

# The Intertain Group Completes Purchase of Dumarca Holdings PLC the Malta-based Parent Company of the Vera&John Group

**TORONTO, December 23, 2014 /CNW/** - The Intertain Group Limited ("Intertain" or the "Company") (TSX:IT) is pleased to announce that it has completed its previously announced acquisition of the entire issued share capital of Dumarca Holdings PLC (the "Dumarca Shares"), the Malta-based parent company of the Vera&John group ("Vera&John"). As consideration for the Dumarca Shares, the Company made an initial payment ("Initial Payment") of €44.5 million in cash, exclusive of working capital adjustments, and approximately 5.0 million common shares of Intertain.

The Initial Payment was funded through cash on hand and an interim bridge loan (the "Bridge Loan") of approximately C\$10.0 million provided by certain management of Intertain, on an arm's length basis, to ensure that the Company continues to have sufficient working capital to fund its growth. The Bridge Loan bears an interest rate per annum of the prime business rate (as reported by the Bank of Canada) and is due on December 22, 2019. Intertain may repay the principal amount at any time prior to the maturity date. The Bridge Loan is subordinated to the Company's 8.5% senior secured debentures issued pursuant to an indenture dated July 10, 2014.

"We are very happy to close this transaction and look forward to grow the Company both organically and from other potential acquisitions" said John Kennedy FitzGerald, CEO of Intertain. "The cost of capital we are providing through this temporary bridge loan will be the lowest cost of capital within the Company, and further demonstrates Intertain management's commitment to our vision for the Company."

"Working together with Intertain enhances our expertise in existing markets as well as access to new", said director of Dumarca Holdings PLC, Dan Anderson. "We have formed a great team within Vera&John, and look forward to leveraging our abilities to drive revenue synergies across the group and increase the value of our material share ownership." Intertain may be required to make a further cash payment (the "Earn Out") in the event Vera&John generates earnings before interest, taxes, depreciation and amortization ("EBITDA")<sup>1</sup> over certain thresholds in 2015 and 2016. The cumulative Earn Out payment over 2015 and 2016 is subject to a cap of €8.1 million.

Canaccord Genuity Corp. acted as exclusive financial advisor for Intertain with respect to the acquisition.

## **About The Intertain Group Limited**

Intertain is an online gaming company that provides entertainment to a global consumer base. Intertain currently offers casino, bingo and poker games to its customers using the InterCasino, InterPoker, Costa and other brands. The InterCasino and InterPoker gaming platform is supplied by NYX Gaming Group Limited and its bingo offering operates off of the Dragonfish

platform, a leading bingo software service provided by 888 Holdings plc.

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### **Forward-Looking Statements**

*This press release contains forward looking information within the meaning of Canadian securities laws concerning the business, operations and financial performance, as applicable, of the Company and Vera&John. Forward looking information includes but is not limited to statements with respect to the future financial performance of Vera&John and expected EBITDA, and with respect to the Bridge Loan. This forward looking information is based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Forward-looking information is subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Company currently expects. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates, limited operating history, the fact that on-line gaming is a heavily regulated industry and that such regulation is subject to change, competition from other providers of online gaming services, the possibility that the Company be unable to integrate Vera&John's business successfully, the risks associated with international and foreign operations and the risks discussed under the heading "Risk Factors" in Intertain's annual information form for the year ended October 31, 2013. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.*

*The foregoing factors are not intended to represent a complete list of the factors that could affect the Company and the Acquisition. The Company does not intend or undertake to publically update any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.*

<sup>1</sup> Non-GAAP measure. The term "EBITDA" does not have a standardized meaning in accordance with International Financial Reporting Standards ("IFRS") and is therefore unlikely to be comparable to similar measures presented by other companies. Rather, this measure is used to provide management and investors with additional measures of performance. EBITDA, as used in this press release, represents net earnings before financing expenses, taxes, and amortization. The most comparable IFRS measure to EBITDA is net revenue from gaming operations.