



Press Release

THE MARKETING GROUP PLC ACQUIRES AUGUSTUS GROUP LTD, ESTABLISHING GLOBAL TV CONTENT EXPERTISE

- Acquisition of Augustus Group Ltd marks another watershed moment for The Marketing Group as it enters the Global TV Content Business with *Imagine Group*.
- *Marker Limited*, a digital product development company and *Astute Limited*, a b2b lead generation company bring new digital b2b expertise to the group.
- Earnings per share will increase from 20.4 cents to 32.3 cents post acquisition.
- Our largest acquisition to date sees EBITDA increase by approximately 4.8m euros or over 100% in exchange for a share capital increase of approximately 6.6m shares or approximately 34%.

Stockholm, August 1st 2016 - THE MARKETING GROUP PLC, a 360 digital company, today announces the strategic acquisition of Augustus Group Ltd and its subsidiary business *Imagine Group*, a 'reality-TV' content company, which creates unique content for multi-channel audiences.

The integration of *Imagine Group* forms a key part of the strategic vision for The Marketing Group in alignment with the rapid, upward trend in the global marketing sector that sees multi-channel video production as the future of content marketing and content production companies as the cornerstone of growth. Figures show that by 2017, video will account for 69% of all consumer internet traffic (Cisco) and 64% of marketers expect video to dominate their marketing strategies (Nielsen) in the near future.

Alongside *Imagine Group*, Augustus Group Ltd consists of two other subsidiary businesses that consolidate the digital b2b expertise of the group – *Marker Limited* (A sister company to previous acquisition *Marker Metro*), who deliver best in class b2b digital product development - and *Astute Limited*, a market leader in integrated digital solutions for b2b clients.

The deal to acquire Augustus Group Ltd and its subsidiaries was agreed at a strike price of 6.47 per share (based on 10 day volume weighted average), with a total value of 43,200,000 Euros. Following this acquisition, the total number of Ordinary shares issued by The Marketing Group will increase from 22,743,337 to 29,420,307. This requires the creation of 6,676,970 new ordinary shares, over 80% of which will be subject to a 360-day lockup period.

This transaction this brings the total shares under lock up in The Marketing Group to just over 70%

The acquisition again proves the success of The Marketing Group's strategic portfolio approach – the agglomeration model - designed to offer clients a true, global marketing service with a full spectrum of specialist services and world-class talent.

Jeremy Harbour, Executive Chairman, The Marketing Group comments, "*This acquisition really changes the game for the marketing group cementing our position as a serious global player, we are still at the very beginning of this journey, but we have the expertise and the resources to really make a big statement in this industry, keep watching as our plan unfolds.*"



Financials

EBITDA (The Marketing Group) for Year ended 2016*	4,656,828
EBITDA (Augustus) for Year ended 2016*	4,865,057
Post-acquisition EBITDA	9,521,885
Earnings Per Share (Current)	20.4 cents
Earnings Per Share (Post-acquisition)	32.3 cents

**Based on forecast proforma*

Augustus Group Ltd Headline Financials

Company	2015		2016	
	T/O	EBITDA	T/O	EBITDA
Astute Limited	€12,183,691	€3,894,956	€12,793,095	€4,115,053
Marker Limited	€1,727,235	€35,240	€1,797,391	€367,092
Imagine Group Entertainment	€2,574,890	€276,971	€4,137,960	€382,912
TOTAL	€16,485,816	€4,207,167	€18,728,446	€4,865,057

AUGUSTUS GROUP COMPANIES

Astute Limited

Established in 1998, Astute is a multi-lingual, market leader in technology focused B2B integrated demand generation, servicing blue chip companies on a local and global scale.

Astute serves these global technology companies by helping them to reach out to new customers, but also by cross-selling and up-selling into their existing ones. Its diligent and tailored approach to each client ensures that the company segments the clients target audience and match to specific industry databases.

Astute creates synergies between considered, segmented campaign lists and its client's services; connecting the two has become like breathing for the group and led to its trusted reputation in the industry.

As the marketplace has evolved, Astute has developed alongside it to offer a comprehensive portfolio of services covering lead generation, data supply and management and an entire channel marketing division, providing data, re-seller recruitment and inside sales to manage channel partners. It has also branched out to provide social media content creation and event management.



Key client experience includes EE Limited, 1&1 Internet Ltd, VMware International Ltd, Vodafone Group Services Ltd, VMware UK Ltd, British Telecommunications Plc, Unify Software & Solutions GmbH & Co. KG, Hewlett Packard Ltd, Virgin Media Ltd

Marker Limited

Marker Limited specialises in creating enterprise-quality web, cloud, tablet and mobile apps that fundamentally support, strengthen or enhance our clients' product and service offerings. These are typically manifested as: HTML5 responsive web apps (i.e. web applications you can access using desktop, tablet and mobile browsers), iOS apps for iPhone and iPad, Android apps for phone & tablet and supporting services and infrastructure, such as cloud services, API's, and Content Management Systems.

Marker Limited service offering spans the entire product development lifecycle, from strategy development, ideation, product research and validation, through to development, and post-launch additions, enhancements and support.

Key client experience includes Serko Limited, Fisher & Paykel Healthcare Limited, Open Country Dairy Limited, Digicel Asia Pacific, Bidvest, Express Couriers Limited, Frucor Beverages Limited, St John, MYOB and Sanofi.

Imagine Group Entertainment

Imagine Group Entertainment ("IGE") is the leader in unscripted ("Reality TV") content in Asia and was established 6 years ago by Riaz Mehta is the CEO and Founder of the Group.

The entertainment world sees an ongoing battle between traditional TV channels and online platforms such as Netflix, Iflix, Hulu etc. Content remains at the centre of the entertainment universe regardless of which platform it is consumed on. IGE is one of the rare production companies in Asia as it is creating leading original reality TV shows that are now being formatted in different languages in various countries.

IGE's production quality is internationally recognised by various awards and nominations including The International Emmy Award nomination for The Challenger Muay Thai.

Key client experience includes Fitness First and Dulux.

Related party transaction

This acquisition is classified as a Related party transaction as commercial entities in which Chairman Jeremy Harbour has an interest in who have provided financial support and services to Augustus Ltd will receive a total of 849,973 shares as part of this transaction, and a commercial entity that Director Callum Laing discharges managerial responsibility for will receive 849,972 shares. These shares are 100% locked up. Due to this conflict of interest, both Jeremy and Callum abstained from the vote to acquire Augustus. There are no materially declarable new clients, shareholders or suppliers as a result of the transaction.



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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 half of 2016, The Marketing Group acquired 12 companies with specialist skills and geographical reach. 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. For more information, please visit the Company's website www.marketinggroupplc.com. The Company's share is listed on Nasdaq First North Stockholm from 8 June 2016 and Mangold Fondkommission AB, +46 8-5030 15 50, is the Company's Certified Adviser and liquidity provider.

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