



Acquisition of Mobile Nations

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

1 March 2019

Future plc

Acquisition of Mobile Nations

The Board of Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today announces the acquisition of MoNa Mobile Nations, LLC ("Mobile Nations"), a leading global digital publisher focused on consumer electronics and based in the US (the "Acquisition").

Mobile Nations is a global independent digital publisher focused on consumer electronics, combining content, community and commerce to deliver shopping enablement solutions, with its key brands including Android Central, iMore, Windows Central and Thrifter. Mobile Nations' brands educate and inspire a monthly audience of over 40 million technology enthusiasts and support consumers in making better-informed buying decisions for personal electronics.

The initial cash consideration is \$55 million with a further \$5 million to be satisfied through the issue to the vendors of 615,166 new ordinary shares (the "Consideration Shares"). In addition, a further variable deferred consideration up to a total value of \$60 million will be paid, subject to meeting financial targets based on the year ending 31 March 2020. The deferred consideration is expected to be split equally between cash and the issuance of new shares in Future, although Future retains the right to pay the full balance in cash.

Transaction highlights and rationale

- Clear strategic fit
 - Supports strategy of seeking leadership in niche specialist markets
 - Complementary brands further diversify and strengthen Company's presence in US
 - Brands acquired focus on consumer electronics, combine content, community and commerce to deliver shopping enablement solutions
 - Include Android Central, iMore, Windows Central and Thrifter
 - Monthly audience of over 40 million technology enthusiasts
 - Strong existing commercial relationship through longstanding partnership with Purch, acquired by Group in September 2018
 - Significant further opportunities available through sharing of best practice
- Compelling financial rationale
 - Mobile Nations achieved revenue of \$16.4 million and EBITDA of \$8.2 million in year ended 31 December 2018
 - Organic revenue growth of 31% and EBITDA growth of 52% yoy
 - Transaction expected to be earnings enhancing in the current financial year and materially earnings enhancing in the first full year following completion
- Total consideration of up to US\$120 million
 - Initial cash consideration of US\$55 million, with further \$5 million in shares
 - Further variable deferred consideration up to total value of \$60 million, subject to certain financial targets based on the year ending 31 March 2020. Deferred consideration to be split equally between cash and issuance of new shares in Future, although Future retains the right to pay the full balance in cash
 - Initial cash consideration funded via Group's existing debt facilities
- Cash generative nature of Group will ensure debt profile reduces quickly over the year

The Company has made applications for the Consideration Shares to be admitted to the standard segment of the Official List and to

the London Stock Exchange's main market for listed securities ("Admission"). The Company expects Admission to occur at 8am on 4 March 2019.

Mobile Nations was advised by JEGI, a leading independent investment bank focused on media, marketing, information and technology, on this transaction.

Zillah Byng-Thorne, CEO of Future, commented:

"This acquisition will further strengthen our market leading position in technology and extend our growing presence in the US. Mobile Nations' consumer electronics brands, which combine content, community and commerce to deliver shopping enablement solutions, are highly complementary to our existing portfolio."

"We already have an established commercial relationship with Mobile Nations through its longstanding partnership with Purch, which we acquired in September 2018. The addition of Mobile Nations' brands will deepen our presence and expand our opportunities to monetise our significant US online audience."

"We have identified a number of areas where we can share best practice as we continue to leverage our specialist media platform and diversify our revenue streams, both geographically and across our product offering."

This Announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR").

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Note to editors

Future is a global platform business for specialist media with diversified revenue streams.

The Media division is high-growth with three complementary revenue streams: eCommerce, events and digital advertising. It operates in a number of sectors including technology, games, music, home interest, hobbies and B2B and its brands include TechRadar, PC Gamer, Tom's Guide, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Live Science, Guitar World, MusicRadar, Space.com and Tom's Hardware.

The Magazine division focuses on publishing specialist content, with over 80 publications and over 520 bookazines published per year, totalling global circulation of 1.3 million. The Magazine portfolio spans technology, games and entertainment, music, creative and photography, hobbies, home interest and B2B. Its titles include Classic Rock, Guitar Player, FourFourTwo, Homebuilding & Renovating, Digital Camera, Guitarist, How It Works, Total Film, What Hi-Fi? and Music Week.

Details of the acquisition

Mobile Nations is a global independent digital publisher focused on consumer electronics, combining content, community and commerce to deliver shopping enablement solutions, with its key brands including Android Central, iMore, Windows Central and Thrifter. Mobile Nations' brands educate and inspire a monthly audience of over 40 million technology enthusiasts and support consumers in making better-informed buying decisions for personal electronics.

The acquisition of these complementary brands further diversifies the Company's operations into the US and supports the Company's strategy of seeking market leadership in the niche markets that it serves. The Directors also believe there are significant further opportunities available to Mobile Nations through the sharing of best practice across the two businesses. Mobile Nations has a strong existing commercial relationship with the Group through its longstanding partnership with Purch, which was acquired by the Group in

September 2018.

In the year ended 31 December 2018, Mobile Nations achieved revenue of \$16.4 million and EBITDA of \$8.2 million. This represented organic revenue growth of 31% and EBITDA growth of 52% compared to the previous financial year. The transaction is expected to be earnings enhancing in the current financial year and materially earnings enhancing in the first full year following completion.

An initial consideration of US\$55 million (subject to normal working capital adjustments) is to be paid in cash on completion with a further \$5 million to be satisfied through the issue to the Consideration Shares. The initial cash consideration is to be funded via the Group's existing debt facilities.

The total level of variable deferred consideration payable will be based on Mobile Nations achieving financial targets based on the year ending 31 March 2020 and is capped at \$60 million. Payment of the maximum level of deferred consideration would depend on Mobile Nations achieving stretching profit targets. It is expected that the payment of the variable deferred consideration will be split equally between cash and the issue of new ordinary shares in Future. The Company retains an option to increase the proportion of the deferred consideration to be paid in cash rather than through the issuance of new shares. Both the Consideration Shares and any shares issued pursuant to the deferred consideration will be subject to customary lock-up arrangements.

As announced on 14 February, 2019, Future recently signed a new £90 million debt facility with improved terms on previous arrangements, with an initial maturity of February 2023 and an incremental uncommitted £45 million accordion, providing additional flexibility.

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