



## CONTAGIOUS GAMING ANNOUNCES RESTRUCTURING OF ITS EUROPEAN OPERATIONS

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VANCOUVER, B.C., April 5, 2017 – Contagious Gaming Inc. (TSX-V: CNS) (“**Contagious Gaming**” or the “**Company**”) announces a restructuring of its European operations. The restructuring consists of the following:

- a) the execution of a Share Purchase Annulment (the “**Annulment**”) among Digitote Limited (Isle of Man) (“**Digitote Limited**”), Digitote Software GmbH Deutschland (“**Digitote Software**”), Gabriele Knicker (“**Knicker**”), Guenter Boyks (“**Boyks**”) and the Company; and,
- b) the execution of a Settlement and Service Agreement between Digitote Limited and the Company (the “**Settlement and Service Agreement**”).

The Annulment and the Settlement and Service Agreement are collectively referred to as the “**Restructuring**”.

### **Benefits of the Restructuring**

- Enables the company to launch its UK sports betting platform through a perpetual, royalty-free sports betting software license
- Eliminates Digitote’s monthly cash burn of approximately \$150,000 associated with the sports betting software operations and development business
- Eliminates Digitote’s loan liability of approximately \$700,000 for financing provided by Knicker and Boyks
- Eliminates the Company’s Contingent Consideration liability of approximately \$2,110,000 (as at December 31, 2016)
- Provides the Company with an option for another sports betting software license to enter other markets

“The Restructuring of the Company is a positive step forward. Following the loss of Digitote’s largest customer last October, Digitote’s operations started burning a significant amount of cash. This Restructuring eliminates Contagious Gaming’s need to fund Digitote’s monthly cash burn while at the same time, enables us to launch our UK online gaming platform CNSBet on a royalty-free basis.” commented Peter Glancy, CEO and Director.

### **The Annulment**

Approximately a year following the acquisition of Digitote Limited and Digitote Software (together “**Digitote**”) by Contagious Gaming (the “**Acquisition**”), Digitote moved from generating positive cash flow on a monthly basis to a significant cash flow deficit. Digitote requires a financing solution to stabilize its operations and Contagious Gaming has made the decision not to provide additional working capital to Digitote. As such the parties sought to negotiate a restructuring that would remove the cashflow deficit from Contagious Gaming while still providing the Company with the platform and services to operate its UK Licensed online gaming platform CNSBet.

Effective March 31, 2017 Contagious Gaming, Digitote Limited, Digitote Software, Knicker and Boyks collectively agreed to annul and reverse the transactions effected pursuant to the Purchase Agreements of the acquisition of Digitote Limited and Digitote Software by Contagious Gaming, such that (among other things):

- a) all of the issued and outstanding shares in Digitote GMBH will be returned and transferred to Knicker;
- b) all of the issued and outstanding shares in Digitote Ltd. will be returned and transferred to Boyks;
- c) Knicker and Boyks will return and transfer to Contagious 8,008,000 Common Shares of Contagious Gaming for cancelation;
- d) all rights and obligations of the parties to one another arising under or in relation to the Purchase Agreements, or any related documents or agreements, shall be released (including the Earn-Out provisions); and
- e) Digitote Ltd. will agree to continue to provide certain services Contagious to facilitate its ongoing business operations.

### **Settlement and Service Agreement**

As part of the Restructuring, Contagious Gaming and Digitote Limited entered into a Settlement and Service Agreement effective March 31, 2016 such that (among other things):

- a) Digitote Limited will provide to the Company:
  - i. a perpetual and irrevocable, single, free of charge, royalty free, fully paid-up, worldwide user licence for Digitote Xturf backend and frontend for desktop and mobile;
  - ii. a desktop and mobile version of SoccerSlot (a.k.a. Multiline);
  - iii. an option to acquire a second perpetual, single user, royalty-bearing, fully paid-up, worldwide license for Digitote Xturf backend and frontend for desktop and mobile;
- b) Digitote Limited will transfer relevant domains to Contagious Gaming; and,
- c) Digitote Limited will provide up to one hundred and twenty (120) hours of free support to Contagious, to be used for training, installation and to support any required changes to the front end.

### **About Contagious Gaming**

Contagious Gaming Inc. (**TSX-V: CNS**) is a trusted software developer focused on providing dynamic gaming solutions for regulated gaming operators and lotteries around the world. Contagious Gaming offers sports betting, pool betting and iGaming solutions targeted at the online retail and mobile gaming markets. Our unique offering of content and technology can be delivered as a fully integrated service across a single, modern customer platform or can be offered as standalone verticals.

For more information on Contagious Gaming please visit [www.contagiousgaming.com](http://www.contagiousgaming.com).

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The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

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