize on future US market growth."

Per Hellberg, CEO

As announced on 14 December 2016, Catena Media acquired regulated affiliate assets which generate revenues from licensed operators in the regulated online casino and poker markets in the U.S. states of New Jersey and Nevada (the "Regulated Assets"). In addition to the Regulated Assets, Catena Media also acquired a range of additional assets (the "Additional Assets") which were expected to generate revenues if and when additional US states regulate online casino, poker, or sports betting. As announced on 28 February 2018, the Company and the sellers agreed on amended terms regarding the earn-out structure for the Regulated Assets and the put/call options for the Additional Assets.

Catena Media has now agreed with the sellers on further amendments regarding the third and final earn-out payment as well as the net profit-sharing arrangement and put/call options, as set out below, and which replace any previous agreements related thereto between the parties. The background to the amended terms is that regulated online sports betting in the U.S. market is spreading rapidly to new states, meaning that certain of the Additional Assets have become much more attractive. Under the previous terms, the Additional Assets were subject to a net profit-sharing arrangement where the sellers would retain operational control of the assets and share revenue during a longer term. Furthermore, with increased revenues projected in the U.S., the final cost of the Additional Assets would likely exceed the original anticipated profit-sharing amounts. Thus, the amended terms allow Catena Media to take full control 1 November 2019 and provide more certainty that the final cost of the Additional Assets will conclude at a lower level compared to the previous agreement. In addition, thereto, Catena Media also takes the opportunity to consolidate all of its U.S. assets to be in a good position to be able to capture market opportunities in the U.S. relating to online sports betting.

### **Amended third and final earn-out payment and termination of net profit-sharing arrangement and put/call options**

On 28 February 2018, the parties agreed that the earn-out calculation should be limited only to revenue from the Regulated Assets in New Jersey and Nevada with a cap on the third and final earn-out payment corresponding to USD 10 million.

The parties have now agreed that the earn-out calculation will include all of Catena Media's revenue from the U.S. for the period from 1 November 2018 up until and including 31 October 2019. The maximum total amount of the third and final earn-out payment corresponds to USD 45 million, of which 70 percent of any amount up to in total USD 42 million, and 100 percent of any amount over USD 42 million up to in total USD 45 million, can be paid in newly issued shares in Catena Media. Any issued shares under the third and final earn-out payment will be subject to 240 days lock-up with gradual release during such period. A prepayment of the final earn-out will be made after the first six (6) months of the earn-out period.

The acquisition in December 2016 also included certain terms regarding the Additional Assets that were not subject to the earn-out calculation. Instead the sellers had a right to 50 percent of the net profit generated from such assets going forward. Further the sellers had a put option and Catena Media had a call option to acquire such net profit-sharing rights.

The parties have now agreed that such net profit-sharing arrangement and put/call options relating to the Additional Assets shall be terminated as from 1 November 2018 and be replaced by the amended third and final earn-out payment, which will include revenue from the Additional Assets.

### **Remaining second earn-out payment and net profit-sharing arrangement for period up until and including 31 October 2018**

Part of the second earn-out payment was pre-paid as announced on 16 August 2018 meaning that the maximum amount for the remaining part of the second earn-out payment (as amended on 28 February 2018) corresponds to a maximum amount of USD 4.9 million, of which 50 percent can be paid in newly issued shares in Catena Media. The period for calculating the second earn-out payment ends on 31 October 2018, irrespective of the amended third and final earn-out payment as set out above.

The sellers' right to 50 percent of the net profit generated from the Additional Assets will remain up until and including 31 October 2018.

### **For further information, please contact:**

Per Hellberg, CEO, Catena Media plc  
Phone: +46 709 10 74 10, E-mail: per.hellberg@catenamedia.com

Åsa Hillsten, Head of IR & Communications, Catena Media plc  
Phone : +46 700 81 81 17, E-mail : asa.hillsten@catenamedia.com

This is information that Catena Media is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 19 October 2018 at 21:00 CET.

### **About Catena Media**

Catena Media provides companies with high quality online lead generation. Through strong organic growth and strategic acquisitions, Catena Media has since 2012 established a leading market position with approximately 350 employees in the US, Australia, Japan, Serbia, UK, Sweden, Italy and Malta (HQ). Total sales in 2017 reached EUR 67.6 million. The company is listed on Nasdaq Stockholm Mid Cap.

Further information is available at [www.catenamedia.com](http://www.catenamedia.com)