



## **Espial and Vantage Announce Agreement on Board Renewal**

**OTTAWA and TORONTO, Ontario May 30, 2017**– Espial Group Inc. (“Espial” or the “Company”) (TSX:ESP) today announced that, pursuant to an agreement with Vantage Asset Management Inc. (“Vantage”), Espial will appoint Brian McLaughlin as a new, independent director of the Company at its Annual General and Special Meeting of Shareholders scheduled for June 13, 2017. In addition, Espial and Vantage will work together to nominate a new, independent director for election at the Company’s 2018 Annual General Meeting of Shareholders. Vantage has withdrawn its previously announced nominees and will support Espial’s other six director nominees set forth in the Company’s Management Information Circular, comprised of: Jaison Dolvane, Michael Hayashi, Aamir Hussain, Michael Lee, Peter Seeligsohn and Kumanan Yogarathnam.

Mark Tredgett, Managing Partner at Vantage, which owns 9.5 per cent of Espial’s outstanding shares, said: “Espial represents a compelling investment with a large, global opportunity. The recent board nomination of Aamir Hussain, Executive Vice President and Chief Technology Officer of CenturyLink, Inc. and the appointment of Brian McLaughlin, significantly strengthen Espial’s board. Vantage and Espial’s board have worked collaboratively in this process and believe the agreement positions the Company for a stronger future.”

Peter Seeligsohn, Chairman of Espial Group added, “Together with the support of our large shareholders like Vantage, we are committed to continuing Espial’s vision of being a trusted partner to our customers. We are excited about the recent changes to the Company’s board and welcome Brian’s future contributions.”

“Espial’s strategy of developing next generation solutions that redefine the video experience and enable operators to innovate and deliver new services rapidly is working”, said Jaison Dolvane, Espial’s President and CEO. “Pay TV service providers worldwide face increasing competition locally and from new global entrants like Netflix and Amazon. Espial’s software and solutions enable cable and telecom operators to launch compelling next generation video services that seamlessly blend advanced TV services with OTT content across TVs, tablets, PCs and mobile phones.”

### **Details of the Agreement**

- Espial’s board will increase to seven members at the 2017 AGM – the six previously announced nominees plus Mr. McLaughlin
- The Board will work with Vantage to nominate a mutually acceptable candidate as a new, independent director to the board at the 2018 AGM
- Vantage agrees to vote its shares for the election of Espial’s nominees and to certain standstill obligations under which it agrees, among other things, not to directly or indirectly participate in a proxy contest or make a shareholder proposal or a shareholder requisition until, (i) no later than 60 days prior to the 2018 AGM or (ii) if a mutually acceptable candidate is nominated for election at the 2018 AGM, until June 30, 2019

Espial’s Management Information Circular, dated April 28, 2017, is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and is also available on the Company’s website at [www.espial.com/discover/investor-informaiton](http://www.espial.com/discover/investor-informaiton).

## **Vote the Management Proxy**

Espial and Vantage are committed to a collaborative relationship and both firms urge shareholders to vote for the candidates listed in the management proxy. If shareholders have already voted a blue proxy, a later-dated Management Proxy will cancel the earlier vote. Mr. McLaughlin will be added to the board on or around the date of the 2017 AGM.

The proxy voting deadline is 10:00 AM (Ottawa Time) on June 9, 2017. However, shareholders are encouraged to vote well in advance of the deadline to ensure their vote is counted. For assistance voting your shares, please contact Espial's proxy solicitation agent, Laurel Hill Advisory Group toll free in North America at, 1-877-452-7184 (+1-416-304-0211 collect outside of North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

## **Information regarding Brian McLaughlin**

Brian McLaughlin is a resident of Toronto, Ontario and has been in the investment business for 30 years and has been involved in all aspects of the capital markets, with particular emphasis on small and mid-capitalization companies. Brian has held leadership roles at several firms including Gordon Capital and Raymond James Securities where he was a Managing Director as well as being a Director and Partner at Cormark Securities. Throughout Mr. McLaughlin's career he was involved in the senior management and direction of the firm.

Brian McLaughlin remains an active investor today. His principal occupation since 2013 has been as a Partner at Hydra Capital Partners Inc., a Toronto boutique investment company. Hydra provides capital markets expertise and capital to public and private companies. As of April 28, 2017, Mr. McLaughlin held 471,700 common shares of Espial.

To Espial's knowledge, Mr. McLaughlin is not at the date hereof, nor has he been within 10 years before the date hereof: (a) a director, chief executive officer or chief financial officer of any company (including Espial) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was issued while he was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was issued after he ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company (including Espial) that, while he was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) a bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets. To Espial's knowledge, Mr. McLaughlin has not been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for Mr. McLaughlin. To Espial's knowledge, Mr. McLaughlin does not have: (a) any material interest, direct or indirect, in any transaction since the commencement of the Espial's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Espial or its subsidiaries; or (b) any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting, other than the election of directors.

## **For further information**

Investor contact:  
Carl Smith, Chief Financial Officer, Espial Group Inc.  
+1 613-230-4770  
[csmith@espial.com](mailto:csmith@espial.com)

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## **About Espial ([www.espial.com](http://www.espial.com))**

With Espial, video service providers create responsive and engaging subscriber viewing experiences incorporating powerful content discovery and intuitive navigation. Service providers achieve 'Web-speed' innovation with Espial's flexible, open software leveraging RDK and HTML5 technologies. This provides competitive advantage through an immersive and personalized user experience, seamlessly blending advanced TV services with OTT content. With customers spanning six continents, Espial is headquartered in Ottawa, Canada, with R&D centers in Seattle, Montreal, Silicon Valley, Cambridge and Lisbon, and with sales offices in North America, Europe and Asia. For more information, visit [www.espial.com](http://www.espial.com).

### **Forward Looking Statements:**

This press release contains information that is forward looking information with respect to Espial within the meaning of Section 138.4(9) of the Ontario Securities Act (forward looking statements) and other applicable securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements or assumptions about future ongoing or future advancement of our leadership position, growth expectations, future progress, ongoing or future benefits of our board nominees, existing or future opportunities for the company and products (including our ability to successfully execute on market opportunities and secure new customer wins), economic conditions, and any other statements regarding Espial's objectives (and strategies to achieve such objectives), future expectations, beliefs, goals or prospects are or involve forward-looking information.

Forward-looking information is based on certain factors and assumptions. While the company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking information, by its nature necessarily involves known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those in the forward-looking statements or could cause our current objectives and strategies to change, including but not limited to changing conditions and other risks associated with the on-demand TV software industry and the market segments in which Espial operates, competition, Espial's ability to continue to supply existing customers and partners with its products and services and avoid being displaced by competitive offerings, effectively grow its integration and support capabilities, execute on market opportunities, develop its distribution channels and generate increased demand for its products, economic conditions, technological change, unanticipated changes in our costs, regulatory changes, litigation, the emergence of new opportunities, many of which are beyond our control and current expectation or knowledge.

Additional risks and uncertainties affecting Espial can be found in Management's Discussion and Analysis of Results of Operations and Financial Condition and its Annual Information Form for the fiscal years ended December 31, 2016 on SEDAR at [www.sedar.com](http://www.sedar.com). If any of these risks or uncertainties were to materialize, or if the factors and assumptions underlying the forward-looking information were to prove incorrect, actual results could vary materially from those that are expressed or implied by the forward-looking information contained herein and our current objectives or strategies may change. Espial assumes no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.