

**THE MARKETING GROUP PLC FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30th SEPTEMBER
2017**

A third successive quarter of growth in EBITDA

London – 15 November 2017 - The Marketing Group plc (“TMG” or the “Group” or the “Company”) is pleased to announce its financial results for the third quarter from 1 July 2017 to 30 September 2017.

Third quarter highlights

- Q3 2017 Turnover of €7.043 million (2017 year to date €19.59 million)
- Q3 2017 Net Revenue of €4.259 million (2017 year to date €12.60 million)
- Q3 2017 EBITDA of €679k (2017 year to date €1.45 million)

Commenting, Adam Graham, TMG CEO, said,

“Our continued focus on synergies and collaboration within the Group is yielding results. This strong organic growth provides solid foundations for further acquisitions and strategic initiatives.”

CEO’s statement

The Group’s network is now gelling together well and, as such, further synergies are being unlocked. Trading performance for the quarter improved once more, with EBITDA coming in ahead of forecast at €679k and taking the EBITDA for the year to date to €1.45m.

We are seeing more collaboration between our agencies around the world and an increased ability to provide a consolidated offering to clients. This is resulting in incremental new business wins and additional revenue being retained within the Group.

This solid platform of organic growth provides the ideal foundations from which to launch new initiatives. Because of the talent we have, and the agile structure that we embrace, we can move quickly to capitalise on market opportunities. One such opportunity is the creation of a global media planning and buying network that provides a new level of transparency to clients.

Today we announce the launch of TRUTH, our blockchain-enabled, global media agency that will provide previously unseen levels of transparency and value to brands, publishers and consumers alike. TRUTH will be led out of London by Mary Keane-Dawson and will leverage the existing media capabilities we have within the Group from DAE, One9Ninety, Rainmakers, and Channelzero.

Alongside the roll-out of TRUTH, we will also continue to develop TEMBA, our internal collaboration platform, as a core part of our strategy of harnessing technology to provide a highly effective global marketing solution. As TEMBA evolves, it will unlock further opportunities to pull together best-in-class teams and load balance globally, to provide an unparalleled level of effectiveness and scalability.

We are continuing to optimise the network and are very happy with the progress we are making. Future acquisitions will be selected on the basis of good strategic fit and additional value creation.

There is still much to do but, as you can see, we are making good progress.

This is an exciting time for TMG.

Adam Graham, CEO

The Group's results for the 12 months ended 31 December 2017 will be announced on 28th February 2018.

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The Marketing Group plc (“TMG”) in brief

TMG is building a global full-service marketing network, powered by technology, that provides a fresh alternative for global brands that want to see more bang for their buck. With offices in America, Europe, Asia and Australasia, TMG’s collaborative network of agencies provide a holistic service to deliver highly effective results.

The Marketing Group is listed on Nasdaq First North, Stockholm. www.tmg-plc.com.

Mangold Fondkommission AB, +46 8-5030 15 50, is the company’s Certified Adviser and liquidity provider.

This information is information that The Marketing Group plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7.00am CET on 15 November 2017.

Financial commentary

Turnover of €7.043 million for the third quarter was in line with our expectations at 11.3% higher than Q2 and 13.8% higher than Q3 2016, in part due to increased media spend in the New Zealand general election and Net Revenue for the quarter was €4.259m. Turnover for the year to date was €19.59 million and Net Revenue after pass through costs was €12.6 million.

EBITDA for Q3 was €679k which exceeded our expectations and was up 43.6% on Q2 and 10.6% on Q3 2016. We also improved our EBITDA margin on net revenue to 15.94% in the quarter, up from 11% in Q2. EBITDA for the period to date was €1.45m (2016 Q3 YTD €1.31m)

Net earnings before tax for the period to 30 September 2017 were €1.298m and net earnings after the Q2 Goodwill adjustments was a loss of €42.278m, equating to earnings per share and fully diluted earnings per share of €(1.34).

The Group improved the balance sheet with Net Assets at 30 September 2017 of €33.585 million (30 June 2017 €31.41 million) and particularly the cash balances, which improved substantially to €2.2 million from €1.41m at 30 June 2017.

As of 30 September 2017 there were 34,718,923 ordinary shares in issue, including 627,417 held in treasury (at 30 June 2017 there were 31,941,563 and at 30 September 2016 34,185,911 ordinary shares in issue). The average number of ordinary shares in issue adjusted for dilution during the period was 31,805,271.

Mike McElhatton, CFO

THE MARKETING GROUP PLC							
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
AS AT 30 SEPTEMBER 2017							
	Quarter ended 30-Sep-17 €'000	Quarter ended 30-Jun-17 €'000	Quarter ended 31-Mar-17 €'000	9 months ended 30-Sep-17 €'000	Quarter ended 30-Sep-16 €'000	9 months ended 30-Sep-16 €'000	
Continuing operations							
Turnover	7,043	6,330	6,217	19,590	6,188	8,596	
Cost of sales	(2,784)	(2,015)	(2,123)	(6,922)	(2,893)	(3,684)	
Net Revenue	4,259	4,315	4,094	12,668	3,295	4,912	
Other operating expenses	(3,665)	(3,841)	(3,820)	(11,326)	(2,681)	-3,602	
Other (expense) income, net	85	(1)	24	108	-	-	
EBITDA	679	473	298	1,450	614	1,310	
Depreciation and amortisation expenses	(27)	(32)	(42)	(101)	(48)	-67	
Goodwill impairment and divestment	0	(30,692)	(12,884)	(43,576)	-	-	
EBIT	652	(30,251)	(12,628)	(42,227)	566	1,243	
Finance costs	(17)	(18)	(16)	(51)	(34)	-41	
Profit on continuing activities before taxation	635	(30,269)	(12,644)	(42,278)	532	1,202	
Tax expense	(157)	(173)	(26)	(356)	(21)	-84	
Profit for the period	478	(30,442)	(12,670)	(42,634)	511	1,118	
	2.00						
Other comprehensive income							
Exchange differences on translating foreign operations	(25)	64	189	228			
Total comprehensive income attributable to equity holders of the Company	455	(30,378)	(12,481)	(42,406)	511	1,118	

