

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR.

November 15, 2019

Execution of an agreement for the Sale of the Company's Shares in Team Internet

Further to the announcements made by [Matomy Media Group Ltd. \(LSE: MTMY, TASE: MTMY.TA\)](#) ("**Matomy**" or the "**Company**") on September 8, September 19 and October 16, 2019 (RNS 5800L and RNS 0373N and RNS 2668Q, respectively) regarding the execution of a non-binding Letter of Intent to sell all the shares in Team Internet AG ("**Team Internet**"), held by the Company through its subsidiaries (90%) and by Rainmaker Investments GmbH (10%) ("**Rainmaker**"), the Company hereby announces that on November 15, 2019, the Company, Rainmaker, and Centralnic Group PLC, whose shares are traded on the AIM Market of the London Stock Exchange, through a nominated wholly owned subsidiary ("**Purchaser**"), signed a binding agreement, the main terms of which are set forth herein.

The financial effects of the transaction

As part of the transaction, the Company will fully repay its obligations to the bondholders (Series A), and all alleged obligations of the Company towards Rainmaker will be settled.

Following the completion of the transaction, the Directors anticipate that the Company will have positive net assets (the Company's assets shall exceed its liabilities) and that it shall have sufficient funds to pay all liabilities as they fall due.

Conditions Precedent and Closing

The closing of the transaction is subject to the following main conditions precedent ("**Conditions Precedent**"):

- (i) receipt of required corporate approvals, including the Company's shareholders;
- (ii) receipt of the approval of the holders of the (Series A) convertible bonds of the Company;
- (iii) completion by the Purchaser of its proposed financing by means of a €40M

- bond issuance¹;
- (iv) there being no Material Adverse Changes prior closing.

If the Conditions Precedent are not satisfied by December 31, 2019 (which date may be extended in certain limited circumstances), then any party may terminate the agreement.

The Consideration

The total consideration to be paid for 100% of Team Internet's shares shall be equal to the sum of €45,854,332 plus the Interest Amount (as defined below), and shall consist of the following ("**Purchase Price**"):

- (a) A cash payment of €39,554,332 (the "**Cash Payment**"), plus the Interest Amount² that shall be paid on closing date.

In addition to the Cash Payment, the Purchaser shall retain an amount of €900,000 retention (the "**Retention Amount**"³). The Retention Amount will be fully released after 15 months period, less deductions for settled claims or for outstanding claims (which are supported by documents as specified in the agreement).

- (b) Issuance of shares in the capital of the Purchaser (with a value determined in accordance with the agreement of €2,700,000), on closing.
Such shares shall be subject to a lock-up period of 12 months, plus an additional 6 month period during which any disposal must be approved by and coordinated with the Purchaser and its broker.

- (c) A deferred cash payment of €2,700,000 payable on the date that is 6 months following the closing.

Immediately prior to closing date, the Company will consummate the purchase of the remaining 10% stake of Rainmaker in Team Internet in accordance with the share purchase agreement dated December 2017 between the Company and Rainmaker⁴, by assigning to

¹ As was published by the Company, the Purchaser provided a support letter from a global provider of banking, financial investments and fund management services, containing a firm commitment to fund this transaction, provided the transaction will be completed by no later than December 31, 2019.

² An amount equal to interest in the amount of €9,098.63 per day shall be accrued for the period from September 30, 2019 up until the earlier of the closing date or 31 December 2019 (the "**Interest Amount**"). Assuming the closing shall occur on December 23, 2019, the Interest amount shall be equal to approximately €700K.

³ The Retention Amount shall be withheld by the Purchaser for a 15-month period, in order to secure the Company's and Rainmaker's payment obligations for claims under the agreement.

⁴ For further details see note 1(c) in the Company's financial statement for the period ending on June 30, 2019.

Rainmaker a portion of the consideration. Rainmaker shall be entitled to receive a total sum of €19,050,000: (i) a sum of € 16,508,190 out of the Cash Payment; (ii) shares of the Purchaser in the value of €1,087,350; (iii) a sum of €1,087,350 out of the deferred cash payment; (iv) a sum of € 367,110 out of the Retention Amount. Upon consummation of such purchase of the remaining 10% stake of Rainmaker in TI, no further claims between Rainmaker and the Company will exist and all alleged obligations of the Company towards Rainmaker will be settled. This will be confirmed in writing between the parties.

The remaining amount of the Cash Payment (€ 23,046,142) and the Interest Amount, shall be paid to the trustee of the (Series A) convertible bonds of the Company ("**Trustee**"). In addition, the Company shall transfer to the Trustee a cash amount of approximately €2.4M (which shall be deposited in an escrow account prior to closing and as a condition thereto), for the completion of full and immediate repayment of the Company's outstanding convertible bonds (NIS 101M) (principal and interest).

Break – up Fee

If the Purchaser's €40M bond issuance has not been completed prior the termination of the agreement because the Conditions Precedent were not satisfied by 31 December 2019, the Purchaser shall pay a break-up fee of €900k to the Company and Rainmaker. If the Purchaser's €40M bond issuance was completed prior to such termination, but certain other Conditions Precedent were not satisfied, a break-up fee of €900k will be payable to the Purchaser by the Company and Rainmaker

Warranties and Limitations

The Company and Rainmaker are severally giving customary fundamental guarantees, which the maximum liability of the Company and Rainmaker will be capped in all cases other than fraud, and shall not exceed the actual Purchase Price. In addition, the Company and Rainmaker are giving customary business warranties with respect to Team Internet's business and activities, and the maximum liability for breach of such business warranties will not exceed the Retention Amount. A warranty & indemnification insurance with a liability cap of US\$24M will be procured by the Purchaser.

The Company's plans

Following the completion of the transaction, the Company shall examine the possible alternatives with regard to its listings on the High Growth Segment of the London Stock Exchange's Main Market and the Tel – Aviv Stock Exchange.

As noted above, the transaction shall be subject to the approval of Matomy's Shareholders at a general meeting. The Company intends to publish a notice of a general meeting to approve the transaction in the following days.

Cautionary Statement

The announcement is prepared for convenience purposes only and it does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of Matomy in any jurisdiction or an inducement to enter into any investment activity.

This announcement includes forward-looking statements, which include all statements other than statements of historic facts, including, without limitation, those regarding Matomy's and/or its subsidiaries' (the "Group") financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Company, its directors and its or their advisers expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the Rules of the High Growth Segment.

About Matomy

Matomy Media Group Ltd. (LSE: MTMY, TASE: MTMY.TA) is a global media company. Founded in 2007 with headquarters in Tel-Aviv. Matomy is dual-listed on the London and Tel Aviv Stock Exchanges.

For more information:

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