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Press release, London 2016-05-18

## The Marketing Group plc announces its Initial Public Offering and listing on Nasdaq First North Stockholm and publishes investor memorandum

**The Marketing Group plc (“The Marketing Group” or the “Company”) is an acquisition vehicle with the purpose of gathering successful marketing businesses under one roof. Today, the Company announces its Initial Public Offering (“IPO” or the “Offering”) on Nasdaq First North Stockholm and publishes the accompanying investor memorandum. The Marketing Group comprises a series of independent marketing teams, each with specific expertise and innovative services. The consolidated group supports the subsidiaries with management and coordinating activities as well as a common operating platform.**

- The Offering comprises of 1,250,000 ordinary shares sold by Unity Group of Companies Pte Ltd.
- The subscription period for the Offering will commence on 19 May 2016 and is expected to end on 1 June 2016.
- The subscription price is EUR 1.0 per share in the Offering, which corresponds to an equity value of the Company of approximately EUR 14.4 million (based on 14,410,000 shares outstanding).
- The Company has received subscription commitments amounting to EUR 0.5 million, corresponding to 40 per cent of the Offering.
- Nasdaq First North has approved The Marketing Group’s shares for trading, subject to customary conditions, such as the fulfilment of the distribution requirements in respect of the Company’s shares. The first day of trading is expected to be 8 June 2016 under the ticker TMG.

### **Background and rationale**

The Marketing Group has a pronounced acquisition strategy and intends to acquire several profitable and debt-free companies within the marketing sector in the coming years. The Company intends to use the Company’s shares as payment for these acquisitions and therefore needs a liquid share with a publicly quoted price. A listing on Nasdaq First North Stockholm also provides the Company with a broader shareholder base, increased awareness of The Marketing Group’s services and a stronger reputation.



The main reasons for choosing Sweden and Nasdaq First North Stockholm as the trading venue are:

- **Currency** - One criteria was that the stock should be tradable in EUR since owners of future acquisition targets will prefer a share traded in a global currency.
- **Liquidity** - Some smaller European exchanges have poor liquidity. Scandinavia has the world's largest amount of retail investors and therefore becomes a natural venue.
- **Reputation** - The Marketing Group strives to subsequently move to Nasdaq Main Market and Nasdaq First North Stockholm consequently becomes a natural first step.

### **The Offering**

The Offering comprises of 1,250,000 ordinary shares sold by Unity Group of Companies Pte Ltd, who will continue to hold a significant stake in The Marketing Group following the IPO and thereby will continue to contribute to the Company's future growth and development. The shares will be offered to qualified institutional investors in Sweden and abroad, as well as to the general public in Sweden. Remaining shareholders do not intend to sell shares.

The Marketing Group has 14,410,000 shares outstanding and assuming that 1,250,000 ordinary shares are sold in the Offering, approximately 8.7 per cent of The Marketing Group's shares will be distributed publicly. The Company has received subscription commitments amounting to EUR 0.5 million, corresponding to 40 per cent of the Offering.

Nasdaq First North has approved The Marketing Group's shares for trading, subject to customary conditions, such as the fulfilment of the distribution requirements in respect of the Company's shares. The first day of trading is expected to be 8 June 2016 under the ticker TMG. The full terms and conditions of the Offering are included in the investor memorandum.

### **Jeremy Harbour, Executive Chairman of The Marketing Group**

*"The Marketing Group's offering, consisting of marketing services gathered under one roof, separates the Company from competitors as it creates an entity available to offer leading global corporations flexible, value adding marketing services that a stand-alone company cannot.*

*Large businesses generally have risk profiles as well as requirements on wide-reach marketing that prohibits them from working with smaller marketing firms. Through a collective balance sheet, the subsidiaries can display a far larger presence when they need to and pitch for bigger clients whose risk profile would prohibit them from working with smaller businesses. The Marketing Group consequently bridges this issue by creating a large entity whilst still retaining the innovation and fast pace movement as the subsidiaries operates as stand-alone companies. The incorporation of subsidiaries also decreases the dependency on key clients and key staff which mitigates the risks and creates a more foreseeable stream of income.*

*The Marketing Group will base a significant part of the growth strategy on future acquisitions to complement the existing range of specialties. Profitable companies in new and emerging areas will be acquired at low multiples which continuously will result in a compounded increase of shareholder value."*

## Financial information

KEUR	Pro forma 2014	Pro forma 2015	Q1 2016	T12M*
Turnover	2,551	4,556	1,041	4,688
EBITDA	375	1,559	248	1,612
EBITDA, %	14.7%	34.2%	23.8%	34.4%
Operating profit (EBIT)	359	1,547	238	1,593
EBIT, %	14.1%	34.0%	22.9%	34.0%
Profit before tax (EBT)	359	1,544	232	1,585
Profit for the period	331	1,385	229	1,459
Profit margin, %	13.0%	30.4%	22.0%	31.1%
Equity	428	1,312	1,555	1,555
Net debt	-242	-232	61	61
Balance sheet total	1,282	2,239	2,391	2,391

\* T12M - Trailing twelve months; covers the period Q2 2015 to Q1 2016.

## Preliminary timetable for the Offering

19 May – 1 June 2016	Subscription period for the Offering
2 June 2016	Announcement of preliminary outcome in the Offering
7 June 2016	Due date of payment for shares in the Offering
8 June 2016	Preliminary first day of trading on Nasdaq First North Stockholm

## Investor memorandum

An investor memorandum has today been published in connection to the Offering and is available on The Marketing Group's website [www.marketinggroupplc.com](http://www.marketinggroupplc.com) and on Mangold's website [www.mangold.se](http://www.mangold.se).

## Advisers

Mangold Fondkommission AB is acting as financial adviser and ebl miller rosenfalck is acting as legal adviser to the Company in the Offering. Mangold Fondkommission AB will be the Company's Certified Adviser and Liquidity Provider on Nasdaq First North Stockholm.

## For more information, please contact

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## The Marketing Group in brief

The Marketing Group plc was incorporated in May 2015 with the purpose of gathering successful marketing businesses under one roof. During the first quarter of 2016, the Company acquired four companies within the marketing sector; One9Ninety (social media), Black Marketing (LinkedIn marketing), Nice & Polite (creative content) and Creative Insurgence (brand activation). The Company comprises a series of independent marketing teams, each with specific expertise and innovative services. The consolidated group supports the subsidiaries with management and coordinating activities as well as a common operating platform.

## IMPORTANT NOTICE

*The shares covered by the Offering are not intended for persons who are residents of the United States of America, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa, New Zealand or in any other jurisdiction in which participation would require a prospectus, registration or other measures than those that follow from Swedish law. The press release may consequently not be distributed within or to any country or any jurisdiction in which distribution or the offering requires such measures or contravenes the rules of such a country or such jurisdiction.*

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10% net profit

€10m revenue