THE MARKETING GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	As at 30-Sep-17 €'000	As at 30-Jun-17 €'000	As at 31-Dec-16 €'000
ASSETS			
Non-current assets			
Goodwill	30,528	30,464	73,582
Deferred tax assets	36	19	46
Intangible asset	14	15	16
Property, plant and equipment	481	410	540
	<u>31,059</u>	<u>30,908</u>	<u>74,184</u>
Current assets			
Inventories	0	0	379
Trade and other receivables	6,780	5,323	6,234
Cash and cash equivalents	2,245	1,405	2,418
	<u>9,025</u>	<u>6,728</u>	<u>9,031</u>
Total assets	<u>40,084</u>	<u>37,636</u>	<u>83,215</u>
LIABILITIES			
Current liabilities			
Trade and other payables (Current)	5,407	3,513	5,749
Current income tax liabilities	542	494	773
Bank overdraft	301	274	286
Finance liabilities (Current)	66	63	557
Deferred consideration	29	1,703	4,082
	<u>6,345</u>	<u>6,047</u>	<u>11,447</u>
Non-current liabilities			
Trade and other payables	17	11	394
Finance liabilities	137	164	163
Total liabilities	<u>6,499</u>	<u>6,222</u>	<u>12,004</u>
NET ASSETS	<u>33,585</u>	<u>31,414</u>	<u>71,211</u>
EQUITY			
Issued capital and share premium	74,371	72,653	69,527
Foreign exchange translation reserve	(142)	(117)	(306)
Retained earnings	(40,644)	(41,122)	1,990
Total equity	<u>33,585</u>	<u>31,414</u>	<u>71,211</u>

* Amount less than €1,000.

THE MARKETING GROUP PLC		
CONSOLIDATED STATEMENT OF CHANGES IN CASH FLOW		
FOR 9 MONTHS ENDED 30 SEPTEMBER 2017		
	9 months ended 30-Sep-17 €'000	9 months ended 30-Sep-16 €'000
Cash flows from operating activities		
Receipts from customers	17,944	8,904
Receipts from other receivables	408	442
Payments to suppliers and employees	(17,674)	(8,002)
Finance costs	(51)	(42)
Income tax paid	(432)	(35)
Net cash flow from operating activities	195	1,267
Cash flows from investing activities		
Net cash flows from acquisition of subsidiaries	19	1,371
Net cash flows from divestment of subsidiaries	(196)	-
Purchase of property, plant and equipment	(117)	(136)
Net cash (outflow)/inflow from investing activities	(294)	1,235
Cash flows from financing activities		
Payment in finance lease liabilities	(89)	(205)
Net cash outflow from financing activities	(89)	-
(Decrease) Increase in cash and cash equivalents	(188)	2,297
Cash and cash equivalents at the beginning of the period	2,132	-
Cash and cash equivalents at the end of the period	1,944	2,297
CASH AND CASH EQUIVALENTS		
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
	As at 30-Sep-17 €'000	As at 30-Sep-16 €'000
Cash at bank and in hand	2,245	2,297
Bank overdraft	-301	-
Cash and cash equivalents	1,944	2,297

THE MARKETING GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2017

	Called up share capital €'000	Share premium €'000	Foreign currency translation reserves €'000	Retained earnings €'000	Total €'000
At 1 January 2017	175	69,352	(306)	1,990	71,211
Loss for the period	-	-	-	(12,670)	(12,670)
Other comprehensive income for the period	-	-	189	-	189
Total comprehensive income for the period	175	69,352	(117)	(10,680)	58,730
Contributions by the owners:					
Cancellation of shares	(25)				(25)
Issue of ordinary shares as consideration for a business combination	7	2,503	-	-	2,510
Recognition of share-based payments		65			65
At 30 March 2017	157	71,920	(117)	(10,680)	61,280
Loss for the period	-	-	-	(30,442)	(30,442)
Other comprehensive income for the period	-	-	64	-	64
Total comprehensive income for the period	157	71,920	(117)	(41,122)	30,838
Contributions by the owners:					
Issue of ordinary shares	2	574	-	-	576
At 30 June 2017	159	72,494	(117)	(41,122)	31,414
Profit for the period	-	-	-	478	478
Other comprehensive income for the period	-	-	(25)	-	(25)
Total comprehensive income for the period	159	72,494	(142)	(40,644)	31,867
Contributions by the owners:					
Issue of ordinary shares	15	1,703	-	-	1,718
At 30 September 2017	174	74,197	(142)	(40,644)	33,585

* Amount less than €1,000.

Accounting policies

Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as adopted by the European Union as they apply to the financial statements of the company for the period ended 30 June 2017 and applied in accordance with the Companies Act 2006.

No review was conducted by The Marketing Group plc's appointed auditors.

Going concern

The Directors have carefully considered the funding requirements of the company for the foreseeable future. In the opinion of the Directors, The Marketing Group Plc will have adequate resources to continue

in operational existence for the foreseeable future and accordingly the accounts have been prepared on a going concern basis.

Basis of preparation

The basis of preparation and accounting policies set out in this Report and Accounts have been prepared in accordance with the recognition and measurement criteria of IFRS, which also include International Accounting Standards (IAS's), as issued by the IASB and with those of the Standing Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements have been prepared on the historical cost basis and on the going concern basis. The Company's financial statements are presented in Euros.